

Fernie and District Arts Council Conflict of Interest Policy and Procedure

Members of the Organisation's Board of Directors, staff and committee members are expected to operate according to high ethical standards. This includes recognizing that conflicts of interest exist, have the potential to inhibit the wisdom of particular decisions, and possibly damage the organization's reputation.

Conflicts of interest exist where a person:

- a) Has, or is perceived to have, a personal, family or business interests that might benefit from a decision in which he/she the involved in making, or is able to influence those making it.
- b) Is involved with a competing or sister organization that may result in a divided loyalty in the context of making a decision .

Voting for or against, or arguing for or against, a particular outcome may influence a decision. Limiting the options being considered may also influence it. We recognize that not all conflicts of interest are rooted in financial benefit.

Examples of possible conflict of interest situations with respect to our Association include:

- A board member has a personal or business relationship with the Association as a supplier of goods or services or as a landlord or tenant
- A staff member has a personal or financial relationship outside of the workplace with a client or supplier who he/she deals with directly as a representative of the Association
- The Association is employing someone who is directly related to a board member or other staff member
- A major funder or donor has a position on the board even if it is a non-voting one.

Conflicts of interest are unavoidable and should not prevent an individual from serving as a director or as staff member unless the extent of the interest is so significant that the potential for undo influence is present in a large number of situations.

Procedure for Handling a Conflict of Interest

Disclosure: Members of the board, staff and committee members have a duty to disclose any personal, family, or business interests or other community involvements, that may, in the eyes of another person, influence their judgment. Directors shall disclose conflicts of interest to the board; the executive director to the board, and staff members to the executive director. Committee members shall disclose conflicts of interest to staff members.

Board members are expected to disclose potential conflicts, if anticipated, prior to their nomination or election. Otherwise they are obliged to disclose them when the circumstances arise. They should be disclosed to the board chair or to the whole board.

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The board itself may want to disclose specific director conflicts of interest to members, staff, funders and external stakeholders where that interest may, in their judgement, affect the reputation or credibility of the organization. Such disclosure may be made in a formal and confidential communication.

Committee members are expected to disclose potential conflicts, if anticipated, prior to their selection for a specific committee. Otherwise they are obliged to disclose them when the circumstances arise. They should be disclosed to the committee chair or to the whole committee.

Determination of Conflict: The board, committee or executive director should assess the presence of a conflict of interest, or the perception of one, and determine what actions, if any, are appropriate to address the situation.

Stepping Out: Board members, staff and committee members have a duty to exempt themselves from participating in any discussion and voting on matters where they have, or may be perceived as having, a conflict of interest. In some circumstances they may be asked to step out.

Minutes of board or meetings should reflect when a board/committee member discloses that s/he has a conflict of interest and how the conflict was managed. Normally this will involve a discussion on the matter without the board/committee member in the room, which should be minuted, and a vote, where the interested board/committee member, if he/she has returned, abstaining. Staff conflicts should be similarly managed.

Where there is a conflict of interest that might raise eyebrows, the board should communicate frankly. Here is an example: “We are pleased to have _____ on our board. The director and the board as a whole are well aware of the potential for this being perceived as a possible conflict of interest. We have a strong policy on this matter and have agreed that we will employ accepted measures to avoid it being a problem.”