

Conflict of Interest Policy (Sample Policy)

POLICY OBJECTIVE

To provide direction to staff, members of the Board of Directors, and committee members regarding conflict of interest and assist them in avoiding conflict of interest situations.

POLICY STATEMENT

No member of the Board of Directors, or any of its committees, shall derive any personal gain or profit, directly or indirectly, by reason of his or her participation with the organization. No staff member shall derive any personal profit or gain beyond normal contractual work arrangements. All employees, members of the Board of Directors, and committee members must arrange their affairs, in public and in private, to prevent any real, perceived or potential conflict of interest.

POLICY APPLICATION

1. A conflict of interest exists where a Board member (including committee members), a partner, a business associate, or a close family member:
 - a. Is a party to a material contract or a proposed material contract with the organization;
 - b. Is a director or officer of another organization or has a material interest in any company or person who is a party to a material contract or proposed material contract with the organization;
 - c. Is directly involved in an issue under discussion, or associated with an issue under discussion in a substantive way and stands to benefit or personally gain from the decision made;
 - d. Assists a third party in its dealings with the organization, where such assistance could result in favourable or preferential treatment being accorded to that third party by the organization.
2. Upon becoming aware that such a conflict exists, staff must report it to the Health Director as soon as possible. In the case of the Health Director, s/he shall report it immediately to the Board Chair or the Health Councillor, depending on the governance structure of the organization. Directors of the Board and committee members shall report the conflict to the governing leader of the organization (i.e., Board Chair, Health Councillor, Chief, etc.).
3. In all cases, the underlying principle is that conflicts of interest will be resolved in favour of the organization.
4. Resolution of the conflict of interest may require that the individual withdraw from a discussion or a meeting, refrain from voting on an issue, or remove or terminate the conflict or potential conflict by whatever means necessary, including relinquishment of their office or position with the organization.
5. Provided that the conflict of interest is disclosed as soon as possible, no material contract entered into or action taken by the organization with knowledge of the conflict of interest is void or voidable.
6. If a conflict of interest is discovered after a decision is made that might have been affected by knowledge of that conflict, the decision is not void or voidable, provided that the decision was made fairly and on reasonable grounds.
7. Where a conflict of interest is disclosed in a timely manner and in accordance with this policy, a material contract may be entered into, a decision made, or an action taken by the organization that allows the conflict of interest (or potential conflict of interest) to continue. For example, the organization may hire or contract to family members provided such conflict of interest has been disclosed by the affected employee.

8. If an individual knowingly fails to disclose a conflict of interest, the organization reserves all legal rights it may have to have any contract entered into or any action taken set aside, revoked, or rescinded. In addition, the individual may be requested to resign.
9. It is not acceptable to solicit or accept gifts in exchange for future considerations or accept gifts other than incidental gifts, customary hospitality, or other benefits of nominal value, without the approval of the Health Director (in the case of staff) or the Board Chair or governing leader (in the case of directors or committee members).
10. It is not acceptable to take advantage of, or benefit from any information not generally available to the public that is obtained in the course of official duties for the organization, or disclose such information to a partner, business associate or close family member. Similarly, it is not acceptable to disclose confidential information obtained through the course of official duties and responsibilities for the organization without proper authorization.

Source:

First Nations Health Managers – Governance, Strategy, Policy and Decision-Making Toolbox

First Nations Health Managers Association