

Victoria-Shuter Non-Profit Housing Corporation

POLICY NAME	Conflict of Interest Policy
POLICY NUMBER	2016-001
DATE	January 2016
DATE REVIEWED OR REVISED	
REFERENCES	<i>Ontario Corporations Act - R.S.O. 1990, Housing Services Act- S.O. 2011, Chapter 6, Schedule 1 Sample Conflict of Interest Declaration</i>
SEE ALSO	<i>Dispute Resolution Policy Fraud and Other Similar Irregularities Policy</i>

POLICY STATEMENT

In accordance with its obligations under the *Ontario Corporations Act* and the *Housing Services Act, 2011*, All directors, officers, committee members, agents and employees of *Victoria-Shuter Non-Profit Housing Corporation* will carry out their duties honestly, in good faith and in the best interest of the non-profit rather than in their personal interest. This includes following the non-profits by-laws, policies and Provincial legislation about conflict of interest.

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PURPOSE AND SCOPE

PURPOSE

The purpose of this policy is to ensure the non-profit's compliance with the Ontario Corporation Act and the Housing Services Act 2011. Together, these pieces of legislation set out standards for dealing with conflict of interest through the administration and operation of non-profit housing.

This policy also sets out the conditions under which conflict of interest can be determined.

SCOPE

This policy applies to board members, staff, and residents.

DEFINITIONS AND CLARIFICATION

Conflict of Interest

1. A conflict of interest can happen when a director, agent, or resident:
 - a. Makes or takes part in a decision affecting the non-profit's affairs, and
 - b. The result of that decision gives the person, or someone related to the person a financial or other benefit which the rest of the non-profit members do not have, or which only a few other members have. This financial or other benefit may be direct or indirect.
2. An employee or agent of the non-profit can have a conflict of interest when:
 - a. The employee recommends, makes or takes part in a decision affecting the non-profit's affairs and
 - b. The result of the decision gives the employee, or a person related to the employee a financial or other benefit. This financial or other benefit may be direct or indirect.
3. Examples of conflict of interest are:
 - a. The non-profit does business with a director, employee or resident of the non-profit or a company in which the director, employee, resident or a person related to them have a financial interest.
 - b. A resident of the non-profit or an employee is involved personally in a procedure of discipline where they or a person related to them made the complaint, or a person related to them is being disciplined.
 - c. A tenant board member goes into arrears while in office.

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4. There are other types of conflict of interest. The non-profit should deal with them by using the principles contained in this policy.

Related Persons

In this policy, a person related to a director, agent, employee or resident means a parent, spouse, same-sex partner, child household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, officer, agent, employee or resident has a business relationship.

The Non-Profit

Refers to the organization whose board of directors has approved this policy.

PROCEDURE

The facts of each case are different, and careful judgement is needed to decide whether there is a conflict of interest. Even a perception of conflict of interest could undermine the appearance of integrity and the credibility of the non-profit's business practices and the government funding program

Therefore, the board, agents and residents should follow the procedures below to determine if there is a conflict and to deal with the conflict if it exists.

1. WHEN A DIRECTOR HAS OR MAY HAVE A CONFLICT OF INTEREST

When a director has or may have a conflict of interest:

- a) The director must declare the conflict of interest, or possible conflict of interest, in writing at or before the first board meeting after becoming aware of the conflict of interest or potential conflict of interest. This declaration must be recorded in the minutes of the meeting.
- b) If the director does not declare a conflict of interest or a possible conflict of interest, but another director is aware of one, the other director should bring it up at the meeting.

The board must consider the matter no later than the second meeting after the notice of the conflict of interest was given. This discussion must be recorded in the minutes of the meeting.

The board then decides if there is a conflict of interest. If the board decides that there is a conflict of interest the director cannot vote on the matter, must not be present at any of the parts of meetings when the matter is discussed, and does not count in quorum for those parts of the meeting.

As set out in paragraph 9, the board must report its discussion of the matter including how it was resolved to the service manager.

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2. FINANCIAL CONFLICTS OF INTEREST

This paragraph applies in addition to paragraph 1.0 if a director has or may have a financial conflict of interest.

In the case of contracts or agreements the provisions of paragraph 7.b apply.

Other financial conflicts of interest may be approved if the board believes that there is no reasonable alternative, that their decision is in the best interests of the non-profit and is appropriate for a body that receives significant public funding.

Where the board approves a financial conflict of interest they must report it at the next general meeting. As set out in paragraph 9, the board must also report the conflict of interest to the service manager. This does not apply to payments for on-call duties as set out in paragraph 7.c.

If the board does not approve the financial conflict of interest the minutes must show this.

3. WHEN A RESIDENT HAS OR MAY HAVE A CONFLICT OF INTEREST

A resident who has or may have a conflict of interest must report it to the manager or a board member. The matter can be appealed to the board if there is a dispute. The board's decision is final.

If the conflict of interest is financial it must be referred to the board. The board's decision is final.

4. WHEN AN EMPLOYEE OR AGENT HAS OR MAY HAVE A CONFLICT OF INTEREST

An employee or agent who has or may have a conflict of interest must report it to their supervisor and follow the supervisor's directions.

The manager must report a conflict of interest to the staff liaison or to the president. The president or staff liaison will report it to the board. The manager must follow the board's directions.

Where the non-profit retains a management company, the company and all its personnel must follow the same procedures as an employee of the non-profit.

As set out in Paragraph 9, the board must also report the conflict of interest to the service manager.

5. RESIDENTS' CONFLICTS OF INTEREST

At meetings, all residents can discuss and vote as they wish, even if they have a conflict of interest. However, residents must declare the conflict of interest before taking part in the discussion. Residents should try to act in the best interests of the non-profit as a whole.

6. AVOIDING CONFLICT OF INTEREST

- a. The board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any that may result in a conflict of interest unless the situation is resolved as in paragraphs 1 to 5.
- b. The board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.

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- c. The board and staff must follow the procedures set out in the Purchasing Policy.

7. PAYMENT OF DIRECTORS

- a. Directors serve without payment of any kind. However, they have the right to be paid for travelling or other expenses while doing business for the non-profit as long as the expenses are reasonable. The board must authorize these expenses. These expenses must meet any guidelines and limits set by the board. Directors cannot receive compensation for lost income while doing business for the non-profit.
- b. Despite anything else in this policy, directors or people related to them, cannot enter into any contracts with the non-profit other than contracts that are generally available to other members/residents, such as tenancy agreements or rent payment deferral agreements.
- c. Directors hired by the non-profit to a paid position must resign from office. This does not apply to being the on-call person for the equivalent of two days or less a week.

8. DECLARATIONS

All directors and staff must sign the “Conflict of Interest Declaration” (attached: Schedule A). Directors and staff will sign when they begin their term, and existing directors and staff will sign annually.

9. INFORMATION TO THE SERVICE MANAGER

The board must report to the service manager the minutes of any meeting where the board discussed a conflict of interest or a potential conflict of interest. The minutes must:

- Record the board’s decision
- Record the options the board considered
- Show how the decision was in the best interests of the non-profit
- Show how the decision was appropriate for a body that receives significant public funding.

The minutes must also record the board’s acknowledgement that its decision is subject to the approval of the service manager.

**Policy 2016-001 of Victoria-Shuter Non-Profit Housing Corporation
passed by the Board of Directors at a duly constituted meeting held on
February 9th 2016.**

SCHEDULE A

CONFLICT OF INTEREST DECLARATION

BOARD OF DIRECTORS AND STAFF

I agree that I will act honestly, in good faith, and in the best interests of the non-profit. I must avoid conflicts of interest, both direct and indirect. I will always put the interests of the non-profit before my personal interests. I promise to declare in writing any possible conflict of interest that I have, or may have, in connection with any non-profit contract, business or proposed business as soon as it occurs. I understand that the obligations and limitations regarding conflict of interest also apply to all persons in my household and to my relatives. The board will deal with the conflict of interest using the procedures set out in the Conflict of Interest Policy.

Print Name

Signature

Date