

## Christian Senior Citizens Home Association

<b>Policy Name:</b>	Conflict of Interest
<b>Contact Officer:</b>	Susan Hoekstra, 519-352-0553
<b>Date Approved by Board of Directors:</b>	October 30 <sup>th</sup> , 2002
<b>Date Approved by General Membership</b>	N/A
<b>Date Certified:</b>	N/A

### **Background:**

1. Non-Profit recognized it is good business practice to avoid conflicts of interest
2. The Government of Ontario, pursuant the Social Housing Reform Act 2000, has issued Ontario Regulation 339/01, which includes the Government's rules relating to conflict of interest and other business practices.
3. This policy sets out how Non-Profit addresses conflicts of interest including implementing the requirements of Ontario Regulation 339/01

### **Reference:**

*Social Housing Reform Act 2000, 339/01, sect 4-6*

### **Definitions – In this Policy:**

1. "Conflict of Interest" means a situation where:
  - a. The personal or business interest of a director, officer, agent or employee of a housing provider are in conflict with the interest of the housing provider
  - b. Or a personal gain, benefit, advantage or privilege is directly or indirectly give to or received by a director, officer, agent or employee or a person related to any one of them as a result of a decision by the housing provider

And includes

- c. Non-Profit giving a direct or indirect gain, benefit, advantage or privilege to a director, officer, agent or employee or a person related to any one of them;
  - d. A director, officer, agent, or employee or a person related to them receiving a direct gain, benefit, advantage, or privilege from Non-Profit as a result of the person's position within Non-Profit;
  - e. Non-Profit, in offering housing accommodation or in setting rents or other occupancy charges, giving any advantage or privilege to directors who are tenants that is not available to tenant who are not directors
2. "Declaration" means a declaration in the form attached as SCHEDULE "B" to this By-Law
  3. "Director" means a member of the board of directors of Non-Profit
  4. "Persons related to any one of them" 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 or grandparent of the director, officer, agent or employee or a person with whom the director, officer, agent or employee has a business relationship
  5. "Service Manager" means a Service Manage as defined in Section 2 of *The Social Housing Reform Act 2000*, and includes any person exercising the powers of the Service Manager under Section 16 of *The Social Housing Reform Act 2000*
  6. "Threshold" means more than an amount accepted as such by the Service Manager, which is less of"
    - a. \$14,999.00; and

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- b. \$2,000.00, plus \$20.00 for each residential unit in the Non – Profit’s project/portfolio in excess of 100 units

### **Avoiding Conflict of Interest**

7. **Exceptions** : Non-Profit shall not enter into a relationship, arrangement, contract or agreement with any person in a way that creates a Conflict of Interest, except that:
  - a. Provided that a notice of conflict or potential conflict of interest has been delivered to the Service Manager and the Service Manager agrees there is no reasonable alternative, Non-Profit may enter into a relationship, arrangement, contract or agreement that normally would be the conflict of interest; and
  - b. Some or all of the Directors may also sit as Directors of an organization that supplies essential support services for special-needs clients residing in Non-Profit’s project/portfolio exists specifically so that residents can live in the community with the support services provided
8. **Duty to Monitor and Avoid Conflict of Interest**: Non-Profit shall closely monitor its relationships, arrangements, contracts and agreements, and not engage in any that may result in a Conflict of Interest. The Directors, individually and collectively, shall ensure compliance with this requirement.
9. **Termination**: Subject to employment law in force in Ontario and any collective bargaining agreements to which Non-Profit is party, all relationships, arrangements, contract, or agreements of Non-Profit, which exceed the Threshold in any one fiscal year of Non-Profit, shall include a clause permitting Non-Profit to terminate the relationship, arrangement, contract or agreement if the Service Manager requires such a termination in order to resolve a Conflict of Interest.
10. **Director Must Resign**: Except as set out in the subsection 7. Director shall resign from his/her position before Non-Profit’s board of directors deliberates issues as tender or votes on a contract or employment position for which the Director intends to compete.
11. **Former Director and Officer**: Except in the circumstance set out in subsection 7. no former Director or Officer may apply for employment with Non-Profit or seek to enter into a contract to supply services to Non-Profit directly or indirectly for a period of 6 months following the date he/she ceases to be a Director or Officer.
12. **Purchase or Lease of Land**: Where Non-Profit purchases or leases land, it shall not purchase or lease such land from:
  - a. an individual; or
  - b. a corporation which has a shareholder, director or officer;

Who is a director, officer, agent, employee development consultant or resource group, architect or other technical consultant, real estate agent, or environmental consultant of Non-Profit or any person related to one of them

### **Board Procedures**

13. **Conflict of interest**: The Board shall have Conflict of Interest as a regular agenda item at the beginning of each meeting of the Directors. Any director, officer, agent or employee who has a Conflict of Interest must submit their Declaration at that time.
14. **Declaration of Conflict of Interest**: Directors, officers, agents and employees of the housing provider must notify the chair of the Board of Directors of the housing provider of every potential or actual Conflict of Interest no later than the first meeting of the board after the director, officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or an agreement that results in or may result in a conflict of interest. The form of such declaration is attached as SCHEDULE “B”
15. **Potential Conflict of Interest**: When a potential Conflict of Interest is raised before or during a board meeting, then:
  - a. the party to the potential conflict must leave the meeting; and

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- b. the board shall decide if there is a Conflict of Interest
16. Consideration of Notice: The Board of Directors shall consider any declaration given under subsection 14. no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
17. Resolution of a Conflict of Interest: The board shall notify the Service Manager of any declaration received under subsection 14. The notification of the Service Manager shall include one of the following:
- a. if a person filed a declaration of a potential Conflict of Interest and the board decided there was in fact no such Conflict, a declaration to that effect and a request that the Service Manager ratify this decision; or
  - b. if a Conflict of Interest exists which may be resolved in accordance with this policy and Ontario Regulations 339/01, notification of how the Non-Profit has resolved the Conflict of Interest and a request that the Service Manager ratify such a resolution, or
  - c. if a Conflict of Interest exists which the board is unable to resolve in accordance that the Service Manager issue instructions for resolving the Conflict of Interest.

These requests are part of the attached Schedule "B".

18. Conflict to the Resolved to the Service Manager's Satisfaction: If the Service Manager issues instructions regarding an alternative to a decision made by the board under subsection 17 a) or b) or a resolution under subsection 17 c) the Non-Profit will act in accordance with the Service Manager's instructions.
19. Record Keeping: The Non-Profit shall maintain a Conflict of Interest file containing all declarations, reports and minutes pertaining to the Conflict of Interest and Perceived Conflicts situations.

### **Promoting Fair and Objective Business Practices:**

20. Tenders: Non-Profit shall invite at least three qualification tenders, or publicly tender all contracts costing over \$14,999.00
21. Considering Tenders: In considering tenders, Non-Profit shall:
- a. Consider the quality of goods and services provided; and
  - b. Base its decision on written specifications outlining resources, timing, costs and fees.
22. Not Choosing Low Bid: Where the lowest bid is not chosen by the Board of Directors, Non-Profit shall ensure that the reasons were documented.
23. Contracts Under \$15,000: Non-Profit shall obtain a minimum of three written quotes for any contact costing between \$2,000.00 and \$14,999.00 in any fiscal year, and adopt clear, fair and written procedures for the awarding of contracts under \$2,000.00.
24. Participation in Cooperative Purchasing Programs: Where the Non-Profit participates in cooperative purchasing programs, the procedure of the cooperative purchasing program shall replace the Non-Profit's internal procedure for competitive acquisition of goods and services for the duration of the Non-Profit's participation in the cooperative purchasing programs. The Non-Profit shall report its participation in such programs to the Service Manager on an annual basis.
25. Purchase of Professional Services: Where Non-Profit is purchasing professional services;
- a. For contracts with an estimated value up to \$9,999.00, Non-Profit shall seek an appropriate supplier and negotiate a contract.
  - b. For contracts with an estimated value between \$10,000.00 and \$25,000.00, related to a specific project with a limited time-frame and which can be clearly defined, Non-Profit shall:
    - i. Prepare terms of reference,
    - ii. See three competitive proposals with associated fixed-price quotations; and

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- iii. Award the contract based on an assessment of the qualifications of the consultant, the information provided in the proposal, and the price.
  - c. For contracts with an estimated value between \$10,000.00 and \$25,000.00, where the requirement cannot be clearly defined and where a fixed price approach is not feasible, Non-Profit shall negotiate a contract with a suitably qualified supplier using standard negotiating procedures that employ ethical practices.
  - d. For contracts with an estimated value exceeding \$25,000.00, or which require ongoing provisions of professional advice to Non-Profit, requiring knowledge of matters specific to Non-Profit (such as legal advice relating to labour relations or specialized financial advice), Non-Profit shall:
    - i. Establish terms of reference
    - ii. Invite offers of service by:
      - (1) Giving notice by public advertisement of the requirements to engage the services; or
      - (2) Inviting submissions from those individuals or firms who appear best qualified to meet the requirements of the engagement or to pre-qualified firms;
    - iii. Rate offers of service against the terms of reference to identify the offer of service which represents best value for money; and
    - iv. Select the firm offering the best value for money
  - e. Non-Profit shall keep records of the appointments of suppliers meeting these criteria, together with their fees.
26. Emergencies: Where an emergency prevents Non-Profit from following other provisions of this by-law, Non-Profit shall;
- a. Employ without call for proposal the individual or firm in whom Non-Profit has the greatest confidence in regard to a particular requirement of Non-Profit in dealing with this emergency
  - b. Ensure the employment of the individual or firm lasts no longer than necessary to deal with the emergency; and
  - c. Keep records of the appointment of the employment and remuneration of the individual or firm.
27. Employment Contracts: Non-Profit shall implement documented, open and competitive practices of employment opportunities which are not inconsistent with;
- a. Any collective bargaining agreement of Non-Profit; and
  - b. Other fair labour practices
28. Management Contracts: The property manager/management or operations services company/development consultant of Non-Profit shall not have a direct or indirect interest in any other business that provides advice, goods or services to Non-Profit.

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## Schedule "A"

### Summary of Obligations

This is a summary of the conflict-of-interest rules set out in Ontario Regulation 339/01 for all non-profit housing providers subject to the *Social Housing Reform Act 2000*.

1. A conflict of interest is defined as a situation where:
  - a. The personal or business interests of a Directors, Officer, Agent or employee of a housing provider are in conflict with the interests of the housing provider, or
  - b. A personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a Director, Officer, Agent, or employee or a person related to them as a result of a decision by the housing provider.
2. "A person related to a Director, Officer, Agent or employee" includes 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, or grandparent, or a person with whom the Director, Officer, Agent or employee has a business relationship.
3. A Director, Officer, Agent or employee of the housing provider shall not enter into any situation, arrangement or agreement or agreement that results in a conflict of interest.
4. Directors, Officers, Agents or employees of the housing provider must notify the chair of the Board of Directors of the housing provider of every potential or actual conflict of interest no later than the first meeting of the Board after the Director, Officer, Agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a conflict of interest.
5. The Board of Directors shall consider any notice given under paragraph 4 no later than the second meeting of the Board of Directors after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
6. The chair of the Board of Directors shall notify the Service Manager in writing of the receipt of every notice under paragraph 4 and the Board of Directors shall resolve every conflict of interest or potential conflict of interest to the satisfaction of the Service Manager.
7. Despite paragraph 3, a Director, Officer, Agent or employee or a person related to one of them may directly or indirectly receive a gain, benefit, advantage, privilege, or remuneration from the housing provider if both the following conditions are satisfied:
  - a. A notice of the conflict of interest or potential conflict of interest is given in accordance with paragraph 4; and
  - b. The Service Manager agrees that there is no reasonable alternative for the housing provider other than entering into the situation, arrangement, or agreement that results in or may result in a conflict of interest.
8. the conflict of interest provisions set out above may be replaced for a housing provider by rules agreed to by the housing provider and the Service Manager's for all areas in which its housing projects that are subjects to the *Social Housing Reform Act 2000* are located.

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**Schedule "B"**

**Notification of Conflict of Interest or Potential Conflict of Interest and Record of Resolution of Conflict of Interest**

**Part 1**

Name of Non-Profit: \_\_\_\_\_ Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

**Part 2 (to be completed by the Director, Officer, Agent or employee with the conflict)**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Briefly describe the conflict or potential conflict (add any relevant supporting documentation)

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Part 3 (to be completed by the Chair of the Board or designate)**

Date of Receipt of Notice: \_\_\_\_\_

Date of Meeting at which the Conflict was considered: \_\_\_\_\_

Did the Board decide a Conflict of Interest existed as set out in Part 2 above?

**No** (go to part a) **Yes** (go to part b)

**Part 3 (a):** If no, complete the following declaration:

"I certify that the Board of Directors of Christian Senior Citizens Housing Association, after considering the potential conflict of interest described above, decided that in fact no Conflict of Interest exists. I request ratification by the Service Manager, Shelley Wilkins of this decision of the Non-Profit."

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Part 3 (b):** Was the conflict resolved in accordance with the Non-Profit's by-laws and O.Reg 339/01? Complete only one of the two boxes below.

**Yes: Briefly describe the resolution of the conflict (add any relevant supporting documentation)**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**No: "I certify that this is a true record of the conflict of interest and that the Non-Profit was unable to bring about a resolution. I hereby request instruction from the Service Manager, Shelley Wilkins regarding resolution of this Conflict of Interest."**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_