

Labourview Housing Corporation Inc.

Policy Name:	Conflict of Interest Policy
Contact Officer:	Sherry Houle, 519-351-8832
Date Approved by Board of Directors:	August 30 th , 2005
Date Approved by General Membership	October 27 th , 2005
Date Certified:	N/A

Reference:

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

1. What is Conflict of Interest?

- a. All directors, officers, committee members, agents and employees must carry out their duties honestly, in good faith, and in the best interests of the co-operative rather than in their personal interest. This includes following the co-op's by-laws and Provincial legislation about conflict of interest.
- b. In this by-law a person related to a director, officer, agent or employee means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, niece, nephew, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, officer, committee members, agent or employee has a business relationship.
- c. A conflict of interest is when someone benefits personally in any way from a decision of the co-op.
- d. A conflict of interest can happen when a director, officer, committee member, member, agents or employees:
 - i. makes or takes part in a decision affecting the co-op's affairs and
 - ii. the result of the decision gives the person a financial or other benefit which other co-op members do not have, or which only a few other members have. This financial or other benefit may be direct or indirect.
 - iii. an employee or agent recommends, or takes part in a decision affecting the co-op's affairs and
 - iv. 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.
- e. Examples of conflict of interest are:
 - i. the co-op does business with a director or employee of the co-op in which the director or the employee or a person related to them have a financial interest or stock.
 - ii. someone living in the co-op or an employee is involved personally in a procedure of discipline where they or someone related to them made the complaint or where a household member, friend, or relative is being disciplined.
 - iii. the board gives out on-call positions to friends or family without telling all members that positions are available.
 - iv. Sometimes decisions have to be made which affect the friends or relatives of officers, directors and committee members. If the relationship is close enough, there may be a conflict of interest.
 - v. For example, there might be a decision of the board to evict a friend of a director. If there is a close relationship, it might influence the director's decision and the director should declare a conflict of interest.
 - vi. There are other types of conflict of interest. The co-op should deal with them by using the principles contained in this Article.

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2. Procedures:

- a. The board must report conflicts of interest to the service manager. The board can use the form attached to this By-law as **Schedule F - Notice of Conflict of Interest** and include the minutes of any meeting where the board discussed a conflict of interest or a potential conflict of interest pertaining to a board member, committee member, member, agents or employees. The minutes must
 - i. record the board's decisions
 - ii. record the options the board considered
 - iii. show how the decision was in the best interest of the co-op
 - iv. show how the decision was appropriate for a body that receives significant public funding
 - v. The minutes must also record the board's acknowledgement that its decision is subject to the approval of the service manager.
 - vi. 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 co-op's business practices and the government funding program.
- b. Therefore, the board, committee members, agents and employees should follow the procedures below to determine if there is a conflict of interest and to deal with the conflict of interest if it exists.
 - i. **When a director has or may have a conflict of interest**
 - ii. The director must declare the conflict of interest or possible conflict of interest, in writing on the form attached to this By-law as **Schedule G - Conflict of Interest Declaration** 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.
 - iii. If the board member does not declare the conflict of interest or potential conflict of interest, but another board member is aware of one, the other board member should bring it up at the meeting.
 - iv. 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.
 - v. If the board decides that there is a conflict of interest, the director cannot vote on the matter and must not be present at any or parts of the meetings when the matter is discussed and the director does not count as quorum for those parts of the meeting.
 - c. As stated above, the board must report its discussion of the matter including how it was resolved to the service manager.
 - i. **Financial conflicts of interest**
 1. This paragraph applies in addition to Section 1(a) if a director or officer has or may have a financial conflict of interest.
 2. In the case of contracts or agreements, the provisions of Section 4 apply.
 3. 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 co-op and is appropriate for a body that receives significant public funding.
 4. Where the board approves a financial conflict of interest they must report it at the next meeting of the members. As set out in Section 2 above, 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 Section 4.
 - ii. **When a committee member has or may have a conflict of interest**
 1. A committee must follow the same procedure as the board if a committee member has or may have a conflict of interest.
 2. The matter can be appealed to the board if there is a dispute. If the conflict of interest is financial, it must be referred to the board. The board's decision is final.

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iii. **When an employee or agent has or may have a conflict of interest**

1. The employee must report a conflict of interest to the staff liaison (if there is one) or to the president. The staff liaison or president will report it to the board. The employee or agent must follow the board's directions.
2. If the co-operative has retained a management company, the company and all its personnel must follow the same procedures as an employee of the co-operative.
3. Where there are officers of the co-operative who are not directors, they must follow the same procedures as employees.

iv. **When a member has or may have a conflict of interest**

1. Members should try to act in the best interests of the co-operative. All members can take part in discussions and vote at members' meetings, even if they have a conflict of interest. However, members must declare a conflict of interest before taking part in the discussion.
2. The above procedures are in addition to and do not replace the requirements of the *Social Housing Reform Act* and the *Co-operative Corporations Act*.

3. **Avoiding Conflict of Interest:**

- a. The board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any activity that may result in a conflict of interest and the board will resolve conflicts of interest as described in Section 2 of this By-law.
- b. The board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.
- c. The board and staff must follow the spending procedures set out in Article 11 of the Organizational By-law.

4. **Payment of Directors:**

- a. Directors and officers serve without payment of any kind. However, they have a right to be paid for travelling or other expenses while doing business for the co-op as long as the expenses are reasonable. The board must also authorize these expenses. These expenses must meet any guidelines and limits set by the board or the co-op's by-laws. Directors cannot receive compensation for lost income while doing business for the co-op.
- b. Despite anything else in this by-law, directors and officers or people related to them, cannot enter into any contracts with the co-op other than contracts that are generally available to other members such as occupancy, performance and payment agreements.
- c. Directors and officers hired by the co-op to a paid position must resign from office. This does not apply to being the on-call person for the equivalent of one day less a week.

5. **Declaration:**

- a. All directors and staff must sign the Conflict of Interest Declaration attached to this By-law as **Schedule H - Annual Conflict of Interest Declaration**. Directors and staff will sign when they begin their term, and existing directors and staff will sign annually.

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Schedule F

Notice of Conflict of Interest

To: _____
Service Manager

From: Labourview Co-operative Homes Inc.

This serves as a notice that: _____
Name

Declared a conflict of interest on _____ regarding
Date

this notices is pursuant to the *Social Housing Reform Act (SHRA)* Regulation 339/01 Section 4

Signed: _____
Name

Date: _____

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Schedule G

Conflict of Interest Declaration

I, _____ declare that I have a conflict of interest or potential conflict of interest on the following issue(s):

This notice is pursuant to the *Social Housing Reform Act (SHRA)* Regulation 339/01 Section 4.

Signed: _____
Name

Date: _____

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Schedule H

Annual Conflict of Interest Declaration

(Board of Directors and Staff)

I agree that I will act honestly, and in good faith, and in the best interest of the co-op. I must avoid conflict of interest, board direct and indirect. I will always put the interests of the co-op before my personal interests. I promise to declare in writing any possible conflicts of interest that I have or may have, in connection with any co-op contract, business, or proposed business as soon as it occurs. The board will deal with the conflict of interest using the procedures set out in Article 9 of this Organizational By-law.

Name: _____

Signature: _____

Date: _____