

## **Conflict of Interest Policy**

### **Section 1: Purpose**

This Conflict of Interest Policy governs the activities all Board of Directors, volunteers and employees in a position of authority over the CSE. Situations or transactions arising out of a conflict of interest can result in either inappropriate financial gain or the appearance of a lack of integrity in the CSE's decision-making process. Both results are damaging to the CSE and are to be avoided. This policy provides guidelines for identifying conflicts, disclosing conflicts and procedures to be followed to assist the CSE in managing conflicts of interest and situations that may result in the appearance of a conflict. This policy is intended to supplement, but not replace, any laws governing conflict of interest.

### **Section 2: Definitions**

*Person in authority over the CSE:* Any person with purchasing power or influence over the actions, transactions, contracts and decisions of the CSE and its ministries

*Conflict of Interest:* A conflict of interest arises when a person in authority over the CSE has a personal or financial interest that conflicts with the interests of the CSE or arise in situations where an interested person has divided loyalties (also known as a "duality of interest").

- *Example #1:* A Board member owns a small business and offers goods or services through their business in exchange for money or a tax deductible receipt.
- *Example #2:* The associate director has a family member who works closely with an agency that offers grants to non-profit organizations.
- *Example #3:* A Board member is also a board member of another nonprofit or for-profit entity in the community with which CSE collaborates and conducts business or shares a similar donor base.

*Interested persons:* Any person in authority over the CSE who holds a potential or actual conflict of interest with the CSE or a family member or close friend of the person in position of authority over the CSE who holds a potential or actual conflict of interest

### **Section 3: Policy**

Persons in authority over the CSE are expected to act in the best interests of the CSE at all times.

Confidential information obtained through their service at the CSE shall not be used to further their own private interests or the private interests of friends or family members.

Persons in authority over the CSE shall annually disclose any actual or potential conflicts of interest and sign a disclosure form which affirms such person has received a copy of the conflict of interest policy, has read and understands the policy, and has agreed to comply with the policy. If at any time during the year, the information in the annual statement changes materially, the interested person shall disclose such changes and revise the annual disclosure form.

The executive committee of the board of directors shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

#### Section 4: Procedures for Addressing Conflicts of Interest

Whenever a member of the Board of Directors has a conflict of interest in any matter coming before the board, the board shall ensure that:

1. The interest of such director is fully disclosed to the board of directors.
2. No interested director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting of the board of directors at which such matter is voted upon.
3. Any transaction in which a director has a financial or personal interest shall be duly approved by members of the board of directors not so interested or connected as being in the best interests of the organization.
4. Payments to the interested director shall be reasonable and shall not exceed fair market value.
5. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval.

Interested persons who are not members of the Board of Directors of the CSE, and who have a conflict of interest with respect to a contract or transaction that is not the subject of Board action, shall:

1. Disclose to their supervisor, or the chair, or the chair's designee, any conflict of interest that such interested person has with respect to a contract or transaction. Such disclosure shall be made as soon as the conflict of interest is known to the interested person.
2. The interested person shall refrain from any action that may affect the CSE's participation in such contract or transaction.

#### Section 5: Violation of the Conflict of Interest Policy

If the Board or Executive Committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall:

1. Inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

2. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Conflict of Interest Disclosure Form**

Name (please print): \_\_\_\_\_

Please describe below any relationships, transactions, or positions you hold (volunteer or otherwise), or circumstances that you believe could create a conflict of interest, now or in the future, between the CSE and your personal interests, financial or otherwise:

\_\_\_\_\_ I have no conflict of interests to report.

I have the following conflict of interest, or potential conflicts of interest, to report:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

I have read, understood and agree to comply with the CSE's conflict of interest policy. I understand that it is my obligation to disclose any actual or potential conflicts of interest when an apparent conflict of interest arises.

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