

Board Policy on Conflict of Interest Sample

Prepared by: Dionne A. Falconer, Consultant January 2014

Revised by **Radha Nayar, OODP individual**, April 2026

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Board Policy on Conflict of Interest Sample

1.0 Purpose

The purpose of this policy is to ensure that individuals, Officers, and committee members act in the best interests of the organization and uphold the integrity of Board decision-making. All *individuals covered by this policy* (hereafter called “individuals”) have a duty to avoid conflicts of interest and to disclose any actual, potential, or perceived conflicts. This is a core part of their fiduciary obligations.

2.0 Application

This policy applies to:

- All individuals (including ex-officio individuals);
- All Officers of the organization;
- All non-Board members serving on Board committees.

“Officers” includes individuals appointed by the Board (e.g., Chair, Vice-Chair, Secretary, Treasurer) or anyone performing similar functions.

3.0 Policy

Individuals must avoid situations in which their personal interests, relationships, or duties conflict—or may reasonably be perceived to conflict—with their duty to act in the best interests of the organization.

All applicable provisions in the by-laws and under the *Ontario Non-profit Corporations Act* (ONCA) must be followed. This policy provides additional guidance and procedures.

4.0 Description of Conflict of Interest

A conflict of interest arises when an individual’s ability to act in the best interests of the organization may be influenced, or reasonably perceived to be influenced, by:

- Personal interests;
- Financial interests;
- Relationships;
- Duties to another organization.

Conflicts may be **actual, potential, or perceived**.

The situations in which potential conflict of interest may arise cannot be exhaustively set out. Conflicts of interest may arise in situations including, but not limited to:

Transacting with the Organization

Direct or indirect financial interest in a contract or transaction with the organization.

Interest of a Relative or Close Associate

When the organization conducts business with suppliers of goods or services or any other party of which a family, household member and/or close associate of an individual is a principal, officer or representative.

Gifts

When an individual or a member of the individual family, household member and/or close associate accepts gifts, payments, services or anything else of more than a token or nominal value from a party with whom the organization may transact business for the purposes of (or that may be perceived to be for the purposes of) influencing an act or decision of the Board.

Acting for an Improper Purpose

When individuals exercise their powers motivated by self-interest. Individuals must act solely in the best interest of the organization. Individual who are nominees of a particular group must act in the best interest of the organization even if this conflicts with the interests of the nominating party.

Appropriation of Organization Opportunity

When an individual takes for personal benefit an opportunity that belongs to the organization.

Duty to Disclose Information of Value to the Organization

When an individual fails to disclose information that is relevant to a vital aspect of the organization's affairs.

Serving on the Board of Other Organizations

A individual may be in a position where there is a conflict of "duty and duty". This may arise where the individual serves with two organizations that are competing or transacting with one another. It may also arise where an individual has an association or relationship with another entity. For example, an individual may be in possession of confidential information received in one boardroom or related to the matter that is of importance to a decision being made in the other boardroom. The individual cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. The individual cannot act to advance any interests other than those of the organization.

5.0 Disclosure of Conflicts

Any individual who is in a position of conflict or potential conflict shall immediately disclose such conflict to the Board by notification to the Chair (or Vice-Chair if the Chair is conflicted). The disclosure should be made with enough detail understand the nature and extent of the conflict. Disclosure shall be made at the earliest possible time and, where possible, prior to any

discussion or decision-making.

Where (i) an individual is not present at a meeting where a matter in which the individual has a conflict or potential conflict is first discussed and/or voted upon, or (ii) a conflict or potential conflict arises for an individual after a matter has been discussed but not yet voted upon by the Board, or (iii) an individual becomes conflicted or potentially conflicted after a matter has been approved, the individual shall make the declaration of the conflict to the Chair or Vice-chair as soon as possible and at the next meeting of the Board.

If an individual becomes interested in a contract or transaction after it is made or entered into, the disclosure shall be made as soon as possible after the individual becomes so interested.

6.0 Abstaining from Discussions

The individual who has declared a conflict shall not be present during the discussion or vote in respect of the matter and shall not attempt in any way to influence the voting.

A person who has declared a conflict must:

- Not participate in discussion of the matter;
- Not vote on the matter;
- Not attempt to influence the decision in any way;
- Leave the meeting during discussion and voting (where appropriate).

7.0 Process for Resolution of Conflicts & Addressing Breaches of Duty

All individuals shall comply with the requirements of the bylaws.

An individual may be referred to the process outlined below in any of the following circumstances:

7.1 Circumstances for Referral

Where any individual believes that any individual:

- a. Has breached the individual's duties to the organization;
- b. Is in a position where there is a potential breach of duty to the organization;
- c. Is in a situation of actual or potential conflict of interest; or
- d. Has behaved or is likely to behave in a manner that is not consistent with the highest standards of trust and integrity and such behaviour may have an adverse impact on the organization.

7.2 Process for Resolution

The matter shall be referred to the following process:

- a. Refer matter to Chair or where the issue may involve the Chair, to the Vice-chair or another Officer of the Board.

- b. Chair (or Vice Chair, or another Officer of the Board as the case may be) may either (i) attempt to resolve the matter informally, or (ii) refer the matter to either the Executive Committee or to the full Board.
- c. If the Chair or Vice-chair or another Officer of the Board elect to attempt to resolve the matter informally and the matter cannot be informally resolved to either party's satisfaction, then the Chair or Vice-chair or another Officer of the Board shall refer the matter to the process in (b) (ii) above.
- d. Where a concern regarding an actual, potential, or perceived conflict of interest is raised by the Executive Director or any Director, and there is disagreement as to whether a conflict exists, the matter shall be referred to the full Board for consideration.
- e. A decision of the Board by majority resolution shall be determinative of the matter.

It is recognized that if a conflict, or other matter referred cannot be resolved to the satisfaction of the Board (by simple majority resolution) or if a breach of duty has occurred, a individual may be asked to resign or may be subject to removal pursuant to the bylaws and applicable legislation.

8.0 Perceived Conflicts

It is acknowledged that not all conflicts or potential conflicts may be satisfactorily resolved by strict compliance with the bylaws. There may be cases where the Board determines that the perception of a conflict of interest or breach of duty (even where no conflict exists or breach has occurred), requires action to protect the organization's integrity and public trust. In such circumstances, the process set out in this policy for addressing conflicts and breaches of duty shall be followed. This includes potentially asking the individual to resign.

9.0 Compliance and Accountability

All individuals covered by this policy are expected to:

- Act in good faith;
- Comply with this policy and applicable laws;
- Support a culture of transparency and accountability.

10.0 Amendment

This policy may be amended by the Board.

Approved by Board of individuals: [insert date]

Reviewed by Board of individuals: [insert date]