

## **COMMUNITY FUTURES CENTRE WEST**

### **CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY**

#### **PREAMBLE**

A conflict of interest exists when a director of the board/employee/volunteer participates in making a decision or recommendation on any issue under consideration by the Board and/or its committees and he/she knows, or should reasonably know, that the decision or recommendation may provide an opportunity to enhance the private interest of the board director/employee/volunteer or promote the private interest of another person (i.e. including a family director) or organization to which the director/employee/volunteer is affiliated.

#### **COMPLIANCE WITH THE LAW**

- a) The CFCWest director/employee/volunteer must act at all times in full compliance with both the letter and the spirit of all applicable laws.
- b) In his/her relationship with the CFCWest no director/employee/volunteer shall commit or condone an unethical or illegal act or instruct another director, employee/volunteer or supplier to do so.
- c) Directors/employees/volunteers are expected to be sufficiently familiar with any legislation that applies to their work to recognize potential liabilities and to know when to seek legal advice. If in doubt, directors are expected to ask the Board Chair and/or the Executive Director for clarification.
- d) CFCWest directors/employees/volunteers must not only comply fully with the law but must also avoid any situation which could be perceived as improper or indicate a casual attitude towards compliance.

#### **CONFLICTS OF INTEREST**

- a) Positions with CFCWest may not be used to pursue or advance director's/employee's/volunteer's personal interests, those of a related person,<sup>1</sup> a business associate, corporation, union or partnership or the interests of a person to whom a director/employee owes an obligation.
- b) Directors/employees/volunteers acting in a decision-making capacity must:
  - Not directly or indirectly benefit <sup>2</sup> from a transaction with CFCWest over which the director/employee /volunteer can influence decisions made by CFCWest.
  - Not take personal advantage of an opportunity available to CFCWest unless CFCWest has clearly and irrevocably decided against pursuing the opportunity

and the opportunity is also available to all directors/employees/volunteers and the public.

- Not use his/ her position with CFCWest to solicit clients for ones own business or a business operated by a close friend, family director, business associate, corporation, union or partnership of the director/employee/volunteer or a person to whom the director/employee/volunteer owes an obligation.
  - Avoid any situation in which there is, or may appear to be, potential conflict <sup>3</sup> which could appear <sup>4</sup> to interfere with the director's/employee's/volunteer's judgment in making decisions in CFCWest best interest.
- c) There are several situations that could give rise to a conflict of interest. The most common are: accepting gifts, favors or remuneration from suppliers, close or family relationships with outside suppliers, passing confidential information to competitors and using privileged information inappropriately. Examples include:
- Influencing CFCWest to direct funds to a business entity where the director works or is involved.
  - Influencing or participating in a decision of CFCWest that will directly result in the director's/employee's own financial gain;
  - Accepting a gift or significant value while representing CFCWest as a Board director/employee in attendance at an event;
  - Divulging confidential information to a friend or family director that is then used to benefit their position in a bidding process.

## **DISCLOSURE**

- a) At the time of appointment, and not less than annually thereafter (within the first 30 days of each fiscal year), each director/employee/volunteer will declare in writing the nature and extent of any relationship, arrangement, contract or agreement which creates a duty to or interest in any other person or organization which may result in a conflict of interest, real or perceived. If at any time during the year following the filing of his/her Declaration there occurs any material change in the information it contained either by way of addition or deletion, that director shall provide the Board Chair with an updated Declaration.

The Declaration of each director/employee/volunteer will be shared with all other directors.

- b) A director/employee/volunteer must, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict in writing to the Board Chair/Executive Director. This requirement exists even if the director/employee/volunteer does not become aware of the conflict until after a transaction is complete.
- c) A director/volunteer is required to disclose the nature and extent of any conflict at the first meeting of the Committee/Board after which the facts leading to the conflict have come to that director's attention. After disclosing the conflict, the director/volunteer:

- Must not take part in the discussion of the matter and in fact, must leave the room for the duration of the discussion including the vote on any questions in respect of the matter. However, the director may be counted in the quorum present at the Committee/Board meeting;
  - Must, if the meeting is not open to the public, immediately leave the meeting and not return until all discussion and voting with respect to the matter giving rise to the conflict is completed;
  - Must not attempt, in any way or at any time, to influence the discussion or the voting of the Committee/Board on any question relating to the matter-giving rise to the conflict.
- d) If a director/employee/volunteer is in doubt whether a situation involves a conflict, the director must immediately seek the advice of the Board Chair/Executive Director.
- e) If a director/employee/volunteer is concerned that another director/employee/volunteer is in a conflict of interest situation, the director/employee /volunteer must immediately bring his/ her concern to the other director's attention and request that the conflict be declared. If the other director/employee/volunteer refuses to declare the conflict, the director/employee/volunteer must immediately bring his or her concern to the attention of the Board Chair/Executive Director. If there is a concern with the Board Chair, the issue should be referred to the Vice Chair. If there is a concern with the Executive Director, the issue should be directed to the Board Chair.

## **OUTSIDE BUSINESS INTERESTS**

- a) Directors/employees/volunteers must declare possible conflicting outside business activities at the time of appointment.
- b) No director/employee/volunteer may hold a significant financial interest, either directly or through a relative or associate, or hold or accept a position as an officer or director in an organization in a relationship with CFCWest, where by virtue of his or her position in CFCWest, the director/employee/volunteer could in any way benefit the other organization by influencing the purchasing, selling or other decisions of CFCWest, unless that interest has been fully disclosed in writing to CFCWest.
- c) These restrictions apply equally to interests in companies that may compete with CFCWest in all of areas of activity.

## **CONFIDENTIAL INFORMATION**

- a) Directors/employees/volunteers may not disclose confidential information <sup>5</sup> to any outside person unless authorized.
- b) Similarly, directors/employees/volunteers may never disclose or use confidential information gained by virtue of their association with CFCWest for personal gain or benefit friends, relatives or associates.

- c) Directors/employees/volunteers must return all property owned by CFCWest at completion of board term, termination of employment, or end of volunteer term.

### **OUTSIDE EMPLOYMENT OR ASSOCIATION**

A director/employee/volunteer who accepts a position with any organization that could lead to a conflict of interest or situation prejudicial to CFCWest interest, shall discuss the implications of accepting such a position with the Board Chair/Executive Director recognizing that acceptance of such a position may require the director's/employee's/volunteer's resignation from CFCWest.

### **ENTERTAINMENT, GIFTS AND FAVOURS**

- a) Entertainment, gifts, sponsorships or favors that create or appear to create a favored position for doing business with CFCWest, shall not be accepted from an outside concern that either provides goods or service to CFCWest, does business with CFCWest or is in competition with CFCWest (outside the normal exchange of hospitality between persons doing business). Any firm offering such inducement shall be asked to cease. A sustained business relationship will be conditional on compliance with this code.
- b) Similarly, gifts or favors may not be offered or solicited in order to secure preferential treatment for director/employee/volunteers of CFCWest.
- c) Disclosure or use of inside information relating to CFCWest for the personal profit of the director/employee/volunteer or to the advantage of any business entity in which the director/employee holds a position or has a financial interest is prohibited.
- d) Under no circumstances may directors/employees/volunteers offer or receive cash, preferred loans, securities or secret commissions in exchange for preferential treatment.
- e) Gifts and entertainment may only be accepted or offered by a director/employee/volunteer in the normal exchanges common to established business relationships. An exchange of such gifts shall create no sense of obligation.

### **USE OF COMPANY NAME PROPERTY**

- a) A director/employee/volunteer requires CFCWest approval to use property owned by CFCWest for the personal purposes or to purchase property from CFCWEST unless the purchase is made through the usual channels also available to the public.
- b) Even then, a director/employee/volunteer must not purchase property owned by CFCWest if that director/employee is involved in an official capacity in some aspect of the sale or purchase.

### **RESPONSIBILITY**

- b) Each director/employee/volunteer must adhere to the standards described in this Code of Conduct and to the standards set out in applicable policies, guidelines or legislation.
- c) Integrity, honesty and trust are essential elements of CFCWest' success. Any director/employee/volunteer who knows or suspects a breach of this Code of Conduct and

Conflict of Interest Policy has a responsibility to report it to the Board Chair/Executive Director.

**BREACH OF CODE**

A director/employee/volunteer found to have breached his/her duty by violating the Code of Conduct and Conflict of Interest Policy will be liable to forfeiture of Board directorship/employment/volunteer position.

**WHERE TO SEEK CLARIFICATION**

The Board Chair/Executive Director will provide guidance on any item in this Code of Conduct and Conflict of Interest Guidelines. The Board Chair at his/her discretion or a request of a director/employee/volunteer may seek the advice of outside Counsel.

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- <sup>1</sup> *Related person* means a spouse, child, parent or sibling of a director who resides with that director.
  - <sup>2</sup> An *indirect benefit* is a benefit derived by close friend, family director, business associate, corporation, union, partnership or a person to whom an obligation or debt is owed or a benefit that advances or protects personal interests even though it may not be measurable in money.
  - <sup>3</sup> *Conflict* means a conflict of interest or apparent conflict of interest.
  - <sup>4</sup> *Apparent conflict of interest* means any situation where it would appear to a reasonable person that the director /employee is in a conflict of interest situation.
  - <sup>5</sup> *Confidential information* includes proprietary, technical, business, financial, legal, or director/employee information that CFCWest treats as confidential.

I the undersigned Director/Employee/Volunteer of Community Futures Centre West have reviewed the Code of Conduct and Conflict of Interest Policy

Signature\_\_\_\_\_

\_\_\_\_\_  
Director/Employee/Volunteer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness