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## **Governance Policies and Procedures**

<b>Policy Name: Conflict of Interest</b>	
<b>Policy Number: G 2.8</b>	<b>Policy Type: Role of the Board</b>
<b>Approval Date: March 26 2010</b>	<b>Date for Review: Every 3 Years</b>

### **INTRODUCTION:**

Members of the Board of Directors are responsible for administering the affairs of the Ontario Library Association (OLA) in an open, transparent and accountable manner. They are expected to conduct themselves with personal integrity and exercise a reasonable degree of care and diligence. Advancing the interests of the Ontario Library Association must be their first priority in all decisions and actions.

### **PURPOSE:**

#### **Definition**

A conflict of interest is defined as a situation in which private interests or personal considerations may affect the director's decisions and impair their ability to act in the best interest of OLA or represent the OLA fairly and without bias. A conflict of interest exists whenever a director could benefit, directly or indirectly, from access to information or from a decision over which they might have influence, or where someone might reasonably perceive there to be such a benefit and influence.

There is a conflict of interest when:

- Any Director or close relative of a Director or the employer of either of the foregoing has an interest in an issue, matter or transaction in which the OLA has an interest; or
- When any Director or a close relative of a Director acts as an agent, representative or spokesperson for any person, business, group or organization, in order to influence the OLA on any issue, matter or transaction.

An individual or organization is considered to have an interest if he/she:

- Is an agent for a person or organization with an identified goal of influencing a decision by the OLA; or
- Would experience a material economic gain or loss from a decision by the OLA on an issue, matter or transaction identifiably different from the economic gain or loss that would be experienced by:
  - a) a member of the general public, or
  - b) the holder of less than five percent (5%) of the equity in any business entity.

Someone is considered a close relative if they are a spouse, a child, natural or adoptive parent, grandparent, grandchild, brother or sister where natural, adoptive or by marriage of a Director. The term also includes any other family member who resides in the same household as a Director or shares living quarters with a Director under circumstances that closely resemble a marital or partner relationship.

In addition to the foregoing, Directors should not:

- Use inside information (i.e. information made available to them because of their position as a Director which is proprietary or confidential or otherwise not generally known to the public) for their personal advantage or that of any close relative.
- Accept any service, discount, concession, fee for advice or service or thing of value from any person or organization with an interest in an issue, matter or transaction in which the OLA also has an economic or programmatic interest under circumstances that would suggest an obligation of the part of the Director to exert any influence on the OLA to enter into a transaction or adopt, alter or abolish any policy on position.

### **PROCEDURES:**

Perception, identification and disclosure of an actual or potential conflict is fundamental to successful resolution.

### **Board agenda**

A regular agenda item will be the “Declaration of Conflict of Interest” at the beginning of each meeting of the Board of Directors”. It is the expectation that Directors will place the interests of the OLA above other interests, therefore members are expected to disclose interests in matters which conflict, or may be reasonably thought to conflict, with any of the items under discussion. Any director, officer, agent or employee who has a Conflict of Interest must declare their conflict with any of the items on the agenda at that time.

### **Declared Conflict of Interest**

Resolution of a potential conflict of interest should be dealt with in an unbiased and orderly manner. If a director believes they are in a conflict of interest position, pecuniary or otherwise, they will:

- Declare such conflict to the attention of the Board of Directors at the start of the meeting, prior to any discussion of the issue and the disclosure should be recorded in the minutes
- After identifying the issue, matter or transaction along with all material facts that are within the knowledge or control of the Director, the Chair shall rule as to whether the declaration constitutes a conflict.
- If the Chair rules there is a real or perceived conflict, the Director with a conflict shall not engage in discussion or vote, shall leave that part of the meeting during which the matter is under discussion and shall not attempt to influence other directors regarding the matters affected by the conflict of interest.

- The Chair may determine:
  - that the matter is immaterial or not adverse to the interests of the OLA; or
  - that the benefits of allowing the person with the conflict to participate in the discussion or consideration, but not the final decision, outweigh the dangers; in which case the person may participate in the discussion, study or consideration of the issue, matter or transaction, but not the final discussion, decision or vote.

### **Questionable Conflict of Interest**

A Director who is uncertain as to whether they may have a conflict should request assistance from the Chair and/or the Vice-Chair. The Chair and/or Vice-Chair shall issue a written opinion which shall be presumed to be correct and may be relied upon unless challenged by another Board Director, in which case the final decision as to whether a conflict exists shall be made by the Board of Directors. The Chair, Vice-Chair and Executive Director shall be advised of every opinion issued. Opinions shall, to the extent possible, avoid the disclosure of personal information while, at the same time, disclosing the basis for the opinion. Copies of all opinions will be retained and made available to the OLA Board upon request to permit and to encourage consistency.

### **Undeclared Conflict of Interest**

If a member fails to identify a conflict of interest, which may reflect negatively on the actions of the OLA, the Chair may make a ruling or direct the Executive Committee to render a written decision on one of three positions:

1. that no conflict of interest exists and no action is necessary
2. that the conflict is insignificant and that the only action is to have the conflict noted in the minutes; or
3. that a conflict exists and the director found in conflict be asked to withdraw from the conflict situation or to resign.