



CONFLICT OF INTEREST

I. RATIONALE FOR POLICY

Integrity - one of the core values of Children Believe - must guide all actions of the Board of Directors, staff and volunteers. In order to maintain a high level of public support, trust and respect, and to comply with the legal requirements under the Ontario Not for Profit Corporations Act, it is essential that the affairs and business of Children Believe are conducted professionally, objectively and without interference from the personal interests of the individuals involved in making decisions for, or acting on behalf of the organization.

It is important that all members of the Board of Directors, staff and volunteers understand what is a conflict of interest and what are their obligations when an actual, potential or perceived conflict of interest arises in the conduct of their Children Believe business.

To fulfill their fiduciary duty of loyalty, members of the Board of Directors must avoid situations where the interest of the director will be in conflict with the duties owed to the corporation.

II. POLICY OBJECTIVE

This policy aims to ensure the integrity of decision-making processes at Children Believe by preventing conflicts of interest where possible, and where not possible, to deal with them in an ethical and responsible manner, by disclosing and mitigating their risk appropriately and consistently. To these ends, this policy defines conflict of interest, the duties of Board members, staff and volunteers, and the requirements to disclose and manage any actual, potential or perceived conflict of interest that may arise between one's personal interest and their duty to act in the best interests of Children Believe.

III. POLICY SCOPE

This policy applies to all those working for Children Believe (CB): members of the Board of Directors, employees, volunteers, interns and consultants (further referred to as "Board members, staff and volunteers").

Some of the provisions of the policy are specific to the fiduciary duties of members of the Board of Directors as outlined in the Ontario Not for Profit Corporation Act.

The policy covers any actual or potential conflict of interest, as well as any perceived conflict of interest which may be harmful to CB even where no conflict exists or breach has occurred (collectively referred to as "Conflict of Interest" in this policy).

IV. POLICY DETAILS

1. Types of conflict of interest

Conflict of Interest refers to a situation where the personal relationship(s) or financial interest(s) of a Board member, staff or volunteer could reasonably be seen as influencing their duty to act in the best interests of Children Believe. Conflict of Interest generally arises in the following situations:

1.1. Transacting with Children Believe

- A CB Board member, staff or volunteer is a party to a contract or transaction, or to a proposed contract or transaction with CB.
- A Board member, staff or volunteer has a material direct or indirect interest in an actual or proposed transaction or contract with CB.

1.2. Interest of a relative

- A Board member, staff or volunteer has a spouse, domestic partner, child, parent, sibling or other close family member who is a party to a contract or transaction with CB, or who has a direct or indirect material interest in an actual or proposed transaction with CB.

1.3. Gifts

- When a Board member, staff or volunteer accepts gifts, payments, services or anything else more than a token or nominal value from a party with whom CB may transact business (including a supplier) for the purposes of - or that may be perceived to be for the purposes of - influencing an act or decision. Please refer to *Financial Management* and *Anti-Fraud and Corruption* Policies for further information.

1.4. Acting for an improper purpose

- When a Board member, staff or volunteer exercises their powers motivated by self-interest or other improper purposes. As per their fiduciary duty, members of the Board of Directors must act solely in the best interest of CB.

1.5. Appropriation of corporate opportunity

- When a Board member, staff or volunteer diverts to their own use an opportunity or advantage that belongs to CB.

1.6. Serving on other organizations

- When members of the Board of Directors serve as directors of two organizations that are competing or transacting with one another, or a Board member has an association with another entity.

1.7. Any other such situations reasonably deemed to be a Conflict of Interest.

2. Disclosure of conflict

- 2.1. All Conflicts of Interest must be disclosed as soon as possible and in a formal manner (i.e. in writing), generally at the first opportunity the conflicted matter is being considered and prior to any discussion or vote on the matter. The disclosure must specify the nature and extent of the interest in the matter.
- 2.2. Any Board member, employee or volunteer must disclose if they have reason to believe another Board member, staff or volunteer has breached the provisions of this policy.
- 2.3. Members of the Board of Directors will disclose Conflict of Interest to the Chair of the Board. The Chair of the Board will disclose conflict to the Chair of the Governance Committee.
- 2.4. Canada office staff and volunteers will disclose Conflict of Interest to the Chief People & Culture Officer. The Chief People & Culture Officer will disclose Conflict of Interest to the CEO.
- 2.5. Country office staff and volunteers will disclose conflict of interest to their Country Director. Country Directors will disclose Conflict of Interest to the Chief People & Culture Officer.

3. Documenting conflicts

- 3.1. All disclosures of a Conflict of Interest will be formally recorded in meeting minutes or other formal documents.

4. Abstain from discussions and decisions

- 4.1. A Board member, staff or volunteer in a Conflict of Interest must not attempt to influence the outcome of a decision or vote on a matter upon which they are conflicted. This applies to behaviours within and outside the meeting or board room.
- 4.2. A Board member, staff or volunteer in a Conflict of Interest shall be absent from any part of a meeting in which the matter is discussed or voted upon.
- 4.3. A Board member, staff or volunteer in a Conflict of Interest will not vote upon or make decisions on a matter that they are in conflict with.
- 4.4. Quorum for Board of Directors' meetings where there is a declared Conflict of Interest does not include the individual(s) conflicted.
- 4.5. Abstentions from formal votes or decisions must be formally recorded in minutes of meetings.

5. Resolution of disclosed conflicts

- 5.1. It is the responsibility of:
 - The Chair of the Board to ensure that members of the Board of Directors understand and comply with the provisions of this policy, and that any declared conflicts are resolved satisfactorily.
 - The Chief People & Culture Officer to ensure that staff and other volunteers understand and comply with this policy, and that any declared conflicts are resolved satisfactorily.
- 5.2. The Chair of the Board (for Board Members) and the CEO (for staff and other volunteers) will determine whether a Conflict of Interest exists, the seriousness of the Conflict of Interest and what steps need to be taken in order to protect the interests and reputation of CB, including if the conflict must be avoided, where the declared conflict can continue if the arrangements provide obvious benefits to CB and where reasonable steps can be taken to ensure any other party cannot be advantaged to the detriment of BC.
- 5.3. Where the matter cannot be resolved to the satisfaction of the party responsible for its resolution, the situation will be referred to the Governance & HR Committee and subsequently to the full Board of Directors (for members of the Board) or to the ELT (for staff and other volunteers). Ultimately, a decision of the Board of Directors by majority resolution shall be determinative of the matter for members of the Board, or by the ELT for staff or other volunteers.
- 5.4. The CEO shall be kept informed on all disclosed employee Conflict of Interest and their resolution.

6. Acknowledgement and Annual Declaration

- 6.1. All Board members, staff and volunteers will receive a copy of this policy and must acknowledge their receipt and understanding by signing a copy of the Acknowledgement Form.
- 6.2. All members of the Board of Directors and staff in designated positions must formally disclose on an annual basis any Conflict of Interest (Annual Declaration). Such employees will generally be senior management, and other specialized positions including but not limited to People & Culture, procurement, etc.

7. Confidentiality of disclosures

- 7.1. The nature and extent of a disclosure will be confidential and will only be communicated on a need to know basis.

8. Compliance with this policy

- 8.1. Any breach of this policy, including failure to make a timely, complete and accurate disclosure of an existing, potential or perceived conflict of interest, shall be subject to appropriate disciplinary action, up to termination of employment / engagement.
- 8.2. If a Conflict of Interest of a member of the Board of Directors cannot be resolved to the satisfaction of the Board of Directors (by simple majority resolution) or if a breach of duty has occurred, such member of the Board may be asked to resign or may be subject to removal pursuant to the organizational by-laws and applicable legislation.
- 8.3. Failure to disclose an actual or potential conflict of interest may result in the contract or transaction being revoked or rescinded.

V. POLICY AUTHORITY AND OFFICERS

- a. Authority to approve this policy: **Board of Directors**
- b. Executive champion of this policy: **Chief Executive Officer**
- c. Authority to develop procedures: **Chief People & Culture Officer**
- d. Authority to approve procedures: **Executive Leadership Team (for staff) and Governance & HR Committee (for Board members)**

VI. IMPLEMENTATION, MONITORING, COMPLIANCE AND REPORTING

The Executive Champion is responsible for the implementation of this policy including its publication, communication, training and change management, development and implementation of the related policy procedures, forms and guidelines as well as cascading the policy to Country Offices (where applicable).

The Approval Authority identified in Section V.a. is ultimately responsible for compliance with this policy.

The Executive Champion will report on compliance with this policy to the policy Approval Authority on an annual basis.

VII. POLICY REVIEW

This policy and related procedures must undergo an in-depth review **every 3 years** from the approval date; but may be reviewed at any time as needed.

The Executive Champion will initiate and lead the policy or procedure review process and will provide updates to the Approval Authority on the progress and key dates.

VIII. RELATED DOCUMENTS

The following internal and external documents support the application of this policy:

- a. Procedures, forms, guidelines, and other resources:
- Acknowledgement Form
 - Annual Declaration Form
- b. Related organizational policies

Conflict of Interest Policy

- Anti-fraud and Corruption Policy
 - Code of Conduct
 - Financial Management Policy
- c. Applicable legislation and regulations:
- [Ontario Not for Profit Corporations Act](#)

DEFINITIONS

Executive Leadership Team (ELT): The most senior level of staff leadership within Children Believe comprised of the Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Marketing and Development Officer (CMDO), Chief International Programs Officer (CIPO) and Chief People & Culture Officer (CPCO). The CEO may alter the composition of the ELT as required from time to time. One person may hold more than one position. Titles may change at the discretion of the ELT or the Board.

Executive Champion: A member of the ELT with overall responsibility for an assigned policy including: drafting, carrying out appropriate consultations / assessment, evaluating implications of the policy including risks and costs and seeking legal advice where necessary, developing and carrying out the communication, change management and implementation plan, writing any related procedures, standards or guidelines, monitoring compliance through regular reviews of the policy as well providing oversight to cascading the policy to Country Offices.