

CONFLICT OF INTEREST POLICY

APPLICABLE BYLAWS

51. The society's employees or independent contractors can serve as directors. A majority of the directors of a society must not receive or be entitled to receive remuneration from the society under contracts of employment or contracts for services.

87. A director who has a direct or indirect interest in a proposed contract or transaction of the society, or a matter for consideration by the directors, shall disclose promptly and fully the nature and extent of their interest to the other directors, remove themselves from discussion and otherwise comply with the relevant provisions of the Societies Act.

POLICY

Members of the Pacific AIDS Network's (PAN) board of directors and staff are expected to operate according to high ethical standards. Directors and staff are representatives of PAN, and they must always act in the organization's best interests. This includes putting aside the interests of their family, friends, creditors, a political party they are associated with, etc. when making decisions.

Conflicts of interest have the potential to inhibit the wisdom of particular decisions, and possibly damage the organization's reputation. **A director or staff person is in a conflict of interest when there is the potential to favour personal interests, or those of other people, over the interests of the organization.**

Conflicts of interest can also be actual, perceived, or potential:

- An actual conflict of interest involves a direct conflict between your official duties responsibilities and a competing interest or obligation, whether personal or involving a third-party.
- A perceived conflict of interest occurs where it could reasonably be perceived, or give the appearance, that a competing interest could improperly influence the performance of your official duties and responsibilities.
- A potential conflict of interest arises where you have an interest or obligation, whether personal or involving a third-party, which could conflict with your official duties and responsibilities in the future.

Conflicts of interest exist where a person:

- a) Has, or is perceived to have, a personal, family or business interests that might benefit from a decision in which they are involved in making, or is able to influence those making it.

- b) Is involved with a competing organization (including a PAN member organization for which they work or volunteer) that may result in a divided loyalty in the context of making or influencing a decision.

Voting for or against, or arguing for or against, a particular outcome may influence a decision. Limiting the options being considered may also influence it. We recognize that not all conflicts of interest are rooted in financial benefit.

Examples of possible conflict of interest situations with respect to PAN include:

- A board member has a business relationship with PAN as a supplier of goods or services;
- A staff member has a personal or financial relationship outside of the workplace with a client, member, vendor or supplier who they deal with directly as a representative of PAN;
- PAN is employing or contracting with someone who is directly related to a board member or other staff member; or
- A major funder or donor has a position on the board.

It is not always possible to avoid a conflict of interest. What is important is what you do or don't do once you become aware of the conflict of interest. Remember, it is always better that you disclose and discuss a possible conflict of interest than conceal the matter.

Conflicts of interest do not necessary prevent an individual from serving on the board or working as a staff member, unless the extent of the interest is so significant that the potential for undue influence is present in a large number of situations.

PROCEDURE FOR HANDLING A CONFLICT OF INTEREST

1) Disclosure

Members of the board and staff have a duty to disclose any personal, family, or business interests or other community involvements, that may, in the eyes of another person, influence their judgment.

Directors shall disclose conflicts of interest to the board; the executive director to the board, and staff members to the executive director.

Conflicts of interest can sometimes be subtle. Directors and staff must therefore react as soon as a situation raises doubts. In other words, when there is the "appearance" of conflict of interest.

Board members are expected to disclose potential conflicts, if anticipated, prior to their nomination or election. Otherwise they are obliged to disclose them when the circumstances arise. They should be disclosed to the board chair or to the whole board.

The board itself may want to disclose specific director conflicts of interest to members, staff, funders and external stakeholders where that interest may, in their judgement, affect the reputation or

credibility of the organization. Such disclosure may be made in a formal, honest and confidential communication.

2) Determination of Conflict

The board or executive director should assess the presence of a conflict of interest, or the perception of one, and determine what actions, if any, are appropriate to address the situation.

3) Stepping Out

Board members and staff have a duty to exempt themselves from participating in any discussion and voting on matters where they have, or may be perceived as having, a conflict of interest. In some circumstances they may be asked to step out.

Minutes of board meetings should reflect when a board member discloses that they have a conflict of interest and how the conflict was managed. Normally this will involve a discussion on the matter without the board member in the room, which should be noted in the minutes, and a vote, where the interested board member, if they have returned, should abstain.

Staff conflicts of interest should be similarly managed and documented. Declared conflicts of interest, and management response, will be stored securely and confidentially on the employee's personal employment record.

Signature of Staff Member/Volunteer/Contractor

Date