

CONFLICT OF INTEREST OR DUTY: PROCEDURES

Primary Contact	Board of Governors
Related Policy / Legislation	BGB-110.04, Confidentiality of Board Information and Authorized Board Spokesperson; UFV Statement on Institutional Ethics (22)

INTRODUCTION

As per the UFV Board of Governors' ("the Board") Conflict of Interest Bylaw, BGB-110.05, Board members are expected to avoid all situations of conflict of interest. To assist with the application of the Bylaw, this document serves as the related procedures.

1. Declaring/Managing A Conflict

- 1.1 At any point during the process of managing a conflict of interest, the Board may choose to engage an Advisor to give them advice as to whether a conflict of interest exists in the specific situation. The Board's Advisor is typically from internal or external legal counsel. However, the Board Chair, in consultation with the Executive Committee, may select an individual outside of internal/external legal counsel should that individual be deemed to be in a good position to provide the advice needed. If the Board Chair is the person with a potential conflict of interest, the Board's Vice-Chair is responsible for managing the process.
- 1.2 Where a Board member is unsure of whether they are in conflict, that member raises the potential conflict with the Board Chair in advance of the meeting where the matter will be addressed. The Chair and the member in question attempt to resolve the matter prior to the meeting. However, if necessary, the Board determines at the meeting by majority vote (a) whether a conflict of interest exists, or (b) whether the Board would like to retain an advisor to assist the Board in determining whether a conflict of interest exists. The member perceived to be in conflict refrains from voting on this issue.
- 1.3 Where a conflict of interest is discovered after consideration of a matter, the conflict is declared to the Board Chair and appropriately recorded at first opportunity. The Board re-examines the matter and may rescind, vary, or confirm its decision. The Board may choose to impose a sanction for failing to disclose a conflict before the matter is considered (see Section 2 below).

- 1.4 Any Board member who perceives another member to be in a conflict of interest in a matter under consideration identifies the perceived conflict to the Board Chair at the first opportunity. When this is raised prior to a matter being considered at a Board meeting, the Chair discusses the matter with the member in question. If the matter is not resolved or is only raised during a meeting, the Board determines by majority vote: (a) whether a conflict of interest exists, or, (b) whether the Board would like to retain an advisor to assist the Board in determining whether a conflict of interest exists. The member perceived to be in conflict refrains from voting.
- 1.5 At the discretion of the Board, the Board may invite the member in conflict to state their position on the issue in question prior to absenting themselves from the discussion and voting on the matter.

2. Sanctions Associated with Conflict of Interest

- 2.1 Should the Board choose to impose a sanction as explained in Section 3 of the related Bylaw, the Board:
 - (a) Through the Board Chair, communicates the decision to the Board member(s) in writing as soon as possible after the decision is made. The Board Chair may enlist the University Secretary to assist in this regard.
 - (b) Ensures the decision is recorded in the appropriate record(s) of the Board.
 - (c) As per the University Act, if the decision is to remove the member(s), the Board presents the decision to the Lieutenant Governor in Council with a request to remove the member.¹

3. General Guidelines for Declaring Conflict of Interest (under Bylaw Section 1.1a)

The following examples of conflict of interest are intended to provide general guidelines for declaring conflict of interest. These examples are not considered exhaustive. Instead, the definitions of conflict as described in Section 1 of the Bylaw is used as the ultimate measure of conflict.

- 3.1 A **pecuniary interest** exists when a contract or other matter of a monetary nature is before the Board which:
 - (a) affects a private company in which a member or related persons, is a proprietor or shareholder.
 - (b) affects a public company in which the member, or related persons, holds more than 10% of the shares issued of that public company.
 - (c) affects a partnership or firm in which the member, or related persons, is a member.

¹ **NOTE** The Act, Section 22 (2.2) does not distinguish between appointed and elected members on this point.

- (d) affects a corporation in which the member is a director.
- (e) affects an organization in which the member is a senior officer.
- (f) affects a private society, crown corporation, or other organization in which the member, by virtue of office, holds a position of influence.

3.2 A conflict of interest due to a representation of or relation to a specific constituency may occasionally arise. Conflict could reasonably be considered to exist, however, for the following identified groups when considering these matters:

- (a) decisions directly affecting a specific instructional program/academic unit or administrative area in which:
 - i) student Board members are enrolled in the program;
 - ii) faculty or staff Board members are employed or enrolled in the program;
 - iii) members with related persons who are enrolled or employed in the program.
- (b) decisions or discussions related to labour negotiations and labour relations:
 - i) for faculty and staff Board members;
 - ii) for Board members with related persons who hold faculty and/or staff positions at the institution;
 - iii) for Board members with related persons who hold positions at other institutions/organizations who could be seen to gain benefit from information divulged on these matters.

For purpose of clarification, these guidelines recommend that student members and members with related persons who are students, be permitted to vote on issues related to tuition and fees.

Definition of Conflict of Interest: 3 Visual Diagrams

Diagram #1: Real Conflict of Interest

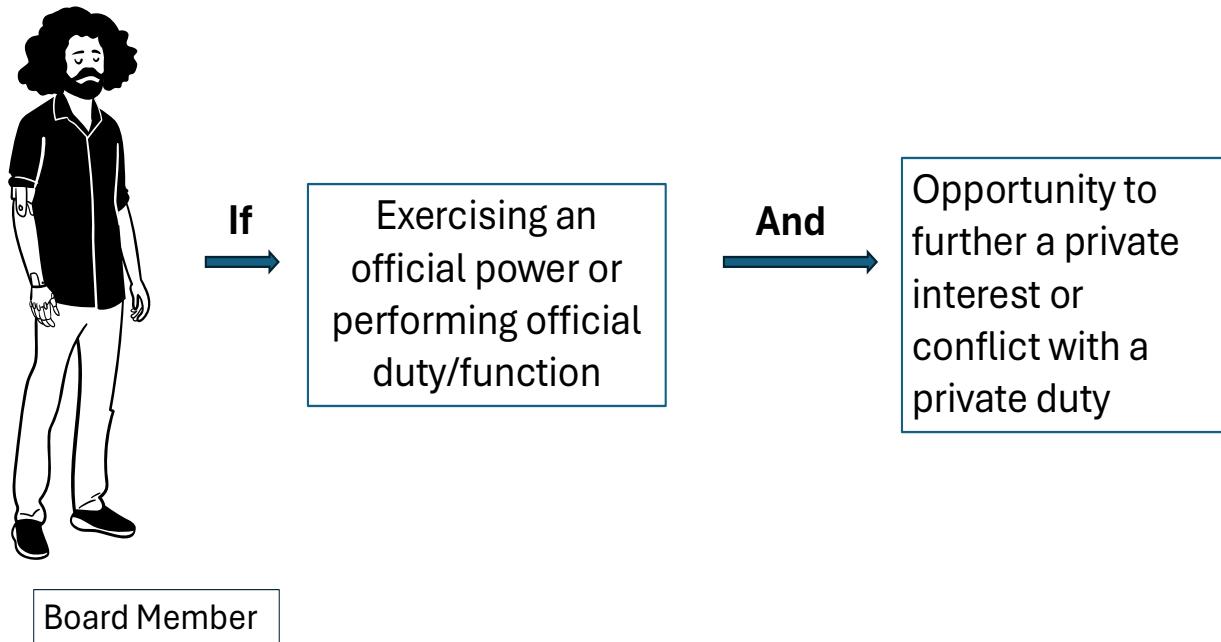


Diagram #2: Potential Conflict of Interest

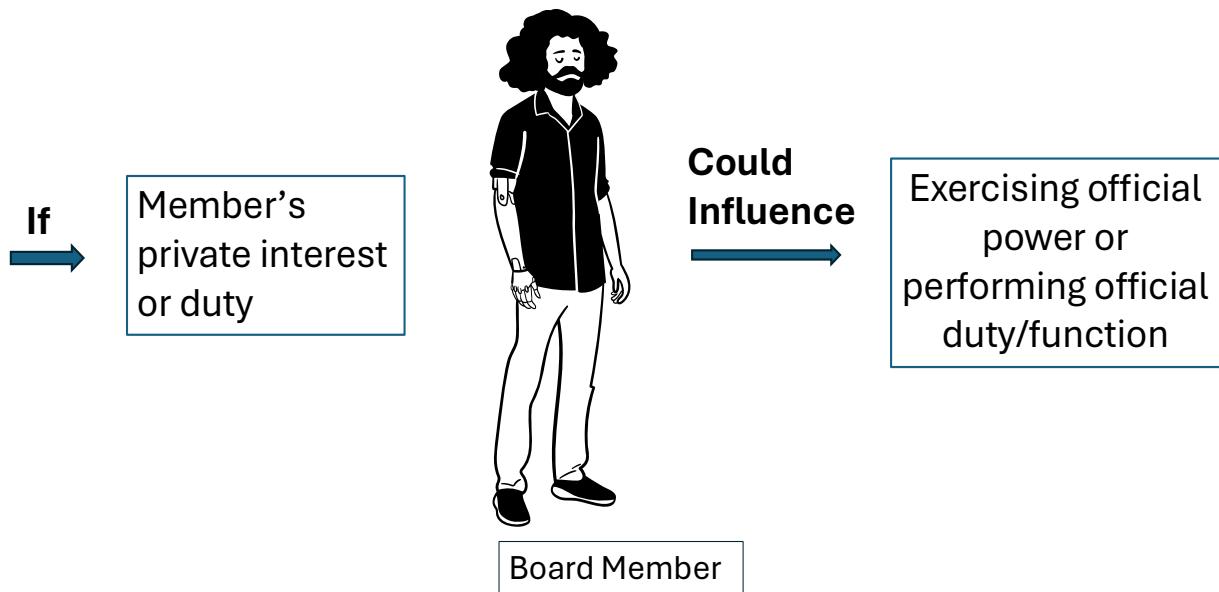


Diagram #3: Apparent Conflict of Interest

