



CONFLICT OF INTEREST POLICY

Adopted: March 20, 2015

Amended: January 2, 2018

APPLICATION POLICY

This policy applies to SFPE members of the Board of Directors, staff, and certain volunteers. A volunteer is covered under this policy if that person has been granted significant independent decision-making authority with respect to financial or other resources of the organization. Persons covered under this policy are hereafter referred to as “interested parties.”

DETERMINING A CONFLICT OF INTEREST

A conflict of interest may exist when the interests or concerns of an interested party may be seen as competing with the interests or concerns of the Society. There are a variety of situations, which raise conflict of interest concerns including, but not limited to, the following:

Financial Interests

A conflict may exist where an interested party, or a relative or business associate of an interested party, directly or indirectly benefits or profits as a result of a decision or transaction entered into by the Society. Examples include situations where:

- The Society contracts to purchase or lease goods, services, or property from an interested party, or a relative or business associate of an interested party;
- The Society purchases an ownership interest in or invests in a business entity owned by an interested party or by a relative or business associate of an interested party;
- The Society offers employment to an interested party or a relative or business associate of an interested party, other than a person who is already employed by the Society;
- An interested party or a relative or business associate of an interested party is provided with a gift, gratuity, or favor of a substantial nature from a person or entity which does business or seeks to do business with the Society;
- An interested party or a relative or business associate of an interested party is gratuitously provided use of the facilities, property, or services of the Society.

Other Interests

A conflict may also exist where an interested party or a relative or business associate of an interested party obtains a non-financial benefit or advantage that he/she would not have obtained absent his/her relationship with the Society, or where his/her duty or responsibility owned to the Society conflict with a duty or responsibility owned to another organization. Examples include:

- a) An interested party seeks to obtain preferential treatment by the Society for her/himself, a relative, or business associate;
- b) An interested party seeks to make use of confidential information obtained from the Society for her/his own benefit or for the benefit of a relative, business associate, or other organization; or
- c) An interested party seeks to take advantage of an opportunity or enables a relative, business associate or other organization to take advantage of an opportunity which she/he has reason to believe would be of interest to the Society.

DISCLOSURE OF ACTUAL OR POTENTIAL CONFLICT OF INTEREST

An interested party is under a continuing obligation to disclose any actual or potential conflicts of interest as soon as it is known, or reasonably should be known.

An interested party shall completely disclose the material facts about any actual or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with the Society, and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as an actual or potential conflict arises.

The **disclosure statements** shall be provided to the Chief Executive Officer of the Society.

In the case of staff or volunteers with significant decision-making authority, the disclosure statement shall be provided to the Chief Executive Officer of the Society. The Chief Executive Officer's disclosure statement shall be provided to the President of the Board of Directors. The Secretary of the Board of Directors shall file copies of all disclosure statements with the official corporate records of the Society.

Whenever there is reason to believe that an actual or potential conflict of interest exists between the Society and an interested party, the Board of Directors shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedure described below, with respect to a specific proposed action or transaction.

PROCEDURES FOR ADDRESSING CONFLICT OF INTEREST – SPECIFIC TRANSACTIONS

Where an actual or potential conflict exists between the interests of the Society and an interested party, with respect to a specific proposed action or transaction, the Society shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the Board of Directors of the Society. The following procedures shall apply:

- a. An interested party who has an actual or potential conflict of interest with respect to a proposed action or transaction of the Society shall not participate in any way in, or be present during the deliberations and decision-making of the Society with respect to such action or transaction.

- b. The disinterested members of the Board of Directors may approve the proposed action or transaction upon finding that it is in the best interests of the Society. The Board of Directors shall consider whether the terms of the proposed transaction are fair and reasonable to the Society and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with an entity that is not an interested party.
- c. Approval by the disinterested members of the Board of Directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An interested party shall not be counted for purposes of determining whether a quorum is present, or for purposes of determining what constitutes a majority vote of directors in attendance.
- d. The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, the abstention from voting and participation by the interested party.

VIOLATIONS OF CONFLICT OF INTEREST POLICY

If the Board of Directors has reason to believe that an interested party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and take the appropriate action.