

# Royal City Housing Co-operative Inc.

---

## By-law 2016.04 Conflict of Interest By-law

---

Passed by the Board of Directors of Royal City Housing Co-operative Inc.  
at a duly constituted meeting on 21 September 2016  
Confirmed by 2/3 majority at a duly constituted General Members'  
Meeting on 26 October 2016

---

Pauline Busby, President

---

Shelley Hickey, Corporate Secretary

## Contents

Article 1	What is conflict of interest? .....	3
Article 2	Procedures.....	4
Article 3	Payment of Directors.....	6
Article 4	Conflict of Interest Avoidance .....	6
Article 5	Information to the Service Manager .....	7
Schedule A	Conflict of Interest Declaration.....	8

## Article 1 What is conflict of interest?

- 1.1 All directors, officers, committee members, agents and employees must carry out their duties honestly, in good faith and in the best interests of the co-operative rather than in their personal interest. This includes following the Co-op's bylaws and provincial legislation about conflict of interest.
- 1.2 In this bylaw, a person related to a director, officer, agent or employee means a parent, spouse, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, agent or employee has a business relationship.
- a. "Child", in relation to a director, employee or agent, means a child who the individual has demonstrated a settled intention to treat as a child of his or her family, but does not include a child placed in the individual's home as foster child for consideration.
- b. "Spouse" in relation to a director, employee or agent means:
- An individual who, together with the director, employee or agent, has declared that the individual and the director, employee or agent are spouses:  
or
  - An individual who is residing in the same dwelling place as the director, employee or agent, if the social and familial aspects of the relationship between the individual and the director, employee or agent amount to cohabitation.
- 1.3 Directors, employees and agents of a housing provider shall not be involved in any decision making situation where a perceived, potential or actual conflict of interest exists. A conflict of interest includes the following circumstances:
- The personal or business interests of a director, employee or agent of a housing provider are in conflict with the interests of the housing provider;
  - A personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, employee or agent of the housing provider or a person related to one of them as a result of a decision by the housing provider; and
  - Decisions or actions by any director, employee or agent while carrying out duties on behalf of a housing provider, which are likely or intend to have an adverse effect on the housing provider.
- 1.4 An employee or agent of the co-op can have a conflict of interest when:
- The employee recommends, makes or takes part in a decision affecting the co-op's affairs, and;

- The result of the decision gives the employee, or a person related to the employee a financial or other benefit. This financial or other benefit may be direct or indirect.

1.5 Examples of conflict of interest are:

- The co-op does business with a director or an employee of the co-op or a company in which the director or the employee or a person related to them have a financial interest or stock;
- Someone living in the co-op or an employee is involved personally in a procedure of discipline where they or someone related to them made the complaint, or someone related to them is being disciplined;
- The Board gives out on-call positions to friends or family without telling all members that positions are available.

There are other types of conflict of interest. The Co-op should deal with them by using the principles contained in this bylaw.

## Article 2 Procedures

2.1. The facts of each case are different, and careful judgment is needed to decide whether there is a conflict of interest. Even a perception of conflict of interest could undermine the appearance of integrity and the credibility of the co-op's business practices and the government funding program.

Therefore, the board and members should follow the procedures below to determine if there is a conflict and to deal with the conflict if it exists.

a) Director conflict or possible conflict of interest

When a director has or may have a conflict of interest:

- The director must declare the conflict of interest, or possible conflict of interest, in writing at or before the board meeting after becoming aware of the conflict of interest or potential conflict of interest. This declaration must be recorded in the minutes of the meeting;
- If the director does not declare a conflict of interest or a possible conflict of interest, but another director is aware of one, the other director should bring it up at the meeting.

The board must consider the matter no later than the first meeting after the notice of the conflict of interest was given. This discussion must be recorded in the minutes of the meeting.

The Board then decides if there is a conflict of interest. If the board decides that there is a conflict of interest the director cannot vote on the matter, must not be present at any of the parts of meetings when the matter is discussed and does not count in quorum for those parts of the meeting.

As set out in Article 5, the Board must report its discussion of the matter including how it was resolved to the service manager.

b) Financial Conflicts of Interest

This paragraph applies in addition to paragraph 2.1(a) if a director has or may have a financial conflict of interest.

In the case of contracts or agreements the provisions of Article 3.2 below apply.

Other financial conflicts of interest may be approved if the board believes that there is no reasonable alternative, that their decision is in the best interests of the co-op and is appropriate for a body that receives significant public funding.

Where the Board approves a financial conflict of interest they must report it at the next meeting of the members. This does not apply to payments for on-call duties as set out in Article 3.3.

If the board does not approve the conflict of interest the minutes must show this.

c) When a committee member has or may have a conflict of interest

A committee must follow the same procedure as the board if a committee member has or may have a conflict of interest. The matter can be appealed to the board if there is a dispute. The Board's decision is final.

If the conflict of interest is financial it must be referred to the Board. The Board's decision is final.

d) When an employee or agent has or may have a conflict of interest

An employee or agent of the co-op who has or may have a conflict of interest must report it to their supervisor and follow the supervisor's directions.

The manager must report a conflict of interest to the staff liaison (if there is one) or to the president of the Co-op. The president or staff liaison will report it to the Board. The manager must follow the Board's directions.

Where the Co-op retains a management company, the company and all its personnel must follow the same procedures as an employee of the Co-op.

Where there are officers of the Co-op who are not directors, they must follow the same procedure as employees.

As set out in Article 5, the Board must also report the conflict of interest to the service manager.

e) Members' conflict of interest

At members' meetings, all members can discuss and vote as they wish, even if they have a conflict of interest. However, members must declare the conflict of interest before taking part in the discussion. Members should try to act in the best interests of the Co-op as a whole.

These procedures are in addition to, and do not replace, the requirements of the provincial statutes or common law.

### Article 3 Payment of Directors

- 3.1 Directors and officers serve without payment of any kind. However, they have the right to be paid for traveling or other expenses while doing business for the Co-op as long as the expenses are reasonable. The Board must authorize these expenses which must meet any guidelines and limits set by the Board. Directors cannot receive compensation for lost income while doing business for the Co-op.
- 3.2 Despite anything else in this bylaw, directors and officers, or people related to them, cannot enter into any contracts with the Co-op other than contracts that are generally available to other members, such as occupancy or performance agreements.
- 3.3 Directors and officers hired by the Co-op to a paid position must resign from office. This does not apply to being the on-call person for the equivalent of one day or less a week.

### Article 4 Conflict of Interest Avoidance

- 4.1 All directors, employees, and agents associated with housing providers must sign a conflict of interest declaration annually;
- 4.2 Each board meeting agenda must include Conflict of Interest as a standing agenda item. This provides an opportunity for board members, staff and agents to declare a conflict of interest on any issues and decisions arising at the board meeting. All declared conflicts of interest must be included in the board meeting minutes.

- 4.3 The board will closely monitor its relationships, contracts, arrangements and agreements. It will not engage in any that may result in a conflict of interest unless the situation is resolved as in Article 2.
- 4.4 The board will promote fair, open and objective business policies and practices in all its purchasing, contracting and hiring.
- 4.5 The board and staff must follow the procedures set out in the Spending By-law.

## Article 5

### *Information to the Service Manager*

- 5.1 The board must report to the Service Manager the minutes of any meeting where the Board discussed a conflict of interest or potential conflict of interest, prior to the next Board meeting. The board meeting minutes must include the following information when a conflict of interest is declared:
- a. Name of person who declared the conflict of interest;
  - b. The nature of the conflict of interest;
  - c. Options available to and considered by the board;
  - d. Names of board members present for the discussions and final decisions;
  - e. How the board resolved the conflict;
  - f. How the board's final decision was in the best interest of the housing provider.

The minutes must also record the Board's acknowledgement that its decision is subject to the approval of the service manager.

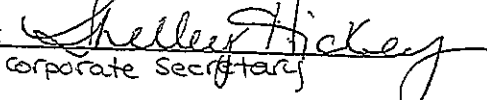
5.2 The Service Manager will provide a written response to the declared conflict of interest report. The Service Manager's response to the conflict of interest report will be presented to the board of directors at a subsequent meeting. The housing provider is required to comply with all requirements stated in the Service Manager's written response.

5.3 The housing provider maintains conflicts of interest files which contain board/staff/agent conflict of interest declarations and information on all declared conflicts (notices, correspondence, meeting minutes etc.).

5.4 All conflict of interest files must be stored, maintained and easily accessible for a minimum of seven years.

Passed by the Board of Directors of Royal City Housing Cooperative Inc.  
at a duly constituted meeting on the 11<sup>th</sup> day of February 2015.

x  x  
President

  
Corporate Secretary

Confirmed by the 2/3 majority at a duly  
constituted General Meeting of Royal City  
Housing Co-operative Inc., which was  
called for this purpose on 18<sup>th</sup> day of March, 2015

**Schedule A**

**Conflict of Interest Declaration**

**Board of Directors and Staff**

**Royal City Housing Cooperative Inc.**

*I agree that I will act honestly, in good faith, and in the best interests of the co-op. I must avoid conflicts of interest, both direct and indirect. I will always put the interests of the Co-op before my personal interests. I promise to declare in writing any possible conflict of interest that I have, or may have, in connection with any Co-op contract, business or proposed business as soon as it occurs. I understand that the obligations and limitations regarding conflict of interest also apply to all persons in my household and to my relatives. The Board will deal with the conflict of interest using the procedures set out in the Conflict of Interest bylaw.*

NAME:	
SIGNATURE:	DATE:

Declaration to be signed annually by directors and staff.