

## CONFLICT OF INTEREST OR DUTY

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

### PURPOSE/PHILOSOPHY

A member of the Board of Governors of the University of the Fraser Valley holds a special position of trust. As such, members are obligated to avoid all situations of conflict of interest. Each member, regardless of how they become a member, has a responsibility first and foremost to the welfare of the university and acts as a member of the Board, not as a member of any particular constituency. A Board member's commitment to this Bylaw works together with the expectation of upholding the confidentiality of all Board information not considered to be in the public realm.

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### BYLAW

Therefore, given the nature of Board membership, activities, and discussions, individual members of the Board may find themselves in conflict of interest, potential conflict of interest, or apparent conflict of interest situations. This document clarifies general areas of conflict and gives specific guidelines for all Board members.

### DEFINITIONS

In this statement:

**“Board of Governors”** means the Board of Governors of the University of the Fraser Valley and associated Board of Governors committees of the university;

**“Member”** means a person either appointed to the Board of Governors by the Lieutenant Governor in Council, a person elected by a constituency, or a person who is on the Board of Governors because of a position held (i.e., President, Chancellor);

**“Internal Member”** means President, Chancellor, faculty, support staff, and students;

**“External Member”** means an appointed community member;

- “Related Person”** means a spouse, child, parent, or sibling of the member;
- “Adjudicator”** means a person identified to assist in determining a declaration of conflict of interest.

## **1. Conflict of Interest Defined**

- 1.1 A conflict of interest arises when a Board of Governor member’s private interests supersedes or competes with their dedication to the interests of the university. This could arise from Real, Potential, or Apparent Conflict of Interest for a Board of Governors member or related persons and may be financial or otherwise. For this purpose:
- (a) A “Real Conflict of Interest” occurs when a Board of Governors member exercises an official power or performs an official duty or function and, at the same time, knows that in the performance of this duty or function or in the exercise of power there is the opportunity to further a private interest.
  - (b) A “Potential Conflict of Interest” occurs when there exists some private interest that could influence the performance of a member’s duty or function or in the exercise of power provided that they have not yet exercised that duty or function.
  - (c) An “Apparent Conflict of Interest” exists when there is a reasonable apprehension which reasonably well-informed persons could properly have that a Real Conflict of Interest exists on the part of the member.

## **2. Declaration of Conflict**

- 2.1 Board of Governors members arrange their private affairs and conduct themselves in a manner to avoid a conflict of interest. In cases where conflict cannot be avoided, a Board of Governors member has an obligation to declare a conflict of interest prior to discussion or decision of an issue. Upon declaration of a conflict, the person recording the events of the meeting duly notes the declaration and the Board of Governors member:
- (a) in an in-camera session or committee meeting, absents themselves from the proceedings during discussion or voting on that particular matter, contract, or arrangement;
  - (b) in a public session, refrains from discussion or voting on that particular matter, contract, or arrangement.
- 2.2 Where a Board of Governors member is unsure of whether they are in conflict, that member raises the perceived potential conflict with the Board Chair, and the Board of Governors determine by majority vote whether or not a conflict of interest exists. The member perceived to be in conflict refrains from voting on the issue.

- 2.3 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. If the Board of Governors determines that involvement of said member influenced the decision of the matter, the Board of Governors re-examines the matter and may rescind, vary, or confirm its decision.
- 2.4 Any Board of Governors member who perceives another member to be in conflict of interest in a matter under consideration identifies the perceived conflict to the Board Chair at the first opportunity. The Board of Governors determines by majority vote whether or not a conflict of interest exists, and the member perceived to be in conflict refrains from voting.
- 2.5 Where a Board of Governors member has been declared by vote to be in conflict of interest, and that member disagrees with the decision of the Board of Governors, they may appeal the decision through the steps outlined in Section 3. Until the appeal process is completed, the Board of Governors member perceived to be in conflict either stands aside on the given issue or continues at risk of acting in conflict and being subject to the associated penalty(ies).
- 2.6 At the discretion of the Board of Governors, the Board of Governors may invite the member in conflict to state their position on the issue in question prior to absenting themselves.

### **3. Appeal of Declaration of Conflict**

- 3.1 If the Board of Governors has exhausted all possible means of resolving a conflict of interest declaration and the Board of Governors member(s) in question and the Board of Governors are still at an impasse, then, upon consent of the parties, the determination of conflict is referred to an Adjudicator(s). Any costs associated with this appeal process are the responsibility of the initiating member.
- 3.2 The process for appealing a declaration of conflict requires the following:
  - (a) the Board of Governors identifies an external Adjudicator to review and make a determination on a perceived conflict of interest;
  - (b) the Board of Governors submits a report to the Adjudicator and a copy to the member in question within seven days of the request for adjudication documenting the nature of the perceived conflict, and the background leading to the impasse;
  - (c) the Board of Governors member(s) perceived to be in conflict submits a report to the Adjudicator and a copy to the Board of Governors within seven days of the request for adjudication documenting the nature of the perceived conflict, their rationale for not being in conflict, and the background leading to the impasse;
  - (d) the Adjudicator(s) reviews the documentation, gathers any other additional information required to make an informed decision, and provides the Board of Governors with a determination on the declaration of conflict of interest within two

weeks of receiving the request for adjudication or may, if further review is necessary, request an extension from the parties involved. A second role for the Adjudicator(s) is to recommend to the Board of Governors any punitive or corrective action to be directed to a Board of Governors' member deemed to be in conflict.

#### **4. Punitive Action Associated with Conflict of Interest**

4.1 Subject to the University Act, the Board of Governors has the power and ability to impose punitive action including one or more of the following:

- (a) letter of reprimand;
- (b) suspension of a Board of Governors member(s) from the Board of Governors for a determined period of time;
- (c) dismissal from the Board of Governors.

#### **5. General Guidelines for Declaring Conflict of Interest (under 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 necessarily to be considered exhaustive. Instead, the definitions of conflict as described in Section 1 should be used as the ultimate measure of conflict.

5.1 A **pecuniary interest** exists when a contract or other matter of a monetary nature is before the Board of Governors 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;
- (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.

5.2 A **conflict of interest due to a representation of or relation to a specific constituency** may occasionally arise. In general, voting on matters that have an effect on a Board of Governors group (i.e., students, staff, faculty) by a member of that group is not considered a conflict of interest. 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 in which:

- i) student Board of Governors members are enrolled in the program;
  - ii) faculty or support staff Board of Governors members are employed in the program;
  - iii) members with related persons are enrolled in or employed in the program.
- (b) decisions related to labour negotiations and labour relations:
- i) for faculty and support staff Board of Governors members;
  - ii) for Board of Governors members with related persons who hold faculty and/or support staff positions at the institution;
  - iii) for Board of Governors members with related persons who hold positions at other institutions who could be seen to gain benefit from information divulged on these matters.

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