

# **CENTRE STREET CHURCH**

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## **CONFLICT OF INTEREST POLICY**

**FOR**

**GOVERNORS, OFFICERS AND COMMITTEE  
MEMBERS**

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**Board Approval the 24<sup>th</sup> day of September, 2010**

**Membership Approval the 12<sup>th</sup> day of October 2010**

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Marvin J. Fritzler, Chair

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Shirley G. Yule, Secretary

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## 1.01 PURPOSE OF CONFLICT OF INTEREST POLICY

- (a) The Governors, Officers and Committee Members of Centre Street Church (the “Church”) contribute to the work of the Church in various ways and they deal with issues that have far-reaching implications. The Church is well served by the fact that many of those involved have diverse interests and are also involved in a number of activities outside of the Church. On occasion, Governors, Officers and Committee Members of Centre Street Church may be involved in a situation that places him or her in a potential conflict of interest.
- (b) Centre Street Church (the “Church”) is committed to the highest levels of integrity in its operations. The purpose of this Conflict of Interest Policy for Governors, Officers and Committee Members (“Conflict of Interest Policy”) is to provide guidance in identifying and handling various circumstances that may arise during the operations of the Church. This Conflict of Interest Policy has been prepared to reflect consistency with the revised section 3.10 of By-law No. 2 of the Church dated October 23, 2010

## 1.02 Application of this Conflict of Interest Policy

Governors, Officers and Committee Members are required to comply with this Conflict of Interest Policy in relation to their involvement with the Church’s operations. The terms “Governor”, “Officer” and “Committee Member” shall have the same meanings as defined in the Church’s General Operating By-law No. 1, as amended by the Church from time to time. Governors, Officers and Committee Members are collectively referred to as “Individuals” in this Conflict of Interest Policy.

## 1.03 Statement of Principles

The purpose of this section of the Conflict of Interest Policy is to provide guidance to Individuals in identifying and handling potential and actual Conflicts of Interest involving the Church. Individuals are expected to conduct their relationships with each other, the Church, and outside organizations with objectivity, integrity and honesty. The general principle is that Individuals are obligated to disclose ethical, legal, financial, or other conflicts of interest involving the Church, and remove themselves from a position of decision-making authority with respect to any conflict situation involving the Church.

## 1.04 Identification of Conflict of Interest

- (a) A Conflict of Interest arises when an Individual has any direct or indirect personal interest, gain or benefit in an actual or proposed contract, business transaction, financial arrangement or other matter with the Church either personally by an Individual or indirectly through the Individual’s spouse or children (“Conflict of Interest”).

- (b) Conflicts can arise in many situations. It is impossible to cover them all, and it will not always be easy to distinguish between proper and improper activity. In doubtful cases, the Individual should consult with the Executive Committee of the Church before taking any action. In general, a Conflict of Interest is considered to have arisen when:
  - (i) an Individual or his or her spouse or children may receive a financial or other benefit;
  - (ii) an Individual has an opportunity to influence the Church's charitable activities, investment, administrative, operations or other material decisions in a manner that leads to personal gain or advantage; or
  - (iii) an Individual has an existing or potential financial or other interest which impairs or might appear to impair the Individual's independence in the discharge of the Individual's duties and responsibilities to the Church.
- (c) Notwithstanding the provisions in Section 2.02 herein, no disclosure is required in relation to any actual or proposed contract, business transaction, financial arrangement, or other matter with the Church unless the direct or indirect (i.e. through the Individual's spouse or children) personal interest, gain or benefit of the Individual in such contract, business transaction, financial arrangement or other matter is of a material nature.
- (d) The phrase "material nature" in sub-section 2.02 (c) herein shall mean that the Individual in question (or his or her spouse or children), directly or indirectly, is personally receiving a material benefit or gain of some kind, either financially or otherwise, with the determination of "material nature" in such circumstances to be determined by the Board of Governors from time to time.
- (e) In this regard, Conflicts of Interest will not generally arise in the following situations:
  - (i) Where the interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence the Individual, or where a pecuniary interest is in common with a broad group of which the Individual is a member; or
  - (ii) Where the issue is one of general or public information.

#### 1.05 Avoidance of Conflict of Interest

- (a) All Individuals are required to adhere to their obligation to avoid and disclose ethical, legal, financial, or other conflicts of interest involving the Church.
- (b) Since conflicts of interest may arise in different situations, the following are examples of how potential Conflict of Interest situations may be avoided:

- (i) Gifts, Fees or Benefits - An Individual may not accept or offer any gift, fee, benefit or anything else for the purpose of influencing the action of the Church or of the Individual. Gifts received during the course of or as a result of his/her involvement with the Church must be given to Church and, if acknowledgement is appropriate, acknowledged on behalf of the Church. However, normal business practices, such as meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, etc., may be acceptable, as long as they are of nominal and reasonable value and promote the Church's interests.
- (ii) Business relationships and dealings – An Individual may not approve, negotiate, review or oversee contracts with organizations or businesses in which the Individual or his or her spouse or children has a financial or other interest or relationship.
- (iii) Personal benefit – An Individual may not use his or her position with the Church to promote or influence his or her own self-interests or the interests of his or her spouse or children or influence a decision to be made by the Church.

#### 1.06 Disclosure and Management of Conflicts of Interest

A key element in properly addressing conflicts of interest is a process by which Individuals provide disclosure of any real or potential conflicts of interest. By disclosing such interests to the Board, or the Chair of the Board or the Chair of the Committee on which the Individual is serving as outlined in section 1.06 herein, the Board can evaluate their impact on the Church's purposes, programs and activities and can make a determination regarding whether an actual or potential Conflict of Interest exists. It can also identify what steps may be taken to minimize the likelihood that a conflict might arise. As such, Individuals are expected to comply with the disclosure requirements set out below.

##### (a) Disclosure at Next Meeting

- (i) All meetings of the Board of Governors and all meeting of all Committees of the Church shall begin with an agenda item that provides Governors and Committee Members with the opportunity to disclose actual or potential conflicts of interest.
- (ii) Any Individual who has any Conflict of Interest shall declare his or her interest therein at the next meeting of the Board or applicable Committee on which the Individual is a member, to the Chair of the Board or the Chair of the Committee on which the Individual is serving, as the case may be. For greater certainty, although a Governor and a Governor's spouse are precluded from being employed by the Church in accordance with section 3.04(i) of By-law No. 1, spouses of Committee Members are not precluded from being employed by the Church.

- (iii) The chair of the Board or Committee meeting, as the case may be, shall request the Individual who has declared a Conflict of Interest, to absent himself or herself during the discussion of and vote upon the matter, with such action being recorded in the minutes. Where a Conflict of Interest has been disclosed at a Committee meeting, the Committee in question shall present a full report to the Board regarding the Conflict of Interest at the next meeting of the Board.
- (iv) Where a Conflict of Interest has been identified a decision regarding how to address the Conflict of Interest situation shall be determined by resolution of the Board of Governors on a case-by-case basis. For greater certainty, the decisions of the Governors may include, but are not limited to, a decision to proceed with the proposed contract, business transaction, financial arrangement, or other matter involving the Individual, a decision to refrain from proceeding with the proposed contract, business transaction, financial arrangement, or other matter involving the Individual, or a decision to request that the Individual in question resign from the Board of Governors or the Committee, as the case may be. The steps taken to address the conflict shall be documented by the Church in the minutes of the applicable Board or Committee meeting.

#### 1.07 Board Chair to Manage Conflicts of Interest

- (a) The Board Chair shall administer compliance with this policy.
- (b) The Board Chair shall have the following duties with respect to this Conflict of Interest Policy:
  - (i) To review and provide guidance to any Individual who has or thinks he or she may have a real or potential Conflict of Interest including, but not limited to, providing strategies to an Individual on how to address any real or potential Conflict of Interest that he or she may have in accordance with the terms of this Conflict of Interest Policy;
  - (ii) Upon request by the Board of Governors, to make recommendations to the Board of Governors respecting whether an Individual is or is not in a Conflict of Interest in accordance this Conflict of Interest Policy and/or recommendations respecting the measures to be taken to address any breach of this Conflict of Interest Policy; and to perform such other duties as may be determined by the Board of Governors with respect to this Conflict of Interest Policy from time to time.

#### 1.08 Confidentiality

The Governors, Officers and Committee Members of the Church owe a fiduciary duty of loyalty to the Church and to its Members and Adherents. This requires Governors, Officers and Committee Members in serving the Church to act not in their own personal interests or in the interests of others, but rather solely in the interests of the Church.

Members of the Board of Governors, Officers and all Committees of the Church shall keep confidential and not disclose to anyone else, including Members and Adherents of the Church, during and after their service on the Board/Committee, all direct or indirect information acquired pertaining to the Church and any related activities.