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## CHAPTER 5 – Conflict of Interest

### 21. CONFLICT OF INTEREST POLICY

Individuals and the Organizations subject to the Organizations’ Conflict of Interest Policy are expected to respect and comply with the Organizations’ Conflict of Interest Policy and act in the best interests of the Organization by avoiding conflicts of interest. They must avoid situations where their personal interests or the personal interests of their Related Parties could interfere or may conflict, directly or indirectly, with their obligations to the Organizations.

#### 21.1 *Introduction*

21.1.1 BC Artistic Swimming or Affiliated Clubs and Organizations (also identified as “Organization(s)”) must be impartial and fair in our dealings with Registrants, suppliers, and the general public. Their trust, confidence, and support of the Organizations’ goals and objectives are necessary if we are to do our job well. Members of the Organizations’ Board of Directors, Committee members, staff, representatives, and decision makers must ensure that their interests, or those of people close to them, do not conflict with the impartial performance of their duties. Any potential, real or perceived, conflict between an individual’s interests, and those of the Organizations, must be resolved in favor of the Organization.

21.1.2 Individuals defined in section 9.3.3.1 of this Policy are obligated to act in the best interests of the Organizations and to avoid conflicts of interest. Individuals must avoid situations where their personal interests or the personal interests of their Related Parties could interfere or may conflict, directly or indirectly, with their obligations to the Organizations.

21.1.3 Even if the Individual does not have an actual conflict of interest, if other people reasonably perceive one, they may still be concerned that the Individual cannot act properly. For this reason, it is important to avoid the appearance of a conflict, as well as an actual one. Being seen or thought to be in a conflict of interest can damage the reputation of the Individual and the reputation of the Organizations.

21.1.4 For clarity, Conflicts of Interest may be real, perceived, or apparent as defined in this Policy.

#### 21.2 *Purpose of Policy*

21.2.1 This Policy is aimed at avoiding conflicts of interest within Organizations and maintaining fair and ethical interactions between and among those who work, volunteer, and do business with the Organizations.

21.2.2 The Organization is incorporated and governed by the BC Society’s Act in matters involving a real, perceived, or apparent conflict between the personal interests of a director or officer (or other

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Individuals involved in a decision making or decision influencing roles) and the broader interests of the Organization.

### **21.3 Application**

21.3.1 This Conflict of Interest Policy shall apply to all Affiliated Organizations, Club Executives, committee members, staff, representatives, decision makers of the Organization and any persons holding an official role or authority within the Organization.

### **21.4 Definition and Situation of Conflict of Interest**

21.4.1 Conflicts of interest may arise in situations involving:

- a) An interest, either real, perceived, or apparent, that benefits the Individual or a Related Party including where:
  - i. A pecuniary interest is derived;
  - ii. Preferential treatment is given;
  - iii. There is interference in the decision-making process; or
  - iv. Personal advantage of any kind may be derived.
- b) Outside organizations with which the Individual has an official governing responsibility, or which employ the Individual or a Related Party;
- c) The individual having a financial interest in the outside organization; or
- d) Real, perceived or apparent potential to compromise the best interests of the Organizations.

21.4.2 Examples of situations that could give rise to a pecuniary conflict of interest include, but are not limited to:

- a) Having a personal interest that could lead to being influenced in the way that the Organization's duties are carried out; or could lead a reasonable third party to think that the way the Organization's duties are carried out could be influenced by a personal interest; or
- b) A family member, relative, friend, associate, or any Board member or any other related Parties close to an Individual having a personal interest that could lead to being influenced in the way that Organization's duties are carried; or could lead a reasonable third party to think that the way Organization's duties are carried out could be influenced by a personal interest.

21.4.3 Examples of situations that could give rise to non-pecuniary conflicts of interest include, but are not limited to:

- a) Having the responsibility for hiring a consultant, where one of the applicants is a good friend;
- b) Supporting proposals from a club where the decision-making person spends a good deal of their leisure time;
- c) Supporting proposals from groups of people or individuals with whom the decision-making person has regular personal contact, e.g., family members
- d) Not only must actions be free from any conflicts, but decision-making persons must also ensure that they are seen to be free from any conflicts of interest. It is therefore important that what other people might think of the situation is considered. These other people could include, for example, potential suppliers, other sport organizations, fellow Board members or staff, if applicable, and members of the public.

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21.4.4 In this Policy, a Related Party means and includes a close family Member, a relative or friend, associate, a person under its care or responsibility, a close client, partner, a corporation controlled by any Individual governed by this Policy or any corporation or enterprise in which such Individual has a significant interest.

### **21.5 *Managing, Declaring Conflicts of Interest***

21.5.1 This Policy does not identify conflicts of interest but provides a basis to manage such situations as they arise.

21.5.2 If an Individual finds themselves in a conflict of interest or a situation where they believe that others may perceive them to be in a position of conflict, the Individual must declare the conflict immediately so that action can be taken to resolve the situation. This is the best way for interested Individuals to protect themselves and their reputation for honesty, fairness and objectivity.

### **21.6 *Declaring a Conflict of Interest***

21.6.1 Individuals must take one of these steps to declare a conflict of interest:

- a) Verbally report the conflict of interest to the Executive Director or President or to the directors or committee members at a board of directors or committee meeting. This verbal declaration should be followed up with a written declaration or documented in the Minutes of any Board of Directors or committee meetings; or
- b) Disclose the conflict of interest in writing by sending a letter to the Executive Director or President or other person designated by the Organization;
- c) In the case of officials, disclose the conflict of interest in writing by sending a letter to the Chair of the Officials Committee.

### **21.7 *Managing Conflicts in Decision-Making***

21.7.1 Decisions or transactions that involve a real or perceived conflict of interest that have been disclosed by the Interested Individual may be considered and decided upon provided that:

- a) The nature and extent of the conflict of interest has been disclosed fully to the body that is considering or making the decision, ideally with proper advance notice, and this disclosure and how it was managed is recorded in the minutes;
- b) The Interested Individual is not included in the determination of quorum for the proposed decision or transaction; and
- c) The Interested Individual removes themselves from discussion on the matter and abstains from voting on the proposed decision or transaction.

21.7.2 Minor conflicts of interest can be managed simply by disclosing them. If the Executive Director or the President or the other directors or committee members at a board of directors or committee meeting agree unanimously that the conflict is minor, the Interested Individual can continue to participate in the decision.

21.7.3 More serious conflicts of interest will require the Interested Individual to temporarily recuse him or herself from meetings and to not participate in any formal discussion on the matter giving rise to the conflict of interest. The Interested Individual must not attempt to learn about, provide

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information or otherwise influence the discussion or voting on a decision or transaction, either formally at a board or committee meeting or informally through private contact, communication or discussion, except as provided below:

a) On the unanimous request of the body that is considering or making the decision, the Interested Individual may present information or respond to questions relating to the decision or transaction.

21.7.3 To avoid the appearance that the Organization is giving Interested Individuals an advantage, the body that is considering or making the decision should:

a) If applicable, ensure that alternate bids or estimates have been obtained; and

b) Determine by a majority vote that the transaction is fair and reasonable and in the Organization's best interest.

21.7.4 In situations where an Individual's objectivity and ability to carry out his or her duties and responsibilities with the Organization are hindered by ongoing conflicts of interest, the Individual should offer to resign from their position.

### **21.8 *Recognizing When Others are in Conflict***

21.8.1 Where an Individual believes that another Individual has an actual or reasonably perceived conflict of interest that has not been declared, they have a responsibility to take one of these steps:

a) Inform the Executive Director or President or the directors or committee members at a board of directors or committee meeting, as appropriate, of the potential conflict of interest; or

b) In the case of officials, inform the Chair of the BC Officials Committee or the event's referee.

21.8.2 Pointing out a potential conflict of interest is not an accusation, it is merely looking out for fair decision making in the best interests of the Organization.

### **21.9 *Benefits, Entertainment and Gifts***

21.9.1 Individuals must not solicit or accept benefits (excluding normal remuneration and benefits afforded to employees or contractors), entertainment or gifts (collectively "Gifts") in exchange for or as a condition of the exercise of their duties, or as an inducement for performing an act associated with their duties or responsibilities with the Organization. Similarly, Individuals must not give away Gifts on behalf of the Organization in exchange for, or as a condition of, any benefit for the Organization or the Individual.

21.9.2 It is the responsibility of the Individual to ensure that a gift, whether received or to be given, is proper. If in doubt, the Individual should consult with their immediate supervisor or a Person in Leadership.

### **21.10 *Outside Business Activity***

21.10.1 An employee or person under contract with the Organization or a Member Club may undertake an outside business activity if there is no conflict of interest and if the satisfactory performance of the employee or contractor's job functions with the Organization is not prejudiced in any way. Such activities include an outside business interest, directorship or outside employment. In addition, the following rules apply:

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- a) The employee or contractor should not engage in any activity likely to compromise the reputation of the Organization or a Member Club;
  - b) The employee or contractor should not conduct outside business or volunteer work on the Organization's time or use information, equipment or facilities to conduct an outside business or volunteer interest. This includes soliciting other Individuals to participate in an outside business activity; and
  - c) Before taking on or continuing an outside business interest or committing to a job outside the Organization, this should be discussed with the Executive Director or President to be sure these activities do not create a conflict or the appearance of a conflict.

### **21.11 Officials**

21.11.1 All officials are obligated to avoid situations where their or their Family Members' personal interests could conflict with behaviour expectations for officials or otherwise call their integrity into question.

21.11.2 When possible, officials will not be selected for events or competitions where they have a conflict of interest. When Officials with a conflict of interest are selected for events, the conflict must be declared to the Chief Referee in advance of the event.

21.11.3 The following categories of people are deemed to have a conflict of interest at the beginning of the competitive season (or as they arise) to the BC Official's Committee or Event Manager in the manner prescribed by CAS, BCAS or the Member Club, as applicable, and withdraw from events or competitions when appropriate:

- a) A Family Member of a competitor;
- b) A current Coach of a competitor or a Family Member of a Coach of a competitor;
- c) A Club Manager of a competitor or a Family Member of a Club Manager of a competitor;
- d) A Team Manager of a competitor or a Family Member of a Team Manager of a competitor; and
- e) A member of the Board of a competitor's club, or a Family Member of a member of the Board of a competitor's club.

21.11.4 Minor conflicts of interest such as isolated and less significant or impactful ones, as determined by the BC Officials Committee or the Organization, can be managed simply by disclosing them. If the BCOC or the Organization agrees unanimously that the conflict is minor, the interested official can be selected for the event or competition.

21.11.5 More serious conflicts, as defined by the BCOC or the Organization will require an interested official to withdraw from events or competitions as determined by the BCOC or the Organization.

### **21.12 Board and Committee Members**

21.12.1 The Organization's or Affiliated Organization's board and committee members must not allow their loyalty to the Organization to be compromised by their relationship to or involvement in another organization.

21.12.2 Board and committee members are also subject to prohibitions set out in their By-Laws.

21.12.3 Board and committee members must acquaint themselves with the Organization's By-laws and sign any related certification. Board and committee members may not be remunerated for their services or obtain loans from the Organization

**21.13 *Preferential Treatment***

21.13.1 Individuals must not act in their official roles with the Organization to assist other organizations or persons in their dealings with the Organization, if this may result in, or potentially appear to result in, preferential treatment.

**21.14 *Violations of the Conflict of Interest Requirements***

21.14.1 Any failure by Individuals to disclose actual or possible conflicts of interest may result in sanctions under this Policy, or Organization's policies, By-Laws or applicable legislation.