

4.16 Conflict of Interest & Disclosure

1. Purpose

To ensure a healthy community at Kootenay Christian Academy, employees, board and committee members are expected to exercise a duty of loyalty. This means embracing impartiality, transparency, honesty and integrity as vital to addressing issues of conflict of interest (real or perceived) as they may arise.

2. Persons/Area Affected

This policy and procedure applies to all employees, and to all board and committee members. Such individuals are carefully selected, and their integrity and judgment are trusted. The board expects that no member would ever use his or her position as an employee, or board/committee member for personal gain.

3. Policy

- 3.1. The policy of Kootenay Christian Academy is to ensure that each employee, board member and committee member avoids conflict of interest, including, as much as possible, the appearance of such conflict.
- 3.2. It is expected that persons who find themselves in such a situation will voluntarily declare their conflict of interest, provide appropriate disclosure, and take steps to reduce or eliminate the conflict.

4. Definitions

Conflict of Interest: refers to situations in which an individual (in a position of trust) has personal, professional or financial interests or those of a friend, relative, colleague or professional association which might interfere with the exercise of such member's judgment and/or impair such member's ability to act in the best interest of Kootenay Christian Academy, and which the person is morally required to either avoid or openly acknowledge.

- 4.1. A conflict of interest exists when an individual has an outside interest that has the potential of being in variance with the best interests of the school. When their personal interests, whether real or perceived, could supersede or conflict with his or her dedication to the best interests of the school, a conflict arises.
- 4.2. The test of a conflict of interest is not just whether the individual is actually influenced by a personal interest, but whether circumstances lend themselves to such a possibility. Examples include:
 - 4.2.1. Conflicting financial interests
 - 4.2.2. Use of confidential information for personal gain
 - 4.2.3. Unauthorized disclosure of confidential information, and
- 4.3. Use of school time and facilities for personal purpose or other activities.
- 4.4. It is also recognized that the appearance of a conflict of interest, when in fact it may not exist, can still be damaging to Kootenay Christian Academy.
- 4.5. A conflict of interest could refer to situations in which an individual may have the opportunity to influence Kootenay Christian Academy's decisions in ways that could lead to personal gain or give advantage to associates or firms in which they have an interest. The individual is expected to separate their school-related

and private interests in accordance with existing Kootenay Christian Academy policies, provincial law, and federal regulations.

Duty of loyalty: In this context, duty of loyalty is the responsibility to act with honesty and in good faith, solely in the interest of Kootenay Christian Academy. This requires avoiding conflicts of interest, and as much as possible, the appearance of conflicts of interest.

5. Responsibilities

- 5.1. The board of directors is responsible to ensure that all employees, board members and committee members are not engaged in conflicts of interest.
- 5.2. Employees, board and committee members, who find themselves in a potential or actual conflict of this policy have a duty to notify their superior.
 - 5.2.1. In the case of employees, they must notify the principal, and
 - 5.2.2. In the case of board and committee members, they must notify the board chair immediately upon becoming aware of such potential or actual conflict.
- 5.3. The principal has the responsibility for determining whether an employee is in a position of a conflict of interest, and mitigating the situation to address the issue.
- 5.4. The board has the responsibility for determining whether a particular board or committee nominee's potential conflict of interest disqualifies them from serving on the board of directors or a committee.

6. Procedures

- 6.1. Background and Guiding Principles for Board Members:
 - 6.1.1. Faithful stewardship in the leadership and employment of Kootenay Christian Academy demands high levels of trust in every relationship, and avoidance of the appearance of wrongdoing.
 - 6.1.2. Board members hold a position of trust, and as fiduciaries, have a general obligation to avoid conflict of interest situations.
 - 6.1.3. Board members have the duty of guiding Kootenay Christian Academy's affairs in such a manner as to achieve the objectives of the school. Board members have a fiduciary duty to act honestly, in good faith, and in the best interest of the school and to be loyal to the school.
 - 6.1.4. Honesty is the first component of the fiduciary duty of loyalty. This places an obligation on the board member to disclose the entire truth and to avoid fraudulent transactions in matters pertaining to his or her office.
 - 6.1.5. Good faith is the second component of the fiduciary duty of loyalty. Board members must pursue the best interest of Kootenay Christian Academy and good faith and reasonableness must be demonstrated in obtaining this end. This means that a board member may not pursue any improper purpose while acting on behalf of the school.
 - 6.1.6. The duty of loyalty and avoidance of conflict of interest means that a board member must give loyalty to the school and must not
 - 6.1.7. subordinate the interests of the school to his or her personal interests.

- 6.1.8. Even when conflicts do not exist, it is important to understand that the decisions of the board may affect the business or property of a board member. Social and political gain may also violate the fiduciary duty. Direct or indirect benefits to relatives, friends, and associates must be avoided.
- 6.1.9. As part of their fiduciary responsibilities, board members have a duty of care, as well as a duty of loyalty.

7. Procedures

- 7.1. Employees may take supplementary employment outside their employment by Kootenay Christian Academy, unless such employment:
 - 7.1.1. Causes a conflict of interest
 - 7.1.2. Interferes with their employment duties for the school
 - 7.1.3. Uses the school premises, equipment, or supplies
 - 7.1.4. Causes the employee to have pecuniary interests that are in conflict of interest
 - 7.1.5. Employees who engage in other employment or carry on any other business during the term of their employment by Kootenay Christian Academy must immediately inform the principal, as outlined in their employment agreement.
 - 7.1.6. Employees shall not accept payment (monetary or in kind) in addition to normal salary or expenses for duties which they normally perform in the course of their employment.
 - 7.1.7. Products or materials developed as part of an employee's regular duties shall be the property of Kootenay Christian Academy, unless specifically excluded by the policy addressing intellectual property.
 - 7.1.8. Each board member and committee member must avoid incurring any kind of financial or personal obligation that might affect his or her judgment in dealing for the board/committees of Kootenay Christian Academy with outside organizations or individuals.
 - 7.1.9. Each employee, board and committee member must examine his or her own activities and those of his or her immediate family to ensure that no condition exists that creates a potentially embarrassing or conflict of interest situation with respect to transactions with the school.
 - 7.1.10. Board and Finance Committee nominees need to identify their conflict of interest if an immediate family member is a teacher or an administrator of the school or if the nominee is an employee of the school.
 - 7.1.11. Board, Finance, Development and Facilities Committee nominees need to identify their conflict of interest if any advantage is, or could be, gained from this relationship. Advantage may include income and profit above normal expense or lack of using an objective tendering process, or any other personal gain.
 - 7.1.12. Any other committees will rely on personal and board responsibility in identifying a particular conflict of interest
 - 7.1.13. Employees, board and committee members shall sign and complete the [Conflict of Interest and Disclosure Statement](#).

- 7.1.14. Unless the provisions in 2.8., 2.9., and 2.10, are followed, an individual shall not solicit or be a party, directly or indirectly, to any potential or existing contract or transaction between the school and:
 - 7.1.14.1. Himself or herself
 - 7.1.14.2. Any firm, meaning co-partnership or other unincorporated association, of which he or she is a partner, member or employee
 - 7.1.14.3. Any organization of which he or she or member(s) of his or her immediate family is an officer, director or employee
 - 7.1.14.4. Any private corporation in which he or she is a stockholder owning more than one percent of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total value in excess of \$25,000.00 if the stock is listed on a stock exchange or of which he or she is a director, officer, or employee, and
 - 7.1.14.5. Any trust of which he or she is a beneficiary or trustee.
- 7.2. In the event that a potential or existing contract or transaction presents (or could present) a conflict situation, as described in 2.8., is presented to the board or principal, the employee, board/committee member shall:
 - 7.2.1. Not participate in any way on behalf of the school in negotiation or amendment of the contract or transaction, or in the approval of the contract or transaction; and
 - 7.2.2. Promptly and fully disclose in writing the nature and extent of any financial, personal, or pecuniary interest in the contract or transaction to the board or principal, the disclosure of which shall be made a matter of record in the board's official proceedings.
- 7.3. A contract or transaction referenced in 2.8. must be approved by a vote of not less than two-thirds of the full board, or of the approving body, in open session without the vote of the member making the disclosure.
- 7.4. The board or other official body must disclose the following summary information in its official minutes as to contracts or transactions referenced in 2.8.:
 - 7.4.1. The name of each party involved in the contract or transaction
 - 7.4.2. The terms of the contract or transaction, including duration, financial consideration between parties, facilities or services of the entity included in the contract or transaction, and the nature and degree of assignment of employees of the school for fulfillment of the contract or transaction, and
 - 7.4.3. The nature of the member's financial, personal, or pecuniary interest
- 7.5. An employee, board or committee member shall not engage in a transaction in which they may profit from their official position or authority, or benefit financially from confidential information that they have obtained or may obtain by reason of such position or authority.
- 7.6. An employee, board or committee member shall not participate on behalf of the school in the negotiation or execution of contracts or transactions, making of loans, granting of subsidies, fixing of rates, issuance of permits or certificates, or other regulation or supervision relating to a business entity (whether for profit or not-for-profit) in which the member has a financial, personal, or pecuniary interest or is an officer, director or employee.
- 7.7. Request for Permission: Exceptions to this policy require a written request from the individual.

- 7.7.1. For employees, written permission must be received from the principal. Depending on the nature of the request and potential conflict, the principal may involve the board in making the decision.
- 7.7.2. For board and committee members, written permission must be received from the board. The request should be discussed at a meeting of the board and included in the minutes of the meeting.
- 7.8. Kootenay Christian Academy reserves the right under this policy to impose disciplinary action, up to and including termination, of an individual's employment or volunteer services for just cause for violation of this policy.
- 7.9. See: [Conflict of Interest and Disclosure Statement](#)