

ST. JEROME'S UNIVERSITY



Conflict of Interest

Board Manual

Approving Authority: Board of Governors

Established: June 6, 2013

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Policy Statement

This policy applies to all governors, all committee members, and all advisors to the Board each an "Affected Person" and collectively "Affected Persons." All Affected Persons have a duty at law to act in the best interest of St. Jerome's University (the "University") and a further duty to ensure the trust and confidence of the public in the integrity of the decision-making processes of the Board of Governors of the University (the "Board"). Accordingly, all Affected Persons must be free from conflict of interest and potential conflict of interest in their decision making respecting the affairs of the University.

The provisions of this policy are in addition to, and not in substitution for, the requirements that arise under applicable law and under the [St. Jerome's University Act, 2000, S.O. 2000, c.Pr34](#) and St. Jerome's University Bylaw.

Any failure to comply with this policy is a serious breach of the Affected Person's duties to the University and may subject the violator, in appropriate circumstances, to sanctions including but not limited to removal from the Board of the University and legal action.

A "conflict of interest" may arise in a variety of circumstances and generally refers to circumstances where one's personal considerations, activities or financial affairs may influence an Affected Person's judgment in the performance of duties to the University or which may otherwise result in a real, perceived or potential incompatibility or conflict with the duty to act in the best interest of the University.

General Principles

The St. Jerome's University Board is accountable to and for the mission and heritage of the institution. The mission and heritage of the institution guide the Board's work and affect how the Board addresses its responsibilities. The Board has a fiduciary responsibility to advance the institution's mission and to promote the institution's integrity and quality. The Board also has a responsibility to reexamine and reshape that mission as needs and conditions indicate. Our mission is grounded in a religious tradition, and as such the guiding values include certain tenets of our faith community.

The Board is accountable to and for the transcendent values that guide and shape Canadian higher education. Among those abiding values are self-regulation and autonomy, academic freedom, due process, shared governance, educational quality, transparency and fiscal integrity.

The Board is accountable to the public interest and the public trust. The people entrust control of higher education institutions to citizen boards and to the independent judgment of their members, rather than to the senior public officials or bureaucracies. All governing boards are accountable to the broader public interest and for the achievement of public purposes. Governing boards of independent universities are accountable not only to the sources of their founding authority, but also to the government-issued statement of authority that describes the basic public expectations of the institution.

The Board is accountable to the legitimate and relevant interests that various constituencies represent. These include faculty, staff, students, alumni, donors, parents, neighbours and the local government. The Board must exercise its best judgment to accommodate such interests, but it is the Board that makes the ultimate decision in light of the institution's mission, values, and governing documents. The Board bears fiduciary responsibility for weighing conflicting claims of interested parties and the good of the institution.

Appendix A Supplementary Information

Examples of Conflicts

The situations in which a conflict of interest may arise cannot be exhaustively set out. The following are examples of situations or circumstances where conflicts commonly arise:

Acting for an Improper Purpose: An Affected Person must act solely in the best interests of the University. An Affected Person who is a nominee of a particular group must act in the best interests of the University even if this conflicts with the interests of the nominating group.

Appropriation of the University's Opportunity: When an Affected Person diverts opportunity or advantage that belongs to the University to personal use.

Duty to Disclose Information of Value to the University: An Affected Person must disclose, when not bound by professional obligation, information that is relevant to a vital aspect of the University's affairs.

Gifts: When an Affected Person, relative, or member of the household of the Affected Person or any other person or entity designated by the Affected Person, accepts gifts, payments, services or anything else of more than a token or nominal value from a party with whom the University may transact business.

Pecuniary Interests: An Affected Person has a pecuniary interest in a matter if:

- (a) the Affected Person, relative, or member of the household of the Affected Person has a controlling interest in or is a governor or senior officer of a company that could financially profit or be affected by a decision of the Board or a Board committee or;
- (b) the Affected Person or a closely connected person could make a financial profit from or be affected by a decision of the Board, or a Board committee.

Serving on Other Boards: An Affected Person may be in a position where there is a conflict between one's duties to the University and one's duties to another organization. This may arise where an Affected Person serves as director or officer of another institution, body, or group that interacts with the University. It may also arise where an Affected Person has an association or relationship with another entity. For example, if two institutions are both seeking to take advantage of the same opportunity, an Affected Person may be in possession of confidential information received in one board room or related to the matter that is of importance to a decision being made in the other board room. The Affected Person cannot discharge the duty to maintain such information in confidence while at the same time discharging the duty to make disclosure. Therefore the Affected Person must declare a conflict of interest.

Transactions with the University: When an Affected Person transacts with the University directly or indirectly; or, when an Affected Person has or may have a material direct or indirect interest in a transaction or contract with the University, a conflict of interest may exist.

Disclosure of Conflicts

An Affected Person who may be in a position of real, perceived, or potential conflict of interest shall immediately disclose such conflict in accordance with applicable law and in accordance with the St. Jerome's University Bylaw.

Disclosure to the Board shall be made by notification to the Chair of the Board. If the Chair has such a conflict, notice shall be given to the Vice Chair. Disclosure shall be made in writing or entered into the minutes of the meeting of the Board, and shall include the nature and extent of the Affected Person's interest in the matter at hand. Such disclosure shall be made at the earliest of:

- (a) The meeting at which the proposed contract or transaction is first considered;
- (b) If the Affected Person was not then interested in a proposed contract or transaction, at the first meeting after the Affected Person becomes interested;
- (c) If the Affected Person becomes interested after a contract is made or a transaction is entered into, at the first meeting after the Affected Person becomes so interested; or
- (d) If a person who is interested in a contract or transaction later becomes an Affected Person, at the first meeting after that person becomes an Affected Person.

At any time, an Affected Person may make a general declaration of a relationship or interest in entities or persons that give rise to conflicts. This general declaration does not negate the Affected Person's obligation to make specific declarations of conflict of interest in a timely manner.

Abstain from Discussions and Voting

An Affected Person with a conflict of interest shall not attend or be electronically connected to any part of the confidential session of a meeting of the Board or Board committee during which the contract or transaction is discussed. An Affected Person with a conflict of interest participating in the open session of the Board or Board committee meeting, may remain in the room or electronically connected, but shall not participate in the discussion or vote.

Should an Affected Person act despite a conflict of interest, real or perceived, the Affected Person shall be in breach of duty to the University.

Resolving Questions about Conflicts of Interest and Addressing Breaches of Duty

Sometimes, during a Board meeting, there arise instances when it is not clear if a conflict of interest or breach of duty has occurred. An Affected Person may be uncertain as to whether a position of conflict of interest exists. A governor may believe that another governor is in a position of conflict of interest in a particular case.

In such cases, the Chair shall be asked for an opinion on the real, perceived or potential conflict of interest in a private sidebar discussion with the Affected Person(s). Where the issue involves the Chair, the matter will be referred to the Vice Chair in a similar process. If the Chair (or Vice Chair as the case may be) cannot resolve the issue to the satisfaction of the parties, the matter shall be referred to the following process as soon as possible:

- (a) In an *in camera* session, the matter will be considered and put to a vote of the Board.
- (b) A majority vote of the Board shall determine the matter.
- (c) If a question regarding a real, perceived or potential conflict of interest should arise when the Board is not sitting, the Chair (or Vice Chair as the case may be) shall refer the matter to an *in camera* meeting of the Executive Committee for decision. (If the matter involves a member of the Executive Committee, the Affected Person will be excused from all discussion at the Executive

Committee.) If the Executive Committee cannot resolve the conflict to the satisfaction of the Executive Committee, the Affected Person referring the matter and/or the Affected Person involved, the Executive Committee shall refer the matter to the Board as a whole at its next meeting.

- (d) All decisions and proceedings of the Board shall be documented and final.