

BY-LAW NUMBER 3

OF

Chatham Hope Non Profit Housing

Conflict of Interest By-law

Revised April 19, 2010 – confirmed September 27, 2010

BE IT ENACTED as a by-law of the Non-Profit, By-law No. 3, Conflict of Interest, as follows:

1. BACKGROUND

- a) Chatham Hope Non Profit Housing recognizes it is good business practice to avoid conflicts of interest.
- b) The Government of Ontario, pursuant to the *Social Housing Reform Act 2000*, has issued Ontario Regulation 339/01, which includes the Government's rules relating to conflict of interest and other business practices. Schedule "A" contains a summary of these rules.
- c) This By-law sets out how the Chatham Hope Non-Profit addresses conflicts of interest, including implementing the requirements of Ontario Regulation 339/01.

2. DEFINITIONS – In this By-law:

2.1 **"Conflict of Interest"** means a situation where:

- i. the personal or business interests of a director, officer, agent or employee of a housing provider are in conflict with the interests of the housing provider; or
- ii. a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, Officer, agent or employee or a person related to any one of them as a result of a decision by the housing provider;

and includes

- a. Chatham Hope Non Profit giving a direct or indirect gain, benefit, advantage or privilege to a director, Officer, agent or employee or a person related to any one of them;
 - b. a director, Officer, agent or employee or a person related to any one of them receiving a direct gain, benefit, advantage or privilege from the non-profit as a result of the person's position within Chatham Hope;
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- c. Chatham Hope Non Profit, in offering housing accommodation or in setting rents or other occupancy charges, giving any advantage or privilege to directors who are tenants that is not available to tenants who are not directors.
- 2.2 “**Declaration**” means a declaration in the form attached as SCHEDULE “B” to this By-law.
- 2.3 “**Director**” means a member of the board of directors of Chatham Hope Non Profit Housing.
- 2.4 “**Officer**” means the president, chair, vice-president, secretary, treasurer, manager and anyone else designated as an Officer in the by-laws of Chatham Hope Non Profit Housing.
- 2.5 “**Person related to any one of them**” means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law or grandparent of the director, Officer, agent or employee or a person with whom the director, Officer, agent or employee has a business relationship.
- 2.6 “**Service Manager**” means a Service Manager as defined in Section 2 of *The Social Housing Reform Act, 2000*, and includes any person exercising the powers of the Service Manager under Section 16 of *The Social Housing Reform Act, 2000*.
- 2.7 “**Threshold**” means more than an amount, accepted as such by the Service Manager, which is lesser of:
 - a. \$14,999.00; and
 - b. \$2,000.00, plus \$20.00 for each residential unit in Chatham Hope’s project/portfolio in excess of 100 units.

3. AVOIDING CONFLICT OF INTEREST

- 3.1 Exceptions – Chatham Hope Non Profit shall not enter into a relationship, arrangement, contract or agreement with any person in a way that creates a Conflict of Interest, except that:
 - a. provided that a notice of conflict or potential conflict of interest has been delivered to the Service Manager and the Service Manager agrees there is no reasonable alternative, Chatham Hope may enter into a relationship, arrangement, contract or agreement that normally would be the conflict of interest;
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- b. a Director who lives in Chatham Hope Non Profit Housing may be employed by the Chatham Hope on a part-time basis to perform routine tasks such as administrative, maintenance or operational tasks with respect to the project/portfolio
- c. a Director may be employed by Chatham Hope Non Profit in a non-managerial or non-supervisory position[**provided that where the board of directors consists of not more than five Directors, there shall not be more than one Director so employed at any one time. If there are more than five Directors, the total number of Directors so employed may not exceed one-fifth of the board**]
- d. some or all of the Directors may also sit as Directors of an organization that supplies essential support services for special-needs clients residing in Chatham Hope's project/portfolio, where the project/portfolio exists specifically so that residents can live in the community with the support services provided; and
- e. the Directors may be paid a modest *per diem* or an honorarium if a provision allowing such remuneration is contained in the Letters Patent or Articles of the Non-Profit.

3.2 Duty to Monitor and Avoid Conflict of Interest – Chatham Hope Non Profit Housing shall closely monitor its relationships, arrangements, contracts and agreements, and not engage in any that may result in a Conflict of Interest. The Directors, individually and collectively, shall ensure compliance with this requirement.

3.3 Termination – Subject to employment law in force in Ontario and any collective-bargaining agreements to which Chatham Hope Non Profit is party, all relationships, arrangements, contracts or agreements of Chatham Hope, which exceed the Threshold in any one fiscal year of Chatham Hope, shall include a clause permitting the Chatham Hope to terminate the relationship, arrangement, contract or agreement if the Service Manager requires such termination in order to resolve a Conflict of Interest.

3.4 Directors Must Resign – Except as set out in subsection 3.1, a Director shall resign from her/his position before Chatham Hope's board of directors deliberates, issues a tender, or votes on a contract or employment position for which the Director intends to compete.

3.5 Former Directors and Officer – Except in the circumstances set out in subsection 3.1, no former Director or Officer may apply for employment with Chatham Hope or seek to enter into a contract to supply services to Chatham Hope directly or indirectly for a period of 6 months following the date she/he ceases to be a Director or Officer.

3.6 Purchase or Lease of Land – Where Chatham Hope Non Profit Housing purchases or leases land, it shall not purchase or lease such land from:

- a. an individual; or
- b. a corporation which has a shareholder, director or Officer;

who is a director, Officer, agent, employee, development consultant/resource group, architect or other technical consultant, real estate agent, or environmental consultant of Chatham Hope Non Profit or any person related to one of them.

4. BOARD PROCEDURES

4.1 Conflict of Interest – The board shall have Conflict of Interest as a regular agenda item at the beginning of each meeting of the Directors. Any Director, Officer, agent or employee who has a Conflict of Interest must submit their Declaration at that time.

4.2 Declaration of Conflict of Interest – Directors, Officers, agents and employees of Chatham Hope Non Profit Housing must notify the chair of the Board of Directors of Chatham Hope of every potential or actual conflict of interest no later than the first meeting of the Board after the Director, Officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a conflict of interest. The form of such declaration is attached as Schedule “B”.

4.3 Potential Conflict of Interest – When a potential Conflict of Interest is raised before or during a board meeting, then:

- a. the party to the potential conflict must leave the meeting; and
 - b. the board shall decide if there is a Conflict of Interest.
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- 4.4 Consideration of Notice – The Board of Directors shall consider any declaration given under subsection 4.2 no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
- 4.5 Resolution of a Conflict of Interest – The board shall notify the Service Manager of any declaration received under subsection 4.2. The notification to the Service Manager shall include one of the following:
- a. If a person filed a declaration of a potential Conflict of Interest and the board decided there was in fact no such Conflict, a declaration to that effect and a request that the Service Manager ratify this decision; or
 - b. if a Conflict of Interest exists which may be resolved in accordance with this by-law and Ontario Regulation 339/01, notification of how Chatham Hope Non Profit Housing has resolved the Conflict of Interest and a request that the Service Manager ratify such resolution, or
 - c. if a Conflict of Interest exists which the board is unable to resolve in accordance with this by-law and Ontario Regulation 339/01, a request that the Service Manager issue instructions for resolving the Conflict of Interest.

These requests are part of the attached Schedule “B”.

- 4.6 Conflict to be Resolved to the Service Manager’s Satisfaction – If the Service Manager issues instructions regarding an alternative to a decision made by the board under subsection 4.5 a) or b) or a resolution under subsection 4.5 c) Chatham Hope Non Profit Housing will act in accordance with the Service Manager’s instructions.
- 4.7 Record-keeping – Chatham Hope Non Profit Housing shall maintain a Conflict of Interest file containing all declarations, reports and minutes pertaining to Conflict of Interest and Perceived Conflict situations.
5. PROMOTING FAIR AND OBJECTIVE BUSINESS PRACTICES
- 5.1 Tenders – Chatham Hope shall invite at least three qualification tenders, or publicly tender all contracts costing over \$14,999.99
- 5.2 Considering Tenders – In considering tenders, the Non-Profit shall:
- a. consider the quality of goods and services to be provided; and
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- b. base its decision on written specifications outlining resources, timing, cost and fees.
- 5.3 Not Choosing Low Bid –
- a. Where the lowest bid is not chosen by the Board of Directors, Chatham Hope shall ensure that the reasons are documented.
- 5.4 Contracts Under \$15,000 – Chatham Hope Non Profit shall obtain a minimum of three written quotes for any contract costing between \$3,000.00 and \$14,999.99 in any fiscal year, and adopt clear, fair and written procedures for the awarding of contracts under \$3,000.00.
- 5.5 Participation in Cooperative Purchasing Programs – Where Chatham Hope participates in cooperative purchasing programs, the procedures of the cooperative purchasing program shall replace the internal procedures for competitive acquisition of goods and services for the duration of Chatham Hope’s participation in the cooperative purchasing program. Chatham Hope shall report its participation in such programs to the Service Manager on an annual basis.
- 5.6 Purchase of Professional Services – Where the Corporation is purchasing professional services:
- a) For contracts with an estimated value up to \$9,999.99, Chatham Hope Non Profit Housing shall seek an appropriate supplier and negotiate a contract.
 - b) For contracts with an estimated value of between \$10,000.00 and \$25,000.00, related to a specific project with a limited time-frame and which can be clearly defined, Chatham Hope Non Profit shall:
 - i prepare terms of reference,
 - ii seek three competitive proposals with associated fixed-price quotations, and
 - iii award the contract based on an assessment of the qualifications of the consultant, the information provided in the proposal, and the price.
 - c) For contracts with an estimated value of between \$10,000.00 and \$25,000.00, where the requirements cannot be clearly defined and where a fixed price approach is not feasible, Chatham Hope shall negotiate a contract with a suitably qualified supplier using standard negotiating procedures that employ ethical practices.
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- d) For contracts with an estimated value exceeding \$25,000.00, or which require ongoing provision of professional advice to Chatham Hope Non Profit Housing, requiring knowledge of matters specific to Chatham Hope Non Profit Housing (such as legal advice relating to labour relations or specialized financial advice), Chatham Hope Non Profit Housing:
 - i establish the Terms of Reference;
 - ii invite offers of service by
 - 1. giving notice by public advertisement of the requirement to engage the services; or
 - 2. inviting submissions from those individuals or firms who appear best qualified to meet the requirement of the engagement or to pre-qualified firms;
 - iii rate the offers of service against the Terms of Reference to identify the offer of service which represents best value for money; and
 - iv select the firm offering the best value for money.
- e) Chatham Hope Non Profit shall keep records of the appointment of suppliers meeting these criteria, together with their fees.

5.7 Emergencies – Where an emergency prevents Chatham Hope Non Profit Housing from following other provisions of this By-law, the Non-Profit shall:

- a) employ without a call for proposals the individual or firm in whom the Chatham Hope Non Profit has the greatest confidence in regard to a particular requirement of Chatham Hope Non Profit in dealing with this emergency;
- b) ensure the employment of the individual or firm lasts no longer than necessary to deal with the emergency; and
- c) keep records of the appointment of the employment and remuneration of the individual or firm.

5.8 Employment Contracts – Chatham Hope Non Profit Housing shall implement documented, open and competitive practices for employment opportunities which are not inconsistent with:

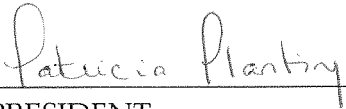
- a. any collective bargaining agreement of Chatham Hope; and

b. other fair labour practices as set out in the Personnel Policy of Chatham Hope Non-Profit.

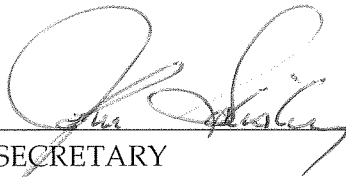
5.9 Management Contracts – The property manager/management or operational services company/development consultant of Chatham Hope Non Profit shall not have a direct or indirect interest in any other business that provides advice, goods or services to them.

PASSED by the Board of Directors and sealed with the corporate seal of the Corporation on the

Revised
19th day of April, 2010.



PRESIDENT

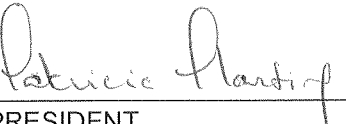


SECRETARY

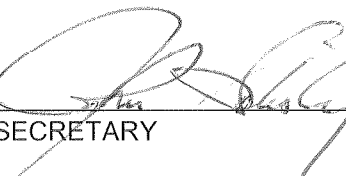
c/s

CONFIRMED at a special meeting of the Members on the 28th day of

September, 2010.
c/s



PRESIDENT



SECRETARY

SCHEDULE "A"

Summary of Obligations

This is a summary of the conflict-of-interest rules set out in Ontario Regulation 339/01, for all non-profit housing providers subject to the *Social Housing Reform Act 2000*.

1. A conflict of interest is defined as a situation where:
 - i the personal or business interests of a Director, officer, agent or employee of a housing provider are in conflict with the interests of the housing provider; or
 - ii a personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, Officer, agent or employee or a person related to them as a result of a decision by the housing provider.
2. "A person related to a Director, Officer, agent or employee" includes a parent, spouse, same-sex partner, child household member, sibling, uncle, aunt, nephew, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law or grandparent, or a person with whom the director, Officer, agent or employees has a business relationship.
3. A Director, Officer, agent or employee of the housing provider shall not enter into any situation, arrangement or agreement that results in a conflict of interest.
4. Directors, Officers, agents and employees of the housing provider must notify the chair of the Board of Directors of the housing provider of every potential or actual conflict of interest no later than the first meeting of the Board after the Director, Officer, agent or employee becomes aware that he or she has entered into a situation, arrangement or agreement that results in or may result in a conflict of interest.
5. The Board of Directors shall consider any notice given under paragraph 4 no later than the second meeting of the Board after the notice is given. The consideration of the notice must be reflected in the minutes of the meeting.
6. The chair of the Board of Directors shall notify the Service Manager in writing of the receipt of every notice under paragraph 4, and the Board of Directors shall resolve every conflict of interest or potential conflict of interest to the satisfaction of the Service Manager.
7. Despite paragraph 3, a director, Officer, agent or employee or a person related to one of them may directly or indirectly receive a gain, benefit, advantage, privilege or remuneration from the housing provider if both the following conditions are satisfied:
 - a) a notice of the conflict of interest or potential conflict of interest is given in accordance with paragraph 4; and

- b) the Service Manager agrees that there is no reasonable alternative for the housing provider other than entering into the situation, arrangement or agreement that results in or may result in the conflict of interest.
- 8. The conflict-of-interest provisions set out above may be replaced by rules agreed to by the housing provider and the Service Managers for all areas in which its housing projects that are subject to the *Social Housing Reform Act 2000* are located.

SCHEDULE "B"

Notification of Conflict of Interest or Potential Conflict of Interest and Record of Resolution of Conflict of Interest

Part 1

Name of Non-Profit: **Chatham Hope Non Profit Housing** Contact Person:

Address:

Part 2 (to be completed by the director, Officer, agent, or employee with the conflict)

Name:

Address:

Briefly describe the conflict or potential conflict (add any relevant supporting documentation)

Signature

Date

Part 3 (to be completed by the chair of the board or designate)

Date of Receipt of Notice

Date of Meeting at which the conflict was considered.

Did the Board decide a Conflict of Interest existed as set out in Part 2 above?

No (go to part a)

Yes (go to part b)

a) If no, complete the following declaration:

"I certify that the board of directors of Chatham Hope Non Profit Non Profit Housing, after considering the potential conflict of interest described above, decided that in fact no Conflict of Interest exists. I request ratification by the Service Manager (name of Service Manager) of this decision of Chatham Hope Non Profit Housing."

Signature

Date

- b) Was the conflict resolved in accordance with Chatham Hope Non Profit's by-laws and O. Reg 339/01 Complete only one of the two boxes below.

Yes (briefly describe the resolution of the conflict (add any relevant supporting documentation))

"I certify this is a true record of the Conflict of Interest and its resolution. I request ratification by the Service Manager, The Municipality of Chatham Kent of the decision of Chatham Hope Non Profit Housing."

Signature

Date

No

"I certify this is a true record of the conflict of interest and that Chatham Hope Non Profit was unable to bring about a resolution. I hereby request instruction from the Service Manager the Municipality of Chatham Kent regarding resolution of this Conflict of Interest.

Signature

Date