



## **Conflict of Interest Policy**

### **1: Rationale**

The purpose of the conflict of interest policy is to protect *Byron Bay Basketball Association (BBBA)*'s interest **when a Board Member's duty or that of a staff member of BBBA clashes with their duties, obligations or interests elsewhere – their business, workplace or private interests.** This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to not for profit and charitable organisations.

### **2: Definitions**

#### **2.1. Interested Person**

Any director, principal officer, staff member or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, a direct or indirect personal conflict or a direct or indirect business interest.

#### **2.2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

**2.2.a** An ownership or investment interest in any entity with which BBBA has a transaction or arrangement,

**2.2.b** A compensation arrangement with BBBA or with any entity or individual with which BBBA has a transaction or arrangement, or

**2.2.c** A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BBBA is negotiating a transaction or arrangement.

#### **2.3. Personal Interest**

A person has a personal interest if they have directly or indirectly an interest in the outcome of any decision as it may affect a family member (widely interpreted), a friend or any other person with whom they may have some form of relationship, may be involved in an outcome on which they are deciding/voting.

A financial or personal interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **3: Procedures**

#### **3.1. Duty to Disclose**

In connection with any real or perceived conflict of interest, an interested person must disclose the existence of the interest and be given the opportunity to disclose all material facts to their fellow directors, the Board Chairperson and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### **3.2. Determining Whether a Conflict of Interest Exists**

After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board, Board Chairperson or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3.3. Procedures for Addressing the Conflict of Interest**

**3.3.a** An interested person may make a presentation at the board or committee meeting or to the Board Chairperson, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

**3.3.b** The chairperson of the board, committee or the Board Chairperson shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

**3.3.c** After exercising due diligence, the board, committee or the Board Chairperson shall determine whether BBBA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

**3.3.d** If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board, committee or the Board Chairperson shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in BBBA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **3.4 Violations of the Conflicts of Interest Policy**

**3.4.a** If the board, committee or the Board Chairperson has reasonable cause to believe a member has failed to disclose a real or perceived conflicts of interest, it shall in the case of the committee and the Board Chairperson, inform

the board but will afford the member an opportunity to explain the alleged failure to disclose.

- 3.4.b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board, committee or Board Chairperson determines the member has failed to disclose a real or perceived conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **4: Records of Proceedings**

The minutes of the board and all committees with board delegated powers shall contain:

- 4.a** The names of the persons who disclosed or otherwise were found to have a real or perceived conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the governing body's decision as to whether a conflict of interest in fact existed.
- 4.b** The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **5: Annual Statements**

Each director, principal officer and member of a committee with governing board-delegated powers shall annually sign a statement that affirms such person:

- 5.a** Has received a copy of the conflicts of interest policy;
- 5.b** Has read and understands the policy;
- 5.c** Has agreed to comply with the policy; and
- 5.d** Understands BBBA is a not for profit organisation and the conditions attached to being such an organisation.

#### **6: Periodic Reviews**

To ensure that BBBA operates in a manner consistent with its objectives and does not engage in activities that could jeopardise its operations, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- 6.a** Whether partnerships, joint ventures, and arrangements with other organisations conform to BBBA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further BBBA's objectives and do not result in private benefit or in an excess benefit transaction.
- 6.b** To ensure all reported instances of conflicts of interest are recorded correctly and dealt with in accordance with this policy and any associated guidelines.