

Business roles/interests: TDI: advocacy & support v. PB: regulation & legislation

CONFLICT OF INTEREST

Wikipedia: https://en.wikipedia.org/wiki/Conflict_of_interest

A **conflict of interest (COI)** is a situation in which a person or organization is involved in multiple interests, financial or otherwise, *and serving one interest could involve working against another*. Typically, this relates to situations in which the personal interest of an individual or organization might adversely affect a duty owed to make decisions for the benefit of a third party.

An "interest" is a commitment, obligation, duty or goal associated with a particular social role or practice. *By definition, a "conflict of interest" occurs if, within a particular decision-making context, an individual is subject to two coexisting interests that are in direct conflict with each other. Such a matter is of importance because under such circumstances the decision-making process can be disrupted or compromised in a manner that affects the integrity or the reliability of the outcomes.*

Typically, a conflict of interest arises when an individual finds himself or herself occupying two social roles simultaneously which generate opposing benefits or loyalties. *The interests involved can be pecuniary or non-pecuniary. The existence of such conflicts is an objective fact, not a state of mind, and does not in itself indicate any lapse or moral error. However, especially where a decision is being taken in a fiduciary context, it is important that the contending interests be clearly identified and the process for separating them is rigorously established. Typically, this will involve the conflicted individual either giving up one of the conflicting roles or else recusing himself or herself from the particular decision-making process that is in question.*

The presence of a conflict of interest is independent of the occurrence of inappropriateness. Therefore, a conflict of interest can be discovered and voluntarily defused before any corruption occurs. A conflict of interest exists if the circumstances are reasonably believed (on the basis of past experience and objective evidence) to create a risk that a decision *may* be unduly influenced by other, secondary interests, and not on whether a particular individual *is actually* influenced by a secondary interest.

FIDUCIARY DUTIES <https://www.davis-stirling.com/HOME/Fiduciary-Duties-of-Directors>

Fiduciary Duty: A duty to act for someone else's benefit, while subordinating one's personal interest to that of the other person. *It is the highest standard of duty implied by law (e.g., trustee, guardian).* -*Black's Law Dictionary*

Director Fiduciary Duties. *"It is well settled that directors of nonprofit corporations are fiduciaries."* ([Raven's Cove v. Knappe](#).)

Sample COI policy - Community Action Agencies/CAPLAW

https://www.capl原因.org/resources/modelpoliciesDocuments/CAPLAW_SampleCOIBODwithHS.pdf

Generally speaking, a conflict of interest is a situation in which a board member or one of his or her family members *has a personal or financial interest that compromises or could compromise the Board Member's independence of judgment in exercising his or her responsibilities.*