

Why is a Conflict of Interest Policy Important?

The Australian Terrier Club of America, as well as all AKC breed clubs, has an obligation to the public as a non-profit organization and to its members to ensure that decisions and transactions made are in the best interests of the Club and its members. The ATCA Board of Directors, its officers and all members with decision-making responsibilities (i.e. committee chairs), owe a fiduciary duty of loyalty to the ATCA. This requires they act in the interest of the Club and not in their personal interests. A Conflict of Interest (COI) Policy is important as it provides a framework for all working on Club business to ensure that any potential conflict will not have a negative impact on the Club's reputation or on their ability to make a decision that is, first and foremost, in the best interest of the Club.

A conflict of interest is when a member, be it a member making a decision for club business or a member (or family member) acting as a vendor, benefits (or APPEARS to benefit) from the decision or transaction. The existence of such a conflict, in and of itself, is not improper or problematic. Rather, it is HOW the interest is handled that determines the propriety of the decision, transaction or other arrangement. All potential conflicts of interest, or those that could be perceived as such, should promptly be disclosed to the Board or to the Chair of the relevant committee to ensure that all relevant decision makers are aware of the Conflict of interest PRIOR to further consideration of the transaction.

Before moving forward with the COI transaction, the Board of Directors must decide if it is fair, reasonable and in the best interest of the ATCA. The person with the conflict of interest, and any other person involved in the transaction, may gather information for any discussion related to the transaction. They should be available to answer any questions the BOD has prior to deliberations and voting. They cannot be present during the deliberations and vote and should refrain from improperly influencing members of the BOD one way or the other. The Board considers the transaction, with a quorum present, to decide if it is fair, reasonable and in the best interest of the Club and its members. If a member of the BOD is involved in the transaction they should abstain from voting and not be present for the deliberations and vote.

Each year, all members of ATCA should review all transactions they expect to have doing club business. If they stand to benefit (financially or through gifts), or there is a perception that they would benefit from a transaction, the transaction should be reported to the BOD right away. The board can decide if the transaction is of benefit to ATCA. If voted by a majority that it is, then the transaction is NO LONGER considered a Conflict of Interest. The most important part of this procedure is the DISCLOSURE of the potential conflict. Any violations of the policy, even unintended ones should be promptly reported and the board may enforce the policy in the appropriate matter.

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