

10/20/2020



## INTEGRATION FOR PEACE & HOPE RESTORATION

### Conflict of Interest Policy

This policy guideline was developed in consultation with IPHR-Uganda Management and approved by the Board

**Approval**

Katongole Sulaiman

Board Members (Chair of the board) ..... 



Approval Date: 10/20/2020

Policy Applicable from: Immediate

Policy Mandatory from: Immediate

## **CONFLICT-OF-INTEREST POLICY**

Employees and board members have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which IPHR-Uganda wishes to operate. The purpose of these guidelines is to provide general direction so that board members and employees can seek further clarification on issues related to the subject of acceptable standards of operation.

An actual or potential conflict of interest occurs when a board member or an employee is in a position to influence a decision that may result in personal gain or gain for a relative as a result of IPHR-Uganda's business dealings. For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the board member or employee is similar to that of persons who are related by blood or marriage.

No presumption of a conflict is created by the mere existence of a relationship with outside firms. However, if a board member or an employee has any influence on any material business transactions, it is imperative that he or she discloses to an officer of the organization as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where a board member, an employee, or a relative has a significant ownership in a firm with which IPHR-Uganda does business, but also when a board member, an employee, or a relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving IPHR-Uganda.

### **Reason for Statement**

IPHR-Uganda, as a nonprofit organization, depends on donor contributions. Maintenance of its reputation is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of IPHR-Uganda first must fulfill all legal requirements. They also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the community.

Consequently, there exists between IPHR-Uganda and its board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of IPHR-Uganda honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of IPHR-Uganda. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with IPHR-Uganda or knowledge gained there from for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

### **Persons Concerned**

This statement is directed not only to board members and officers, but to all employees who can influence the actions of IPHR-Uganda. For example, this includes all who make purchasing decisions, all other persons who might be described as “management personnel,” and all who have proprietary information concerning IPHR-Uganda.

### **Key Areas in Which Conflict May Arise**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- Persons and firms supplying goods and services to IPHR-Uganda
- Persons and firms from whom IPHR-Uganda leases/rent property and equipment
- Persons and firms with whom IPHR-Uganda is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property
- Competing or affinity organizations
- Donors and others supporting IPHR-Uganda
- Agencies, organizations, and associations that affect the operations of IPHR-Uganda
- Family members, friends, and other employees

### **Nature of Conflicting Interest**

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned above. Such an interest might arise, for example, through

1. Owning stock or holding debt or other proprietary interests in any third party dealing with IPHR-Uganda
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with IPHR-Uganda
3. Receiving remuneration for services with respect to individual transactions involving IPHR-Uganda
4. Using IPHR-Uganda’s time, personnel, equipment, supplies, or good will other than for approved IPHR-Uganda activities, programs, and purposes
5. Receiving personal gifts or loans from third parties dealing with IPHR-Uganda. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

### **Interpretation of This Statement of Policy**

The areas of conflicting interest and the relations in those areas that may give rise to conflict, as listed above are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the trustees, officers, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of IPHR-Uganda.

However, it is the policy of the board that the existence of any of the interests shall be disclosed on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

### **Disclosure Policy and Procedure**

Disclosure should be made according to IPHR-Uganda standards. Transactions with related parties may be undertaken only if all of the following are observed:

1. A material transaction is fully disclosed in the financial statements audited of the organization.
2. The related party is excluded from the discussion and approval of such transaction.
3. A competitive bid or comparable valuation exists; and
4. The organization's board has acted upon and demonstrated that the transaction is in the best interest of the organization.

Staff disclosures should be made to the Executive Director (or if he or she is the one with the conflict, then to the designated committee), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the designated committee.

Disclosure involving directors should be made to the designated committee.

The board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to IPHR-Uganda. The decision of the board on these matters will rest in their sole discretion, and their concern must be the welfare of IPHR-Uganda and the advancement of its purpose.

### **Definitions**

#### **Interested Person**

Any director, principal officer, or member of a committee with governing board—delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

#### **2. Financial Interest**

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

- a. An ownership or investment interest in any entity with which the organization has a transaction or arrangement,
- b. A compensation arrangement with the organization or with any entity or individual with which the organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial 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.

## **Procedures**

### **Duty To Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board–delegated powers considering the proposed transaction or arrangement.

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

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the governing board 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.

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

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chair of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the organization 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the organization'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.

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

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Records of Proceedings**

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

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed
- 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

### **Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **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

- a. Has received a copy of the conflict-of-interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and

### **Periodic Reviews**

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

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction

### **Use of Outside Experts**

When conducting the periodic reviews as provided for in, the organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

### **INTEREST DISCLOSURE STATEMENT**

Place initial in the space at the end of Item A or complete Item B, whichever is appropriate; complete the balance of the form; sign and date the statement; and return it to the board chair.

- A. I am not aware of any relationship or interest or situation involving my family or myself that might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and IPHR-Uganda on the other.

Initials: \_\_\_\_\_

- B. The following are relationships, interests, or situations involving me or a member of my family that I consider might result in or appear to be an actual, apparent, or potential conflict of interest between such family members or myself on one hand and IPHR-Uganda on the other.

Initials: \_\_\_\_\_

Corporate (either nonprofit or for-profit) directorships, positions, and employment:

\_\_\_\_\_

Memberships in the following organizations:

\_\_\_\_\_

Contracts, business activities, and investments with or in the following organizations:

\_\_\_\_\_

Other relationships and activities:



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My primary business or occupation at this time:

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I have read and understand IPHR-Uganda's Conflict-of-Interest Policy and agree to be bound by it. I will promptly inform the board chair of IPHR-Uganda of any material change that develops in the information contained in the foregoing statement.

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Type/Print Name

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Signature

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Date

### **CONFLICT-OF-INTEREST DISCLOSURE QUESTIONNAIRE**

For purposes herein, "affiliated persons" include the following:

- Any immediate family member,
- Any corporation or organization of which you are an officer or a partner or are, directly or indirectly, the beneficial owner of 10 percent or more of any class or equity securities, or
- Any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. Name (please print)

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2. Capacity:    ☐ national board                      ☐ executive committee                      ☐ officer  
                         ☐ committee member                      ☐ national staff  
                         ☐ other, specify: \_\_\_\_\_

3. Have you or any of your affiliated persons provided services or property to IPHR-Uganda in the past year?    ☐ Yes    ☐ No

If yes, please describe the nature of the services or property:

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4. Have you or any of your affiliated persons purchased services or property from IPHR-Uganda in the past year?    ☐ Yes    ☐ No

If yes, please describe the purchased services or property:

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5. Please indicate whether you or any of your affiliated persons had, have, or will have any direct or indirect interest in any business transaction(s) in the past year to which XYZ was or is a party.      ☐ Yes    ☐ No

If yes, describe the transaction(s):

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6. Were you or any of your affiliated persons indebted to pay money to IPHR-Uganda at any time in the past year (other than travel advances or the like)?    ☐ Yes    ☐ No

If yes, please describe the indebtedness:

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7. In the past year, did you or any of your affiliated persons receive, or were entitled to receive, directly or indirectly, any benefits from, or as a result of your relationship with IPHR-Uganda that in the aggregate could be valued in excess of \$1,000 that were not or will not be compensation directly related to your duties to IPHR-Uganda?    ☐ Yes    ☐ No

If yes, please describe the benefit:

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8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving IPHR-Uganda?    ☐ Yes    ☐ No

If yes, please describe the proceeding(s):

9. Are you aware of any other events, transactions, arrangements, or other situations that you believe should be examined by IPHR-Uganda's board or the executive committee in accordance with the terms and intent of IPHR-Uganda's conflict-of-interest policy?  
( ) Yes ( ) No

If yes, please describe the situation(s):

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I HEREBY CONFIRM that I have read and understand IPHR-Uganda's Conflict-of-Interest Policy and that my responses to the above questions are complete and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date