

 <small>An Action Center for Social and Environmental Reform</small>	POLICIES AND PROCEDURE		
	Title: CONFLICT OF INTEREST POLICY		
Policy No. SI-010	Effectivity 1 Aug 2017	Issued: 1 Aug 2017	Supersedes all previous guidelines on SOP

Policies and Procedure **CONFLICT OF INTEREST POLICY**

Article I **Purpose**

The purpose of this conflict of interest policy is to protect the interest of SAMDHANA INSTITUTE (the "ORGANISATION") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, staff or director of the ORGANISATION or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable national laws wherever it is legally registered governing conflict of interest applicable to nonprofit and charitable organizations.

Article II **Definitions**

1. Interested Person.

Any board member, director, staff, fellow, principal officer, consultants, or member of a committee with powers delegated by the Organization's Board of Directors, 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 financial transaction or arrangement;
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a financial 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 financial transaction or arrangement.

"Compensation" includes direct and indirect remuneration as well as gifts or favors that are more than insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, A person who has a financial interest may have a conflict of interest only if the Board of Directors determines, after due investigation of the relevant facts, that a conflict of interest exists.

Article III **Procedures**

1. 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 Board-delegated powers considering the proposed financial transaction or arrangement. Any staff, consultant and member of the board of Samdhana institute will be required to complete a conflict of interest form as part of their contractual or commitment to the organization. The respective staff, consultant and member of the board will be updated on an annual basis or as needed and

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relevant.

2. Determining Whether a Conflict of Interest Exists

Cases to determine if a potential conflict of interest exists may be presented by any staff, Fellow, management and member of the board of Samdhana to a meeting of the Board of Samdhana Institute. Any relevant person within Samdhana Institute can request in writing, when possible, a conflict of interest case may be included in the agenda of the next Samdhana Board meeting. The Samdhana Board will determine finally 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/she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. In the event that the case involves a member of the board of Samdhana Institute, the remaining Board members shall determine if a conflict of interest exists or shall request additional information regarding the proposed financial transaction or arrangement.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the Board meeting, 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.

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

c. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board 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.

d. To ensure that the conflict of interest policy is fairly implemented, the Executive Committee including the Chair, the Vice Chair, the Secretary and Treasurer of the Board will be the key persons responsible for the implementation of this policy. They are prohibited from getting any contracts or involved in any financial engagements with Samdhana Institute in whatever form and for whatever purpose to ensure the fair and impartial implementation of this conflict of interest policy. There will be no exceptions to this rule.

4. Violations of the Conflicts of Interest Policy

a. If the Board has reasonable cause to believe a staff, consultant, fellow or member of the board has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

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

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Article IV Records of Proceedings

The minutes of the Board 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 Board's decision as to whether a conflict of interest was present, and the Board'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.

Articles V Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation or conflict of interest case.
- b. No voting member of the Board who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee or Board member regarding compensation.

Article VI Annual Statements

Each staff, consultant, member of the board and principal officer shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understands the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the Organization is a registered civil society organization in Indonesian and Philippine laws and in order to maintain its credibility it must engage primarily in activities which accomplish one or more of its civil society purposes.

Article VII Periodic Reviews

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

- a. Whether compensation arrangements and benefits are reasonable, based on available and competent survey information, and the result of arm's length bargaining.

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b. Whether partnerships, joint venture, 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 tax-exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII
Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for final decision making ensuring periodic reviews are conducted. Results of outside advisors are only recommendatory.

End of Conflict of Interest Policy

Submitted to and approved by the Samdhana Institute's Board:
Signature:

Printed Name: Suraya Afiff
Date: 1 Aug 2017

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DECLARATION OF INTERESTS
CONFLICT OF INTEREST POLICY

Name : _____

Position : _____

Name of Organizations/ Corporations/ Associations/ Employer	Nature of Interest	Type of Interest	Start Date	End Date	How will I prevent or propose to address the potential conflict of interest?

What other conflict of interest situations may arise with my involvement with Samdhana?	How will I prevent or propose to address the potential conflict of interest?

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I have read, understand and agree to abide by the Conflict of Interests Policy of Samdhana institute and its code of conduct at all times. I will act to avoid and prevent any conflict of interests situations in the performance of my role, function or job in Samdhana Institute. I will keep Samdhana informed of new developments that may arise in the future.

Signature

Date Signed

Notes

1. This should be accomplished by the Institute's Fellows, Advisers, Management, Employees, Consultants and others acting in behalf of the Institute.
2. Nature of interest refers to whether they are stockholders, members, officers, employees, agents, representatives, funder, consultant etc of these organizations. or otherwise has relevant fiduciary relationship or pecuniary transaction with them.
3. Type of interest could be direct (they themselves are involved) or indirect (their family, relative, partner) is involved.
4. This should be updated annually or when a new contract is signed assuming there has been change in information shared.
5. Please additional sheets as needed.

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