



# CONFLICT OF INTEREST POLICY

August 2020

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## **1. Purpose/General Rule**

The purpose of this policy is to provide guidance in identifying and handling potential and actual conflicts of interest involving the foundation. In most instances, conflicts of interest can be avoided simply by continuing to exercise good judgment. The foundation relies on the sound judgment of its employees to prevent many such conflict situations.

FAROF is committed to the highest levels of integrity. Employees of FAROF are expected to conduct their relationships with each other, the foundation, and outside organizations with objectivity and honesty. The general rule is that: FAROF employees are obligated to avoid and disclose ethical, legal, financial, or other conflicts of interest involving the foundation, and remove themselves from a position of decision-making authority with respect to any conflict situation involving FAROF.

## **2. Identification and Management of Conflict Situations**

### **2.1. Basic Definitions**

Generally, a conflict of interest may occur if an endeavor or activity influences or appears to influence the ability of an individual to exercise objectivity or impairs the individual's ability to perform his or her employment responsibilities in the best interests of FAROF.

An individual is considered to have a potential conflict of interest in FAROF when:

- He or she or any family member receives a financial or other significant benefit as a result of the individual's position at FAROF;
- The individual has the opportunity to influence FAROF's granting, business, administrative, or other material decisions in a manner that leads to personal gain or advantage; or
- The individual has an existing or potential financial or other significant interest which impairs or might appear to impair the individual's judgment in carrying out their responsibilities to FAROF.

### **2.2. Specific Relationships that May Create Conflicts of Interest**

A variety of situations, affiliations and relationships may create potential conflicts of interest. An employee's former employment with a prospective or actual grantee, contractor, vendor or supplier, could raise an allegation of an apparent or actual conflict of interest. Therefore, if the former employment relationship is within the last six months, you must disclose the relationship and recuse yourself from managing the grant or contract. In addition, if the former employment relationship is more than six months ago, but is still recent (within the past 12 months), you should disclose the relationship and be sensitive to the appearance of a conflict of interest or other impropriety.

For purposes of the Conflict of Interest Policy, the term "*family member*" means any spouse, domestic partner,

parents, siblings, children, any other relative who resides in the same household and any other familial relationship that could create the appearance of a conflict.

Financial or other relationships (i.e., significant investor, governing board member, trustee, advisor, officer, consultant, or other position of influence) of an employee or their family with a prospective or actual grantee, contractor, vendor or supplier could create the appearance of impropriety or interfere with an employee's ability to perform their responsibilities on behalf of and in the best interests of the foundation. Such relationships should be disclosed in the employee's Conflict of Interest certification.

When deciding which relationships should be disclosed, consider the situation from the perspective of an outsider and whether the relationship is of a nature that it could raise an allegation of an apparent or actual conflict of interest, and then err on the side of transparency. Full disclosure helps to alleviate or avoid future misunderstandings.

Additionally, certain types of relationships between co-workers may create impermissible conflicts of interest. For example, a romantic relationship in the workplace may raise perceptions of bias and favoritism. For these reasons, personal/romantic or financial/business relationships between co-workers that could create the appearance of impropriety or interfere with an employee's ability to perform their responsibilities on behalf of and in the best interests of the foundation should be promptly disclosed to the Human Resources.

### **2.3. Disclosure and Management of Conflicts of Interest**

All positions of influence, financial benefits, financial interests, and other potential conflicts of interest must be disclosed in the foundation's Conflict of Interest certification. If an appearance of impropriety or actual conflict of interest exist, appropriate actions must be taken, which will vary depending upon the particular facts. The employee involved in the conflict situation must work cooperatively with their manager to achieve a resolution of the conflict issues in the best interests of the foundation. Depending upon the nature of the conflict, this may include the employee being removed from a position of decision-making authority with respect to the conflict situation or other more serious actions.

### **3. Gifts and Entertainment**

FAROF employees may not receive or offer gifts, entertainment or anything else of significant value (e.g. financial payments, awards, loans, services, fees, etc.) for the purpose of influencing the action of FAROF or of the recipient. Gifts and entertainment (except those generally valued at NGN100, 000 or less) received from vendors, suppliers, consultants, and grantees as part of normal business practice, must be declined, given to the foundation or shared with the foundation generally, and if acknowledgement is appropriate, acknowledged on behalf of the foundation. This guideline is not intended to prohibit normal business practices, such as meetings over meals, corporate items given to participants in meetings and conferences, or token hosting gifts, as long as they are of nominal and reasonable value and promote the foundation's legitimate business interests. If an employee believes there is an appropriate reason to make an exception to this

policy for an individual situation, he or she should contact Legal prior to giving or accepting the gift.

<sup>2</sup>While it may sometimes be difficult to judge the value of gifts offered to foundation employees, it is important to also consider the appearance of impropriety. FAROF staff should refrain from accepting gifts when the gifts give the appearance of impropriety. Please contact Legal if you are unsure about the appropriateness of accepting gifts or social invitations.

#### **4. Director's Fees, Honorariums, Expense Reimbursements, and other Similar Payments**

Staff members are encouraged to undertake speaking engagements, write articles, and engage in similar endeavors, provided the time spent does not interfere with the employee's foundation responsibilities.

When participating in such activities as a **foundation representative** or as a part of **foundation-sponsored board service**, director's fees, author's royalties, honorariums, and payments for published articles or speaking engagements may not be accepted and travel costs and expenses should be paid by the foundation.

When participating in such activities as a member of a governing board or advisory board and as part of **professional development**, any director's fees may not be accepted and travel costs and expenses should be paid by the foundation.

When participating in such activities on a **personal basis**, director's fees, author's royalties, honorariums, and payments for published articles or speaking engagements should only be accepted if:

1. the materials and all activities undertaken in connection with these endeavors are prepared or conducted on personal time;
2. the issues addressed are not related to the foundation's work or mission;
3. foundation resources are not utilized and;
4. the organization making the payment is not a foundation grantee.

Travel costs and expenses incurred in connection with any activities that are not foundation related must be borne by the individual or the organization inviting them to participate, and must not be paid or reimbursed by the foundation. If an employee believes circumstances merit an exception to this policy, the employee should consult **Legal** for advice.

#### **5. Accepting Compensated Work Outside the Foundation**

In an effort to prevent potential conflicts, understanding the scope and nature of outside business commitments of foundation management is necessary to ensure they do not infringe on work responsibilities required on behalf of the foundation. Therefore, foundation employees who hold the position of **Program Officer or higher, or are otherwise at the level of manager**, may not conduct outside business or other activities for which they receive remuneration if it is related to their expertise as a foundation employee or the business of the foundation, without prior approval from the Director of their group, or, in the case of a Director, from the chair of the Trustee. The Director and/or Chair must consult with **Legal** before granting permission. In requesting permission, the employee should disclose the organization for which the work will be done, the nature of the work, the expected time commitment and remuneration to be received, as



well as an evaluation of any potential conflicts of interest that could arise with the foundation as a result of the employee's engagement in such activity. All other foundation employees may

accept compensated work outside the foundation provided that such work is performed solely on personal time, without the use of foundation resources, and provided that the time commitment required for such outside work does not impact the employee's ability to perform his or her work for the foundation.

## **6. Foundation Matching Gift Program**

A foundation employee may request that the foundation make a grant in connection with the foundation's Employee Matching Gift Program to a charitable organization in which the employee or the employee's family is involved in management and/or decision making activities, provided that the grant funds are not earmarked to pay the salary of the foundation employee or their family member.

## **7. Political Activities**

The foundation is strictly prohibited from engaging in electoral politics or lobbying activities. Foundation employees are free to engage in these types of political activities on a personal basis provided the activities do not conflict with their ability to carry out their foundation responsibilities or create confusion between positions or actions that are taken by them personally, versus as a foundation representative. Before a foundation employee becomes actively involved in a political campaign or activity, the employee should discuss appropriate actions with **Legal** to avoid or minimize the risk of the employee's personal actions being attributed to the foundation, and also review any other unintended potential impacts such activity could have on the foundation. Individual political activities should only occur during off-duty hours, at the employee's own expense, and without use of the foundation's name, resources, facilities, or equipment. If an employee is asked to sign political advertisements or endorsements that include employment, a generic description should be used such as "foundation program officer" or "grant maker in education" rather than including the name of the foundation. Only the Co-Chairs of the foundation can authorize the taking of any position by the foundation on legislation, referenda, or the like.

## **8. Competing for Foundation Individual Scholarships, Fellowships, or Awards**

Employees of the foundation and their family members may not compete for foundation supported scholarships, fellowships, or awards.

## **9. Conflict of Interest Certification**

Upon commencement of employment and annually thereafter, all employees must complete a Conflict of Interest certification. Employees are also required to update their Conflict of Interest certification whenever there has been a change in the employee's affiliations. Employees will be prompted to disclose all of their affiliations, even if there is no current conflict of interest.

## 10. Interpretation

This policy cannot describe all conflicts of interest situations that may arise involving the foundation. Therefore, foundation employees must use good judgment to avoid any appearance of impropriety. Appropriate circumstances may also justify exceptions to the application of the policy. If you have any questions about this policy or its application, please err on the side of caution and transparency and seek advice from **Legal** prior to entering into such transaction.

*This policy is signed and approved by:*

**Chairman Board of Trustees:**

**Chief Executive Officer**

*Date: 28<sup>th</sup> August 2020*

*Date: 28<sup>th</sup> August 2020*

*Signature*



*Signature:*



## **Exhibit A**

### **EXAMPLES OF CONFLICT OF INTEREST ACTIVITIES AND RELATIONSHIPS**

The following activities illustrate types of potential or actual conflicts of interest that should be avoided and disclosed, as applicable, in accordance with this policy. The list is not all inclusive and is intended only to provide guidance.

- **Self-benefit:** Using your position or relationship within the foundation to promote your own interests or those of your family, including use of confidential or privileged information acquired in the course of employment at the foundation for benefit or gain of yourself or your family members.
- **Influence peddling:** Soliciting benefits for yourself or your family from outside organizations in exchange for using your influence to advance the interests of that organization within the foundation.
- **Other business relationships and dealings:** Approving grants or contracts with organizations in which you or your family have a significant financial or other interest or relationship, particularly if you are in a position to influence major decisions, are responsible for review, negotiation and approval of the grants or contracts, or otherwise direct the foundation's business dealings with that business or entity.
- **Outside commitments:** Participating in social or political activities is not restricted as long as you participate as an individual and not as a representative of the foundation.
- **Property transactions:** Directly or indirectly leasing, renting, trading, or selling real or personal property to or from the foundation.
- **Use of the foundation property for personal advantage:** Using or taking foundation resources, including facilities, equipment, personnel, and supplies, for private use or other unauthorized non-foundation activities.
- **Recording or reporting false information:** Misrepresenting, withholding, or falsifying relevant information required to be reported to external parties or used internally for decision-making purposes, in order to derive personal benefits.
- **Dealings with grantees:** Personally accepting anything of value from organizations or individuals that have grant proposals pending before the foundation or have received grants from the foundation.





# Certification

## **Compliance with the Conflict of Interest Policy of Freehearts Africa Reach Out Foundation (FAROF)**

I hereby certify that I have read FAROF's Conflict of Interest Policy dated December 11<sup>th</sup> 2013, and I am in compliance with that policy statement, except as set forth in the space provided below.

Except as noted, neither I nor, to the best of my knowledge, any member of my immediate family has any interest or is engaged in any activity which might be interpreted as a violation of the policy.

I understand that, unless and until I am advised in writing to the contrary, any interest or activity reported herein shall not constitute a violation of FAROF Conflict of Interest Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

### **Possible Exceptions to the Policy (Disclosure):**

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