

GLOBAL FUND TO **END MODERN SLAVERY**

**ANTI-FRAUD AND ANTI-BRIBERY  
POLICY AND PROCEDURES**

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## 1 Purpose

- 1.1 The purpose of this policy is to articulate the Fund's zero-tolerance approach on matters related to fraud or bribery associated with our interventions, activities, and operations. This policy shall become effective on February 1, 2021.
- 1.2 The Fund is a strong fiscal steward of the funds entrusted to us and recognizes that It is important for GFEMS to maintain compliance with relevant law, regulation and policy such as the UK Anti Bribery Act and the U.S. Foreign Corrupt Practices Act, in addition to other applicable terms and conditions and/or regulations associated with specific funded awards.

## 2 Applicability

- 2.1 This policy shall be applicable to all GFEMS personnel and the third parties we engage to pursue our mission. GFEMS personnel includes Board Members, staff, interns, and volunteers. Third parties include subrecipients, vendors, consultants, contractors, and other service providers or grantees.

## 3 Definitions of Corruption, Fraud, Bribery

- 3.1 Bribery. The unlawful act of offering or receiving any gift, loan, fee, reward or other advantage (taxes, services, donations, etc.) to or from any person as an inducement to do something which is dishonest, illegal, or a breach of trust, in the conduct of one's duties.
- 3.2 Corruption. The abuse of entrusted power for private gain
- 3.3 Fraud. The act of intentionally deceiving someone in order to gain an unfair or illegal advantage (financial, political, or otherwise). It is also bribery to make unofficial payments (known as 'grease' or 'facilitation' payments) to a public official to secure or speed up a routine action to which you may be entitled – for example, you pay a public official a small "fee" to speed up the issuing of a visa.
- 3.4 Other useful definitions are found in Appendix 1. Some examples of fraud and bribery relevant to GFEMS are described in Appendix 2.

## 4 Zero Tolerance on Fraud or Bribery

- 4.1 The Fund's position on fraud and bribery is to take a zero tolerance approach. We are committed to pursuing this approach in our interventions, activities, and business processes for the following reasons:
- GFEMS recognizes the significant risk that fraud and bribery pose to the achievement of its mission and objectives. Any money that is lost to fraud or bribery is money that cannot be used to achieve our mission.
  - Corrupt behavior would seriously damage our reputation. Preventing fraud and bribery in the way we operate is of great importance to securing and maintaining the trust and confidence of all our stakeholders.
  - We have a responsibility to the communities that we operate in to reject fraud and bribery. Corruption creates unstable societies. It destroys public and business standards and forces ordinary people to use resources in their interactions with the government and other public bodies that they can ill-afford.
- 4.2 All GFEMS personnel and the Board are required to sign the zero-tolerance declaration form, Appendix 3, at time of hire or engagement, and thereafter at a frequency set by the Fund.
- 4.3 We support the application of the zero-tolerance policy by providing:
- Direction and rules to clearly establish appropriate and expected behavior
  - Effective deterrents to inappropriate behavior in the form of meaningful consequences
  - Prevention measures to reduce the risk of fraud or bribery occurring
  - Detection measures to identify fraud or bribery if it happens, including reporting lines (See section 8: Speaking Up)
  - Response measures to ensure we react appropriately to suspicions, allegations, and proven incidents of fraud and bribery, including protection and fair treatment for accusers and accused
  - Measurement processes to evaluate the impact and success of our anti-fraud and bribery policy, and management of risk

- Deliberate, proactive steps to embed anti-fraud and bribery thinking into our culture, including personnel training and awareness

4.4 Anyone found guilty of fraud or bribery will be subject to disciplinary measures which will ordinarily include dismissal, prosecution, and recovery of losses.

## 5 Anti-Bribery Policy

5.1 GFEMS employs all legal and safe tactics to avoid paying bribes to Public Officials, even if it results in denials, delays, inconvenience, and increased cost to our operations.

5.2 No one is authorized to pay a bribe on behalf of GFEMS or use GFEMS funds to pay a bribe.

5.3 Individuals are not expected to resist bribery to the point of putting themselves or others at real risk of personal harm or injury. A payment under such circumstances is considered extortion rather than bribery.

## 6 Conflicts of Interest

6.1 A conflict of interest exists where an employee or a Board Member has an interest, relationship, or friendship which could, or could be perceived to, interfere with their ability to decide an issue in the best interests of GFEMS.

6.2 The existence of a conflict of interest does not constitute a breach of policy as long as it is disclosed as soon as possible.

6.3 In accordance with the Fund's Conflict of Interest Policy and Procedures, all actual or potential conflicts of interest are to be declared, declared conflicts are subsequently managed to mitigate the associated risks, and decisions and actions are documented to ensure transparency and accountability. See: GFEMS Conflict of Interest Policy and Procedures.

## 7 Gifts, Meals, and Entertainment

7.1 Gifts and entertainment should never be used or allowed to influence business decision making.

- 7.2 When offers of gifts and entertainment are made or accepted in situations where they are not appropriate, they can look like, or may in fact be, bribes. They can expose us to accusations of unfairness, unlawfulness, and risk our reputation among our stakeholders.
- 7.3 Positive, healthy, normal business practices can include accepting and making offers of gifts and entertainment, which develop and maintain positive and strong business relationships. We should be able to accept and make offers of gifts and entertainment ONLY when they are appropriate, i.e. when they:
- are proportionate in the context; and
  - do not create any sense of expectation or obligation on the recipient or the giver.
- 7.4 The following gifts may never be offered or accepted and will always be deemed inappropriate.
- Cash of any amount
  - Any gift exceeding a nominal value (examples of products of nominal value include calendars, pens, mugs, caps and t-shirts or other novelty, advertising or promotional items)
  - Any entertainment worth more than \$100 per person (or equivalent in local currency)
  - Any gifts or loans from existing contractors or vendors or prospective contractors or vendors while an open solicitation is underway
  - Any gifts or loans to staff involved in contractor/vendor selection decisions (e.g., member of Procurement Evaluation Committee)
  - Entertainment involving gambling, anything of a sexual nature, or exploitation of others.
- 7.5 Requesting a gift or entertainment is never allowed.
- 7.6 Gifts or entertainment below the limits stated in this section are not necessarily appropriate. It is all about the intent of the giver. If the gift was given in an attempt to influence an action or outcome, then it must be rejected.

- 7.7 In some circumstances, an element of judgement is required to decide whether a gift is appropriate or not. If any personnel or Board member is in any doubt, they should consult with the Associate Director for Compliance and Operational Integrity (or the Board Chair in the case of the CEO) and obtain written permission before accepting or offering a gift.
- 7.8 The following circumstances imply the giving or receiving of a gift or entertainment offer may be appropriate:
- The giving and receiving of the gift or entertainment strengthens a genuine business relationship
  - The gift or entertainment does not constitute an attempt to apply undue influence, and does not create an undue obligation
  - The gift or entertainment is given or accepted in the open rather than in secret
  - The gift or entertainment is given to celebrate a recognized cultural event or holiday.
  - The gift or entertainment is given to the Fund as an organization rather than to a specific person.
  - The gift or entertainment is branded marketing materials (pens, notebooks, etc.)
  - The value of the gift or entertainment is not excessive or abnormal in the social context
  - The timing of the gift or entertainment is not suspicious
- 7.9 The following circumstances imply the giving or receiving of the gift or entertainment may be inappropriate:
- The timing, nature or circumstances of the gift means it could be perceived as an attempt to influence an action or outcome
  - The value of the gift is excessive in the circumstances despite being below the limit established by this Policy
  - The receiver feels obligated, or the giver feels entitled
  - The gift is given or received in secret
- 7.10 If any personnel or Board member is offered an inappropriate gift they should politely decline it and inform the Associate Director for Compliance and Operational Integrity or Board Chair, as appropriate.

- 7.11 In the event that declining an inappropriate gift in the moment that it is given might be culturally inappropriate or embarrassing, it should be returned within no less than a week, with appropriate documentary evidence to prove that the gift was returned.
- 7.12 In the event that an inappropriate gift is received publicly, steps should be taken to restore the reputation of the Fund, in addition to returning the gift.
- 7.13 In the event that inappropriate gifts are received without consent (such as courier deliveries, bank or mobile money transfers), these should be declared immediately to the Associate Director for Compliance and Operational Integrity. Steps should be taken to return the gift or notify authorities if money laundering is suspected.
- 7.14 Inappropriate gifts received by GFEMS personnel and Board members and subsequently declared to the Fund should in all cases be returned.
- 7.15 Appropriate gifts, given to the Fund as a whole, or to a particular team, should normally be enjoyed or shared by all relevant personnel (e.g., lights snacks or flowers). Where an appropriate item is not easily shareable, it should be raffled by some random and transparent means.

See: GFEMS Gifts Guidelines, Appendix 4

- 7.16 Personnel who award contracts or grants/subawards or who can influence the allocation of business (including grant decisions), who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the Fund's reputation for impartiality and fair dealing.
- 7.17 Personnel and Board members may accept occasional meals, refreshments, entertainment, and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:
  - They are not inappropriately lavish or excessive.
  - The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.



- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a grantee or contractor whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

See: GFEMS Meals Guidance, Appendix 5

7.18 “Business courtesy” means anything of value, a favor, or a benefit provided free of charge or at a charge less than fair market value in the context of a business relationship. A Business Courtesy may be a tangible or intangible benefit, including, but not limited to, such items as non-monetary gifts, meals, drinks, entertainment, hospitality, recreation, door prizes, transportation, discounts, tickets, passes, sporting events, side excursions or outings, promotional items, or use of a donor’s, contractors, or grantee’s time, materials, or equipment. An employee may never use personal funds or resources to do something that cannot be done with the Fund’s resources. Accounting for business courtesies must be done in accordance with approved GFEMS procedures. Other than to donors, for whom special rules are detailed below, GFEMS may provide non-monetary gifts (e.g., company logo apparel or similar promotional items) to organizations with which it does business. Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value, provided that:

- The practice does not violate any law or regulation or the standards of conduct of the recipient’s organization or GFEMS policy.
- The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.
- The business courtesy is properly reflected on GFEMS books and records.

- 7.19 GFEMS prohibits business courtesies, including gifts, to any government officials. Organizations that do business with the U.S and foreign governments are also subject to strict rules regarding gifts to government officials. Noncompliance with these rules may result in both civil and criminal charges for offering any business courtesy to any government official within or outside the U.S. In order to ensure compliance with these rules, GFEMS personnel and Board members may not offer any business courtesies to any government employees. If a government employee requests any kind of business courtesy, employees must respectfully decline, explain that GFEMS policy prohibits them from offering or providing gifts to government officials, and immediately report any such request to the Associate Director for Compliance and Operational Integrity.

## 8 Speaking Up

- 8.1 GFEMS encourages complaints, reports or inquiries about illegal practices or violations of the Fund's policies, including illegal or improper conduct by the organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, safeguarding concerns and policy violations, or other similar illegal or improper practices or misconduct.
- 8.2 The Fund's policy on speaking up is designed to build the confidence of personnel and Board members to report genuine concerns about fraud, bribery, or other types of misconduct. For many cases of misconduct, a report is the only way it will be discovered and dealt with.
- 8.3 A genuine concern is sincerely felt and based on information the reporting person believes to be true or trustworthy. Upon further investigation, a genuine concern may or may not turn out to be true. The motivation of the person reporting a genuine concern is not relevant to its definition as a genuine concern or not.
- 8.4 A genuine concern should be reported when there is evidence or a strong suspicion of misconduct in any of the following areas:
- Fraud or bribery
  - Sexual misconduct

- Harassment
- Any illegal act
- Bribery and kickbacks
- Child exploitation or neglect
- Code of Conduct violation
- Conflict of Interest
- FCPA or UK Anti-Bribery, or other regulatory violation
- Financial Reporting and Accounting
- Gifts and entertainment
- Retaliation

8.5 Concerns may be reported, either in person or by email using any of the mechanisms below:

- Anonymously and confidentially using the GFEMS hotline <https://www.integritycounts.ca/org/gfems> (phone numbers are found at this link)
- Directly to the Associate Director for Compliance and Operational Integrity
- Directly to the Chair of the Board and/or CEO
- If all of the persons above are implicated in the complaint, report or inquiry, it should be directed to the Fund's Senior Director for Finance and Operations, who may engage external counsel.

8.6 All personnel and Board members are strongly encouraged to report genuine concerns using the above lines. They should report as much detail as possible, including who, when, where, and how, and whether they have evidence or the basis for their suspicion.

8.7 Concerns may be reported anonymously, but people are encouraged to give their names and / or contact details as it is easier to investigate allegations when it is possible to follow up for more details.

8.8 GFEMS will conduct a prompt, discreet, and objective review or investigation in accordance with the Fund's Internal Review Procedures. Personnel and Board members must recognize that the Fund may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously. See: GFEMS Internal Review Procedures, Appendix 6

- 8.9 Information about the speaking up lines will be made available:
- On the GFEMS website, and findable by site search
  - Within the terms of contracts, subawards, and grants
  - Within this policy, located in a searchable directory on the Fund's G: Drive

## 9 Supporting Reporting Persons

- 9.1 GFEMS has zero tolerance for anyone who is found to report maliciously in order to knowingly make false accusations or vexatious complaints, reports, or inquiries, or who otherwise abuses this policy. Appropriate disciplinary measures will be taken.
- 9.2 GFEMS prohibits retaliation by or on behalf of the organization against personnel and Board members for making good faith complaints (whistle-blowers), reports, or inquiries under this policy, or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken.
- 9.3 GFEMS commits to taking the support of reporting persons seriously by:
- Taking care not to underestimate or disregard the risk that a reporting person may be exposed to, or the level of fear or anxiety they may be experiencing.
  - Assuring the reporting person that their concern is being handled and taken seriously.
  - Explaining that their identity will be protected to every extent possible but cannot be guaranteed.
  - Answering questions, as appropriate, and providing emotional support.
  - Informing the person of any decision to investigate or not, investigation outcome, and actions taken, as appropriate.
  - Taking necessary steps to ensure the safety of any reporting person, even if there is a cost implication, in cases where the person experiences or fears retaliation or harassment.

## 10 Conducting Investigations

- 10.1 The purpose of investigating is to gather evidence and facts to establish whether suspicions or allegations are true, and whether any proven incidents are isolated or more widespread. Any investigation will be conducted in accordance with the Fund's Internal Review Procedures. See: GFEMS Internal Review Procedures.

## 11 Onboarding, Training and Awareness

- 11.1 All personnel will receive training in the following elements:

- Definitions of fraud and bribery, with relevant examples
- Relevant sections of this policy
- Reporting suspicions
  - What to report
  - How to report
- Confidentiality and protection
- Fraud triangle

Refresher training will be organized for all personnel at frequencies set by the Fund.

- 11.2 In addition, the following topics should be covered for every manager:
- What to do if someone reports a suspicion to you

## 12 Violation

- 12.1 GFEMS will take appropriate action against any GFEMS personnel who is found to be in violation of this policy. Such action may include immediate termination of employment at the Fund's sole discretion. Violations also may result in civil or criminal penalties beyond GFEMS discipline.

## Appendix 1 – Definitions

Attempted fraud or bribery	An unsuccessful effort to commit fraud or bribery.
Embezzlement	To steal money that people trust you to look after as part of your work.
Entertainment	Invitations to attend events with a social aspect, such as meals and conferences, as well as entertainment events such as shows or games, which are offered free of charge or at reduced rates.
Error	A mistake, for example in a calculation or a decision
Extortion	Act of utilizing one’s access to a position of power or knowledge, either directly or indirectly, to demand unmerited cooperation or compensation as a result of coercive threats.
Gift	Goods, services or cash offered to or by staff or board members, or their friends or family or associates, at free or preferential rates. Unpaid loans are considered gifts for the purposes of this policy.
Money Laundering	The concealment of the origins of illegally obtained money, typically by means of transfers involving foreign banks or legitimate businesses.
Negligence	Failure to give care or attention, especially when this causes harm or damage.
Nepotism	Form of favoritism based on familiar relationships whereby someone in an official position exploits his or her power or authority to provide a job or favor to a family member, even though he or she may not be qualified or deserving.
Government/ Public Official	Any person holding any legislative, executive, administrative or judicial office, whether he/she is appointed or elected, permanent or temporary, paid or unpaid.
Robbery	The crime of taking money or property illegally, often by using threats or violence.
Theft	The crime of stealing.

## Appendix 2 – Examples of fraud and bribery

The following are examples of fraud and bribery relevant to the GFEMS context. The list is by no mean exhaustive.

- A grant officer requires or accepts kick-backs from partners for grant awards or payment remittances
- A staff member submits fake receipts in an expense claim
- A manager requires a payment for authorizing an expense claim
- A staff or Board member fails to disclose a conflict of interest with a subrecipient, contractor or vendor, or other staff member
- A staff member bribes an auditor to ignore or fail to report an audit finding
- A staff member colludes with a vendor/contractor to get a kickback on goods or services
- A finance staff member records transactions in the accounting records they know to be false
- A finance staff member knowingly posts entries to incorrect codes in order to conceal fraudulent payments
- A staff member driving on GFEMS business makes an unreceipted cash payment to a traffic officer to avoid a traffic offense fine, whether or not the expense is charged to GFEMS
- An unofficial payment is made to a Government/Public Official to be allowed access to work in a particular district
- An unofficial payment is made to the police or judiciary to facilitate the release from detention or dropping of charges against a GFEMS employee or Board member

## Appendix 3 – Zero Tolerance Declaration Form

This form should be completed by Board members and new personnel when they join the Fund and by all personnel every-two years thereafter.

I, \_\_\_\_\_, understand that GFEMS has a zero tolerance policy on fraud and bribery and I agree to abide by the Fund’s Anti-Fraud and Anti-Bribery Policy .

I understand that fraud includes a wide range of dishonest behavior, including theft, making false statements, falsifying data, and using, for my own purposes and without permission, property that does not belong to me.

I understand that bribery includes a wide range of dishonest behavior, including accepting or paying kickbacks and making unofficial payments to public officials.

I understand that, at GFEMS:

- Fraud and bribery are never acceptable.
- All activities that GFEMS undertakes in furthering its mission must be done with integrity.
- Resources must be protected and maximized for the benefit of our stakeholders.
- Any personnel or Board member found to have committed fraud or bribery will be subject to serious disciplinary action or termination of employment/ removal from the Board.

I understand that GFEMS strongly encourages me to speak up and report any genuine concerns or suspicions of fraud or bribery, or other illegal acts, and safeguarding violations in the workplace. I understand that I can report those suspicions verbally or in writing by contacting:

- the Associate Director for Compliance and Operational Integrity
- the Chair of the Board and/or CEO
- the GFEMS hotline <https://www.integritycounts.ca/org/qfems>

I further acknowledge that I:

- have not been convicted by a court of law in the United States or in any other jurisdiction for an offence involving bribery, fraudulence, or corruption or;
- am not under sanction, for an offence involving bribery, fraudulence, or corruption, imposed by a government, a governmental organization or a development organization providing development or humanitarian assistance.

Signed:

Date:



## Appendix 4- Gift Guidelines

## GFEMS Illustrative Gifts Guide

You may accept a gift, in this context considered an unsolicited business courtesy, only if permitted by the chart below and acceptance will foster goodwill and successful business relations and

- The offering and receiving of business courtesies is infrequent and does not create the appearance of a pattern of frequent acceptance of courtesies from the same entities or persons;
- The business courtesy is presented openly and transparently;
- There is neither the intent nor the appearance of impropriety;
- The business courtesy is not in the form of cash or cash equivalent, a general purpose gift card/certificate, a loan, a guarantee of a loan, compensation, or honorarium.

Remember, GFEMS Code of Conduct establishes our commitment to business ethics in everything we do. We will avoid actions that create a perception that favorable treatment of outside entities was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom GFEMS does or may do business. GFEMS will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or GFEMS policies, or would cause embarrassment or reflect negatively on our reputation.

Type	What do I do if I receive this?	Description
snacks	if, of nominal value, share with you colleagues by putting in a common area.	nuts, fruits, chocolates, etc.
meals	kindly decline. GFEMS policy prohibits acceptance of business meals from vendors and contractors. Declining a meal may be an affront to the giver; in such cases, document that you accepted a meal and ensure that the giver knows that you will not be influenced to provide them with anything in exchange for the meal.	invitation for lunch, breakfast, or dinner paid for by the giver.
chachkies/ token of a nominal value	OK to accept assuming the token was not provided to you in exchange for business favor. Usually, if such items are provided to all clients of a certain vendor, and not just GFEMS, it is OK to accept.	pens, pencils, pad of paper, keychain, stressball, socks, etc.
electronics	JUST SAY NO!	iPad, laptops, tablets or other computing devices, headphones, drones, etc.
vehicles	JUST SAY NO!	motorbikes, motorcycle, cars, trucks, boats, etc.
sports or other tickets	JUST SAY NO!	basketball, cricket, other sports games or opera, dance, symphony and other performances.
gift cards/ certificates	if, of nominal value, share with you colleagues by disclosing to HR. HR will ensure fair disposition among all staff.	visa or other specific brand gift card
Invitation to entertainment such as a party	Generally, decline but, ok to go if the vendor or contractor rep is going with you. Beware how appearance of acceptance may look to an outsider.	The courtesy itself has little to no bona fide business purpose other than networking or relationship building. If the vendor or contractor representative is not also at the party then this would be considered a business courtesy and not entertainment.
kickback	JUST SAY NO!	vendor or contractor providing GFEMS staff with an amount of money as gratitude for issuing them a contract. Usually, the kickback is associated with the amount paid to the vendor or contractor by GFEMS. A kickback can include any money, fee, commission, credit, gift, gratuity, thing of value, loan, entertainment, service, or compensation of any kind that is provided in exchange for a favor (whether business related or not). Kickbacks are a type of bribe where the two parties are in collusion so that each party gains from the exchange.
lavish or extravagant	JUST SAY NO!	While it is difficult to define "lavish or extravagant" by means of a specific dollar amount, a common sense determination based on the totality of the circumstances should be made consistent with reasonable marketplace practices for the specific circumstances under consideration.
anything from public official	JUST SAY NO!	This includes an officer or employee of any government, department, agency, bureau, authority, or government-owned instrumentality, such as a state-owned or state-controlled entity; <ul style="list-style-type: none"> <li>• Acting in an official capacity for or on behalf of any government, department, agency, bureau, authority, or instrumentality;</li> <li>• An official, employee, or person acting on behalf of a government-sponsored or public international organization such as the United Nations, World Bank, or the European Community;</li> <li>• Holding a legislative, administrative, executive, or judicial position, whether appointed or elected;</li> <li>• A political candidate, or an officer or employee of a political party;</li> <li>• A member of a Royal Family; or</li> <li>• A family member of or otherwise closely associated with any of the foregoing.</li> </ul>
cash	JUST SAY NO!	physical currency, bonds, certificates of deposit, checks/cheques, convertible coupons, honoraria, pre-paid credit cards, stocks, and virtual currency.
bribery	JUST SAY NO!	offering, giving, receiving, or soliciting of any item of value to influence the actions of an official, or other person, in charge of a public or legal duty.
business courtesy	JUST SAY NO!	a business courtesy is any gift, gratuity, favor, benefit, loan, commission, discount, forbearance, or other tangible or intangible item having monetary value for which fair market value is not paid by the GFEMS recipient. Such courtesies include, but are not limited to the following: cash and cash equivalents, discounts, door prizes and raffles, entertainment and recreation, free or reduced cost admittance to a business-related event (conference, briefing, seminar, training, advisory board, committee meeting, etc.), gift cards/certificates, honoraria, hospitality, lodging, meals and drinks, models, promotional items, services, tickets (passes, fees, etc.), training, transportation, or use of a donor's time, materials, equipment, or facilities.

If, for whatever reason, if find yourself with a JUST SAY NO! gift in hand you must disclose to HR and submit to GFEMS for proper disposition.

If, you are still not sure what to do, contact Irene Kaushansky, Senior Manager for Compliance and Operational Integrity for advice.

You may report any violation of GFEMS policy to any member of the finance and administration team or to the hotline [www.integritycounts.ca/org/gfems](http://www.integritycounts.ca/org/gfems)

## Appendix 5- Meals Guidelines

## Expense Guidance on Donor Funded Meals (non Per-Diem)

### General

This guidance is a resource to appropriately manage the budgeting and charging of meal-related expenses to donor awards. While references are specific to U.S. funded awards, the principles are global and will apply to other donor-funded awards.

### Considerations

Local business meals may be directly charged to an award if they are linked to a formal meeting or conference at which technical information directly related to the award is being shared or disseminated.

Examples of meal charges that may be allowed as a direct expense:

- Lunch and refreshments are provided for a periodic **all-day meeting** with collaborators on a program project where technical information closely related to that project is being shared. There is a formal agenda and documented attendee list.
- Non-staff travel to meet with GFEMS staff. Only the non-staff meal may be charged to the award since he/she is on travel status.

Time Determination. The length or timing of the event must be such that light refreshments or meals are **necessary** for the effective and efficient achievement of its purpose.

Reasonableness determination. The costs for light refreshments and meals be identified in the budget narrative in order to determine the reasonableness for costs on a per event basis. Recipients must demonstrate that the costs for light refreshments and meals are reasonable given such factors as the purpose of the event and costs for similar publicly funded business events at the facility. If recipients cannot establish that the costs for meals and light refreshment represent prudent expenditures of public funds, the costs are unallowable.

### Definitions

Light refreshments. U.S. General Services Administration regulations define “light refreshments” for morning, afternoon or evening breaks to include, but not be limited to, coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins. (41 CFR 301-74.71).

Meals. The term “meals” refers to food served during traditional times for breakfast, lunch and dinner and includes food served by wait staff to seated individuals as well as self-serve buffets, and continental breakfasts.

See QuickGuide on Next page.

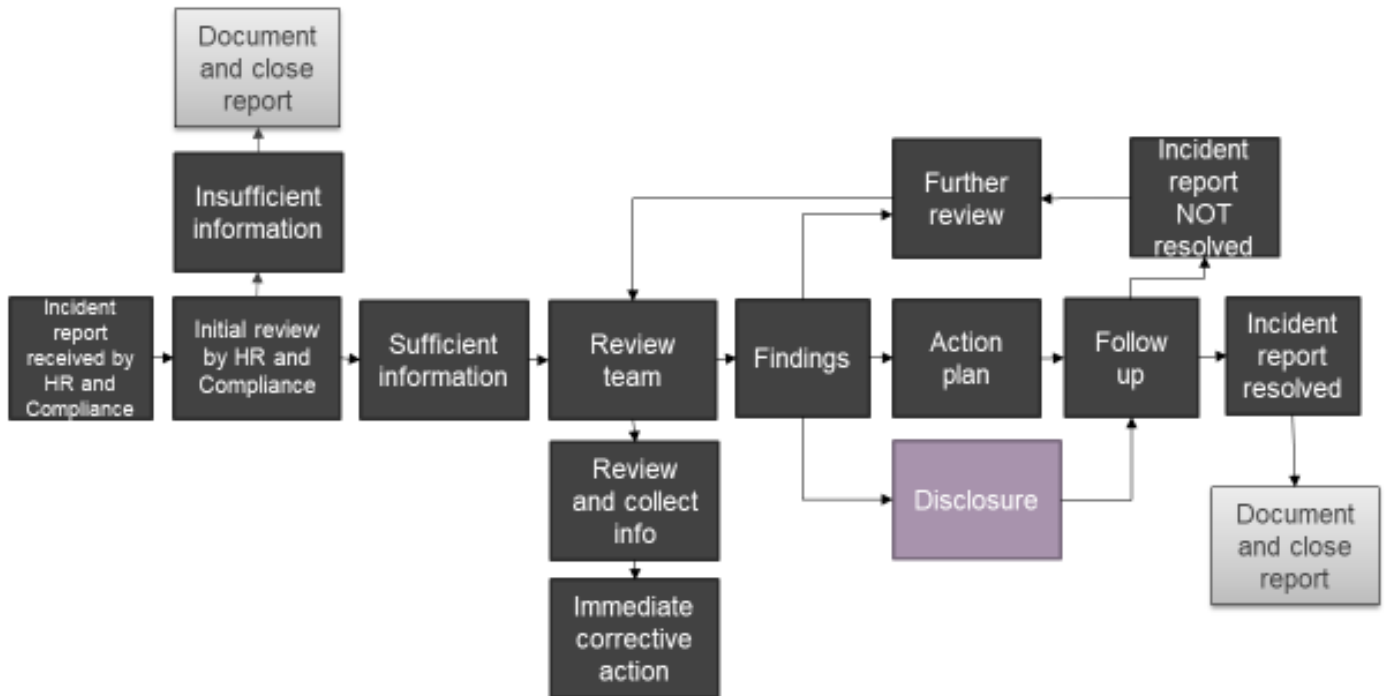
## QuickGuide

<p><b>Meal Expenses</b> Applicable 2CFR200 Section: 200.412, 200.413 &amp; 200-420</p>	<p>Any food-related expense (including meals, snacks, light refreshments, etc.) charged to a federal award must satisfy <b>BOTH</b> criteria below:</p> <ol style="list-style-type: none"><li>1. Fit into one of the five direct cost categories or one of the two other circumstances listed below:<ol style="list-style-type: none"><li>a. DIRECT COST CATEGORIES:<ol style="list-style-type: none"><li>i. Participant Support</li><li>ii. Travel</li><li>iii. Entertainment</li><li>iv. Lobbying</li><li>v. Conference</li></ol></li><li>b. OTHER CIRCUMSTANCES: If a cost doesn't fit into one of the above five direct cost categories the food-related expense must:<ol style="list-style-type: none"><li>i. Be fundamental to the project and GFEMS, necessary and indispensable for carrying out the scope of work, or</li><li>ii. Be specifically approved in writing by the donor in response to a written prior approval request that was reviewed, approved and submitted.</li></ol></li></ol></li><li>2. Be allowable under: i) applicable cost principles, ii) the award terms and conditions, iii) donor policy, <u>and</u> iv) any related GFEMS policies.</li></ol> <p><b>DETERMINATION OF ALLOWABILITY &amp; APROPRIATE DIRECT COST CATEGORY</b></p> <p>STEP 1: Determine if the food-related expense qualifies as a legitimate GFEMS business expense (i.e. appropriate and necessary to carry out GFEMS business).</p> <ul style="list-style-type: none"><li>• If not, STOP. The food-related expense is not allowable and must be borne personally by the individual who incurred the expense.</li><li>• If YES, go to Step 2</li></ul> <p>STEP 2: Is the GFEMS business activity essential to accomplish the scope of work supported by the donor award?</p> <ul style="list-style-type: none"><li>• If No, DO NOT charge this expense to the federal award.</li><li>• If YES, are the expenses allowable, allocable and reasonable in accordance with governing regulations of the donor award?<ul style="list-style-type: none"><li>○ If No, DO NOT charge this expense to the award.</li><li>○ If Yes, charge the expense to the federal award.</li></ul></li></ul>
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<b>DETERMINING APPROPRIATENESS OF MEAL EXPENSES TO A USG PRIME AWARD</b>	
<p>As part of <b>PARTICIPANT SUPPORT COSTS</b></p> <p>Applicable 2CFR200 Section: 200.75, 200.456</p>	<p>Food-related expenses associated with Participant Support costs <u>are allowable only if</u> the project includes an education or outreach component, <u>and</u> the food-related expenses are explicitly listed in the proposal budget and justified as part of the education or outreach components or approved, in writing, by authorized USG personnel.</p> <p>Participant support costs are defined as direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to, or on behalf of, participants or trainees - but not GFEMS employees - in connection with conferences or training projects.</p>
<p>As part of <b>TRAVEL</b></p> <p>Applicable 2CFR200 Section: 200.474, 200.475, 200.456</p>	<p>Food-related expenses incurred by GFEMS employees while on travel status are allowable provided that such expenses are reasonable and necessary for carrying out the scope of work or are specifically tied to the award's programmatic requirements.</p> <ol style="list-style-type: none"> <li>1. Policy defines travel as an overnight stay (or longer) for the purpose of determining whether food-related expenses are allowable.</li> <li>2. Food-related expenses incurred by a GFEMS traveler for a non-GFEMS traveler is not reimbursable to the GFEMS traveler, regardless of whether the expense is allowable or not.</li> <li>3. Food expenses related to "meetings while on travel status" are not allowable unless the "meeting" satisfies the definition of a meeting (see Conference/Meeting below).</li> </ol>
<p>As part of <b>ENTERTAINMENT</b></p> <p>Applicable 2CFR Section: 200.438</p>	<p>Food-related expenses associated with the cost of entertainment are <u>always unallowable</u> except in the very <u>rare instance</u> of when food-related costs that might otherwise be considered entertainment have a programmatic purpose <u>AND</u> are authorized either in the budget or approved, in writing, by authorized GFEMS personnel.</p> <p>Entertainment expenses are costs related to amusement, diversion, and social activities and any costs directly associated with such costs, including tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities.</p>
<p>As part of <b>LOBBYING</b></p> <p>Applicable 2CFR Section: 200.450</p>	<p>Food-related expenses associated with lobbying are <u>always unallowable</u> except in the very <u>rare instance</u> when such expenses are related to travel for the purpose of technical and factual presentations on topics directly related to the performance of a grant, contract, or other agreement in response to a documented request made by a member of congress, legislative body or a subdivision, or a cognizant staff member.</p> <p>Lobbying includes certain influencing activities associated with obtaining grants, contracts, cooperative agreements, or loans or attempting to influence either directly or indirectly an employee or officer of the executive branch of the Federal Government to give consideration or to act regarding a Federal award or a regulatory matter.</p>
<p>As part of <b>CONFERENCE / MEETING</b></p> <p>Applicable 2CFR200 Section: 200.432</p>	<p>Food-related expenses associated with a conference <u>are allowable when</u>:</p> <ul style="list-style-type: none"> <li>• The event at which the food expenses are incurred meets the below definition of "conference", <u>and</u></li> <li>• The expenses are paid by GFEMS as the sponsor or host of the event; <u>and</u></li> </ul> <p>Conference is defined as a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-Federal entity [GFEMS] and necessary and reasonable for successful performance under the donor award. NOTE: Conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes costs to the donor award.</p>

## Appendix 6- GFEMS Internal Review Procedures

## Internal Review Procedures



### 1. Preliminary Review

Allegations of suspected violations of law, regulation or GFEMS’s policies may be received through various sources including employees, subrecipients, contractors, or anonymous reports to the GFEMS hotline (via phone or email). Regardless of the source, an allegation shall promptly be directed to the Fund’s Associate Director for Compliance and Operational Integrity who will document the allegation in the Fund’s incident management platform and determine if the allegation warrants further review or may be addressed by other business units in the ordinary course of management. Matters concerning Human Resources shall be directed to the Senior Manager for Human resources, matters concerning project management shall be directed to the relevant Director, etc.

If, during the initial review, the Associate Director for Compliance and Operational Integrity finds that the reported circumstances could substantiate a violation of law, regulation or policies, the Associate Director for Compliance and Operational Integrity will document the allegation in



GFEMS's incident management platform and organize a Review Team. Otherwise, the matter will be documented in GFEMS's incident management platform and closed.

## **2. Review Team**

The Review Team role and responsibilities are to determine whether or not an allegation is supported by facts and documentation and if so, recommend corrective actions.

The Review Team may be comprised of staff from several business units including; Grant Programs, Finance and Operations, Human Resources, Evidence and Learning, and Leadership Team. The composition of the Review Team will depend on the nature of the allegation(s). In some cases, it may be appropriate to seek the assistance of external advisors including independent auditors or outside legal counsel.

The Review Team will review and discuss the allegation, determine actions or information needed to substantiate or refute the allegations, and assign responsibility for the actions and deadlines.

In some cases, prior to substantiation of an allegation, immediate actions may be required to ensure the safety and protection of GFEMS personnel or property. Any intermediate remedial actions are not suggestive of any conclusion with respect to any illegal wrongdoing, but rather are prudent measures designed to increase compliance and accountability.

Based on the information obtained, the Review Team will recommend to the responsible leadership team member the required action which may include a further review of the matter, a plan to implement corrective actions, or disciplinary actions.

The work of the Review Team will be conducted confidentially and with discretion.

## **3. Report Closure**

The internal review process will be completed when it is determined that the allegation cannot be substantiated or if substantiated, when adequate corrective actions have been taken.

## **4. GFEMS Personnel Obligations**

All GFEMS personnel shall cooperate with internal reviews by providing truthful accounts and relevant documentation, as requested.

GFEMS personnel, who fail to cooperate, or otherwise impede an internal review, will be subject to disciplinary action up to and including termination of employment.

## **5. Disclosures**

### **5.1 USG Funded Agreements**

If the internal review finds credible evidence that GFEMS personnel or a subrecipient violated GFEMS Policies and Procedures, Federal criminal law involving fraud, conflict of interest, bribery, or gratuity (Title 18 of the United States Code); or the civil False Claims Act (31 U.S.C. §3729-3733), GFEMS shall provide a timely disclosure, in accordance with 2 CFR200.113 to the relevant USG Office of Inspector General (OIG), and to the Grants Officer.

GFEMS may opt to employ an abundance of caution and provide a preliminary notice to the OIG prior to the completion of its review, when it is deemed in the best interest of the USG.

#### 5.2 DFID Funded Agreements

If the internal review finds credible evidence that GFEMS personnel or a subrecipient violated GFEMS Policies and Procedures and concerns fraud, corruption, bribery, theft, terrorist financing, money laundering and other misuse of funds that prevents funds being directed to the aid outcomes or recipients intended, or, sexual exploitation, abuse and harassment, GFEMS shall immediately inform DFID via the Counter Fraud Section [reportingconcerns@dfid.gov.uk](mailto:reportingconcerns@dfid.gov.uk).

#### 5.3 Norad Funded Agreements

If the internal review finds credible evidence that GFEMS personnel or a subrecipient is involved in allegations concerning corruption, including bribery, nepotism and illegal gratuities; misappropriation of cash, inventory and all other kinds of assets; financial and non-financial fraudulent statements; and all other use of Project funds which is not in accordance with the implementation plan and budget, GFEMS shall immediately inform Norad to handle in accordance with Norad's guidelines for handling suspicion of financial irregularities.

#### 5.4 Other Funded Agreements

GFEMS will follow the requirements of funding agreements and U.S. or other applicable law regarding reporting incidents similar to those listed above.

### **6. Insurance Claims**

The Associate Director for Compliance and Operational Integrity shall evaluate whether the investigation or substantiated allegation triggers the notice provision of GFEMS's insurance policies.

### **7. Public Announcement**

The Chief Executive Officer, in conjunction with the Communications and Media Specialist, and/or GFEMS's outside legal counsel shall consider whether it is necessary to designate spokesperson(s) to speak on behalf of GFEMS to the general public as well as to relevant stakeholders, to issue a press release, and/or to communicate with the organization's employees. All such communications shall be cleared through the CEO and on occasion may warrant conference with GFEMS's outside legal counsel.

## **8. GFEMS Board of Directors**

In some cases, an allegation will be so material in terms of finance, client relations, or media that the Chief Executive Officer may request a report to the Board Audit Committee. In general, the Associate Director for Compliance and Operational Integrity will prepare an annual report to the Board Audit Committee on cases logged into the incident management platform throughout the fiscal year. In some cases, Board reporting may be more frequent.