

## **Conflict of Interest Policy and Procedure**

### **Purpose**

GFEMS personnel and members of its Board of Directors must act in the best interests of the organization and our stakeholders. This means that we make business decisions that are free from any conflict of interest. Conflicts of interest may occur when outside activities or personal interests conflict or appear to conflict with GFEMS responsibilities. Conflicts of interest may have negative impacts on our business, our reputation or relations with others, and our ability to exercise professional judgment in carrying out our duties.

The purpose this policy is to protect the Fund's interests when GFEMS enters into a transaction or arrangement that might benefit the private interest of GFEMS personnel and/or members of its Board of Directors, might result in a possible excess benefit transaction, and/or when involved with the selection, award, and administration of subawards under funded programs. This policy prohibits GFEMS personnel and members of its Board of Directors from using their positions, or the know-how obtained while working with GFEMS, for a purpose that constitutes, or presents the appearance of, a conflict of interest.

At minimum, GFEMS personnel and members of its Board of Directors should: (1) be aware of and recognize what a conflict of interest is, (2) disclose actual or potential conflicts of interest, (3) mitigate actual or potential conflicts to the extent necessary to include recusal, and (4) document actions taken.

This policy is intended to supplement but not replace any applicable State and Federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

This policy shall be effective April 1, 2020.

### **Applicability**

This policy shall be applicable to all GFEMS personnel and members of its Board of Directors.

### **Policy Statement**

GFEMS's Conflict of Interest Policy, as emphasized by the Code of Conduct, Financial Policies and Procedures, and Employee Manual, places great importance on ensuring the continued confidence and trust of GFEMS stakeholders and the public at large. GFEMS requires that any action taken by personnel and/or members of the Board of Directors be free from any actual or potential conflicts of interest.

## **Personal Conflicts of Interest**

Personnel and Members of the Board of Directors and immediate family members, including partners, who have a financial or organizational interest – as an employee, consultant, business partner, investor, shareholder, borrower, lender, beneficiary, board member or trustee – in an actual or potential competitor, recipient or subrecipient, contractor, or donor - must immediately and annually disclose the interest to the appropriate Manager and Leadership Team Member or Associate Director for Compliance and Operational Integrity (or to the other Board Members if a member of GFEMS's Board of Directors is the interested person).

Personnel and Members of the Board of Directors and immediate family members, including partners, must include with their disclosure statement any contracts, agreements, or other documents with third parties that relate to such disclosure, if requested by GFEMS.

Personnel and Members of the Board of Directors should not directly or indirectly solicit any gift or accept any gift from an organization doing business with GFEMS --whether it be money, services, loans, travel, entertainment, hospitality, promise of anything of value, or any other form--under the following circumstances: (1) it could be reasonably inferred or expected that the gift was intended to influence them in the performance of their official duties; or (2) the gift was intended to serve as a reward for any official action.

Exactly what constitutes a conflict of interest is both a moral and a legal question, and it is not possible to define all the various circumstances and relationships that would be considered "conflicts." The list below suggests some of the types of activities where caution must be exercised:

- Accepting gifts, over a nominal value, or having any travel, living, or entertainment expenses paid for the individual or members of his/her families, by any person, firm, or corporation currently doing business or seeking to do business with GFEMS. Note: In any circumstance, Personnel and Members of the Board are prohibited from soliciting gifts.
- Having any personal financial dealings or organizational leadership position with any individual, business or non-profit organization that furnishes merchandise, supplies, property, or services to GFEMS.
- Participating in the selection, award, or administration of a GFEMS award (contract, award or subaward) if the employee or an immediate family member including partner, or an organization that employs or is about to employ any of them, has a financial, organizational or other interest in an entity being considered or selected for an award without appropriate competition and submission of a Conflict of Interest Disclosure Statement.
- Accepting any compensation including a salary, consulting fee, commission or honorarium for writing, speaking or other services rendered to another organization for work that is a normal part of the employee's employment with GFEMS in violation of the statement on Outside Professional Activity in the GFEMS Employee Manual.

- Misusing privileged information like source selection information or soliciting or receiving any sensitive proprietary donor information, including budgetary or programmatic information, before it is available through normal processes [in violation of the Fund's Procurement Policy and Procedures (See: Organizational Conflicts)].
- Using one's position at GFEMS or knowledge of GFEMS's affairs for outside personal gains.

### **Organizational Conflicts of Interest**

An organizational conflict of interest may result when factors create an actual or potential conflict of interest related to the procurement of goods or services for GFEMS, or when the nature of the work to be performed under a procurement service agreement or consultancy creates an actual or potential conflict of interest on a future procurement. Just as we must avoid situations that could make us biased, we must also avoid working with others who could be unable to provide us with impartial assistance or advice. In short, we must never hire contractors whose objectivity may be impaired, or who may have an unfair competitive advantage.

- **Biased Ground Rules:** Situations in which a company, as part of fulfilling a contract, has set the ground rules for another contract, for example, by writing the statement of work or the specifications. In these “biased ground rules” cases, the primary concern is that the company could skew the competition, whether intentionally or not, in its own favor. These situations may involve a concern that the organization, by virtue of its special knowledge of the customer's future requirements, would have an unfair advantage in competing based on those requirements. For example, it would be a conflict of interest if GFEMS engaged an IT company to design specifications for a future contract on a critical IT component and then that same company participated in bidding.
- **Impaired Objectivity:** Situations where a company's work under one contract could entail evaluating itself, either by performing an assessment of work completed under another contract or by evaluating proposals. In these “impaired objectivity” cases, the concern is that the company's ability to render impartial advice to GFEMS could appear to be undermined by its relationship with the entity whose work product is being evaluated. For example, it would be a conflict of interest if GFEMS engaged a consultant to act as a technical advisor on a project and subsequently that individual leaves GFEMS and joins another company and participates in an independent evaluation of GFEMS, including his or her own work as a former GFEMS consultant.
- **Unequal Access to Information:** Situations in which a company has access to non-public information and where that information may provide the organization a competitive advantage in a later competition for a second contract. In these “unequal access to information” cases, the concern is limited to the risk of the firm gaining a competitive advantage.

GFEMS's policy is to avoid or mitigate potential organizational conflicts.

**Procedure:**

1. **Duty to Disclose:** In connection with any actual or potential 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 appropriate Manager and Leadership Team Member or Associate Director for Compliance and Operational Integrity (or to the other Board Members if a member of GFEMS's Board of Directors is the interested person) considering the proposed transaction or arrangement. Such disclosures may be made via email or using the Disclosure of Relationships Statement.
2. **Disclosure of Relationships Statement:** All Personnel and Board Members shall sign the Disclosure Statement 1) upon hire or appointment and 2) whenever circumstances change in such a way that suggests a potential or actual conflict of interest or 3) when required by GFEMS. The Disclosure Statement will require Personnel and Board Members to articulate the potential or actual conflict and to affirm:
  - a. Receipt of a copy of the conflicts of interest policy;
  - b. Reading and understanding the policy; and,
  - c. Agreement to comply with the policy.

In submitting the Disclosure Statement, members of GFEMS's Board of Directors understand that GFEMS is a 501(c)(3) charitable organization and in order to maintain its federal tax exemption it must primarily engage in activities which accomplish one or more of its tax-exempt purposes. As such, actual conflicts of interests will be disclosed on the annual 990 filing.

3. **Determination.** After submission of the Disclosure Statement of the financial interest and all material facts, and after any discussion with the interested person, the Manager and Leadership Team Member or Associate Director for Compliance and Operational Integrity (or to the other Board Members if a member of GFEMS's Board of Directors is the interested person) shall decide if a conflict of interest exists. GFEMS will document the nature of the potential conflict, actions taken to determine whether a conflict exists, and the determination as to whether a conflict exists or not. The record should include the names of those involved in the review, any recusals, and who voted and how.
4. **Recusal.** If a determination is made citing an actual or potential conflict of interest, an interested person must abstain from participation in the financial interest. Where recusal cannot be effective to neutralize the conflict of interest, resignation may be appropriate.

5. Documentation. GFEMS will record both disclosed private interests and the measures taken by the organization for resolution in a particular case to demonstrate that a specific conflict has been appropriately identified and managed.
6. Failure to Disclose. If any Manager and/or Leadership Team Member or Associate Director for Compliance and Operational Integrity (or to the other Board Members if a member of GFEMS's Board of Directors is the interested person) has reasonable cause to believe an interested person has failed to disclose actual or potential conflicts of interest, the interested person shall be informed of the basis for such belief and provided with an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, GFEMS determines the interested person has failed to disclose an actual or possible conflict of interest, the immediate Leadership Team Member or Board Members shall take appropriate disciplinary and corrective action.

## **Violation**

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

As applicable and in accordance with federal government regulations, GFEMS may also be required to further report to the relevant federal agency personnel any personal conflict-of-interest violation by interested persons as soon as it is identified but no later than ten (10) calendar days of the discovery of the conflict of interest.

## **Definitions**

**Compensation:** Compensation includes direct and indirect remuneration (payment) as well as gifts or favors that are significant.

**Disclosure:** Making a potential or actual conflict of interest known to GFEMS.

**Excess Benefit Transaction:** Any transaction in which an economic benefit is provided by GFEMS directly or indirectly to, or for the use of, any disqualified person, and the value of the economic benefit provided exceeds the value of consideration received for providing the benefit. (Treas. Reg. 53-4958-4(a)(1)). Liability for Excise Taxes related to excess benefit transaction shall apply as required by law.

**Disqualified Person:** Someone in a position to exercise substantial influence over the affairs of GFEMS at any time during the five-year period from the date of the excess benefit transaction.

(Treas. Reg. 53.4958-3(a)(1)). Individuals who are in a position to exercise substantial influence over the affairs of GFEMS includes:

- (i) foundation managers (officers, directors, trustees, or individuals with similar responsibilities);
- (ii) the founder of the Organization;
- (iii) substantial contributors (defined as any person who has contributed in the current fiscal year and the four preceding fiscal years); and,
- (iv) other individuals based on a facts and circumstances test.

A disqualified person includes the persons listed above who have been in a position to exercise substantial influence over the affairs of GFEMS during the past five years and family members of any person described above (spouse, siblings, spouses of siblings, ancestors, lineal descendants and spouses of lineal descendants); or organizations, partnerships, and trusts or estates in which a person described above owns more than 35% of the voting power, profits interest, or beneficial interest.

**Family Member:** The spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/ domestic partners of brothers, sisters, children, grandchildren, and great grandchildren.

**Interested Person:** All GFEMS personnel and members of the Board of Directors who have a direct or indirect financial interest in a transaction or arrangement or a “disqualified person” as defined above.

**GFEMS Personnel:**

**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 GFEMS has a transaction or arrangement;
- b. A compensation arrangement with GFEMS or with any entity or individual with which GFEMS has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which GFEMS is negotiating a transaction or arrangement; and
- d. Received gifts, including travel;

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 it is determined that a conflict exists in accordance with this policy and procedure.

***Interest:*** any commitment, investment, relationship, obligation, employment, potential employment, or involvement, financial or non-financial, direct or indirect, that has the potential to influence a person's judgment or objectivity in relation to the evaluation and selection of sub-awards or contracts, the administration of subawards or contracts, a receipt of compensation from GFEMS, or a sale or a loan transaction with GFEMS.

***Recusal:*** abstinence from participation in the financial interest.

***Transaction.*** Any agreement or arrangement between an insider and GFEMS including compensation arrangements, or between GFEMS and any third party where an insider has a financial interest in the transaction or is in any way a party to it. This includes the selection, award, or administration of any subaward or contract in which an insider has an interest in the awardee or contractor.

**Disclosure of Relationships Statement (Conflicts of Interest)**

A conflict of interest means a transaction or arrangement that might benefit the private interest of GFEMS personnel or Board Member or might result in a possible conflict of interest for the organization.

In accordance with GFEMS’s Conflict of Interest Policy, all GFEMS personnel and Board Members are required to disclose any financial or organizational interest – as an employee, consultant, business partner, investor, shareholder, borrower, lender, beneficiary, board member or trustee – in an actual or potential competitor, contractor, recipient or subrecipient, or donor of GFEMS, that might produce a conflict of interest or the appearance of a conflict of interest upon hire or appointment (in the case of a Board Member). If an immediate family member, including partner, of GFEMS personnel or Board Member has a financial or organizational interest that might produce a conflict of interest or the appearance of a conflict of interest for GFEMS, this should also be disclosed.

Conflicts of Interests must be disclosed annually or whenever circumstances change in such a way that suggests a potential or actual conflict of interest. Full disclosure of any economic benefit expected or received as a result of the venture or activity is required and the provision of copies of any contracts, agreements, or other documents with third parties that relate to such ventures or activities may be requested by GFEMS.

Completed forms are filed and maintained by the Finance and Operations Team. Submit this form to Angela Perry, Senior Manager of Human resources ([angela.perry@gfems.org](mailto:angela.perry@gfems.org)).

   I have no conflict of interest to disclose

   I have the following potential or actual conflict of interest to disclose:

Self or Relationship	Name of Organization	Affiliation or Position	Current or Concluded	Compensation?	
				Yes	No
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

Name (please type or print): \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

By signing this Statement, you confirm that you have received a copy of GFEMS Conflicts of Interest Policy; you have read and understood the policy; you agree to comply with the policy; and, you certify that the information set forth above is true and complete to the best of your knowledge. Board Members further confirm their understanding that GFEMS is a 501(c)(3) charitable organization and, in order to maintain its federal tax exemption, it must primarily engage in activities which accomplish one or more of its tax-exempt purposes.