

KEEPING HOPE ALIVE

CONFLICT OF INTEREST POLICY

Approved by Board of Directors

on

7/10/2018

This document serves as Keeping Hope Alive's guiding principles to all Interested Persons having Financial Interests with the Charity

Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (**KEEPING HOPE ALIVE INC'S**) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to non-profits and charitable organizations.

The Guidance Note attached to this policy explains why the 'Conflicts of Interest Policy' is required, and the steps to be followed to ensure compliance with the Policy, should be issued to all those individuals required to complete a Declaration of Interests (Dol)form.

Article II

Definitions

1. **Interested Persons** - Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest** - A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
 - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favours that aren't insubstantial.

A financial interest isn't 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 appropriate governing board or committee decides that a conflict of interest exists.

Article III

Procedures

1a - Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

b - Declaration of Interests (DoI) Form

The DoI form should be completed in writing upon appointment and thereafter annually in the form prescribed and attached to this Policy. It should also be declared orally at any meeting where a conflict of interest may arise. Any change to the Declaration should be notified in writing to the Corporation's Secretary as soon as the interest arises;

The Company Secretary shall maintain a Register of Interests declared, including any conflicts which have been identified;

2 - Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

If it cannot be ascertained whether or not a matter of conflict does exist, the Panel may obtain independent professional advice. The decision of the Review Panel will be final.

3. Procedures for Addressing the Conflict of Interest

a. any individual with an interest in a matter being discussed at a meeting must declare his/her interest to the meeting. The chairman of the meeting will then decide whether that individual should withdraw during the discussion and, if not, whether the individual should be entitled to vote on the matter under discussion;

a. An interested person may make a presentation at the governing board or committee 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 governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, upon hearing the member's response and after making further investigation as warranted by the circumstances, found to be unreasonable and not in the best interest of the Charity, that member will be asked to give up the service/business deal or resign their position on the board.

5. The Policy shall be periodically reviewed to ensure it satisfies legal and regulatory requirements, and those of the Charity.

6. The Board will have in place an annual certification for Board of Directors/Trustees which will include the officers signing a statement declaring that they have received, read, understood and intend to comply with the policy.

Guidance Notes

This Note explains why the Policy applies to certain individuals, what type of "interest" should be declared, when and how to declare such interests, where the potential for conflicts of interest may arise and how such conflicts will be dealt with, so they do not prejudice the activities or reputation of the Charity.

Individuals should be aware that it is their personal responsibility to declare their interests.

Circumstances may arise where an individual's professional, personal or family interests and/or loyalties may conflict or be perceived to conflict with those of the Charity. If not identified and managed, such conflicts may:

- inhibit free discussion;
- allow influence or control over the Charity's activities by an individual who is not independent of his/her personal interests;
- lead to decisions or actions being taken that are not in the interests of the Charity;
- risk the perception that the Charity may have acted improperly, thus damaging its reputation.

1. Why do we have a Policy?

All members of staff or other individuals in positions of control/influence have an obligation to act: -

- in the best interests of the Charity to maintain its reputation and not for his/her own private interest or gain;
- to avoid situations where there may be a potential conflict of interest between the Charity's interests and those of the individual;
- in accordance with the Charity's governing documents, such as the Articles of Association.

2. Who must complete a Declaration of Interests Form ('DoI Form')?

A DoI Form must be completed by all Members comprising of Board of Directors/Trustees, Executive Board, the Boards of directors/trustees of all entities in which the Charity has a controlling or material interest; and all staff members whose roles, in the opinion of the Executive Board, are regarded as bringing them within the ambit of the Policy.

The DoI Form sets out the kinds of interests which need to be declared.

3. What should I do if I am unsure whether to declare a matter as an ‘interest’?

“When in doubt, declare”.

Please ask yourself “Are there any circumstances in which this interest (held by either yourself or your immediate family) could prejudice, embarrass or damage the activities of the Charity?” If the answer is “Yes” you should declare the interest.

The law imposes strict limits on the benefits which may be received by a Trustee. The Charity’s Articles of Association require the disclosure and management of interests to ensure no one party can exercise undue influence or receive an unauthorised financial benefit (whether direct or indirect) from their association with the Charity.

The Articles permit Members to be reimbursed for reasonable expenses incurred in the performance of their duties, and to enter into and benefit from certain contracts. Further guidance can be obtained from the Secretary.

4. Register of Interests

The Charity's Register of Interests will be maintained by the Secretariat.

The Register will be open to inspection by the Charity's Auditors, statutory regulators and other parties as authorised by the Charity's governing documents. If an individual completing the DoI Form requests that any information should not be disclosed without prior notice, any such request must be made to the Secretary.

Where a Trustee receives a payment or benefit, this will be reviewed by the Charity's Auditors and may be noted in the Charity's Annual Report and Accounts.

Where an individual making a declaration is connected to a party involved in the supply of a service or product to the Charity, this information may also be disclosed in the Annual Report and Accounts if required by the Charity's Auditors.

5. Will the Data Security Laws apply?

The information provided in the DoI Form will be processed in accordance with data protection principles as set out in data protection legislation. Data will be processed only to ensure that the individual acts in the best interests of the Charity. The information provided will not be used for any other purpose without the individual's prior consent which shall not be unreasonably withheld or delayed.

6. Who will decide if a conflict exists?

Completed DoI Forms or possible conflict of interest will be evaluated by the governing board or committee.

In the event that a matter of conflict cannot be resolved the Panel may obtain independent professional advice. The decision of the Review Panel will be final.

In the case of unavoidable or repeated conflicts of interest between the Charity and an individual that may, in the opinion of the Review Panel, harm the reputation of the Charity, the individual may be asked to either surrender the interest that is giving rise to the conflict or resign from his/her position with the Charity.

7. What do you do if a conflict of interest arises at a meeting or in another work situation?

Before, or at the beginning of any meeting, you must declare any potential conflict of interest which may arise in relation to matters on the agenda

If you are involved in selecting suppliers/partners or similar and you believe you may be in a position of conflict e.g. if a relative or other connected party to you is involved in any way with that supplier/partner, you must declare that interest to your line manager and ensure it is added to the relevant register of interests.

Once a contract is in place in which you have a conflict of interest, you must not be involved in managing or monitoring the contract unless you have been given express permission.

A conflict of interest occurs where, in respect of an item on the agenda or at any other time during any discussion at a meeting or otherwise, the individual has a financial interest or a real danger of bias or where there is a perception that the interest could unduly influence his/her decision.

The Chairman of the meeting or line manager, as appropriate, will decide the best course of action which may include deciding whether the individual should withdraw from the meeting while the matter is discussed or removing the individual from further discussions concerning the potentially conflicted matter.