



## Policy on Conflicts of Interest

### Overview

As a Christian non-profit organization, we should be transparent in all our activities. It is the policy of Partners Relief & Development (PRAD) to conduct its agency according to the highest ethics, based upon biblical standards. All employees are expected to act with integrity when dealing with government agencies, mission and relief and development organizations, other agencies, sponsors and donors, suppliers, fellow employees, nationals, and the general public.

Partners Relief & Development will conduct its affairs decently and above reproach and will operate with the highest level of integrity and avoid conflicts of interest.

Between the organization and its management, employees, and volunteers there exists a fiduciary duty that carries with it a broad and unbending duty of loyalty. The management, employees, and volunteers have the responsibility to administer the affairs of the organization honestly and prudently, and to exercise their best care, skill and judgment for the sole benefit of transactions involved in their duties, and they shall not use their positions with the organization or knowledge gained therefrom for their personal benefit. The interests of the organization must have the first priority, and all purchases of goods and services must be affected on a basis that secures for the organization full competitive advantage as to product service and price.

### Persons Covered

This policy is directed to all management, employees, and volunteers who can influence the actions of the organization or make commitments on their behalf. For example, this would apply to all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning PRAD. In addition, such persons may include:

- Persons who make purchasing decisions on behalf of PRAD.
- Persons who have managerial authority in PRAD or who might be described as "management personnel" of PRAD.
- Persons who serve as key advisors to another person or persons who have managerial authority in PRAD.
- Persons who receive compensation based on revenues derived from activities of PRAD that they control.
- Persons who have authority to control or determine a significant portion of PRAD's capital expenditures, operating budget, or employee compensation.
- Persons who own a controlling interest in a corporation, partnership, or trust that contracts with PRAD.

## **Statement of Policy**

Unless disclosed to the management and approved by it as described below, no covered persons shall have any direct or indirect conflict of interest in his or her dealings on behalf of PRAD.

Without limiting the foregoing, covered persons shall abide by the following applications of this policy:

- No covered person shall seek or accept any gift, gratuity, entertainment, travel or other item or service of material value from any person or organization doing business or seeking to do business with PRAD.
- Similarly, no covered person shall make or offer any gift, gratuity, entertainment, travel or other item or service of material value to any person or organization doing business with PRAD or with whom PRAD is seeking to do business.
- For purposes of this standard, reasonable and customary gifts of memento advertising (e.g. calendars, pens, bags, and the like), or an occasional meal (not excessive in cost) shall not be deemed to be an item of material value.

## **Areas in which Conflicts May Arise**

The duty to avoid conflicts of interest may arise in any number of situations. Among them are in the context of relationships with the following persons:

- Persons or entities supplying goods or services, or seeking to supply goods or services to PRAD.
- Persons or entities from whom PRAD leases property or equipment.
- Persons or entities with whom PRAD is dealing or planning to deal in connection with the gift, purchase or sale of securities, real estate, or other property.
- Persons or entities paying honoraria, royalties, or other value for products or services delivered by PW or its agents or employees.
- Other not-for-profit organizations, whether in the capacity of actual or potential donor or actual or potential recipient of a donation or grant; ministry partner or co-laborer, or other capacity.
- Donors and others supporting the organization.
- Media carrying PRAD advertising or content.
- Governmental and non-governmental agencies, organizations and associations that affect or can affect the operations of PRAD.
- Persons who are in a position to exercise substantial influence over the affairs and actions of PRAD (Was PW), or who have been in such a position at any time in the past five years.
- PRAD itself.

## **Nature of Potential Conflicts**

A material conflicting interest may be defined as an interest, direct or indirect, between any person or entity mentioned above and a director, manager, employee, volunteer, or influential agent (or any person who has served as a director, manager, employee, volunteer, or influential agent of the organization at any time in the past five years), which might affect, or might reasonably be thought by

others to affect, the judgment or conduct of a director, officer, manager, employee, volunteer or influential agent of PRAD. Such an interest might arise, for instance, through:

- Owning stock or holding debt or other proprietary interests in any third party dealing with PRAD.
- Holding office, serving on the Board of Directors, participating in management or being otherwise employed (or formerly employed) in any third party dealing with PRAD.
- Receiving remuneration for services with respect to individual transactions involving PRAD.
- Using PRAD's personnel, equipment, supplies, or good will for other than Organization-approved activities, programs, and purposes.
- Receiving personal gifts or loans from third parties dealing with PRAD. Other than gifts of clearly nominal value. No personal gift of money should be accepted from such sources. As stated above, for purposes of this policy, reasonable and customary gifts of memento advertising, or an occasional meal shall not be deemed to be an item of material value.
- Obtaining an interest in real estate, securities or other property that PRAD might consider buying or leasing.
- Expending staff time during normal business hours for personal affairs or for other organizations, civic or otherwise, to the detriment of work performance for PRAD.
- Providing excessive or unreasonable benefits to third parties, on behalf of PRAD, or receiving excessive or unreasonable benefits from third parties while acting as a director, officer, employee, or agent of PRAD.

Conflicts or potential conflicts may be direct or indirect. Indirect conflicts may arise if any of the following have an interest:

- A family member of a director, manager or employee. (Family member is defined broadly, and includes all persons related by whole or half-blood or by marriage, including but not limited to siblings, siblings' spouses, ancestors, children, grandchildren, great-grandchildren, and all their spouses.)
- An estate or trust of which the director, manager or influential agent, or member of such person's family is a beneficiary, personal representative, or trustee.
- A company of which a member of the family or the director, manager or influential agent is an officer, director, or employee, or in which such person has ownership or other proprietary interest.

### **Disclosure and Procedure for Board Review**

All trustees, officers, agents and employees of this organization shall disclose all real or apparent conflict of interest that they discover or that have been brought to their attention in connection with this organization's activities.

"Disclosure" shall mean providing properly, to the appropriate person, a written description of the facts comprising the real or apparent conflict of interest. An annual disclosure statement shall be circulated to trustees, officers, and certain identified agents and employees to assist them in considering such disclosures, but disclosure is appropriate and required whenever conflicts of interest may occur. The written notices of disclosures shall be filed with the President. At the annual board meeting of the top

governing body, all disclosures of real or apparent conflict of interest shall be noted for the record in the minutes.

An individual trustee, officer, agent, or employee who believes that he or she or an immediate member of his or her immediate family might have a real or apparent conflict of interest, in addition to filing a notice of disclosure, must abstain from:

1. Participating in discussions or deliberations with respect to the subject of the conflict (other than to provide factual information or to answer questions),
2. Using his or her personal influence to affect deliberations,
3. Making motions,
4. Voting,
5. Executing agreements, or
6. Taking similar actions on behalf of the organizations where the conflict of interest might pertain by law, agreement or otherwise.

At the discretion of the top governing body or a committee thereof, a person with a real or apparent conflict of interest may be excused from all or any portion of discussion or deliberations with respect to the subject of the conflict.

A member of the top governing body or a committee thereof, who, having disclosed a conflict of interest, nevertheless shall be counted in determining the existence of a quorum at any meeting in which the subject of the conflict is discussed. The minutes of the meeting shall reflect the individual's disclosure, the vote thereon, and the individual's abstention from participation and voting.