



CONFLICT OF INTEREST POLICY

OF THE AFRICAN COUNCIL OF NON-GOVERNMENTAL ORGANISATIONS

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Contact details:

African Council of Non-Governmental Organisations
Executive Secretariat
14 King Street, Congo Cross, Freetown
Sierra Leone, West Africa

Tel: +232-7635-0934
Email: info@africanngocouncil.org
Website: www.africanngocouncil.org

**CONFLICT OF INTEREST POLICY
OF THE
AFRICAN COUNCIL OF NON-GOVERNMENTAL ORGANISATIONS**

**Article I
Purpose**

The purpose of this Conflict of Interest Policy is to protect the interests of the African Council of Non-Governmental Organisations (the "African NGO Council") and its affiliates when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Council or might result in an excess benefit transaction. This policy is intended to supplement but not replace any applicable state and national laws governing conflict of interest applicable to nonprofit and charitable organisations.

**Article II
Policy**

Directors, officers, and employees are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a director or employee and those of the African NGO Council and its affiliates. A conflict of interest exists when the loyalties or actions of a director, officer, or employee are divided between the interests of the Council and the interest of the director, officer, or employee. Both the fact and the appearance of a conflict of interest should be avoided.

**Article II
Definitions**

1. Interested Person

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 Council has a transaction or arrangement,
- b. A compensation arrangement with the Council or with any entity or individual with which the African NGO Council 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 Council is negotiating a transaction or arrangement.

Family shall include an individual's spouse, parents, children, brothers or sisters, and spouses of such, parent, child, brother or sister. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, hereof, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

Article III Procedures

1. Duty to Disclose

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

Each employee shall disclose to the President/Chief Executive Officer all material facts regarding the affiliation of such employee with any person with whom the Council is considering entering a transaction. The employee shall make that disclosure promptly upon learning of the link between that person and transaction.

The President/Chief Executive Officer and any other person with substantial influence over the Council shall disclose to the Board all material facts regarding his or her affiliation with any person with whom the African NGO Council is considering entering a transaction. The President/Chief Executive Officer or person with substantial influence shall make that disclosure promptly upon learning of the link between that person and the transaction. If there is a question as to whether the employee has substantial influence over the Council, the President/Chief Executive Officer shall present this issue to the Board of Directors, and the Board shall resolve the matter.

At any meeting of the Board at which a transaction involving an affiliated person will be considered, a director shall disclose to the members of the Board all material facts regarding the director's affiliation with any person with whom the Board is considering entering into any transaction.

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 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.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the board or committee meeting, but after such 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 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 board or committee shall determine whether the Council can obtain, with reasonable efforts, a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is (i) in the Council's best interest, (ii) beneficial to the Council, and (iii) fair and reasonable. If these factors are met, the Council may choose to enter into the proposed transaction.
- e. In evaluating such a transaction or arrangement, the African NGO Council should pay no more than fair market value for any goods or services which the Council receives and should receive fair market value consideration for any goods or services that it furnishes to others.

4. Violations of the Conflict of Interest Policy

- a. If the board or committee has reasonable cause to believe that 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, after hearing the member's response and after making further investigation as may be warranted by the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV Records of Proceedings

The minutes of the board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article V Compensation

1. A voting member of the board of directors who receives compensation, directly or indirectly, from the African NGO Council for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Council for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Council, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI Affirming Statements

Each director, principal officer and member of a committee with governing board delegated powers shall sign a statement, a form of which is annexed hereto as Exhibit A, which affirms that such person -

- a. Has received a copy of this conflicts of interest policy,
- b. Has read and understands this policy,
- c. Has agreed to comply with this policy, and
- d. Understands that the Council is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

All Affirmation Statements shall be submitted to the President/Chief Executive Officer of the Council and filed with the minutes of the first meeting of the Board of Directors held each year.

Article VII

Periodic Reviews

To ensure that the African NGO Council operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from related income tax in its current headquarter location, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Council's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. Furthermore, periodically, the Secretary of the Council may distribute to all directors and officers of the Council a form, the form of which is annexed hereto as Exhibit B, soliciting the disclosure of all conflicts of interest, including specific information concerning the terms of any contract or transaction with the Council and whether the process for approval set forth herein was used.

Article VIII

Use of Outside Experts

In conducting the periodic reviews as provided for in Article VII, hereof, the Council may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

Article IX

Remedies

Any director who fails to comply with this Conflict of Interest Policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If an employee who is deemed to have substantial influence over the African NGO Council fails to comply with this Conflict of Interest Policy, he or she may be put on notice or terminated, in the discretion of the Board of Directors. Any other employee who fails to comply with this Conflict of Interest Policy may be put on notice or terminated, in the discretion of the President/Chief Executive Officer.

Exhibit A**AFRICAN COUNCIL OF NON-GOVERNMENTAL ORGANISATIONS****CONFLICT OF INTEREST POLICY ACKNOWLEDGEMENT****FOR DIRECTORS AND OFFICERS**

I, _____, the undersigned officer and/or director of the African NGO Council

Affirm that:

- a. I have received a copy of the Council's Conflicts of Interest Policy (the "Policy");
- b. I have read and understand the Policy;
- c. I agree to comply with the Policy; and
- d. I understand that the African NGO Council is a charitable organisation and that in order to maintain its non-profit tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Name:

Title:

Exhibit B
AFRICAN COUNCIL OF NON-GOVERNMENTAL ORGANISATIONS
CONFLICT OF INTEREST DISCLOSURE FORM
FOR DIRECTORS AND OFFICERS

Please complete all sections below:

- I. Are you aware of any relationship or transaction with the African NGO Council (the “Council”) which involves or could ultimately harm or benefit financially:

- | | |
|--|--|
| a. Yourself; | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| b. Any member of your immediate family (defined as your spouse, parents, children, brothers, or sisters and spouses of these individuals); or | Yes <input type="checkbox"/> No <input type="checkbox"/> |
| c. Any organization in which you or an immediate family member is a director, trustee, officer, member, partner, or own more than 10 percent of the total (combined) voting power? [Volunteer service on the board of another not-for-profit corporation need not be disclosed.] | Yes <input type="checkbox"/> No <input type="checkbox"/> |

If yes, please list all such relationships or transactions, including specific information concerning the essential financial terms of any contract or transaction (description of services, duration, consideration, or price) and whether approval of the transaction has been obtained from the board of directors.

- II. Please fill out completely. If not applicable, indicate “none”.

- a. Listed below are all corporations, partnerships, or other business entities in which I am a director, officer, member, partner, or manager, or in which I or any member of my immediate family has a substantial financial interest (i.e., owner of 10 percent of the total (combined) voting power or greater):

Entity	Position	Self or Family
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- b. All other not-for-profit institutions, of which I am a trustee, director, or officer, which have a substantial likelihood of being harmed or benefited by any action or policy of the Council:

Entity	Position	Self or Family
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- c. All trusts, of which I am a trustee, or which benefit me or any member of my immediate family, which have a substantial likelihood of being harmed or benefited by any action or policy of the Council:

Entity

Trustee or Beneficiary

Self or Family

I have read and understand the Conflict of Interest Policy adopted by the African Council of Non-Governmental Organisations, and the foregoing information is true and complete to the best of my knowledge. I also understand that, with respect to the application of certain provisions of the Internal Revenue Code, liability for interested person transactions may arise up to five years after my service to the Council has ended.

Dated: _____ Name: _____ Title: _____