



Foundation for Development Planning, Inc.

Conflict and Duality of Interest Policy

I. Purpose

The purpose of this Conflict and Duality of Interest Policy is to protect the reputation and integrity of the Foundation for Development Planning, Inc. (the FDPI). This policy is enabled by Articles 9 and 10 of the FDPI By-Laws approved on April 2, 2011.

This policy reinforces the duty of loyalty; that is, interested persons must give their allegiance solely to the organization when making decisions affecting the organization. The FDPI is a public charitable organization and is therefore accountable to the public and donors both for the proper use of the organization's resources and to act in the public's interest. Therefore, directors, officers, members of board committees, and other interested persons have a duty to act in the best interests of the FDPI and the public and may not use their positions for their personal financial or other benefits.

The directors and associates of the FDPI have past or current roles in the public, private, and civic sectors. As such, directors, officers, members of board committees, and other interested persons are likely to have diverse professional and institutional affiliations and financial interests. Such interests could influence the way directors, officers, and committee members carry out their responsibilities.

To reduce the likelihood or appearance of a real or perceived conflict or duality of interest, all directors, officers, committee members, and other interested persons must disclose all relationships and interests which may influence how they discharge their obligations and responsibilities to the FDPI.

This policy is intended to supplement, but not replace, state and federal laws governing conflict of interest that are applicable to nonprofits and charitable organizations.

II. Definitions

1. Conflict of 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 FDPI has a transaction or arrangement.
- (b) A current compensation arrangement with the FDPI or with any entity or individual with which the FDPI has a transaction or arrangement.
- (c) A potential ownership or investment interest in, or other compensation arrangement with, any entity or individual with which the FDPI is negotiating a transaction or arrangement.

- (d) Confidential information learned through association with the FDPI which provides them with a competitive advantage in their personal, professional, or business affairs.

Non-financial conflict of interest includes, but is not limited to, the following:

- (a) Potential for impact on the person's social or professional standing resulting from a decision of the board of directors, committee, or the organization.
- (b) Potential for impact on the person's political, religious, friendship, or personal relationships resulting from a decision of the board of directors, committee, or the organization.
- (c) Undermining organizational strategies or the public's confidence in the FDPI¹ by making public, without authorization, any information, deliberation, or decision which is not publicly available.
- (d) Undermining public trust in the FDPI by communicating information about the organization's vulnerabilities or weaknesses to individuals, organizations, or the public through verbal, audio, video, photographic, written, or other formats including social media posts.

2. Duality of Interest

The FDPI directors, officers, members of board committees, and other interested persons are typically members of the diverse groups served by the FDPI and the institutional arrangements in which the FDPI participates, creating the potential for a conflict (duality) of loyalties. Persons have or may be faced with a duality of interest in cases where:

- (a) They sit on the boards of similar institutions in the same geographic space and are expected by both institutions to participate in outward-facing activities such as fundraising, advocacy, and recruitment of directors, members, and volunteers.
- (b) They are employees or volunteers in a collaborating or beneficiary organization.
- (c) They are representatives of donors, governments, foundations, or other organizations and are required to report to their institutions the plans and status of the FDPI.
- (d) They wish to advocate for action on issues they consider personally important or have been asked to be an advocate for non-FDPI issues, alliances, or country-specific initiatives.
- (e) Their personal or professional ethical standards do not fully align with the policies, standards, and practices of the FDPI.

3. Convergence of Interest

There will be occasions where duality of loyalty can result in a convergence of interest instead of conflict, thereby facilitating a beneficial arrangement for the FDPI. Directors, officers, and members of board

¹ This provision does not supersede local and federal whistleblower laws.

committees of the FDPI may own or have decision making responsibilities for technical, financial, or physical assets that can support the work of the FDPI, including reducing operational expenses.

Decisions involving a convergence of interests must be based on analysis of material facts to ensure that the determination of potential conflict of interest unequivocally shows a convergence of interests.

4. Compensation

Compensation includes direct and indirect remuneration, as well as gifts and favors.

5. Interested Person

Any FDPI director, officer, Associate, Partner², committee member, employee, or volunteer who has a conflict or duality of interest.

III. Procedures

1. Duty to Disclose

In connection with any actual or likely conflict or duality of interest, directors, officers, members of board committees, and other interested persons must disclose the existence of the interest and be given the opportunity to disclose all material facts to the Board of Directors or committee.

2. Recusal of Self

Directors, officers, and members of board committees are prohibited from voting on any matter in which they have an actual or likely conflict or duality of interest.

Directors, officers, members of board committees, and other interested persons may recuse themselves at any time from involvement in any decision or discussion in which they believe they have or may have a duality of interests simply by stating the nature of the conflict.

The conflicted person shall be counted for the purpose of maintaining a quorum in a meeting if they were present at the time the potential conflict was identified.

3. Determination of Existence of a Conflict of Interest

After disclosure of the conflict of interest and all material facts, the interested person(s) shall leave the meeting while the conflict of interest is discussed. The remaining members shall decide if a conflict of interest exists and, if so, the appropriate actions to be taken.

² Associates and Partners are defined in Article 8 of the FDPI's By-Laws.

4. Procedures for Addressing the Conflict of Interest

- (a) The interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chair of the Board of Directors or relevant 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 of Directors or relevant committee shall determine whether the FDPI 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 is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the FDPI's best interest 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.

5. Violations of the Conflict and Duality of Interest Policy

- (a) If the Board of Directors has reasonable cause to believe a director, officer, or member of a committee has failed to disclose actual or possible conflict or duality of interest, it shall inform the interested person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- (b) The interested person, on receiving notice of the alleged violation, shall submit a response to the chair of the Board of Directors or committee within thirty (30) days of the notification.
- (c) If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines that the person failed to disclose an actual or possible conflict or duality of interest, it shall take appropriate disciplinary and corrective action.

IV. Records of Proceedings

When a conflict or duality of interest is disclosed or identified during a meeting of the Board of Directors or committee the minutes of the meeting should record:

- 1. The name(s) of the person(s) who disclosed or otherwise were found to have an actual or potential conflict or duality of interest, the nature of the interest, any action taken to determine whether a conflict or duality of interest was present, whether the person(s) was/were present for the deliberations, and the board or committee's decision as to whether a conflict or duality of interest in fact existed.

2. The tally of vote(s) taken in determination of whether a conflict or duality of interest existed and the recommended actions.

V. Compensation

1. A member of the Board of Directors who receives compensation, directly or indirectly, from the FDPI for services is precluded from discussing or voting on matters pertaining to that member's compensation.
2. A member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the FDPI for services is precluded from discussing or voting on matters pertaining to that person's compensation.
3. Directors, officers, and members of board committees whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the FDPI are allowed to provide information to any committee addressing compensation matters.

VI. Annual Disclosure Statement

1. Directors, officers, and members of board committees shall annually sign a conflict and duality of interest disclosure statement which affirms that such persons:
 - (a) Have received a copy of the Conflict and Duality of Interest Policy.
 - (b) Have read and understands the policy.
 - (c) Have complied with the policy.
2. If at any time during the year, the conflict and duality of interest situation affirmed in the annual statement changes materially, the director/officer/member shall disclose such change(s) and revise the annual statement accordingly.
3. The Board of Directors shall ensure compliance with this policy by reviewing annual conflict and duality of interest disclosure statements and taking such actions as are necessary for effective compliance and oversight.

VII. Monitoring and Enforcement

1. The annual disclosure will be reviewed by the President of the FDPI in consultation with the Executive Director. The Executive Director will maintain a list of actual and potential conflicts, conflicted interested persons, and conflicted external entities.
2. The list of actual and potential conflicts will be used in the assessment of proposed transactions and partnerships.

3. Potential vendors, service providers, and collaborators will be asked to disclose personal, financial, or other relationship with any of the FDPI's directors, officers, committee members, employees, associates, partners, or volunteers.
4. The Board of Directors will be asked to determine if a conflict of interest exists in cases of transactions with former directors, officers, associates, employees and other interested persons.
5. Directors and members of committees who fail to comply with this Conflict and Duality of Interest Policy may, on adoption of a motion by the majority of disinterested board members, be censured, prohibited from participating in selected activities of the board or organization, or removed from the Board of Directors or committees.
6. Vendors, service providers, and collaborators who fail to disclose relationships as listed above may be subject to penalties as determined by the Executive Director in consultation with the Board of Directors, depending on the severity of the violation.
7. Determination of the severity of the violation by vendors, service providers, and collaborators will consider factors such as whether the conflict was deliberately hidden from the FDPI, whether the expenditure by the FDPI was greater than it would have been if the transaction had been with a disinterested entity, if the FDPI is exposed to civil or regulatory liability, if the conflict creates the potential for undermining public trust in the FDPI, and other factors as required by local or federal law.

VIII. Periodic Reviews

To ensure that the FDPI operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews of the policy shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable based on the FDPI's market and particular circumstance and is the result of arm's-length bargaining.
2. Whether partnerships, joint ventures, service contracts, and arrangements with fund management organizations conform to the FDPI's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further FDPI's charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

IX. Use of Outside Experts

When conducting the periodic reviews as provided for in Article VIII, the FDPI may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.

Revision History by the FDPI Board of Directors

First adopted July 14, 2013

Revised and approved April 25, 2023

Foundation for Development Planning, Inc.

Annual Conflict and Duality of Interest Disclosure Statement

Directors, Officers, and Members of Board Committees

By signing below, I affirm the following:

- ① I have read and understood the FDPI's Conflict and Duality of Interest Policy.
- ② I agree to comply with the policy.
- ③ I have no actual or potential conflict or duality of interest as defined by the policy.
- ④ I previously disclosed all actual or potential conflict or duality of interest as required by the policy.
- ⑤ I have actual or potential conflict or duality of interests as defined by the policy which have not been previously disclosed, and I am disclosing them below.

New or updated disclosures (signed and dated supplemental sheet attached):

- ① Any entity (organization, group, society, alliance) in which you participate or with which you are directly or indirectly affiliated (as a director, officer, employee, owner, member, advisor, or volunteer), particularly an entity that has a relationship with the FDPI.
- ② Any transaction in which the FDPI is a participant or has an interest in which you might have a personal interest.
- ③ Any entity in which a member of your family participates (as a director, officer, employee, owner, member, advisor, or volunteer) that has a relationship with the FDPI.
- ④ Any other situation which may pose a conflict or duality of interest.

Name:

Position:

Signature:

Date:

Name of Review Officer:

Date of Review: