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Conflict of Interest Policy

Document History

Version	Date	Description	Next Review
1	13/6/2024	Created and updated as per ACFID requirements	Before annual board meeting

If you require further information regarding this document, please contact: info@fairaction.ngo

Purpose

The purpose of the Conflict of Interest Policy is to protect the integrity of FAIRACTION International's decision-making processes, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff, and board members. This policy supplements but does not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions

Board: The Board refers to the Board of Directors of FAIRACTION International, which is responsible for overseeing the organization's strategic direction and governance, ensuring that it complies with legal and ethical standards.

Evaluation Process: The Evaluation Process commences after a financial interest or any other potential conflict of interest is disclosed by an individual involved. Following the disclosure, the interested person is required to leave the Board meeting. The remaining Board members will then discuss the disclosed interest to determine if a conflict of interest exists. This determination involves assessing whether the disclosed interest could potentially influence the individual's ability to impartially fulfill their duties in alignment with the organization's best interests. The decision and the reasoning behind it are documented in the meeting's minutes.

Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- Ownership or Investment Interest: This includes having an ownership stake or investment in any entity that has a transaction or arrangement with FAIRACTION International, or is in the process of negotiating such transactions or arrangements.

- Compensation Arrangement: This refers to any type of compensation received by an individual from any entity or individual with which FAIRACTION International has a transaction or arrangement, or is negotiating a transaction or arrangement. Compensation could include salaries, fees, royalties, intellectual property rights, or any other remuneration.

- Potential Interest: This includes any potential ownership or investment interest in any entity or individual with whom FAIRACTION International is negotiating a transaction or arrangement. This could be in the form of prospective business relationships or other arrangements that are under consideration but not yet finalized.

Policy:

1. **Procedure Maintenance:**
   FAIRACTION will maintain robust procedures to address any conflict of interest issues that may arise involving staff, volunteers, or the Board of Directors. This includes proactive measures to identify potential conflicts and mechanisms to manage them effectively.

2. **Disclosure of Interests:**
   All members of the Board, staff, and volunteers are required to disclose any conflicts of interest or affiliations they might have with actual or potential suppliers of goods and services, recipients of grant funds, or any organizations with competing or conflicting objectives to those of FAIRACTION. This disclosure must be made as soon as the individual becomes aware of the potential conflict.

3. **Open Communication Policy:**
   The Board will establish an open communication policy regarding the disclosure of general information and conflict-related information. Management will lead by example to build and maintain public trust in FAIRACTION's commitment to ethical practices.

4. **Protection Against Financial Disadvantage:**
   FAIRACTION will ensure that it is not financially disadvantaged nor is its reputation compromised through conflicts of interest involving its staff, volunteers, or board members. All decisions will be made transparently and with the best interests of FAIRACTION at heart.

5. **Tendering and Decision-Making:**
   FAIRACTION will maintain procedures to ensure that appropriate tendering and decision-making practices are strictly adhered to. This includes ensuring fairness in procurement and project implementation

related to our water projects to avoid any form of bias or favoritism.

6. **Abstention from Decision-Making:**
   Any board member or staff member who has declared a conflict of interest will recuse themselves from discussions and abstain from voting or participating in decision-making on any issue where there is a conflict related to that individual. Acceptance of large or otherwise inappropriate gifts by members of the Board or staff for personal use will be strictly prohibited.

7. **Register of Pecuniary Interests:**
   A register of pecuniary interests will be maintained as part of the normal record-keeping at FAIRACTION. This register will document any interests that staff, volunteers, or board members have in any business transactions, ensuring transparency and accountability in all dealings.

8. **Proper Use of Information:**
   Staff, volunteers, and board members must not make improper use of information acquired through their positions at FAIRACTION or use their positions to gain personal advantages or to cause detriment to FAIRACTION's interests. Discrimination against any person or company based on their relationship with FAIRACTION is strictly prohibited.

Examples of Conflicts and Evaluation Process

Purchasing Goods or Services from Insiders:

- **Scenario:** FAIRACTION may need to purchase goods or services that are sold by staff, volunteers, Board members, or their businesses.

- **Evaluation Process:** When such a scenario arises, all details will be disclosed, and the individual with the potential conflict will recuse themselves from the discussion and decision-making process. The remaining members of the Board and management will review the transaction to ensure it is in the best interest of FAIRACTION and does not result in an unfair advantage or detrimental impact on the organization.

- **Documentation:** The evaluation and its outcomes will be documented in the minutes of the Board meeting where the decision is made.

Disposition of FAIRACTION's Assets:

- **Scenario:** An asset or service of FAIRACTION might be sold or provided to staff, volunteers, Board members, or their businesses.

- **Evaluation Process:** Similar to purchasing, this situation requires a transparent review process by the remaining Board members and management, excluding those with a direct or indirect interest. This ensures decisions are made impartially and with the organization's best interests at the forefront.

- **Outcome Recording:** The proceedings and conclusions of the evaluation will be recorded officially in the Board meeting minutes.

Offering Goods or Services to FAIRACTION:

- **Scenario:** Staff, volunteers, Board members, or their close associates (through personal or business connections) offer to provide goods or services to FAIRACTION.

- **Evaluation Process:** Offers from individuals or entities with personal ties to FAIRACTION personnel will be carefully vetted by the remaining Board and management to avoid any bias. The focus will be on ensuring that such offers are beneficial for the organization and do not compromise FAIRACTION's ethical standards or financial integrity.

- **Documented Decision:** All discussions and decisions will be systematically documented in the meeting minutes to maintain a record of transparency and due diligence.

Decision to Recuse and Abstain:

- **Scenario:** If, after the evaluation process, it is determined that a substantial conflict of interest exists, the concerned Board member or staff must recuse themselves from the decision-making process regarding that specific issue.

- **Implementation:** This recusal will be noted in the meeting records, and the individual will not participate in any discussion, voting, or decision-making related to the conflict.

Violations

- **Investigation and Enforcement**:
    - If there is cause to believe that someone has failed to disclose actual or potential conflicts of interest, the board will undertake an investigation.
    - After hearing the individual's response and further investigating as warranted, appropriate disciplinary and corrective actions will be taken if the individual is found to have violated the policy.

Legal Compliance

- FAIRACTION International will comply with all applicable laws and regulations governing conflicts of interest applicable to nonprofit organizations operating both within Australia and in all other jurisdictions where it operates.