



Sahana Software Foundation Conflict of Interest Policy

<http://wiki.sahanafoundation.org/doku.php/foundation:policies:conflict>

Article I: Purpose

The purpose of the conflict of interest policy is to protect the Sahana Software Foundation's (the "Foundation") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, Officer or employee of the Foundation, or any member of one of the Foundation's Executive or Project Management Committees who is not otherwise a Director, Officer or employee of the Foundation, 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 nonprofit and charitable organizations.

Article II: Definitions

1. Interested Person: Any Director, Officer, employee or member of a committee with governing board delegated powers (Executive or Project Management Committees), 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 Foundation has a transaction or arrangement,
- b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation 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 Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not 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

1. 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.

2. Recusal of Self: Any Director, Officer, employee or member of a committee with governing board delegated powers may recuse himself or herself at any time from involvement in any decision or discussion in which the person believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. 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.

4. Procedures for Addressing the Conflict of Interest

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 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 Foundation 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 governing board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the Foundation'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.

5. Violations of the Conflicts of Interest Policy

a. If the governing board or committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

Minutes of the governing board and all committees with board delegated powers shall contain:

a. 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. 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 votes taken in connection with the proceedings.

Such minutes shall be sent to the Foundation's Executive Committee for Financial Oversight (finance@sahanafoundation.org).

Article V: Compensation

a. A voting member of the governing board who receives compensation directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

1. Each Director, Officer, employee and member of a committee with governing board delegated powers shall annually sign a statement or complete the electronic form located at <http://bit.ly/ssf-coi-form> which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

2. If at any time during the year the information in the annual statement changes materially, the person shall disclose such changes and revise the annual disclosure form.

3. Statements are due by the commencement of the Annual Meeting for the next year or within 30 days of appointment if said appointment occurs between Annual Meetings. If a person does not complete a statement, after 3 requests, that person's voting privileges as a Director, Officer,

employee or member of a committee with board delegated powers shall be withheld until the statement is submitted and that person will not count as a member of any committee for purposes of achieving a quorum.

Article VII: Oversight

The Foundation's Executive Committee for Financial Oversight shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements, meeting minutes, and taking such other actions as are necessary for effective oversight.

Article VIII: Annual Review

To ensure the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, an annual review shall be conducted by the Foundation's Executive Committee for Financial Oversight. The annual 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 Foundation'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.

This policy shall also be reviewed annually by the Foundation's Executive Committee for Financial Oversight and proposed changes presented to the Board of Director's for consideration. Any changes to the policy shall be communicated to all Directors, Officers, employees and members of a committee with governing board delegated powers.

Article IX: Use of Outside Experts

When conducting the annual reviews as provided for in Article VIII, the Foundation may, but need not, use outside advisers. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ADOPTED AT SSF DIRECTOR'S MEETING ON 5 DECEMBER 2011

**Sahana Software Foundation Annual Conflict of Interest Statement
(paper form)**

1. Name: _____ Date: _____

2. Position:

Are you a Director? YES NO

Are you an Officer? YES NO

If you are an Officer, which position do you hold: _____

Are you an employee? YES NO

Are you a member of an Executive or Project Management Committee? YES NO

If you are a member of a committee, which one(s)? _____

3. I affirm the following:

I have received a copy of the Sahana Software Foundation's Conflict of Interest Policy.
_____ (initial)

I have read and understand the policy. _____ (initial)

I agree to comply with the policy. _____ (initial)

I understand that the Sahana Software Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more tax-exempt purposes. _____ (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement as defined in the Conflict of Interest policy with the Sahana Software Foundation? YES NO

i. If YES, please describe it: _____

ii. If YES, has the financial interest been disclosed, as provided in the Conflict of Interest policy? YES NO

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with the Sahana Software Foundation? YES NO

i. If YES, please describe it, including when: _____

ii. If YES, was the financial interest disclosed, as provided in the Conflict of Interest policy? YES NO

Signature

Date of Review by Financial Oversight Committee: _____