



# Ethics & Conflict of Interest

June 2009

EURASIA FOUNDATION



# Outline

- **How to identify conflict of interest**
- **How to address conflict of interest**
- **Case studies**

# Why do we need the policies?

- Our Foundation is entrusted with public resources
- We need to ensure such resources are used in the most transparent and efficient way for its intended purposes
- Our mission is to promote civil society in the Eurasia region, we need to lead by example
- Perception and rumor of corruption will distract us from delivering support to those we serve
- We do not assume all violations are intentional. Explicit guidelines, training and increased awareness helps us avoid any violation or appearance of unethical conduct

# What do our policies say?

- Do not use public resources for personal gain
- Maintain professional relationship with our partners (donors, peer organizations, grantees & contractors and vendors)
- Select and award contracts/grants based on merit in a fair and transparent fashion that serves the best interest of the Foundation and community
- Select and award contracts based on fair bids and reviews that serve the best interest of the Foundation

# Definition of Conflict of Interest

**A situation in which someone has competing professional or personal interests that make it difficult to fulfill his/her duties fairly**

**or**

**Any situation in which an individual is able to exploit their professional or official capacity in some way for personal gain**

# Identifying Conflicts

- Conflict of interest is not always black and white
- Requires judgment
- Consider perceptions



# Potential Conflicts of Interest

- **Staff/board/advisor personal relationships with grant applicants or contractors/vendors**
- **Grant applications or contract bids from organizations staffed with former employees or people related to members (staff/board/advisors) of the Foundation**
- **Contracts or grants to office service providers – landlords, exclusive travel agency, etc.**
- **Grantees using service providers in which they have a financial interest**

# Addressing a Conflict of Interest

- **Disclose the details of the conflict**
- **If uncertain about what to do, seek additional guidance from management personnel, internal auditor, Finance Committee or EF/DC Program or Grant Manager**
- **If the relationship will influence the objectivity of the decision-making process, involved individuals should recuse themselves**





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# What Actions to Take

**Document the disclosure  
and the rationale for the  
decision taken**

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# Disclosure should Include:

- Brief description of the Conflict of Interest
- Names/Positions of those making such determination
- Explanation of action taken
- Rationale for action taken

**File with related contract, grant, vendor, or human resources documentation**

# Case Studies

- Is it a conflict? What should you do?
- The Director or the staff involved in the award (contract or grant) is on the board of the grant applicant or contract organization

# Case Studies

- Is it a conflict? What should you do?
- Advisory Board member is the Director of a contractor or grant applicant organization

# Case Studies

- Is it a conflict?
- The Director's spouse is part owner of the contractor or grant applicant's organization

# Case Studies

- Is it a conflict?
- The key staff's immediate family member works for the contractor or grant applicant's organization

# Case Studies

- Is it a conflict? What should you do?
- Grantee purchases equipment from a company in which s/he is part owner

# Case Studies

- Is it a conflict? What should you do?
- Two former employees are in management positions at the contractor or grantee organization



# Case Studies

- Is it a conflict? What should you do?
- The president of the Foundation's preferred travel agency applies for a grant through his non-profit organization