



Conflict of Interest Policy

- **Statement of Purpose:** This policy outlines the manner in which the Love Mercy Foundation (“LMF”) will deal with any real or perceived conflict of interest (including pecuniary interests) issues that may arise involving staff, volunteers or LMF board members.

The following policy applies to:

- Love Mercy Foundation Ltd staff (both in Australia and Uganda).
- Love Mercy Foundation Ltd board members (both in Australia and Uganda).
- Love Mercy Foundation Ltd volunteers and interns (both in Australia and Uganda).
- Partner organisations.

Changes made: minor amends; specifying that it covers goods/services provided to LMF for free

1. Definitions of conflict of interest and pecuniary interests

- 1.1. For the purposes of this policy, any reference to the term 'conflict of interest' is taken to mean any private interest, whether financial or personal, that conflicts with a person's duties and responsibilities to the Love Mercy Foundation (LMF).¹ This includes any affiliation a person may have with an actual or potential supplier of goods or services, recipient of grant funds or organisation with competing or conflicting objectives.
- 1.2. A pecuniary interest involves an actual or perceived financial gain or loss, or any other material benefit, that may be obtained from any business transaction with LMF.

2. Legislative requirements

- 2.1. The legislation under which LMF operates, requires that LMF is not financially disadvantaged by conflicts of interest involving staff, volunteer or board members or a relative of staff, volunteer or board members.

3. Managing conflicts of interest

All real or perceived conflicts of interest are to be managed using the following procedure:

- 3.1. Any employee, volunteer or board member of LMF who believes a real or perceived conflict of interest may exist must immediately notify the Board of the potential conflict.
- 3.2. As soon as practically possible after receiving notification of the potential conflict, the Board will meet without the employee, volunteer or board member (and relative)-involved to consider and make a decision on the following:
 - 3.2.1. Whether a real or perceived conflict of interest exists;
 - 3.2.2. Where a real or perceived conflict does exist, the steps to be taken to manage and/or resolve the conflict, including but not limited to:
 - 3.2.2.1. A request to the person to divest the interest;
 - 3.2.2.2. An amendment to the person's duties and/or responsibilities that eliminates the conflict;

¹ Examples of conflict of interest include (but are not limited to):

- When LMF purchases (or receives for free) goods or services which are sold/provided to ~~Love Mercy~~ LMF by staff, volunteers or board members themselves (or a relative), or a business in which they (or their relative), have an interest, financial or otherwise.
- Where an asset belonging to LMF is sold or services are provided by LMF to staff, volunteers or board members themselves (or a relative), or business in which they (or their relative) have an interest,(financial or otherwise).

3.2.2.3. An official disclosure to be made and recorded in the register of pecuniary interests and where appropriate, relevant stakeholders to be informed of the conflict.

4. Register of pecuniary interests

- 4.1. A register of pecuniary interests (the Register) will be maintained to record staff, volunteer or board members' interests, (or interests held by a relative of any staff, volunteer or board member) that conflict, or may potentially conflict, with the duties and/or responsibilities of the employee, volunteer or board member of LMF.
- 4.2. The Register will include the following:
 - 4.2.1. Name of the employee, volunteer or board member to whom the conflict applies;
 - 4.2.2. Nature and extent of the conflict of interest;
 - 4.2.3. Date on which the conflict was identified;
 - 4.2.4. Where appropriate, the steps taken to manage or resolve the conflict;
 - 4.2.5. Signature of board member responsible for managing the conflict.
- 4.3. Where a real or perceived conflict that involves a board member is recorded in the Register, the board member in question must be excluded from the part of the board meeting where their appointment, conditions of service, remuneration or any proposal for the supply of goods and services by them or their relatives is considered.
- 4.4. The authorisation for payment of an invoice which involves recording a pecuniary interest must have a copy of the Register attached to it.

5. Tendering process

- 5.1. In circumstances where a conflict of interest arises through the offer of goods or services by an employee, volunteer, board member or one of their relatives, either by themselves personally, or a business with which they have an interest, a written quote/tender must be submitted and another two quotes received from bona fide third party tenderers.
- 5.2. The three quotes obtained above must be held on file for at least 7 years.
- 5.3. Should there be an occasion when it is not practical to obtain three quotes, for example in an emergency, a statement of explanation must be written on the authorisation for payment form, signed by the decision maker(s).

6. Interested parties must absent themselves from decision making

- 6.1. Where decisions regarding the purchase ~~or~~ sale, or receiving for free of goods or services could benefit the decision maker themselves (or a relative), or a business in which they (or a relative) have a financial interest, the interested party must absent themselves from

discussion of the issue, where appropriate, and abstain from voting or otherwise participating in the decision making process.

7. Disclosure of gifts

- 7.1. All staff, volunteers and board members of LMF must disclose any material gifts, or any offers of gifts made, for their own personal use. It is the absolute discretion of the Board to determine whether gifts should be accepted.
- 7.2. Valuable gifts or gifts otherwise deemed inappropriate are not be accepted by any employee, volunteer or board member of LMF.

8. Review

- 8.1. This policy will be reviewed on an annual basis but may be amended at any time the Board sees fit.