



## Winrock International Conflicts of Interest Policy

### Part of Winrock's Code of Conduct

#### Conflict of Interest Policy

It is the policy of Winrock that before engaging in an activity, an employee shall identify conflicts of interest and situations that may give rise to an appearance of a conflict of interest, and also obtain approval to proceed, so that proceeding mitigates damage to our integrity and reputation. Certain high-level conflicts are required to be reported to the U.S. Internal Revenue Service and other regulators. For USAID funded work, all conflicts are required to be disclosed to USAID immediately.

#### What Is a Conflict?

A conflict of interest exists when an individual who is responsible for acting in the best interests of Winrock has another interest or loyalty that could influence or impair, or may appear to influence or impair, the individual's ability to act in Winrock's best interests. Conflicts exist, for example, when a Winrock employee can either influence or make a decision on contractual, procurement, recruitment and employment, or other business transactions, and that employee has a relationship with the business or persons being hired.

Conflicts of interest may be actual, potential or even just a matter of perception. **Conflicts must be approved per this policy before proceeding.**

#### Who Is Covered?

Conflicts can be caused by relationships with or among these covered persons:

- Employees
- Families of employees
- Close personal friends
- Board members
- Families of board members
- Entities owned or controlled by employees, board members, or their families

**Families** means (as defined by the U.S. Internal Revenue Service) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren, and

any person with whom the covered person shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the covered person. Families may also extend to members of the same clan, tribe, or communities and vary depending on the location and culture.

## **Conflict Review, Mitigation, and Approval**

If an actual, perceived, or potential conflict is present, an employee must first try to avoid the activity—not do it. If avoidance is not in the best interest of Winrock, approval must be obtained before proceeding. Employees must disclose the conflict to the Chief Risk and Compliance Officer, with a proposed means to mitigate—or minimize—the conflict. The Chief Risk and Compliance Officer will decide whether the mitigation acceptably minimizes risk to Winrock.

Approval is required under this policy prior to proceeding with the action. [Submit conflict approval requests here.](#)

The Chief Risk and Compliance Officer will make the necessary disclosures to funders (e.g., USAID) and regulators. Specific examples of conflicts and the approval requirements are set forth below. Approval requirements vary depending on the level of risk incurred.

## **Examples of Conflicts of Interest**

Conflicts of interest are not always clear-cut and easy to define and require case-by-case analysis; not all types are listed here. Early consultation with your supervisor or the Chief Risk and Compliance Officer can assist in determining if a conflict exists, by analyzing the facts and determining strategies for avoidance or mitigation.

### **1. Transactions with Persons or Entities Covered by this Policy**

Transacting business can create conflicts. Examples include hiring a company that is owned by a relative; entering into a partnership with a company that you own or control or your relatives own or control; or giving business to a close personal friend. If money flows between Winrock and the conflicted entity or person, that creates the conflict.

#### **a. Procurement Decisions**

A common transactional conflict arises during a procurement, for example, when a Winrock employee's procurement decisions are influenced by personal interests. This may include:

- Familial or close personal relationships between procurement staff and subcontractors
- Procurement staff having a direct financial interest in a bidder or subcontractor
- Procurements made where staff have an employment link to the subcontractor

#### **b. Subaward Decisions**

A common transactional conflict arises during a subaward, for example, when a Winrock employee's subaward decisions are influenced by personal interests. This may include:

- Familial or close personal relationships between procurement staff and subcontractors
- Procurement staff having a direct financial interest in a bidder or subcontractor
- Procurements made where staff have an employment link to the subcontractor

## **2. Hiring Members of the Same Family or Persons Known to You**

**Such hiring may be a conflict and is addressed separately in the policy by this name in the Code.**

## **3. Second Jobs**

- To ensure that there are no conflicts you must disclose and discuss outside employment with your manager.
- Managers must consult with the Chief Risk and Compliance Officer to determine if the conflict cannot be mitigated or if the proposed mitigation does not adequately address the issue.
- If approved, an employee must ensure that the outside activity does not interfere with work at Winrock.
- Working for a funder, supplier, or subawardee raises conflicts that are not allowed.
- Any approved side or personal business should not compete with Winrock.

## **4. Board Service or Other Civic Activities**

Employees serving on boards or other governing bodies of for-profit or nonprofit organizations may, in some cases, create a conflict.

- First, any board service that could take away time from your job at Winrock must be approved by your manager.
- Second, the following activities must be approved by the Chief Risk and Compliance Officer:
  - Service on boards of any entity with which Winrock conducts business, including as a recipient or provider of funds;
  - Service on a governmental regulatory board or quasi-judicial or quasi-legislative commission that may take actions that could affect Winrock; and
  - Employees running for or holding public office shall report the activity to the Compliance Officer prior to proceeding.

## **5. Acceptance of Gifts, Gratuities, or Business Courtesies**

**These actions may create a conflict and are addressed separately by the policy by this name in the Code.**

### **Take Action:**

### **Disclosure and Management of a Conflict of Interest**

**Employees (report and obtain approval for conflicts):** All employees shall identify conflicts of interest before taking any conflicted action and address the conflict as noted above (obtain approval from the Chief Risk and Compliance Officer before proceeding).

**Senior Directors, Directors, and Chiefs of Party or Project Directors (report and obtain approval for conflicts and annually acknowledge the Policy):** In addition to the above, Senior Directors, Directors, and Chiefs of Party or Project Directors have an enhanced obligation to report and address conflicts because of their position within Winrock. The Chief Risk and Compliance Officer shall circulate annually a *Conflicts Acknowledgment Form* that requires acknowledgment that each understand and adhere to Winrock's Conflict of Interest Policy. The form must be acknowledged immediately upon receipt.

**Executive Team and Board of Directors (report and obtain approval for conflicts, annually acknowledge the policy and annually disclose all affiliations):** Winrock's Executive Team and members of the Winrock Board of Directors also have enhanced obligations to report conflicts, as conflicts relating to this group may require reporting of conflicts to regulators. In addition to addressing conflicts as they arise per this policy, both acknowledgment and affiliation disclosure is required. The Chief Risk and Compliance Officer shall circulate annually an Acknowledgment and Affiliation Disclosure Form for the ET and Board to:

1. Acknowledge understanding of and adherence to Winrock's Conflict of Interest Policy, and
2. List entities in which they, or a member of their families, have a material interest or occupy a position that might create a conflict of interest under this policy.

### **Principles for Evaluating Conflicts**

In evaluating conflicted situations to determine an appropriate course of action, the Chief Risk and Compliance Officer shall be guided by the following:

- Are there alternative approaches that would avoid the conflict?
- Is there an actual or perceived private benefit or private inurement that must be avoided?
- Is the transaction being conducted transparently, with full disclosure of the conflict?
- Does the transaction support Winrock's mission?
- Is there a consequence to Winrock for not proceeding that might outweigh the reputational or other impact of the conflict?
- What is the nature and the risk to Winrock's reputation if the action proceeds?
- What is the mitigation proposed and does it minimize risk to Winrock?

### **Restrictions and Conflicts of Interest in Connection with Government Employment**

Winrock employees who are or have been employed by any government, including federal, state, and non-U.S. governments including universities, may face restrictions on the activities to which they may devote their time and attention in service to Winrock. The obligations of these individuals to their government employers may impair their ability to serve Winrock and should be considered by management. Similarly, employees of Winrock who have left previous government employment may be barred by government ethics regulations from working on certain Winrock matters which were within the purview of their official duties during their government employment, or in some cases, from accepting employment with Winrock.

Winrock employees must disclose to their manager any such current or previous government employment to avoid conflicts of interest in connection with their government service.