

# Organizational Conflict of Interest Policy 2023



**NNSWA**

**Nepal National Social Welfare Association  
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## Forwards:

NNSWA has been serving the marginalized communities for their holistic development and social transformation. As organizational targeted communities called 3D Communities (Dalits, Disables and Deprived) covered for historically discriminated Dalit Community, Person with Disability or Disable People and women, children, freed Kamaiya/Kamlahari, displaced families, PLHIVs and Leprosy Affected People are described as deprived. Mostly organization implementing projects has been implementing around these 3D communities for their upliftment of education, health, livelihoods, economic development and making them resilient on CCA, DRRM and other all aspects of the human rights.

To implement the project to address all shortfalls of these target communities NNSWA has been partnering with donors, INGOs, Government and other likeminded organization to get the financial and technical support from 1990 to till date. Currently NNSWA worked in Sudur Paschim and Karnali Province of Nepal directly and covering about 250000 to 300000 population and about 500000 population through different approaches or indirectly. NNSWA invest about 12 to 14 Caror Rupees in every year through the different projects. Similarly, NNSWA pays attention to response to the humanitarian aspect for those who were affected from the any types of the disaster.

Therefore, NNSWA, a civil society and a non-profit making organization, should be transparent, honest, apolitical, impartial and should be roll model to the other development actors or government duty bears and public as well. Regarding this COI policy 2023, NNSWA will apply a 'ZERO' tolerance principle in every action of the organization related to the procurement, decision making process, documentation, financial transaction, hiring services, staff recruitment and other related issues to the COI.

We hope this policy will give strong willpower to all NNSWA's associated members, employees for controlling the COI, within the organization and within the communities as well as whole society.

Thanks

Ashok Bikram Jairu  
Executive Director and Founder President  
NNSWA



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## CONFLICT OF INTEREST (COI) POLICY

### Nepal National Social Welfare Association (NNSWA)

#### 10. Organizational Background

Nepal National Social Welfare Association (NNSWA) established itself in 1990. In 1994, NNSWA registered with the District Administration Office Kathmandu and affiliated to Social Welfare Council Kathmandu. NNSWA has grown over the years, implementing various integrated community-based development programs in Sudur Paschim Province being one of the leading development organizations in the Sudur Paschim Province of Nepal. The Executive Committee is the legally constituted body responsible for providing strategic and policy direction to the organization. NNSWA has its own office building having sufficient rooms and training hall at Bheemdatt Municipality-18 in Kathmandu district. As of record in February 2023, 185 skilled staff are mobilizing for the implementation of different projects as organizational human resources.

##### **n) Vision of Organization:**

NNSWA strives towards an equitable society.

##### **o) Mission of Organization:**

NNSWA is committed to empower and ensure the social rights of the 3D people (*Deprived, Dalit, and Disable*).

##### **p) Goal of Organization:**

Target People 3D (Discriminated Community by caste, Disable & Deprived) will be Educated, healthy, wealthy, and empowered in all aspects to utilize human rights.

##### **q) Objectives of Organization:**

- To enhance the standard of education and provide educational opportunities to the Deprived, Dalit, and disabled group in the community.
- To provide health services including Nutrition, Reproductive Health, and Physical Rehabilitation Services to those in target area
- To advocate rights for women and children
- To improve access to human rights
- To create leaders from the 3D group through skill development and trainings
- To create opportunities for livelihood options, friendly environment, climate change and adaptation, DRRM, Humanitarian Response, poverty alleviation, and advocacy for human rights and inequality.

##### **r) Targeted Group of Organization:**

- Dalits
- Disables
- Deprived (Freed-Kamaiya, Displaced people, women, children, PLHIVs and People affected with Leprosy)



**s) Working Strategies of Organization:**

- Partnership-with the Government, donors, INGOs, local NGOs and CBOs
- Participatory Integrated Rural Development
- Gendered programming
- Rights based programming and Networking, Alliance, and Coalition Building

**t) Principle of Organization:**

“An Organization Working Together for an Equitable Society”.

To see an equitable society NNSWA perceive to joint hand together all funding partners, policy makers, media, advocates, and community target groups shod be working together model to achieve the vision of NNSWA which is core principle of the organization.

**u) Values of Organization:**

Follows the organizational vision, mission, goal, and objectives following are the values of NNSWA. Every person belonging or employee should obey the values.

1. Respect to the target groups
2. Non-Discrimination
3. Non-party political
4. Non-Religious
5. Open and Committed for Quality Services
6. Stand with Inclusiveness
7. Saving Life, Fight for Extreme Inequality, Humanitarian Response

**v) NNSWA Executive Board:**

The General Members constitute the General Assembly of NNSWA 11 members of this General Assembly constitute an Executive Committee. Executive Members are elected by the General assembly for a term of 5 years. The Executive Committee has 6 Office Bearers (President, Vice-president, General Secretary, Secretary, Treasurer and Vice-treasurer) and 5 Executive Members. The Executive Committee is the legally constituted body responsible for providing strategic and policy direction to NNSWA.

**w) Core Management Team:**

Core Management Team (CMT) is the very power full committee where President and Secretary General from Executive Board and Executive Director from the Employees are the members. This committee has the power to make decisions on any aspect of the situation. The president is the coordinator for this committee. The Secretary General and Executive Director are members. Mostly this committee will be active during an emergency; any problems need to be solved. The committee has power to provide final decision on programmatic and any grievances, any case from the sub committees (e.g., Child Safety, Sexual Harassment, Grievance etc.). However, the CMT may take suggestions from the SMT before any final decision.



**x) Senior Management Team (SMT):**

The Senior Management Committee (SMT) provides operational leadership. The Management Committee also serves as a bridge between the Executive Committee and NNSWA's programs. The NNSWA program operational is managed by the SMT under the planned programs. The human resource management for projects and coordination to the employee are the major activities of SMT of NNSWA. Senior topmost staff will be involved in the SMT. Executive director will be the coordinator for the SMT. Executive Director will nominate the members among the programs/projects and representative of executive board. The executive committee of NNSWA will be indorsed the SMT and committee will be effective.

**y) Branch Offices:**

The district chapter of NNSWA will also apply this policy as central office mended. The district office will allow developing their local policy to fulfills their local requirement, but the local policy should not contradict or supersede the NNSWA's central policies.

**z) Major Programme Area of NNSWA:**

NNSWA's programs are almost entirely grant funded approaches of partnership. NNSWA' program activities are organized into 7 Program Sectors and Themes namely, Education, Health, Livelihood, Economic and Community Development, DRR/HR, Good Governance, Organizational Development, Human Rights and GESI. According to the NNSWA's expertise there will be conducted research and studies as and when required. All sectors will focus their program and activities to the Discriminated Community by Caste (Dalit), Disabled and Deprived communities as prime target groups. These programs are either directly implemented by NNSWA or in partnership with local organizations.

**11. Introduction of Conflict of Interest (COI) Policy:**

The purpose of this Conflict-of-Interest (COI) Policy is to outline Nepal National Social Welfare Association (NNSWA)'s current approach to the prevention, detection, and response to incidents of all kinds of COI. This Policy compiles with existing provisions set out in NNSWA's regulations, rules, policies, and procedures including the NNSWA's Policy and Guidelines to address all Compliance with universal Standards. NNSWA COI Policy will support the organization to implement the other policies rightly and appropriately.

This Policy applies to any COI involving NNSWA staff members as well as any party, individual or corporate, having a direct or indirect contractual relationship with NNSWA or that is funded, wholly or in part, with NNSWA's resources.

**2.2 This Policy can apply to:**

**a) Personnel:** Staff members and Executive Board Members of NNSWA and persons engaged to NNSWA and under other contractual arrangements to perform services for the NNSWA.

**b) Implementing Partners and Responsible Parties:** Entities engaged by NNSWA to carry out programme or project activities including government entities, associates networking, partner organizations, and other working together agencies.

**c) Vendors:** An offeror or a prospective, registered, or actual supplier, contractor, or provider of goods, services and/or works with NNSWA.

Furthermore, this **COI Policy 2023** will be helpful to control all forms of Conflict of Interest (COI) related activities in NNSWA as well as its working approaches.



## 2.3 Purpose:

The purpose of the conflict-of-interest policy Nepal National Social Welfare Association (NNSWA) is to protect this tax-exempt Organization's interest when it is contemplating entering a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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 application to nonprofit and charitable organizations.

## 2.4 Definitions.

**Interested Person.** Any director, principal officer, or member of an executive committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**Disqualified Person.** Any individual, corporation, partnership, trust, estate, or other foundation that has one or more relationships with this Organization.

- (a) **Managers of the Organization:** Officers, directors, trustees, as well as individuals with powers or responsibilities like those of officers, directors, or trustees of the Organization.
- (b) **Family Members:** Immediate family members of disqualified persons (i.e., a person who is a substantial contributor, a foundation manager, or involved in the organization in any post) includes their nearest blood relation.

## 2.5 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 Organization has a transaction or arrangement.
- b) A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement.

## 12. Conflict of Interest (COI) Procedures:

**3.1 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.

**3.2 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.



### **3.3 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 the 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 coordinator shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or task arrangement.
- c) After exercising due diligence, the governing board or committee shall determine whether the Organization 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 task 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 whether the transaction or task arrangement is in the Organization'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 task arrangement. To make clarity of COI during the any task arrangement e.g., procurement, recruitment, and other attraction of COI a COI discloser form of organization should be filed and signed. (See annex for the format)

### **3.4 Violations of the Conflicts of Interest Policy.**

- a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- c) A voting member of the governing board who receives compensation, directly or indirectly, from the Organization is precluded from voting on matters pertaining to that member's compensation. Compensation for any disqualified person may be allowed, limited to payment for performing personal services for the Organization, per the following definitions and conditions.
  - a. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.



### 13. Records of the Proceedings.

The 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, or any personnel benefits, any action taken to determine whether a conflict of interest is present, and the governing board or committee's decision as to whether a conflict of interest in fact exists.
- b) The names of the persons who were present for discussions and votes relating to the transaction or task arrangement, the content of the discussion, including any alternatives to the proposed transaction or task arrangement, and a record of any votes taken in connection with the proceedings.

### 14. Compensation.

- a) Personal services are defined as legal, financial, general banking, accounting, and investment management services.
- b) These personal services are "reasonable and necessary" to carry out the exempt charitable purposes of the Organization, and
- c) The compensation is neither unreasonable nor excessive.

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

5.2 The majority of our Board of Directors will be non-compensated for personal services and will not be related to salaried personnel or to parties providing services for pay. In addition, all compensation decisions will be made by the Board of Directors and task arrangement committee.

5.3 Further, all compensation paid will be reasonable and will be based on the following factors:

- a) The type and amount of compensation received by others in similar positions,
- b) The compensation levels paid in our targeted and geographic community,
- c) The amount of time the individual spends in their position,
- d) The expertise and other pertinent background of the individual,
- e) The size and complexity of our organization, and
- f) The need of our organization for the services of the target community and individual.

### 15. Annual Statements.

Each director, principal/designated officer, and member of a task committee with governing board delegated powers shall annually sign a statement 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 Organization is non-profitable 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.



## 16. Periodic Reviews.

To ensure the Organization operates in a manner consistent with non-profit making non-governmental organization's purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- Whether partnerships, joint ventures, and task arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further purposes of services and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## 17. Use of Outside Experts.

When conducting the periodic reviews as provided for in Point 7, the organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted. The use of outside experts for any task in the organization, should analyze attraction of COI.

## 18. Policy Amendment:

The Conflict of Interest (COI) Policy 2023 will be reviewed, and amendment as required in the process of lesson learned and practices.

## References:

- Google

### Approved by Executive Board on:

Maya Devi Sarki - President

*MDS*

Rupa Kausal Pariyar - Secretary General

*Rupa*

Suresh Kumar Palpali - Secretary

*S.K.P.*

Gehendra Nepali - Member

*G.N.*

Reshma Rana - Member

*R.R.*

Ratan Damai - V. President

*R.D.*

Kabita Bhatt - Treasurer

*K.B.*

Roshan Lal Chaudhary - Member

*R.L.C.*

Babita Sunar - Member

*B.S.*

Arati Urau - Member

*A.U.*

Date: October 2<sup>nd</sup> 2023



Signature:

Ashok Bkram Jaisi  
Executive Director/  
Founder President

*Ashok Bkram Jaisi*