

MUSKAAN

CONFLICT OF INTEREST POLICY

1. Definition and Purpose

A conflict of interest is defined as an actual or perceived interest by a General Body or Governing Board Members in an action that results in, or has the appearance of resulting in, personal, organizational, or professional gain.

The purpose of the conflict-of-interest policy is to protect Muskaan's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a General Body or Governing Board member or might result in a possible excess benefit transaction.

2. Responsibilities

- General Body and Governing Board Members are obligated to always act in the best interest of Muskaan. This obligation requires that, in the performance of organization duties, they seek only the furtherance of Muskaan's mission.
- General body and Governing Board Members are prohibited from using their job title or the organization's name or property, for private profit or benefit.
- General Body and Governing Board members should neither solicit nor accept gratuities, favors, or anything of monetary value from contractors/vendors as a personal donation or grant or in any other name. (This is not intended to prevent Muskaan fundraising activities through the board whereby all monies received are on behalf of Muskaan.
- General body and Governing Board members shall not participate in the selection, award or administration of purchase or contract with a vendor where, to his knowledge, any of the following has a (financial) interest in that purchase or contract:
 - o General Body and Governing Board members him/herself
 - o Any member of their family;
 - o An organization in which any of the above is an officer, director or employee;
 - o A person in organization with whom any of the above individuals is negotiating or has an arrangement concerning prospective employment.
- Payments to Board Members shall be made only under the following guidelines-
 - o Travel Costs shall be paid to members attending a Board Meeting.
 - o Board Members will not be compensated for attendance to a Board Meeting.
 - o Tome Costs or Labor Costs can be made to a Board Member for work carried outside a board meeting. If a Board member is working a full time or part time or as a consultant to the organization on any periodic basis or as a member of any committee, s/he can be compensated for their time at the rates applicable to anyone else. The organizational manual has guidelines for determining remuneration for different positions. In no circumstances can a Board member be paid on the basis of his/her position in the board.

3. Prohibitions-

- The organization will not lend money or property to a key-person¹ in any other capacity other than those who are employed and the same rules as all employees apply to them.
- Muskaan will not make a grant of funds (directly through itself, or indirectly through another organization), to a key-person.
- The organization will not sell or buy or lease land or buildings from a key person without specific approval of the Board of Trustees and from the regulatory authority, where applicable.
- Muskaan will not do business with a key person in a way that is unfair to itself.

Any financial transaction with a 'key person shall be transparently done and only after a comparative market survey to assess the need and cost, and on approval of the Executive Committee and Core Group of Muskaan.

4. Disclosure of Interest

Any possible conflict of interest shall be disclosed by writing by the person or persons concerned to the executive committee. Any doubt on the potential conflict of interests should also be brought forward.

5. Board Action

When a conflict of interest is relevant to a matter requiring action by Muskaan's Board, the interested person(s) shall call it to the attention of the board and the person(s) shall not vote on the matter. In addition, the person(s) shall not participate in final decision or related deliberation regarding the matter under consideration. When there is a doubt as to whether a conflict exists, the matter shall be resolved by vote of the Board Members, excluding the person(s) concerning whose situation the doubt has arisen.

6. Record Of Conflict of Interest

The official minutes of the board shall reflect that the conflict of interest was disclosed and the interested person(s) did not participate in the final discussion or vote and did not vote on the matter.

7. Corrective Action

If unfair transactions are discovered later, it can be voided if seen to be in bad faith. For example, if the amount paid for some goods is too high, then it may be possible to recover the excess from the concerned person.

8. Administration of Policy

This policy shall be administered by the Board, which shall be responsible for its implementation, the review of the operation and making changes from time to time as it may deem appropriate.

¹ Key person is identified as a Board Member or a person influential in any other way.