

## **The Rotary Foundation Code of Policies**

### **January 2024**

Section

#### **30.040 Conflict of Interest Policy for Program Participants**

To assure integrity in The Rotary Foundation grants program it is essential that all individuals involved in a program grant and/or award conduct their activities in a manner that avoids a conflict of interest.

A conflict of interest occurs when an individual is in a position to make or influence a decision about a grant or award that benefits (i) that individual, (ii) an immediate family member, (iii) a business partner, or (iv) an entity in which the individual, an immediate family member, or a business partner has a significant financial interest or in which the individual, an immediate family member, or a business partner is a trustee, director or officer.

Rotarians shall disclose to the general secretary all actual and potential conflicts of interest. If in doubt, any potential conflict should be disclosed. Rotarians shall not serve on the grant committee for any global grants on which they have a conflict of interest. Global grants may not be financed with contributions (Directed Gifts, CSR funds, etc.) where the donor has a conflict of interest in relation to the grant.

The general secretary shall provide advice on how to interpret and implement this conflict of interest policy. The general secretary and/or Trustees will decide if a conflict of interest may exist for a particular case. If, upon review of the situation, the general secretary and/or Trustees concludes that there is or has been a conflict of interest in the execution of a TRF program grant or award, the general secretary shall fashion and recommend to the Trustees an appropriate remedy to protect the integrity of the grant process. Such remedy may include the cancellation of current or suspension of future TRF program grants or awards involving a particular Rotarian, Rotary club, or Rotary district.

#### **1. Award Recipient Eligibility**

Pursuant to section 9.3 of the TRF bylaws, those individuals defined below shall not be candidates or final award recipients or beneficiaries of any TRF program. Such individuals shall include current Rotarians; employees of clubs, districts, and other Rotary Entities (as defined in the Rotary Code of Policies) or of Rotary International; spouses, lineal descendants (children or grandchildren by blood, legal adoption, or marriage without adoption), spouses of lineal descendants or ancestors (parents or grandparents by blood) of persons in the foregoing categories; and employees of agencies, organizations, or institutions partnering with TRF or RI.

Former Rotarians shall continue to be ineligible for a period of 36 months after termination of their membership. Persons who were ineligible based on their familial relationship to a former Rotarian shall continue to be ineligible for a period of 36 months after termination of their family member's membership.

Notwithstanding the foregoing, such individuals shall be eligible to participate on vocational training teams and in individual travel for humanitarian projects (when such individuals are determined to be qualified) funded by district grants, global grants, and packaged grants as long as they are providing a benefit to others.

## 2. Impartiality of Selection Committees

Rotarians who serve on a club or district-level selection committee for a TRF program are expected to exercise complete transparency in their familiar, personal, or business relationship with an applicant and must notify the committee chair in advance of the selection process of any actual or perceived conflict of interest due to the committee member's association with a TRF program award candidate, e.g. employees of the same firm or organization, members of the same Rotary club or member of the same club sponsoring an application, familial relationship, etc.

The selection committee chair will decide how and if that committee member should participate in the selection process for that one or all candidates with whom there is an actual or perceived conflict of interest. If the selection committee chair is the individual with an actual or perceived conflict of interest, the club board or the DRFC chair, as appropriate, will decide how and if such chair should participate in the selection process for that one or all candidates with whom there is an actual or perceived conflict of interest.

## 3. Business Transactions with Vendors

Before TRF, a Rotary district, a Rotary club, or a Rotarian conducts business transactions related to a TRF program award in which the vendor receives payment from a Rotary Entity, a fair, open and thorough request for proposals or bidding process must be conducted to ensure that the best services are secured at a reasonable cost, despite any connection between a vendor and a Rotary Entity. Possible conflicts of interest may arise when a Rotary Entity is considering business in which funds will be paid to a Rotarian; a goods and/or services provider owned or managed by a Rotarian, Honorary Rotarian, employee of a club, district, or other Rotary Entity or of Rotary International, Rotarian's spouse, lineal descendants (child or grandchild by blood, legal adoption, or marriage without adoption), spouses of lineal descendants, and ancestors (parent or grandparent by blood), or employees of agencies, organizations, or institutions partnering with TRF.

Examples of business relationships that may require further review to confirm that a Rotarian conflict of interest does not exist include business transactions with a partner nongovernmental organization, goods or services provider, insurance company, travel agency, shipping agency, study institution, language skills testing firm, etc.

Business transactions with individuals or entities with whom there is an actual or perceived conflict of interest can be completed upon approval of the general secretary if such transaction provides the best product or service at fair market value, as evidenced by a sales quote or offer obtained through a fair, open and thorough request for proposals or bidding process.

The general secretary shall provide advise on how to interpret and implement this conflict of interest policy. Any unresolved conflict of interest involving a program grant or award must be reported by a Rotarian or Rotary entity involved to the general secretary at least 30 days in advance of the selection process or proposed business transaction. The general secretary will decide if a conflict of interest may exist for a particular case. If, upon review of the situation, the general secretary concludes that there is or has been a conflict of interest in the execution of a TRF program grant or award, the general secretary shall fashion an appropriate remedy. Such remedy may include the cancellation of current or suspension of future TRF program grants or awards involving a particular Rotary, Rotary club or Rotary district. (October 2021 Trustees Mtg., Dec. 15)

Source: November 1983 Board Mtg., Bd. Dec. 166; May 1988 Trustees Mtg., Dec. 127; March 1992 Trustees Mtg., Dec. 114; June 1994 Trustees Mtg., Dec. 165; October 2006 Trustees Mtg., Dec. 55

Amended by: June 2010 Trustees Mtg., Dec. 139; April 2011 Trustees Mtg., Dec. 93; April 2013 Trustees Mtg., Dec. 104; October 2014 Trustees Mtg., Dec. 53; January 2017 Trustees Mtg., Dec. 78; April 2018 Trustees Mtg., Dec. 108; October 2021 Trustees Mtg., Dec 15

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*On behalf of the Rotary Club of \_\_\_\_\_, the undersigned agrees that the grant proceeds used for Grant # \_\_\_\_\_, Project Name \_\_\_\_\_,*

*\_\_\_\_\_ ,*  
*complies with the Conflict of Interest Policy for Grant Participants as outlined in section 30.040 of The Rotary Foundation Code of Policies.*

| <b>Club President</b> |  |
|-----------------------|--|
| <b>Term</b>           |  |
| <b>Name</b>           |  |
| <b>Signature</b>      |  |
| <b>Date</b>           |  |

| <b>Club President-elect</b> |  |
|-----------------------------|--|
| <b>Term</b>                 |  |
| <b>Name</b>                 |  |
| <b>Signature</b>            |  |
| <b>Date</b>                 |  |