Article I – Purpose

As a charitable organization, Innovations for Poverty Action (IPA) has a special obligation to uphold the public trust. Every Interested Person shares responsibility for maintaining the public trust by discharging his or her duties in the best interests of IPA and its Affiliated Entities, and not in furtherance of his or her own interests or in the interests of others. This duty of loyalty requires that each Interested Person have an undivided allegiance to IPA’s mission. Accordingly, they may not use their position or information obtained through their involvement with IPA for their own personal benefit. IPA must, therefore, be fully informed about and closely monitor transactions and arrangements in which any person in a position to exercise substantial influence over IPA’s affairs may have a personal interest. This Conflict of Interest Policy (the “Policy”) is intended to serve as the defining document by which each Interested Person must govern his or her activities as those activities may relate, directly or indirectly, to the affairs of IPA, in order to prevent conflicts of interest. This Policy also provides: 1) general guidelines for the evaluation of specific situations as they arise; 2) a mechanism for the disclosure of problematic situations and for their resolution; 3) a mechanism to identify excess benefit transactions and Independent Directors for purposes of IPA’s 990 filing requirements, and compliance with the applicable regulations; and 4) a mechanism for ensuring the correct reporting of hours spent by directors on IPA business during the preceding calendar year for purposes of Form 990 reporting.

This Policy is intended to supplement, but not replace, any applicable state, federal, or foreign laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II – Definitions

1. Affiliated Entity: A legal entity organized and existing under the laws of a developing country through which IPA carries on its charitable activities.
2. Compensation: Compensation includes remuneration (cash or in-kind) as well as gifts or favors that are not insubstantial.
3. Conflict of Interest: A conflict of interest may arise when IPA or an Affiliated Entity enters into or considers a transaction, agreement, or arrangement which provides an economic benefit to a Related Party, or in which a Related Party may personally have a professional interest (e.g. serving as the PI or co-PI on any...
IPA research project, serving in an executive or governance position of a potential or existing competitor or affiliated organization, etc.).

4. **Excess Benefit Transaction**: An excess benefit transaction is a transaction in which IPA or an Affiliated Entity directly or indirectly provides an economic benefit to or for the use of an Interested Person, the value of which benefit exceeds the value of consideration received by IPA for providing the benefit.

5. **Financial Interest**: A person has a financial interest if the person has, directly or indirectly, through business, investment, or Relatives, –
   a. An ownership or investment interest in any entity with which IPA or an Affiliated Entity has a transaction or arrangement other than providing a charitable contribution;
   b. A compensation arrangement with IPA or an Affiliated Entity, or with any entity or individual with which IPA or an Affiliated Entity has a transaction or arrangement; or
   c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which IPA or an Affiliated Entity is negotiating a transaction or arrangement, other than a charitable contribution.

6. **Independent Director**: A director who meets all five of the following criteria –
   a. The director is not, and has not been within the last three (3) calendar years, an employee of IPA or an Affiliated Entity, and does not have a Relative who is, or has been within the last three (3) years, an employee of IPA or an Affiliated Entity; AND
   b. The director has not received, and does not have a Relative who has received, in any of the last three (3) calendar years, more than ten thousand dollars ($10,000) in direct compensation (in cash or in kind) from IPA or an Affiliated Entity (other than reimbursement for expenses reasonably incurred); AND
   c. The director is not a current employee of, does not have substantial financial interest in, or does not have a Relative who is a current officer of or has a substantial financial interest in, any entity that has made payments (cash or in-kind) or received payments (cash or in-kind) or services from IPA or an Affiliated Entity for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars ($25,000) or two percent (2%) of IPA’s consolidated gross revenues, with such payments not including charitable contributions; AND
   d. Neither the director, nor any Relative of the director, was involved in an excess benefit transaction with IPA or an Affiliated Entity; AND
   e. Neither the director, nor any Relative of the director, was involved in an excess benefit transaction with a taxable or tax-exempt organization of a type and amount that would be required to be reported by IPA on its Form 990 filing.

7. **Interested Person**: Any person serving as a director, officer, or Key Employee of IPA (collectively “Interested People”) or anyone else who is in a position to
exercise control over or within IPA and who has a personal interest that may be in conflict with the interests of IPA.

8. **Key Employee:** Any person who is in a position to exercise Substantial Influence over the affairs of IPA. Without limitation, individuals holding the positions of Executive Director, General Counsel, Chief Financial and Administrative Officer, Human Resources Director, Chief Global Programs Officer, Development Director, Chief Information Officer, Regional Directors, Business Development Directors, and all Country Directors are considered Key Employees.

9. **Related Party:** (a) Any Interested Person of IPA; (b) any Relative of any Interested Person of IPA or an Affiliated Entity; or (c) any entity in which any individual described in (a) or (b) has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interested in excess of five percent.

10. **Relative:** Mother, father, sister, brother, son, daughter, aunt, uncle, niece and nephew, grandchildren or great-grandchildren (including those related by adoption and/or step or half relationships) as well as spouse and/or domestic partner.

11. **Substantial Influence:** (a) Authority to control or determine a substantial portion of the organization’s capital expenditures, operating budget, or compensation for employees; or (b) manages a discrete segment or activity of the organization that represents a substantial portion of the activities, assets, income, or expenses of the organization, as compared to the organization as a whole.

**Article III – Procedures**

1. **Duty to Disclose:** In connection with any actual or potential conflict of interest, all Interested People must disclose the existence of any actual or potential conflict of interest and disclose all material facts related to that actual or potential conflict to the governance committee.

2. **Recusal of Self:** Any director or officer may recuse himself or herself at any time from involvement in any decision or discussion in which the person believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. **Determining Whether a Conflict of Interest Exists:** The Governance Committee will determine if a conflict of interest exists per the procedure below.

4. **Procedure for Addressing the Conflict of Interest:**
   a. The Governance Committee of the board of directors will evaluate all potential conflicts of interest related to Interested People. In the evaluation, the Governance Committee will review the transaction in question and determine whether it is fair and reasonable to IPA, and/or an Affiliated Entity, determine whether a Related Party would receive a benefit in excess of the consideration or other economic benefit received by IPA or an Affiliated Entity for providing such benefit; and investigate whether IPA or an Affiliated Entity could, with reasonable efforts, obtain a transaction or arrangement more advantageous to IPA that would not provide an economic benefit to a Related Party.
b. If the transaction/arrangement is one in which the Interested Party is interested by virtue of being a Principal Investigator on a particular project/grant(s), the Executive Director and the CFAO shall analyze the project/grant(s), ensure that the attached questionnaire is completed, and provide their recommendation to the Governance Committee as to whether IPA should proceed with the transaction/arrangement.

c. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Governance Committee shall determine, by a majority vote of disinterested members of the Governance Committee, whether the transaction or arrangement is in the best interest of IPA or an Affiliated Entity, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Governance Committee shall make its decision as to whether IPA or an Affiliated Entity may enter into the transaction or arrangement.

d. An Interested Person may make a presentation at the Governance Committee meeting but after the presentation, he or she shall leave the meeting during any discussion of the transaction.

e. The Governance Committee shall report to the board at the next board meeting on all transactions/arrangements that were considered and approved since the previous board meeting.

f. An Interested Person shall leave any board or committee meeting during any discussion or vote on the transaction or arrangement involving the possible conflict of interest.

g. The chair of the Governance Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

h. An Interested Person may appeal the decision of the Governance Committee to the board of directors.

Article IV – Annual Statements and Disclosures of Directors, Officers, and Key Employees

1. Each Interested Person shall annually complete and sign a statement which discloses and affirms:
   a. Such person has received a copy of the Policy and the list of countries in which IPA and its Affiliated Entities conduct their charitable activities.
   b. Such person has read and understands the Policy.
   c. Such person has agreed to abide by the Policy.
   d. Such person understands that IPA is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
   e. Whether such director is an Independent Director, as defined above.
   f. Whether such Interested Person, or his or her Relatives hold a director, trustee, officer, or board committee position with any other organization
that does or may do business with (including research activities) or that competes with IPA (including competition for grants or donations).
g. Whether such Interested Person, or his or her Relatives provide research, managerial, consultative, or other services to or on behalf of any other organization that does or may do business with, or that competes with IPA.

h. Whether such Interested Person, or his or her Relatives are former or current World Bank Group staff members.
i. Whether such Interested Person, or his or her Relatives own 10% or more of the outstanding stock of a publicly traded company which may do business with IPA or an Affiliated Entity, or operates in any of the countries in which IPA or an Affiliated Entity carries on its charitable activities.

j. Any and all privately held companies in which such Interested Person, or his or her Relatives own a majority of stock, fifty-one percent (51%) of stock, are a director or executive officer, and such privately held companies may do business with IPA or an Affiliated Entity.
k. Any and all privately held companies, in which such Interested Person or his or her Relatives own a majority of stock and/or are a director or executive officer of a business that operates or invests in existing and start-up businesses in any of the countries in which IPA or an Affiliated Entity carries on its charitable activities.

2. If at any time during the year, the information in the annual statement changes materially, the Interested Person shall immediately disclose such changes and submit a revised disclosure form.

3. The Chief Compliance Officer/ General Counsel shall manage the distribution, collection, and review of annual statements. The Governance Committee shall regularly monitor and enforce compliance with this Policy by reviewing such annual statements and taking other actions as are necessary for effective oversight.

**Article V – Violations of the Conflicts of Interest Policy**

1. If the Chief Compliance Officer/ General Counsel has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

2. If, after hearing the response of the Interested Person, and after making further investigation as warranted by the circumstances, the Chief Compliance Officer/ General Counsel determines the Interested Person failed to disclose a known actual or potential conflict of interest, the Chief Compliance Officer/ General Counsel shall provide a recommendation to the Governance Committee regarding appropriate corrective action.

**Article VI – Records of Proceedings**
The records of the Chief Compliance Officer/ General Counsel 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 potential conflict of interest, the nature of the financial interest, any action taken by the Governance Committee or the board of directors to determine whether a conflict of interest was present, and the Governance Committee’s or board’s decision as to whether a conflict of interest was present;

b. if the matter is discussed by the Governance Committee or board, the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the decision.

**Article VII – Confidentiality**

Each Interested Person shall exercise care not to disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of IPA or its Affiliated Entities. Furthermore, an Interested Person shall not disclose or use information relating to the business of IPA for their personal profit or advantage or the personal profit or advantage of their Relative(s).
INTERESTED PERSON ANNUAL CONFLICT OF INTEREST STATEMENT

1. Name: ____________________________________ Date: _________________

2. I hold the following position and/or have the following relationship with IPA:

   _________________________________________________________________

3. I affirm the following:
   a. I have received a copy of IPA’s Conflict of Interest Policy. ___ (Initial)
   b. I have received a copy of the list of countries in which IPA and its Affiliated Entities operate. ___ (Initial)
   c. I have read and understand the Conflict of Interest Policy. ___ (Initial)
   d. I agree to comply with the Conflict of Interest Policy. ___ (Initial)
   e. I understand that IPA is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. ___ (Initial)
   f. I agree to immediately report to the Chair of the Governance Committee and the Chief Compliance Officer/ General Counsel any change in the responses to each of the foregoing questions that may develop before completion of my next annual Conflict of Interest Statement. ___ (Initial)

4. Disclosures:
   a. Do you have a Financial Interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest Policy with IPA? YES NO
      i. If yes, please describe: ______________________________
      ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest Policy? YES NO
   b. Do you or any Relative hold a Director, Trustee, Officer, or Board Committee position with any other organization that does or may do business with (including research activities) or that competes with IPA (including competition for grants or donations)? YES NO
      i. If yes, please provide the name and address of the organization:

   c. In the past, have you had a Financial Interest, including a compensation arrangement, as defined in the Conflict of Interest Policy?
      i. If yes, please disclose when and detail the nature of the Financial Interest (including a compensation arrangement):

   d. Do you or any Relative currently provide research, managerial, consultative, or other services to or on behalf of any other organization that does or may do business with, or that competes with, the services of IPA? YES NO
i. If yes, please provide the name and address of the organization:
_____________________________________________________
_____________________________________________________

e. Are you or is any Relative a former or current World Bank Group staff member? Including without limitation: Short Term Consultant, Short Term Temporary, Extended Term Consultant, Extended Term Temporary, or Junior Professional Associate at the World Bank Group. YES NO
   i. If yes, please describe: __________________________________

f. Do you or any Relative own ten percent (10%) or more of the outstanding stock of a publicly traded company which may do business with IPA or an Affiliated Entity or which operates in any of the countries in which IPA or its Affiliated Entities carries on its charitable activities? YES NO
   i. If yes, please provide the name and address of the company:

________________________________________________________________________

____________________________


g. Do you or any Relative own a majority of stock, fifty-one percent (51%) of stock, or hold the office of director or executive officer of a privately held company that may do business with IPA or an Affiliated Entity? YES NO
   i. If yes, please provide the name and address of the company:

________________________________________________________________________

h. Do you or any Relative own a majority of stock, fifty-one percent (51%) of stock, or hold the office of director or executive officer of a privately held company that operates or invests in existing and start-up businesses in any of the countries in which IPA or its Affiliated Entities carry on their charitable activities? YES NO
   i. If yes, please provide the name and address of the company:

________________________________________________________________________

i. Are you an Independent Director as defined above? YES NO

j. Is there any other actual or perceived conflict of interest you feel should be disclosed that is not covered in the disclosures above? YES NO
   i. If yes, please describe: ___________________________________________