I. General principles

1. Contact persons for compliance related matters

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2. Introduction

The Trust for Social Achievement (the “Trust”) is a foundation serving Bulgaria’s economically disadvantaged communities, with an emphasis on the Roma, and is dedicated to its mission of expanding opportunities for the members of those communities. The Trust operates within the public trust and strives to maintain the highest code of conduct in all of its operations.

The Trust adopts this code of conduct in recognition of its responsibility to the public trust, in recognition of the importance of fairness and objectivity in its conduct of business, as a means of assuring that every decision of the Trust is made in the interest of the Trust and the communities it serves, and as a means of publicly codifying its expectations of its board of directors, executives, staff, grantees and potential grantees, and other parties conducting business with the Trust.

The Trust will not practice or tolerate discrimination on the basis of place of origin, ethnicity, citizenship, gender, age, political or religious affiliation, sexual orientation, marital status, family relationship, or economic or medical status. The Trust aims to treat all people with respect, and to foster a productive environment free of harassment, intimidation and discrimination.

3. Definitions

i. Trust members

Trust members include current members of the board of directors, executive officers, and staff (defined as individuals on either a labor or civil contract working more than 20 hours per week for the Trust.)

ii. Family members

For the purposes of this policy, “family members” for all Trust members include (i) spouses (including domestic partners, which are treated as spouses for the purposes of this policy) and
all relatives of a direct line of descent. For executive officers, family members also include (ii) relatives of a collateral lineage up to the fourth degree; and (iii) relatives by marriage up to the second degree, as those terms are defined in the Bulgarian Family Code (2009).

iii. Close associates
Close associates include persons that Trust members have material or long standing contractual relationships with outside of the Trust or persons that Trust members themselves identify due to a long connection that they personally feel may cloud their objectivity.

iv. Business interest
A business interest exists when an individual (i) owns, directly or indirectly, 25% or more of a legal entity other than the Trust; (ii) participates in the governance of a legal entity other than the Trust; or (iii) is otherwise able to exercise control over the decision-making of a legal entity other than the Trust.

v. Grantees
Grantees include individuals in a decision-making capacity at organizations that apply for, receive or have in the past received funding from the Trust. For the purposes of this policy, applicants are considered grantees from the moment the Trust receives a final grant application form and attachments.

vi. Direct beneficiaries
Direct beneficiaries include individuals whom the Trust funds or sponsors directly on operational projects.

vii. Significant service providers
Significant are those service providers to whom the Trust makes payments exceeding 6,000 BGN on a per year basis. Providers of subscription-based services with published or publicly available contractual terms are not considered significant for the purposes of this policy.

II. Standard of business conduct

1. General expectations
Trust members are expected to commit themselves to ethical and professional conduct. This includes the proper use of authority and appropriate decorum.

Trust members must represent unconflicted loyalty to the interest of the Trust. This accountability supersedes any other loyalties.

There may be no self-dealing between any Trust member and the Trust, except those conducted in an open and objective manner to ensure equal competitive opportunity and equal access to information.

Board members must not use their positions to obtain employment in the Trust for themselves, family members or close associates. Should a board member desire employment, he or she must first resign from their position.
2. Compliance with laws and regulations
It is the responsibility of Trust members, their family members, grantees and third parties to comply with all applicable laws of the Republic of Bulgaria ('Bulgaria'), and all other countries in which they transact business, and to conduct their affairs in accordance with the highest ethical principles.

3. Confidentiality
Confidential information shall mean, but is not limited to: plans, processes, reports, financial statements, business or strategic plans, compensation, beneficiary lists and beneficiaries, and any information relating or belonging to the Trust's donors, grantees, beneficiaries, and third parties, or which, although not related to such subject matter, is nevertheless disclosed as a result of Trust members performing duties on behalf of the Trust. Regardless of whether confidential information is provided orally or in writing, the form of communication does not affect the confidential nature of such information.

Confidential information does not include information that: (a) is readily available to the public in the same or an equally usable form as that maintained by the Trust; (b) has been lawfully received from an independent source without any restriction and without any obligation of confidentiality; (c) has been independently developed without access to or knowledge or use of the Trust's confidential information.

Confidential information constitutes a protectable interest of the Trust.

Trust members shall not divulge, disclose, provide or disseminate, in any manner to any person or entity at any time, the confidential information described above.

Trust members may use confidential information to the extent necessary to perform their authorized duties, or as required by a court of competent jurisdiction or other administrative or legislative body. Notwithstanding the foregoing, Trust members shall not use confidential information for any purpose not permitted herein without prior written authorization of an executive officers of the Trust. In the event Trust members are requested or required by applicable law or regulation, or by legal process, to disclose any confidential information, Trust members shall provide prompt written notice to the Trust's executive officers.

Trust members shall sign a confidentiality agreement upon employment or retention of services with the Trust, certifying that they have read, understand and shall abide by the aforementioned confidentiality requirements. Trust members shall be held accountable for unauthorized disclosure of confidential information for a period of 12 (twelve) months after separation from the Trust.

4. Media relations
Trust members shall request a list of questions upfront any interviews related to the Trust's operations, and such list shall be discussed with the Trust's executives. Trust members shall also request to review and approve a draft of the article or other material prepared by the media following the interview.
For issues not related to the Trust’s operations, Trust members shall interact with the media in a private person capacity only. In so doing, Trust members shall not provide their place of employment or title.

III. Conflicts of interest

A conflict of interest exists when a Trust member’s loyalty to the Trust can be prejudiced by actual or potential benefit from another source, regardless of whether that benefit is financial in nature or not. The following paragraphs describe specific situations that the Trust considers most likely to arise, as well as procedures for their identification and resolution.

1. Conflicts within the Trust

   Family members (as defined in 1.3 Definitions) of Trust members are not permitted to obtain compensated employment or directorship positions with the Trust.

2. Conflicts with grantees and service providers

   The Trust has established special rules that require approval for transactions with:

   i. Family members and close associates (as defined in 1.3 Definitions);
   ii. Former Trust directors and executive officers, for a period of up to 2 (two) years after their separation from the Trust;
   iii. Organizations or individuals that are, or have been at any time during the 3 (three) years preceding the transaction, donors of the Trust;
   iv. Business interests of Trust members, family members (as defined in 1.3 Definitions), and former Trust directors and executive officers, the latter two for a period of up to 2 (two) years after their separation from the Trust;
   v. Political parties and associations in whose governing bodies Trust directors and executives participate.

   When a situation such as those described above occurs, Trust members should apply established procedures (see Section 4) for self-reporting, abstention from decision-making, and request for higher levels of approval.

   Accepting donations from grantees or former grantees also gives rise to a potential conflict of interest, given the likelihood that such parties may in the future apply for further grants from the Trust. It is the Trust’s policy not to accept donations from individuals or organizations who were grantees or direct beneficiaries of the Trust for a period of 3 (three) years prior to the date of the donation and to apply special procedures for donations from significant service providers and known beneficiaries of the Trust’s grantees.

3. Other outside activities

   i. Compensated activities

   If a Trust employee wishes to enter into compensated civil or labor contracts with third parties (“outside employment”), they must first receive written permission from the chief executive officer.
In like manner, executive staff of the Trust must gain written permission of the board prior to entering into compensated civil or labor contracts with third parties, except for subsidiaries of the Trust. Outside employment also includes self-employment and business interests, in the management of which Trust members actively participate.

Employees and executive staff may be permitted compensated outside employment under the following conditions:

a) Outside employment must not interfere with time commitment towards the Trust, as laid out in the employment arrangements between employees or executives and the Trust;
b) Outside employment must not originate from, or be otherwise associated with, Trust grantees, or with political organizations;
c) Outside employment must not present a conflict of interest, as defined in this policy;
d) Confidential information obtained while performing duties on behalf of the Trust cannot be used for purposes of outside employment, whether for financial or for other advantage.

ii. Non-compensated activities

Trust members may serve as members on the boards of directors of other organizations. However, given that funding an organization on whose board of directors a Trust member serves presents a conflict of interest for the Trust member concerned, the Trust allows such funding only under the condition that the Trust member concerned resign from the board of directors of the grantee organization prior to the Trust disbursing the first payment on the grant. Further, employees shall not agree to serve on the boards of directors of other organizations, except for subsidiaries of the Trust, without the express written permission of the chief executive officer. Executive officers and the board of directors of the Trust shall disclose to the Trust their participation on the boards of other organizations.

Trust members may from time to time perform volunteer services at community organizations. Trust members may perform volunteer services for beneficiaries of grantees, provided these services are: (i) provided outside the scope of the projects funded by the Trust, (ii) provided outside the scope of the grantee’s programs; and (iii) not provided on the grantee’s premises. Trust members may not provide volunteer services to direct beneficiaries of the Trust, and shall inform the Trust before performing volunteer services for donors of the Trust.

4. Political activities

Trust members may only carry out political activities in a private person capacity. In no circumstance shall any political activities be performed at a place of work; nor shall any Trust equipment or materials be used for such purpose.

Trust members shall not participate in political activities that may reasonably be seen as incompatible with their duty, or perceived to impair their ability to discharge their duties in an impartial fashion, or such that would cast doubt on the integrity or impartiality of the Trust. In addition, Trust members shall not make public statements, or statements that may reasonably be expected to become public, if those statements are in conflict with the mission of the Trust. Trust members shall inform the Trust
in advance when intending to publicly support a candidate for a political office, or when planning to contribute in excess of 1,000 BGN.

Trust members who wish to run for a political office appointment shall, prior to accepting a nomination or launching a campaign, submit their resignation to the chief executive officer or board of directors of the Trust.

5. Gifts

Neither the Trust, nor Trust members shall accept any personal gratuities, gifts, or other products or services that exceed nominal value from any party having or seeking to have a business or donative relationship with the Trust (such as grantees, applicants, service providers, etc.). Gifts received that are unacceptable under this policy shall be returned to the sender. In any event, Trust members who are either offered or receive such gifts shall notify the Trust’s chief compliance and monitoring officer of such gifts and their return.

Similarly, Trust members shall not offer gratuities, gifts, or other products or services that exceed nominal value to any party having or seeking to have a business or donative relationship with the Trust.

Trust members shall not give or accept cash or cash equivalent gifts of any value to or from any party having or seeking to have a business or donative relationship with the Trust. Nominal value for the purposes of this policy is 25 BGN (assessed on a per person basis).

6. Entertainment

Trust members shall not provide extravagant or excessive entertainment to any party having or seeking to have a business or donative relationship with the Trust. Entertainment means costs incurred in socializing (including for business-related purposes).

Entertainment is excessive when its incurrence is not necessary for the conduct of the business of the Trust. Entertainment is extravagant when its value does not match the purpose for which it is being incurred.

Trust members shall obtain prior written authorization for all Trust-sponsored entertainment of: (i) public officials and representatives of political parties; (ii) family members, close associates and employees of business interests of Trust members; (iii) employees, executive officers and directors of the Trust’s major donors; and (iv) direct beneficiaries of the Trust.

Trust members shall not receive entertainment from any party having or seeking to have a business or donative relationship with the Trust, unless such entertainment is nominal in value, without prior written authorization. Nominal value for the purposes of this policy is 10 BGN (assessed on a per person basis).
IV. Compliance procedures

1. Duty to disclose
It is the duty of a Trust member to disclose to the Trust any existing or potential conflict of interest as soon as it becomes known to the Trust member.

Employees and executive officers shall disclose to the Trust the source of earned income from outside employment and, for earned income from any activity related to, or similar in nature to, the activities of the Trust, employees and executive officers shall also disclose the amount of such income.

Grantees shall disclose to the Trust any relationships with the Trust, as well as with Trust members and family members, as well as with major donors of the Trust. Similarly, prior to signing an agreement with the Trust, significant service providers shall also be required to disclose to the Trust any conflicts of interest with Trust members and family members, as well as with major donors of the Trust.

Whenever a Trust member, grantee, service provider, or major donor is uncertain whether its conduct would be illegal or inappropriate, would give rise to a conflict of interest or would otherwise raise questions of propriety of the appearance thereof, that person should consult with the chief executive officer or chief compliance officer of the Trust.

2. Procedures to address a conflict of interest

i. Exclusion from decision making
Trust members that may have conflict of interest in a given situation will be excluded from the decision-making process, except answering factual questions that may be posed by other Trust members.

ii. Prohibitions and special approval requirements
For transactions between TSA directors, the Executive officers on the one hand, and the following list of counterparties on the other, the board of directors must vote in the affirmative with a 2/3 majority, excluding from this count any director giving rise to the conflict of interest:

a. Family members, close associates and significant service providers;
b. Former Trust directors and executive officers, for a period of up to 2 (two) years after their separation from the Trust;
c. Business interests of Trust members, family members, and former Trust directors and executive officers, the latter two for a period of up to 2 (two) years after their separation from the Trust;
d. Organizations or individuals that are, or have been at any time during the 3 (three) years preceding the transaction, donors of the Trust;

For all other transactions the rules of Art. 41 of the Non-Profit Legal Entities Act are applicable.

For transactions between TSA staff and the above list of counterparties, the CEO shall decide in writing.
The Trust shall not fund or otherwise knowingly enter into transactions with political parties and associations. Further, the Trust shall not otherwise knowingly enter into transactions with political parties and association in whose governing bodies Trust directors and executives participate.

iii. Obtaining competitive bids

It is the Trust’s policy and recommended practice to make all reasonable efforts to obtain at least 3 (three) competitive bids for all significant service provider contracts. Competitive bids shall be solicited from parties that do not present a conflict of interest for the Trust. Bids from parties that have a conflict of interests amongst themselves shall be disqualified.

The Trust shall review the terms of reference of each service provider contract for competitiveness on a basis no less frequent than once every 2 (two) years.

iv. Recordkeeping

All deliberations regarding transactions where a conflict of interest has been identified shall be documented in writing. Documentation regarding conflicts of interest shall be treated as confidential, and shall be stored by the Trust’s chief compliance and monitoring officer in hard copy and in electronic copy on the Compliance server of the Trust.

3. Certification of compliance by Trust members

i. Initial certification

Upon signing a civil, labor or managerial services agreement with the Trust, Trust members shall sign a conflict of interest disclosure statement and, for executive officers and employees, the amount and source of earned income from outside employment for any activity related to, or similar in nature to, the activities of the Trust.

ii. Annual certification and acknowledgement of amendments

On an annual basis, Trust members shall sign a conflict of interest disclosure statement that affirms the continued compliance of Trust members with the Trust’s policies, and requires the disclosure of any changes since the previous statement.

4. Certification of compliance by grantees and service providers

Upon signing a grant or significant services agreement with the Trust, grantees and service providers shall sign a conflict of interest disclosure statement.
5. Chief compliance and monitoring officer

In support of its commitment to conduct its business in an ethical, legal and fair manner, the Trust has appointed a chief compliance and monitoring officer. Training and education

The Trust shall ensure that all Trust members and grantees possess an adequate understanding of the laws, regulations and Trust policies applicable to their work. The chief compliance and monitoring officer shall be the individual responsible for preparing and conducting an initial (for new employees) and an annual program of compliance training. Violations

i. Reporting violations

Whenever a Trust member, grantee, service provider or donor has ethics concerns regarding possible violations of the Trust’s ethical principles, laws and regulations, or regarding accounting and auditing issues, fraud or other corporate misconduct, that person is required to report the matter to the Trust’s chief compliance and monitoring officer. Individuals should report both known/actual and apparent/suspected violations. The chief compliance and monitoring officer can be reached at compliance@tsa-bulgaria.org or at +359 887 462 597.

Alternatively, should the chief compliance and monitoring officer be unreachable or the object of the report, or should the reporting individual for any other reason hesitate to discuss the matter with the chief compliance and monitoring officer, they may contact Mrs. Emilia Karadocheva, member of the Trust’s board of directors, at bd@tsa-bulgaria.org.

ii. Sanctions

If the chief compliance and monitoring officer and/or the board of directors have reasonable cause to believe a Trust member, grantee, service provider, or donor has violated the policies stated herein, they shall inform the chief executive officer (or board in the case of an executive violation), who shall discuss the case together with the individual and compliance officer and afford them an opportunity to explain the alleged violation of policy.

If, after hearing the individual’s response and after making further investigation as warranted by the circumstances, the chief executive officer or the board of directors determines that Trust policies have indeed been violated, they shall take appropriate disciplinary and corrective measures.

iii. Whistleblower policy

All reports of violations will be treated confidentially to the extent permitted by law.

Individuals may submit anonymous reports in writing via post to: Chief compliance and monitoring officer, Trust for Social Achievement, bul. Patriarh Evtimii 64, Sofia 1000; or by leaving a recorded message on the Trust’s compliance reporting line at +359 887 462 597.

The identity of the persons that report compliance violations is to be kept confidential and any retaliation against the person are prohibited and in and of itself constitute a violation of the Trust’s policies. False claims and libel will also be treated with utmost seriousness, and recourse may be sought to the extent permitted by law.
6. Compliance reviews

i. Annual internal review

ii. On at least an annual basis, the chief compliance and monitoring officer shall perform an evaluation of the adequacy and effectiveness of the Trust’s policies. Grantee compliance review

The Trust reserves the right to carry out compliance reviews with respect to individual grants and the grantees managing them.

Grantee compliance reviews may be designed as one-off visits (either planned or surprise) to the grant site or the grantee; they may also take the form of an ongoing discussion with the grantee; or a review of data provided either specifically for compliance purposes or for purposes of agreed-upon reporting. The frequency of such reviews shall depend both on size and perceived compliance risk.

7. Reporting to senior management

The chief compliance and monitoring officer shall report to the Trust’s executive officers on an ongoing basis regarding any and all compliance issues, and may report to the audit committee of the Trust’s board of directors (or to the director responsible for financial and compliance issues) up to three times per year.

If a Trust member is asked to assist the chief compliance and monitoring officer with an internal investigation, a good-faith cooperation is required.

V. Conclusion

Creating and managing an organization where people are proud to work will be achieved by upholding the key elements of this Code of Conduct: acting with integrity and honesty, being fair and respectful to colleagues and partners, following the law, being good stewards of the Trust’s assets, and holding one other accountable.

VALIDATED BY:

SARAH MARIE PERRINE
Founder of the Trust