

LOCAL PUBLIC SECTOR ALLIANCE

MISSION, VISION, PRINCIPLES AND POLICIES

OVERVIEW

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SECTION 1 LPSA MISSION, VISION, AND PRINCIPLES (INCLUDING DIVERSITY, EQUITY, AND INCLUSION POLICY)

[Adopted as LPSA Policy by Executive Director: December 30, 2022]

Mission

The Local Public Sector Alliance is organized, as set forth in its Articles of Incorporation and By-Laws, exclusively for charitable, educational, and scientific research purposes.

The mission of the Local Public Sector Alliance is to promote inclusive, equitable societies and sustainable global development by enhancing the understanding of decentralization and localization as complex, cross-cutting and multi-stakeholder reforms.

Vision

The Local Public Sector Alliance views itself as a global alliance of advocates for inclusive and efficient decentralization and localization, including policy makers, government officials, development practitioners, scholars, policy researchers, other professionals, civil society representatives, and citizens.

As such, as a global professional network of advocates, the Alliance will actively reach out, bring together, convene and empower global, regional, country-level, local, and civil society actors in their quest to achieve inclusive and efficient decentralization and localization.

Foundational Principles

The following foundational principles inform how the Local Public Sector Alliance pursues its mission and vision:

1. Creating strong and resilient communities and societies requires a commitment to inclusion and equity at every level, especially at the local level;
2. Many of the public services that are needed to achieve inclusive and sustainable development—including education, health services, access to clean water, basic urban services, and so on—are delivered at the local level;
3. Intergovernmental systems that empower and encourage local leaders to promote inclusion and equity form an important precondition for resilient, inclusive, sustainable and equitable development;
4. Although different approaches may be suitable in different countries, decentralization and localization are quintessential to achieving resilient, inclusive, sustainable and efficient development; and
5. Decentralization and localization are complex, cross-cutting and multi-stakeholder reforms.

Organizational Principles

The Local Public Sector Alliance aims to serve the global Community of Practice interested in decentralization and localization as an organization “of the Community of Practice, for the Community of Practice, by the Community of Practice”. By this, we mean:

“of the Community of Practice” – LPSA itself is an integral part of the Community of Practice on decentralization and localization. The Alliance should minimize the barriers between the Alliance and its constituents.

“by the Community of Practice” – whenever possible and appropriate, LPSA’s knowledge development, knowledge sharing and outreach efforts will be done by members of the Community of Practice (rather than being pursued by the Alliance itself); the Alliance will function as a megaphone for the good work already ongoing within the Community of Practice;

“for the Community of Practice” – LPSA’s efforts aim to respond to the interests, needs and priorities identified by the Community of Practice. Its priorities should be guided by an Advisory Board that reflects the (global, disciplinary, institutional, sectoral and other) diversity of the Community of Practice.

As an organization that aims to serve as a global professional network by engaging in knowledge development, knowledge sharing and convening, outreach and field-building, the values of inclusion, diversity and respect must permeate the Alliance’s *modus operandi*.

Organizational Values

The Local Public Sector Alliance mission is to promote inclusive, decentralized governance and sustainable localized development in ways that improve people’s lives. Based on the Universal Declaration of Human Rights, our work reflects our respect for fundamental human rights, the dignity and worth of all people, equal rights of men and women, and respect for all cultures.

These universal values guide the operation, management, and activities of the Alliance itself, and they guide the relationships with our partners, stakeholders, members and beneficiaries. These values provide the standards to which we hold ourselves accountable. Directors, officers, staff members, contractors and volunteers associated with the Alliance (e.g., Expert Working Group (co-) chairs and members) must adhere to the values of the Alliance through their personal conduct.

In addition, as a global network of professionals, the LPSA Board of Directors adopted the following specific organizational values which help the Alliance focus on how we achieve our mission:

IMPACT: We promote inclusive, decentralized governance and sustainable localized development

- We use our professional expertise, our commitment to excellence, and our convening power to promote inclusive, decentralized governance and sustainable localized development in ways that improve people’s lives

- We make decisions that prioritize impact over politics or process
- We stay at the cutting edge in our fields of expertise
- We leverage the best knowledge and expertise available
- We partner with organizations, institutions, and individuals within our global Community of Practice with flexibility and agility

INTEGRITY AND ACCOUNTABILITY: We do what is right

- We hold ourselves, our clients, and our partners to the highest ethical standards
- We put the interests of the Local Public Sector Alliance and its mission first
- We ensure our words are consistent with our actions
- We take ownership of our actions and decisions
- We communicate with honesty and transparency
- We question actions that are inconsistent with our values

INCLUSION AND RESPECT: We care for our global Community of Practice, our partners, and our planet

- We treat everyone with dignity, respect, and compassion
- We embrace diversity and pursue inclusion of backgrounds, identities, cultures, work styles, and perspectives
- We apply policy and standards with fairness and consistency
- We promote sustainable solutions in our operations and in our work environment

TEAMWORK AND COLLABORATION: We work together to achieve our goals

- We seek diverse views, perspectives, and experiences
- We encourage challenging ideas and constructive disagreement
- We collaborate across boundaries and borders
- We celebrate and reward successes

INNOVATION: We learn and adapt to find better ways of doing things

- We challenge assumptions and take informed risks
- We approach our work with curiosity and passion
- We reflect on, and learn from, mistakes and failures
- We capture, apply and share knowledge consistently
- We ask for and learn from feedback

Diversity, equity, and inclusion (DEI) and non-discrimination policy

The Local Public Sector Alliance (LPSA) is committed to engaging with all stakeholders (government officials, policy makers, practitioners, scholars, civil society representatives and citizens) without regard to age, ancestry, disability, national or ethnic origin, race, religious belief, sex, sexual orientation, gender identity, marital or veteran status.

The Local Public Sector Alliance (LPSA) is further is committed to equal employment and volunteer opportunities without regard to age, ancestry, disability, national or ethnic origin, race, religious belief, sex, sexual orientation, gender identity, marital or veteran status.

This policy applies to all areas of employment and volunteer participation, including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation, benefits, social and recreational programs, all other conditions and privileges of employment in accordance with applicable federal, state and local laws.

In order to ensure that diversity, equity, and inclusion (DEI) are an integral part of the Alliance's organization, operations and activities, the Board of Directors shall form a Diversity, Equity, and Inclusion (DEI) Committee. Any questions or concerns related to diversity, equity, and inclusion may be directed to the chair of the DEI Committee or the Executive Director.

SECTION 2 LPSA MEMBERSHIP POLICY

[Adopted as LPSA Policy by Executive Director: August 4, 2022]

1. Local Public Sector Alliance. The Local Public Sector Alliance (LPSA) is a global network of citizens, policy practitioners, government officials, scholars, and development professionals that seeks to elevate the debate on public sector decentralization and localization in order to promote inclusive, equitable societies and sustainable global development.

2. Organizational structure. The Local Public Sector Alliance is registered in the Commonwealth of Virginia as a Virginia Nonstock (Non-Profit) Corporation. The Alliance is organized exclusively for charitable, educational and scientific research purposes, within the meaning of section 501(c)(3) of the Internal Revenue Code. Because the Local Public Sector Alliance serves the general public instead of exclusively serving a limited number of members, for organizational purposes, the Alliance is formally structured (according to its Articles of Incorporation and By-laws) as a corporation without voting members.

3. Membership: Definition, benefits, and rights. For the purpose of LPSA's Membership Policy, a "member" is defined as anyone that registers as a member, supporter, or subscriber of the Local Public Sector Alliance.

Among other benefits, registered Local Public Sector Alliance members receive the Alliance's newsletter as well as other email announcements regarding the Alliance's webinars, meetings, and other events.

No legal rights are derived on the basis of membership status with regarding the governance of the Local Public Sector Alliance.

4. LPSA Expert Working Groups. In addition to their general affiliation with LPSA, LPSA Members are able to register as part of Expert Working Groups on a range of topics related to decentralization and local governance. The operation and management of LPSA Expert Working Group is subject to LPSA's Expert Working Group Policy / TORs.

5. Membership: Free of charge. Membership of the Local Public Sector Alliance is free of charge.

6. Membership: Registration, Modification or Cancellation. The Local Public Sector Alliance uses Mailchimp as its registration platform for members. Prospective members can register as member at <https://decentralization.net/lpsa-membership-registration/>

Members are free to modify or cancel their membership affiliation with the Local Public Sector Alliance at any time through the Mailchimp Preference Center or by contacting us by email at admin@decentralization.net.

SECTION 3 ADVISORY BOARD POLICY / TERMS OF REFERENCE

[Advisory Board Established as per Board of Directors Resolution February 4, 2022]

[TORs Issued by Advisory Board Chair: March 12, 2022]

[Amended and adopted as LPSA Policy by Executive Director: December 30, 2022]

I. Mission of the Local Public Sector Alliance

The Local Public Sector Alliance seeks to promote inclusive, equitable societies and sustainable global development by enhancing the understanding of decentralization and localization as complex, cross-cutting and multi-stakeholder reforms.

In line with its mission, the Local Public Sector Alliance aims to elevate the debate on public sector decentralization and localization, by maintaining Decentralization.Net as a global convening place for policy makers and researchers interested in decentralization and localization; hosting webinars; preparing and supporting research and learning; supporting decentralization and localization reforms; and offers online courses.

II. Function of the Local Public Sector Alliance Advisory Board

As decentralization and localization are complex, cross-cutting and multi-stakeholder reforms, LPSA aims to bring together a diverse set of stakeholders, including both scholars and practitioners; stakeholders from different academic and professional backgrounds; different institutional backgrounds; stakeholders focused on different sectors or services; and stakeholders with experiences from countries around the world.

As a result, it is desirable to receive regular input from different perspectives within the global community of practice on decentralization and localization through an Advisory Board.

III. Establishment and appointment of the Local Public Sector Alliance Advisory Board

The LPSA Advisory Board was formally established on February 4, 2022, by LPSA's Board of Directors as a mechanism for receiving regular input from the global community of practice on decentralization and localization. LPSA's Board of Directors appoints the Chairperson of the Local Public Sector Alliance Advisory Board. On February 4, 2022, the Board of Directors appointed Serdar Yilmaz as Chairperson of LPSA Advisory Board.

The Advisory Board Chair and the Board of Directors identify and appoint other Members of the Local Public Sector Alliance Advisory Board. There is no limit set to the number of members of the Advisory Board. The size and composition of the Board should be determined by the proper execution of the Board's functions.

Chairs and co-chairs of LPSA Expert Working Groups shall be members of the LPSA Advisory Board.

As the advisory board functions as an advisory organ to the Alliance, members of the LPSA Advisory Board are not directors or officers of the Alliance. Advisory Board Members serve in their personal, professional capacity; not as official representatives of the respective institutions or organizations.

IV. Meetings and operation of the Advisory Board

Within the by-laws of the Local Public Sector Alliance and the direction provided from the Board of Directors, the Advisory Board may organize itself as appropriate.

Meetings of the LPSA Advisory Board shall be led by its Chairperson, or in his or her absence, by the Executive Director or a person designated by the Chairperson or Executive Director to act in the capacity of Acting Advisory Board Chairperson.

V. Composition of the Local Public Sector Alliance Advisory Board

The LPSA Advisory Board shall aim to include members that represent a wide range of viewpoints and areas of expertise as relevant to decentralization and localization. Advisory board members may have expertise in one or more areas within the global community of practice, including:

Institutional experts	Members with an in-depth understanding of global (development) organizations interested in the topic of decentralization and localization (e.g., World Bank, UNDP, UNCDF, OECD, etc.)
Thematic experts	Members with an in-depth understanding and expertise in different thematic aspects of decentralization and localization, drawing on different academic disciplines (e.g., political science, public finance, public administration, law, etc.)
Local governance experts	Members with an in-depth understanding and expertise in local governance and local administration (e.g., local government associations, mayors, etc.)
Sectoral experts	Members with an in-depth understanding and expertise in the relevance and application of decentralization and localization to different sectors or policy topics (e.g., health, water and sanitation, urban development, climate, etc.)
Regional/country experts	Members with an in-depth understanding and expertise in the regional or country-level application of decentralization and localization in specific regions/countries

VI. Tasks of the LPSA Advisory Board

1. The Board of Directors of the Local Public Sector Alliance will seek the advice of the LPSA Advisory Board at least once per year as to the activities that the Alliance should be engaged in.
2. The Executive Director and/or the Chairperson of the Advisory Board may periodically convene members of the Advisory Board—in whole or in part—to seek guidance on specific matters of relevance to the operation of the Alliance.
3. Members of the Advisory Board should be seen as the liaison between the Alliance and the Community of Practice in their respective area(s) of expertise. As such, in addition to annual and periodic meetings, Advisory Board Member will be asked to:

- Regularly help identify news, information, events or knowledge products that would be of interest to the wider community (e.g., for sharing via LPSA's website or social media accounts);
- As appropriate, contribute to LPSA webinars, relevant LPSA knowledge products, or other LPSA activities as relevant to their area(s) of expertise; and
- Help identify other professionals, policy makers, researchers or scholars who might be interested in the mission and activities of the Alliance, and/or might be able to help advance that mission.

SECTION 4 LOCAL PUBLIC SECTOR ALLIANCE EXPERT WORKING GROUPS (TORs)

*[Expert Working Group TORs Issued by Advisory Board Chair: August 6, 2022]
[Adopted as LPSA Policy by Executive Director: December 30, 2022]*

I. Mission of the Local Public Sector Alliance

The Local Public Sector Alliance seeks to promote inclusive, equitable societies and sustainable global development by enhancing the understanding of decentralization and localization as complex, cross-cutting and multi-stakeholder reforms.

In line with its mission, the Local Public Sector Alliance aims to elevate the global debate on public sector decentralization and localization, by promoting knowledge development, knowledge sharing, and outreach and field building in the field of decentralization, local governance and development. As part of its effort, LPSA maintains Decentralization.Net as a global convening place for policy makers and researchers interested in decentralization and localization; hosts webinars; prepares and supports research and learning; supports decentralization and localization reforms; and offers online courses.

II. Local Public Sector Alliance Expert Working Groups

Expert Working Groups are integral part of the Local Public Sector Alliance. Expert Working Groups operate under the guidance of the Advisory Board of the Local Public Sector Alliance.

An Expert Working Group consists of a group of people who bring together specialist skills and expertise in a specific sub-topic or cross-cutting issue within the field of decentralization and localization. For instance, Expert Working Groups may be regional or country-specific; sectoral; thematic; or topic-based in nature.

Each working group seeks to assess, advance, and share the state of global knowledge within their topic area, with the objective of providing the global community with best-practice conceptual and operational knowledge to address development challenges on that particular topic. In that sense, a working group will support the global community members in identifying conceptual/theoretical knowledge as well as best practice solutions.

III. Expert Working Groups: Establishment, Composition and Membership

Establishment. The establishment of an Expert Working Group is approved by LPSA's Advisory Board Chair.¹ Expert Working Group (co-)chairs are required to provide information to the Advisory Board about their activities.

Composition. Each Expert Working Group consists of (i) one or more (co-)chairs; (ii) representatives of organizations/institutions interested on that particular topic; (iii) researchers and practitioners with expertise in the topic; and (iv) other stakeholders with an interest in the topic.

The composition of the leadership of each Expert Working Group shall follow LPSA's Vision, Organizational Principles, Organizational Values, as well as LPSA's diversity, equity, and inclusion (DEI) and non-discrimination policy.

Membership. Members of a Working Group will need to have the skills, qualities and competencies on that particular topic. In forming a Working Group, (co-)chairs will seek to balance a range of skills, qualities and competencies, as well as gender and geographic diversity.

Operation. LPSA Expert Working Group operate as autonomous working groups under the leadership of their (co-) chairs. Expert Working Groups are authorized to invite other parties to attend their meetings and/or participate in specific tasks/deliverables.

As appropriate, LPSA Expert Working Groups may be co-organized and co-branded with other organizations, as long as this collaboration (and co-branding) does not limit the open, collaborative nature of the Expert Working Group.

IV. Expert Working Groups: General responsibilities

- Fostering professional development and networking through knowledge development, knowledge sharing and ad-hoc advice and support in collaboration with the relevant Community of Practices.
- Strengthening global understanding of specialized topics.
- Sharing lessons learned from global practices.
- Aggregating and sharing lessons from the development interventions.
- Providing intellectual leadership through translating advances in academic/intellectual world into policy language and preparing guidance notes for wider dissemination within the global community.
- Function as a platform to share knowledge, to support applied research and to develop policy options and tools in the area of their expertise.
- Establishing partnerships with academic, international, and local knowledge institutions, as well as development institutions.

¹ LPSA Expert Working Groups may choose to refer to themselves as Expert Working Group. Alternatively, they may choose to refer to themselves as an LPSA Working Group, LPSA Standing Panel, LPSA Chapter, or use another suitable name.

V. Expert Working Groups: Specific (illustrative) activities

Subject to LPSA's resource constraints, the Local Public Sector Alliance will support each Expert Working Group with:

- A dedicated Expert Working Group landing page on *Decentralization.Net*, a dedicated Local Public Sector Alliance email address, MS360 Teams account, and a dedicated Zoom Meeting account, as appropriate.
- LPSA will provide administrative support for Expert Working Group meetings and webinars, including informing LPSA members regarding upcoming Expert Working Group meetings (i.e., members who have expressed an interest in the topic).
- Subject to LPSA's resource constraints, LPSA will provide funding for Expert Working Group efforts, such as research awards for young scholars, etc.
- Where possible, LPSA will work with the Expert Working Group to attract funding to support the preparation, co-production or sharing of research and knowledge products that reflect the current state of knowledge in their respective area of focus.
- LPSA will provide other support to promote the success of the Expert Working Group as possible and relevant.

LPSA Expert Working Groups are expected to:

- meet on a regular (e.g., bi-monthly or quarterly) basis.
- propose 4-6 blogs per year on country-level policy reforms, trends, institutional updates, or research relevant to their topic or focus, for sharing to the broader Community of Practice through *Decentralization.Net*.
- host at least 1-2 webinars per year on issues relevant to their topic.
- As relevant, prepare, co-produce or share knowledge products that reflect the current state of knowledge in their respective area of focus.
- For instance, regional Expert Working Groups may support the preparation of LoGICA Assessments within the region, support the preparation of report on the State of Local Governance in the region, and/or the collection of other country level data in the region.

VI. Relationship with the Alliance

The operation and work products of each Expert Working Group shall follow LPSA's Vision, Foundational Principles, Organizational Principles, Organizational Values, as well as LPSA's diversity, equity, and inclusion (DEI) and non-discrimination policy.

When Expert Working Groups or their members engage in public activities; prepare written outputs; or engage with external stakeholders, appropriate disclaimers will be made that the views expressed reflect those of the Expert Working Group and/or its members, and not necessarily of the Alliance as a whole.

SECTION 5 PARTNERSHIP AND FUNDING PRINCIPLES

[Adopted as LPSA Policy by Executive Director: December 30, 2022]

The Local Public Sector Alliance welcomes support from foundations, corporate philanthropies, and public agencies at all government levels. We also are open to support from nonprofits, universities, and individuals. We accept project-specific funding as well as general support, allowing LPSA to deepen our research and data science capacity, seed new initiatives, and deliver fact-based insights, tools, and data to the hands of changemakers who are best placed to act.

We are grateful for the seed funding from our founders and from the Hewlett Foundation. At all times, Local Public Sector Alliance experts strive to be collaborative and operate with equity, inclusivity, independence, and integrity. These values and the following principles guide LPSA experts' engagements with our funders.

Consistency with mission

The pursuit of essential support should not divert LPSA from our mission. LPSA solicits and accepts funding only for activities that are consistent with our mission.

Public understanding and idea sharing

LPSA's mission is best advanced by sharing the data, evidence, and promising solutions identified through our research. We believe this deepens the knowledge of those best positioned to advance more inclusive local governance and improve the well-being of families and communities. LPSA therefore strives to widely share our research findings and insights. We also share, with permission and attribution, research and other material produced by others on issues of central concern to LPSA.

Independence from funders

Funders do not determine research findings or the insights and recommendations of our experts. LPSA will not accept any support that implies or requires endorsement of a position or product. We welcome comment, correction, and substantive engagement from all informed parties to enhance the quality of our work, but the board and leadership of LPSA will defend the independence of researchers and experts even if funders disagree with their findings or conclusions.

Intellectual property

LPSA retains rights in intellectual property produced during and after the funding period. After a piece of funded work is complete, we strive to communicate the insights and conclusions of our research through other formats including essays, interactive features, data visualizations, or blog posts (subject to reasonable constraints to protect individual privacy or proprietary information). We are open to providing funders with reproduction and distribution rights for research reports they have funded.

Expectation of researchers

As an organization, beyond its mission, vision and principles, LPSA does not take positions on specific policy issues. However, LPSA's Expert Working Groups and LPSA-supported researchers have autonomy to pursue new ideas, and they are empowered and supported to share their own evidence-based views and policy recommendations that have been shaped by their research and analysis. LPSA researchers are expected to be objective and follow the evidence wherever it may lead.²

Diversity of perspective

LPSA strives to build teams with a diversity of perspectives, backgrounds, and experiences. We view this across many dimensions, including the range of academic disciplines and issue areas represented on teams, the variety of research and analytic methods used, the breadth of modes of inquiry followed, and the unique experiences and perspectives that each person brings. We are also comfortable when different LPSA experts who are examining the same or related questions reach different conclusions, provided they are transparent about their methods and the work meets our standards of quality. We believe this not only spurs innovation, it is also critical to the relevance and excellence of the data and evidence LPSA produces.

Disclosure of funding sources

Each year, LPSA publicly acknowledges all contributions to support our research. LPSA will consider granting anonymity to individual funders who request it, subject to evaluation of the best interests of LPSA and the funder with regard to transparency, reputational risk, and the limits of the law. Where products or events are made possible by a particular funder, the funding relationship shall be disclosed in connection with that product or event along with standard language affirming our research independence. LPSA's Articles of Incorporation, By-Laws, annual reports and other corporate documents are available online at <https://decentralization.net/about-the-local-public-sector-alliance/lpsa-public-disclosures/>.

Freedom to decline support

At our leadership's discretion, LPSA can at any time and for any reason reject or return support from an individual, corporation, or foundation.

Protection of the LPSA brand and reputation

LPSA will guard the appropriate use of our name, logo, and reputation. Funders may not use LPSA's brand or visual identity without advance permission for each specific use.

² When Expert Working Groups or their members engage in public activities; prepare written outputs; or engage with external stakeholders, appropriate disclaimers will be made that the views expressed reflect those of the Expert Working Group and/or its members, and not necessarily of the Alliance as a whole.

SECTION 6 GOOD CORPORATE GOVERNANCE PRACTICES

[Adopted as LPSA Policy by Executive Director: December 30, 2022]

It shall be the policy of the Local Public Sector Alliance to adhere to basic good corporate governance practices, including:

1. Maintain corporate minutes. The Local Public Sector Alliance Board of Directors shall maintain corporate minutes of all board meetings. LPSA Board Committees that are authorized to act on behalf of the board, such as the Compensation Committee and the DEI Committee, shall maintain minutes for such committee meetings. The LPSA Board of Advisors and LPSA Expert Working Groups are encouraged to maintain their own minutes or records of meetings, whenever practical.

2. Records retention and destruction policy. LPSA corporate records shall be retained digitally.

3. Annual Conflicts of Interest review. The Local Public Sector Alliance shall annually review its Conflict of Interest Policy and complete a questionnaire about conflicts of interest and document in minutes of board meetings when the policy is invoked. [See Section 7]

4. Annual review of Executive Director Compensation. The Local Public Sector Alliance shall approve the executive director/CEO's compensation and benefits, and document how the board determined that the compensation is appropriate, and not excessive. [See Section 8]

5. Board Review of Form 990. The Local Public Sector Alliance shall require the board to review a copy of the IRS Form 990 (or Form 990-N or Form 990-EZ) before it is filed.

6. Loan(s) to or from related parties. LPSA shall not making any loans to related parties, such as key officers, staff, or Board members.

7. Public Disclosure. The Local Public Sector Alliance shall disclose to the public the Alliance's three most recently filed annual returns with the IRS, as well as its application for tax-exemption and related correspondence and attachments.

[See <https://decentralization.net/about-the-local-public-sector-alliance/lpsa-public-disclosures/>]

8. Corporate Accounts Prepared and Reviewed by CPA. Before submitting the draft IRS Form 990 (or Form 990-N or Form 990-EZ) and LPSA's annual statement of accounts to the Board of Directors, the Executive Director/Treasurer shall engage a Certified Public Accountant (CPA) in reviewing the books of account and preparing the end-of-year financial statements.

LPSA will put in place processes for audited financial statements and an audit oversight committee if/when revenue exceeds \$500,000 per year.

9. Donor Privacy Policy. When a donor is a foundation or public institution, the Local Public Sector Alliance may publicly credit the donor for its contribution to the Alliance (unless the donor requests otherwise). The Local Public Sector Alliance will publicly not share or sell a donor's information with anyone else, nor send donor mailings on behalf of other organizations.

10. Whistleblower Policy. The Local Public Sector Alliance requires directors, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Alliance, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that LPSA can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of LPSA's code of ethics or suspected violations of law or regulations that govern LPSA's operations.

No Retaliation. It is contrary to the values of LPSA for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of LPSA. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment.

Reporting Procedure. The Local Public Sector Alliance has an open door policy and suggests that employees share their questions, concerns, suggestions or complaints with their supervisor. If you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the Corporate Secretary. Supervisors and managers are required to report complaints or concerns about suspected ethical and legal violations in writing to LPSA's Compliance Officer, who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to their supervisor or the Executive Director or the organization's Compliance Officer.

Compliance Officer. The Local Public Sector Alliance's Corporate Secretary is designed as LPSA's Compliance Officer. The Compliance Officer is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. The Compliance Officer will advise the Executive Director and/or the Board of Directors of all complaints and their resolution.

SECTION 7 LOCAL PUBLIC SECTOR ALLIANCE CONFLICT OF INTEREST POLICY

[Adopted by the Board of Directors: February 4, 2022]

Article I. Purpose

The purpose of the conflict of interest policy is to protect the **Local Public Sector Alliance**, a Virginia nonstock corporation (the “**Alliance**”, “**LPSA**” or the “**Corporation**”), interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation 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 applicable to non-profit and charitable corporations.

Article II. Definitions

1. Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person
2. 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 Corporation has a transaction or arrangement,
 - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III. Procedures

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.
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. 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 shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Corporation 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 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 arrangement is in the Corporation'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 arrangement.

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.

Article IV. Records of 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, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. 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 proceedings.

Article V. Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Local Public Sector Alliance for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

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

Article VI. Annual Statements

Each director, principal officer and member of a 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 Corporation is charitable 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.

Article VII. Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable 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:

- a. Whether compensation arrangements and benefits are reasonable and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- c. When conducting the periodic reviews as provided for in this Article, the Corporation 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.

SECTION 8 POLICY FOR BOARD APPROVAL OF COMPENSATION

[Adopted by the Board of Directors: September 22, 2022]

1. Purpose. The Executive Director of the Local Public Sector Alliance (the “Alliance” or “LPSA”) is the principal representative of the Alliance, and the person responsible for the efficient operation of the Alliance. Therefore, it is the desire of the Alliance to provide a fair yet reasonable and not excessive compensation for the Executive Director. It is further the desire of the Alliance to provide fair yet reasonable compensation for other highly compensated employees and consultants, and to prevent any conflicts of interests from arising with respect to compensation (e.g., in the case that a Board member acts as a consultant to the Alliance).

2. Compensation Committee. Determination and approval of the compensation of the Executive Director (and any other highly compensated employees and consultants) shall be done by the Compensation Committee. The Alliance shall annually evaluate the Executive Director on his/her performance, and ask for his/her input on matters of performance and compensation. The Compensation Committee shall also approve compensation of members of the Board of Directors in the case that a Board member acts as a consultant to the Alliance (beyond his/her role as member of the board of directors).

The Compensation Committee shall consist of the Board of Directors plus the Chair of the Advisory Board. In any proceeding related to the compensation of a Director, that Director shall not be a member of the Compensation Committee. In any proceeding related to the compensation of the Executive Director, the Executive Director shall not be a member of the Compensation Committee, and the Compensation Committee shall be chaired by the Corporate Secretary or his / her designee.

The Compensation Committee shall also receive a report annually from the Executive Director describing the HR policies and experience relating to the selection and compensation of all employees or consultants. This information will provide an overview of the fiscal and other risks of the corporation and also be used in considering the upcoming budget.

3. Compensation not to exceed USAID CST without Compensation Committee approval. The Local Public Sector Alliance works with a variety of foundations, international financial institutions, and development agencies, and therefore wishes to cap its compensation at a level reasonable for the industry. The United States Office of Personnel Management determines a salary cap used by the U.S. Agency for International Development on contract awards for agencies without a certified SES Performance Appraisal System. The current “USAID contractor salary threshold” (CST) is \$187,300, which equates to a maximum daily salary rate of \$720.38.

Any employee or consultant shall be deemed a “highly compensated employee or consultant” when his/her proposed salary exceeds USAID CST, or when his/her proposed honorarium or daily consulting rate exceeds 140% of USAID CST. The total compensation for any employee or consultant shall not exceed 140% of USAID CST without approval by the Compensation Committee.

4. Board Approval of Compensation. The Compensation Committee will obtain research and information to make a recommendation to the full board for the compensation (salary and benefits) of the Executive Director based on a review of their compensation and/or comparability data. Such a review will also be conducted for other highly compensated employees or consultants (but will not be required for compensation of employees or consultants below this threshold). In addition, the Compensation Committee may secure data that documents compensation levels and benefits for similarly qualified individuals in comparable positions at similar organizations. Relevant data may include the following:

1. Salary and benefit compensation (or consulting income) earned by the Executive Director / employee / consultant in other positions;
2. Written job offers for positions at similar organizations;
3. Documented telephone calls about similar positions at both nonprofit and for-profit organizations; and/or
4. Information obtained from the IRS Form 990 filings of similar organizations.

5. Concurrent Documentation. To approve the compensation for the Executive Director (and other highly compensated employees and consultants) the board must document how it reached its decisions, including the data on which it relied, in minutes of the meeting during which the compensation was approved. Documentation will include:

- a) A description of the compensation and benefits and the date it was approved;
- b) The members of the Board / Compensation Committee who were present during the discussion about compensation and benefits, and the results of the vote;
- c) A description of the comparability data relied upon and how the data was obtained (as appropriate); and
- d) Any actions taken (such as abstaining from discussion and vote) with respect to consideration of the compensation by anyone who is otherwise a member of the board but who had a conflict of interest with respect to the decision on the compensation and benefits.

6. Independence in Setting Compensation. The Secretary of the board of directors, who is a volunteer and not compensated by the Alliance, will operate independently without undue influence from the Executive Director. No member of the Compensation Committee will be a staff member, the relative of a staff member, or have any relationship with staff that could present a conflict of interest.

Date approved:
September 22, 2022

SECTION 9 LOCAL PUBLIC SECTOR ALLIANCE TRAVEL POLICY

[Adopted as LPSA Policy by Executive Director: December 30, 2022]

1. Purpose and application

A. Travel is an important aspect of the Local Public Sector Alliance’s operations for achieving its mission. Travel may be required to meet with colleagues, partners, experts, volunteers, partner institutions, foundations, and other (potential) members of the Community of Practice to: (i) engage in knowledge development; (ii) engage in knowledge sharing; (iii) engage in outreach, convening and field-building, and (iv) improve the internal coordination and success of the Local Public Sector Alliance.

B. The purpose of the LPSA Travel Policy is to ensure that all travel undertaken on behalf of the Alliance is safe and that the travel expenses of the Alliance are controlled by establishing a consistent set of standards. The Travel Policy will also guide the reimbursement of travel expenses by officers, employees and contractors/consultants for amounts spent by LPSA-approved international or domestic travel, in line with IRS policies and regulation applicable for non-for-profit organizations.

C. It is expected from officers, employees, contractors/consultants and volunteers will follow the LPSA Travel Policy while travelling on behalf of the Alliance and will provide documentation in support of the same. If travel is part of a contracted or funded activity, LPSA shall further apply all travel requirements imposed by the funder or primary contractor, as required or appropriate.

2. Travel approval

A. All domestic and international LPSA travel must be requested and pre-approved in writing by the LPSA Executive Director (or by a Program Manager designated by the Executive Director).

B. Travel by the Executive Director shall comply with the LPSA Travel Policy. Executive Director travel shall be reviewed annually by the full Board of Directors, as part of the Board’s regular budgetary oversight.

C. Approval for travel requests shall be based on (i) the alignment / necessity of the travel in line with LPSA’s mission and operations; (ii) availability of resources; and (iii) the reasonable assurance of the safety of LPSA officers, employees, contractors/consultants or volunteers.

3. Travel reimbursement

A. It is the policy of the Local Public Sector Alliance—subject to resource availability—to provide reimbursement for officers, employees, contractors/consultants and volunteers (including volunteer board members and working group members) for pre-approved travel related expenses, including

transportation, hotels, and food. These expenses must be reasonable and necessary, as well as job-related, and must be pre-approved in writing by the Executive Director or Board of Directors.

B. For out-of-area travel, the Local Public Sector Alliance will reimburse all pre-approved travel related actual costs, such as hotel accommodations, transportation to and from the destination, including airline, train or bus tickets, taxicab fares, meals and gratuities etc.

C. The Executive Director (or the Program Manager designated by the Executive Director) may authorize travel advances for approved LPSA travel.

D. Officers, employees, contractors/consultants and volunteers (including volunteer board members and working group members) receiving advances and/or seeking reimbursement must complete the “LPSA Travel Reimbursement Request form.” The form must be fully and accurately completed, and submitted to the Executive Director (or the Program Manager designated by the Executive Director). All receipts should be scanned/attached and submitted with the form.

E. The Local Public Sector Alliance will only reimburse pre-approved travel related expenses when the officer, employee, contractor/consultant or volunteer submits documentation of these expenses with receipts from purchases or other verifiable documentation. Exceptions to this documentation requirement (for instance, for small cash outlays, such as tax fares) may be determined by the Executive Director.

F. Travel under a sponsored project shall also comply with any travel rules, including pre-approval, that may be required by the project sponsor.

4. Air travel, train travel, and other out-of-area transportation

A. Officers, employees and volunteers should generally travel at the lowest available airfare or class of travel to accommodate the purpose of the business trip.

B. Subject to resource availability, business class train travel may be approved by LPSA if the traveler is expected to work during the trip.

C. Subject to resource availability, business class air travel may be approved by LPSA for trips that exceed 14 hours travel time (including the scheduled flight time, stopovers and change of planes), or in order to provide accommodation of persons with disabilities.

5. Lodging, meals and per diem and meals

A. For out-of-area travel, the Local Public Sector Alliance will reimburse a lodging amount based on actual documented expenses, limited by federally approved lodging limits.

B. For out-of-area travel, the Local Public Sector Alliance will reimburse a per diem amount for meals and incidental expenses limited to the U.S. Government approved per diem limits.

C. Reimbursement of meals when there is no overnight travel should be paid by the organization only when the meal has a defined business purpose. Reimburse of per diem amounts for meals and incidental expenses when there is no overnight travel is limited to the federally approved per diem limits.

6. Local travel and other

A. Local travel (meaning: local travel outside of preapproved out-of-area travel) will be reimbursed through petty cash in accordance with applicable petty cash policies and procedures. This includes reimbursement for transportation by taxi and/or public transportation, and, when pre-approved, use of an employee's personal automobile. The Local Public Sector Alliance will reimburse employees, consultants, and volunteers, for the use of their personal automobile in accordance with the federally approved mileage rate for business use of personal vehicles.