

**LAPSE OF
TIME**

EBAP/15/100

November 30, 2015

To: Members of the Executive Board

From: The Secretary

Subject: **Managing Director—Proposed Acceptance of Invitation from the Holton-Arms School to Serve as Honorary Chair for a Fundraising Campaign**

Board Action: Executive Directors' **consideration** on a lapse of time basis

Deadline to Request a Board Meeting, after which Proposed Recommendation Deemed Approved: **Monday, December 7, 2015 12:00 (noon)**

Additional information: At the request of Mr. Mojarrad, in his capacity as Chairman of the Ethics Committee, attached is a memorandum setting forth the recommendation in connection with the Managing Director's request to accept an invitation to serve as Honorary Chair for a Fundraising Campaign at the Holton-Arms School.



Office Memorandum

To: Members of the Executive Board

November 25, 2015

From: Jafar Mojarrad, Chairman of the Ethics Committee

A handwritten signature in black ink, appearing to read "J. Mojarrad", is written over the printed name.

Subject: Managing Director: Proposed Acceptance of Invitation from the Holton-Arms School to Serve as Honorary Chair for a Fundraising Campaign

Background

The Ethics Committee has received a request from the Managing Director to approve her proposal to accept an invitation from the Holton-Arms School to serve as Honorary Chair for a fundraising campaign. (Attachment 1) The fundraising campaign, known as “The Promise of Holton: A Campaign for our Future,” is described by the school as an effort to “grow our endowment and renovate our library into a learning commons,” through annual fund contributions and additional gifts. The invitation states that the Managing Director’s proposed role as Honorary Chair could be as simple as “lending [her] name to campaign publications,” but that at her discretion, it could also include such additional actions as signing a letter to the community, speaking in a promotional video, making a personal appearance at a donor event, or making a personal financial donation to the campaign.

Pursuant to the Board’s approval of an earlier request in April 2013, the Managing Director already serves on the Board of Trustees of the Holton-Arms School. (Attachment 2)

Legal Framework

Under the terms of the Managing Director’s contract, she may not, without the approval of the Executive Board, apply for or accept any public or private employment or position, whether or not she receives any compensation for such employment or position. In addition, the Managing Director has an exclusive duty of loyalty to the Fund and is required to avoid any conflict of interest or the appearance of such a conflict. Under the framework for the Application of the Standard of Ethical Conduct vis-à-vis the Managing Director, the Ethics Committee is responsible for making recommendations to the Executive Board in this regard. In doing so, the Ethics Committee applies the Fund’s standards of conduct, as those are the standards applicable to the Managing Director under the terms of her contract.

Recommendation

The Ethics Committee, having consulted with the Fund's Ethics Advisor, considers that the Managing Director's acceptance of the proposed Honorary Chair position would be permissible under the Fund's standards of conduct. Moreover, as the position does not entail the payment of any compensation to the Managing Director in the United States, it is also permissible under the U.S. immigration rules. In addition, as with the Managing Director's current position as a member of the Board of Trustees of Holton-Arms, the Ethics Committee considers that given the limited time commitment expected of the Managing Director in this additional role, and the difference in nature of the two institutions, this position would not detract from the Managing Director's Fund duties, nor would it give rise to an actual conflict of interest.

However, in order to avoid the appearance of a conflict of interest, the Ethics Committee recommends that the Managing Director continue to refrain from using her IMF title and position to promote and/or endorse Holton-Arms and its activities, including fundraising activities. In this regard, we recommend against the Managing Director hosting donor appreciation or other Holton-Arms-related events at the IMF (one of the suggestions that was included in the invitation letter), and we recommend that her attendance at any such events carried out elsewhere be carefully managed to avoid the perception that donors or guests may gain special access to her, in her professional capacity as Managing Director, for a fee. Subject to these conditions, the Ethics Committee recommends that the Executive Board approve the Managing Director's request to accept the position.

cc: Messrs. Hagan and Lin

Attachments (2)

ATTACHMENT I

Dear Madame Lagarde:

Thank you again for your call last week.

In summary, we respectfully request you serve as an Honorary Chair for "The Promise of Holton: A Campaign for our Future." This Campaign will include annual Holton Fund contributions as well as gifts to grow our endowment and to renovate our library into a learning commons.

Your role as Honorary Chair could solely be lending your name to our campaign publications, similar to your role as Honorary Trustee. It could, at your discretion of course, also include some or all of the following options:

- Sign a letter to the Holton-Arms community expressing your support for the School and the current Campaign; (You retain final editing rights of this letter.)
- Make a short statement supporting the School and Campaign in a promotional video;
- Make a personal appearance at a major donor appreciation event, either at Holton-Arms, a private home, or perhaps the IMF;
- Personally support The Promise of Holton Campaign by renewing your annual Holton Fund contribution and making an endowment gift to Global Education at Holton – the program you helped inspire. As you know, our goal is to endow at least 50% of the Global Education Program to expand the capacity to support all students who wish to participate in these experiences. We respectfully ask you to consider:
 - \$2,500 per year to the Holton Fund for the five year duration of the Campaign
 - \$100,000 cumulatively over five years to endow the "Christine Lallouette Lagarde '74 Global Education Fund"

Enclosed please find a brief summary of the Campaign for your review. We also included the full Case Statement for your pleasure.

Thank you again for your consideration and for your continued support of our alma mater. In addition, we so respect and appreciate your effort to successfully resolve the significant global financial challenges that confront us. We at Holton are confident you will *find a way or make one* in this endeavor.

Sincerely,

Martha Dippell

Martha Dippell '68
Chair, Board of Trustees

Enclosures

IMMEDIATE ATTENTION

EBAP/13/41

April 16, 2013

To: Members of the Executive Board

From: The Secretary

Subject: **Managing Director—Proposed Acceptance of Invitation to Serve on Board of the Holton-Arms School Board of Trustees**

At the request of Mr. García-Silva, in his capacity as Chairman of the Ethics Committee, attached for consideration by the Executive Directors is a memorandum from Mr. García-Silva to the Members of the Executive Board setting forth the recommendation of the Ethics Committee in connection with the Managing Director's request to accept the invitation to serve on the Board of Trustees of the Holton-Arms School.

It is not proposed to bring this matter to the agenda of the Executive Board. In the absence of objection by the **close of business on Thursday, April 18, 2013**, the Ethics Committee's recommendation will be deemed approved by the Executive Board, and it will be so recorded in the minutes of the next meeting thereafter.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads



Office Memorandum

To: Members of the Executive Board

A handwritten signature in black ink, appearing to be "PMS", written over the "To:" line.

April 15, 2013

From: Pablo García-Silva, Chair of the Ethics Committee

Subject: Managing Director: Proposed acceptance of invitation to serve on the Holton-Arms Board of Trustees

The Ethics Committee has received a request from the Managing Director to approve her proposal to accept an invitation to serve on the Board of Trustees of the Holton-Arms School for an initial term of three years. The Holton-Arms School is an independent, non-profit school for girls in Bethesda, Maryland, of which the Managing Director is an alumna. Its Board of Trustees is composed of 27 alumnae, parents, a faculty member and the Head of School. Under the By-laws of the School, the Board of Trustees is, among other things, responsible for formulating and adopting the strategic goals and initiatives of the School, policies for its operation, and will set tuition, monitor and support fundraising and manage endowment funds. Regular meetings of the Board are held a minimum of four times per year. The Board of Trustees is voluntary in nature, and the Trustees receive no compensation. [See attached correspondence from Messrs. Dippell, Lawley and Jones, dated Friday, March 29, 2013.]

Under the terms of the Managing Director's contract, she may not, without the approval of the Executive Board, apply for or accept any public or private employment or position, whether or not she receives any compensation for such employment or position. In addition, the Managing Director has an exclusive duty of loyalty to the Fund and is required to avoid any conflict of interest or the appearance of such a conflict. Under the framework for the Application of the Standard of Ethical Conduct vis-à-vis the Managing Director, the Ethics Committee is responsible for making recommendations to the Executive Board in this regard. In doing so, the Ethics Committee applies the Fund's standards of conduct, as those are the standards applicable to the Managing Director under the terms of her contract.

The Ethics Committee, having consulted with the Fund's Ethics Advisor, considers that the Managing Director's acceptance of this position would be permissible under the Fund's standards of conduct. As the position does not entail the payment of any compensation to the Managing Director in the United States, the acceptance of this position would be permissible under the U.S. immigration rules. In addition, given the limited time commitment expected of the Managing Director, and the difference in the nature of the two institutions, the Ethics Committee is not of the view that this position would detract from the Managing Director's Fund duties, nor would it give rise to an actual conflict of interest. In order to avoid the perception of conflict of interest, however, the Ethics Committee recommends that the Managing Director should refrain from participating in investment decisions relating to the School's endowment or other finances. The Managing Director also agrees that such a limitation would be appropriate. Accordingly, the Ethics Committee recommends that the Executive Board approve the Managing Director's request to accept the position, subject to the conditions set forth herein.

cc: Messrs. Hagan and Lin

Attachment



I will find a way or make one

March 29, 2013

To Whom It May Concern:

The Holton- Arms School is honored to extend this invitation to Madame Christine Lagarde to join its Board of Trustees.

Founded in 1901, Holton-Arms is an independent, non-profit school for girls in Bethesda, Maryland. It is a 501 3c corporation governed by a Board of Trustees composed of 27 alumnae, parents, a faculty member and the Head of School. The latter two Trustees are ex officio. A term of trusteeship is three years, beginning July 1. Trustees may complete three terms upon successive nomination by the Board's Trustee Committee and approval of the slate of nominees by a majority of the Board of Trustees. As a voluntary board of a non-profit educational institution, our Trustees receive no compensation.

We very much look forward to Madame Lagarde's membership on our Board of Trustees. Should you have further questions, or need further documentation on Holton-Arms School, we would be pleased to respond.

Thank you.

Martha Dippell, Class of 1968
Chair, Board of Trustees

Leslie Lawley
President, Board of Trustees

Susanna Jones
Head, Holton-Arms School