

## CONFLICT OF INTEREST POLICY

### 1. Conflicts of Interest

This policy is to be read alongside the Board Operating Procedures. The Board will make decisions based solely on what is best for the Society. The Society does not allow personal interests, or the interests of people or organisations connected to Board Members, to influence these decisions.

There are two common types of conflict of interest:

- **Financial conflicts** - when a trustee, or person or organisation connected to them, could get money or something else of value from a trustee decision. For the avoidance of doubt, this does not include the payment of expenses.
- **Loyalty conflicts** - other reasons, a Board Member might not be able to make decisions that are best for the charity.

Generally, a potential conflict of interest will occur when a Board Member has a connection to another organisation or person that we have a financial, or other working arrangement with, either as:

- Family – his or her partner, child, etc or:
- Organisation – as a trustee, board member, member of staff or similar.

### 2. Meetings

Conflicts of Interest is a standing item on all board and committee agendas; the Chairman will remind Board Members at the start of each meeting that any interests must be declared.

A record of any professional or personal interest that may make it difficult for a Board Member to fulfil their duties impartially, or may create an appearance of impropriety, with any item on the agenda for that day's meeting is to be noted in the minutes of the meeting. Specifically:

- If a Board Member is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the organisation, s/he must declare the nature and extent of that interest to the other Board Members;
- If a declaration of interest proves to be or becomes inaccurate or incomplete, a further declaration must be made;
- Any required declaration of interest must be made before the organisation enters into the transaction or arrangement;
- A declaration is not required in relation to an interest of which the Board Member is not aware or where the Board Member is not aware of the transaction or arrangement in question. For this purpose a Board Member is treated as being aware of matters of which s/he ought reasonably to be aware.

If a Board Member states a conflict of interest s/he will normally be requested to leave the meeting while the relevant agenda item is discussed.

### **3. Potential Conflicts of Interest**

The Society may pay and offer other material benefits, to one or more of its members to provide services to the Society, where the Board reasonably believes it to be in the Society's best interests to do so. The services in question must be ones which the member provides in addition to carrying out normal duties if they are a Board Member. Any such proposal would be treated on a case-for-case basis and would only be approved subject to compliance with the governing document and Charity Commission guidance.

Where an individual is not part of the decision-making process, there is no direct conflict of interest. However, where he/she has a relationship with the organisation, or individual trustee/director, the perception could arise that the trustees haven't acted in the organisation's best interests, because of this.

### **4. Managing Conflicts of Interest**

To manage these issues, the Board will ask themselves the following questions:

- Is this the best use we might make of our resources?
- If so, might anyone else be able to provide this service?
- If there are others, in terms of cost, quality, availability etc, who would be the best provider?

### **5. Recording Decisions**

Conflicts of interest will be recorded in the minutes, together with the key points and decision(s) made, in sufficient detail to enable a clear understanding of the issue and the basis on which the decision was made.

### **6. Regulatory Guidance**

Charity Commission:

- [Conflicts of interest: a guide for trustees.](#)
- [Payment to trustees](#)
- [Selling/leasing to someone connected with the charity](#)
- [Trustee disqualification](#)
- [Examples of personal benefit](#)