



# CONFLICT OF INTEREST POLICY

## 1. Introduction

- 1.1 This policy serves as a guide for current trustees, prospective trustees, staff of the Foundation and the volunteers who assist the Foundation. Personal interests and duties to the charity will sometimes be in conflict. Therefore they need to be managed openly and carefully. It is expected that any matter, which might be construed as a clash between personal and Foundation interests will be raised.
- 1.2 All guidance on conflict on interest can be found on the Charity Commission website: [www.charitycommission.gov.uk/Charity-requirements-guidance/Charity-governance/good\\_governance/conflicts.aspx?](http://www.charitycommission.gov.uk/Charity-requirements-guidance/Charity-governance/good_governance/conflicts.aspx?)
- 1.3 In law trustees cannot receive any money, property, goods, or services from their charity in return for any service they provide unless they have legal authority to do so – and this authority has to have been anticipated by the express terms under which the charity was set up and registered with the Charity Commission, or may come from the Court.
- 1.4 Prospective trustees should consider whether there are any potential conflicts of interest that would arise if they were to be appointed. This is particularly important where personal interests may make it difficult for the individual concerned to make a full contribution to Board discussions and decisions.
- 1.5 Board members have a duty of loyalty to the Board and must exercise their power in the interest of the organisation, and not in their own interest or in the interest of another entity.
- 1.6 Staff, Panel Members and other volunteers. It is also important that others - staff and volunteers - do not allow any conflicts of interest to cloud objectivity.

## 2. Avoiding conflict of interest

- 2.1 To avoid conflict of interest all trustees, staff, and volunteers of the Foundation are expected to abide by the following principles:
  - When acting on behalf of the Foundation, trustees (and the others mentioned above) must put the interest of the organisation before their personal or professional interests.
  - All must serve the organisation as a whole, rather than special interests or groups.

- Trustees and others must avoid even the appearance of a conflict of interest, and disclose any possible conflicts to Chairman of the Board in a timely fashion.
- Trustees and all involved for the Foundation must maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate.
- Trustees and the others must never accept or offer favours or gifts from anyone who does business with the organisation.

### **3. Conflict of Interest Policy**

- 3.1 Any person to whom this policy relates (see above) must declare to the Chairman, or at the beginning of any meeting, any direct or indirect interest in any contract, potential contract, or any other matter, with the Foundation.
- 3.2 The Governing document of the Foundation does not contain authority for any trustees to benefit in any way from their trusteeship. Therefore trustees would need to seek permission from the Charity Commission or the Court before they could legally derive any benefit from their trusteeship. Such consent is not lightly given.
- 3.3 A Trustee cannot vote in respect of any contract in which he/she is interested. Even where there is no potential for profit no further part must be taken in deciding the issue. The trustee should absent themselves from the discussion and the decision making.
- 3.4 The Minutes will record any declaration of an interest and the absence period of the trustee from a meeting following such a declaration.
- 3.5 If a trustee could be deemed to have received any benefit from any decision this will be disclosed in the Annual Report and Accounts.

### **4. The Declaration of Interests**

- 4.1 Trustees are asked to declare their interests. A declaration of interests form is provided for this purpose, listing the types of interest that should be declared. (This form is in addition to form AP01 which newly appointed trustees have to sign as a new director of the company and to declare other directorships.)
- 4.2 Trustees are only asked to declare relevant interests (i.e. interests which, in their judgement, are relevant to, or may impact upon, their Foundation duties).

### **5. The Register of Interests**

- 5.1 Interests will be recorded on the charity's Register of Interests ("the Register"), which will be maintained by the Chief Executive.

- 5.2 The Register of Interests will be updated annually. Trustees and others connected with the foundation are also expected to update their entry whenever any relevant change of personal circumstances occurs.
- 5.3 If a Trustee or others is not sure what to declare, or whether/when a declaration needs to be updated, they should err on the side of caution. If a Trustee wishes to discuss this issue, they should contact the Chief Executive or Company Secretary for confidential guidance.
- 5.4 The Register will only be accessible by the Foundation's Trustees, Chief Executive, Company Secretary and professional advisers appointed by the Foundation (including auditors and legal advisers), unless disclosure is required by law or by any appropriate regulatory body.
- 5.5 The information provided will be processed only to ensure that trustees act in the best interests of the Foundation. The information provided will not be used for any other purpose.

## **6. Types of interest to be declared**

- 6.1 The exact nature of the interest will vary according to personal circumstances but the following are examples of interests, which should be declared if relevant to Foundation duties:
- Company: any relationship with a named company with which the Foundation might do business. Such interests would include:
    - Ownership or part ownership;
    - Share-holdings or other beneficial interest such as options, warrants etc.
    - Only share-holdings above the 3% notifiable level need be declared;
    - Directorships;
    - Paid employment, specifying position held;
    - Partnership, consultancy, or close family connection.
  - Self-employment: names of any client accounting for more than 5% of your total annual earned income;
  - Property: freehold or leasehold ownership of any properties in which the Foundation might have an interest;
  - Charities: trusteeship, governorship or membership of or employment with, any charities or voluntary organisations;
  - Public appointments: paid or unpaid;
  - Memberships: membership of other associations or external bodies;
  - Family: specified close family interest in any of the above. The definition of "close" would be up to the registrant to decide. It is appreciated that a declaration may be difficult to declare if information is not forthcoming from a family member.
  - In all of the above, registrants are not expected to quantify the extent of a financial interest, merely the fact that one exists.

## **7. What to do if you face a conflict of interest**

- 7.1 Trustees and others should declare their interest at the earliest opportunity and withdraw from any subsequent discussion.
- 7.2 Trustees may, however, participate in discussions from which they may indirectly benefit, for example where the benefits are universal to all users, or where the benefit is minimal.
- 7.3 If a Trustee or other person connected with the foundation fails to declare an interest that is known to the Chief Executive, the Company Secretary and/or the Chairman of the Board, the Chief Executive, Company Secretary or Chairman will declare that interest.

## **8. Decisions taken where a trustee has an interest**

- 8.1 In the event of the board having to decide upon a question in which a trustee has an interest, all decisions will be made by vote, with a simple majority required.
- 8.2 If, in the opinion of the Chair, it is deemed appropriate, the interested party may be asked to leave the room during the discussion.
- 8.3 A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate.
- 8.4 Interested board members may not vote on matters affecting their own interests.
- 8.5 All decisions under a conflict of interest will be recorded by the Chief Executive/ Company Secretary and reported in the minutes of the meeting. The report will record:
  - the nature and extent of the conflict;
  - an outline of the discussion;
  - the actions taken to manage the conflict.

## **9. Availability of this policy**

- 9.1 This Policy is intended to be openly available to anyone interested or potentially affected by the issues touched upon within it. Therefore it will be available to anyone on request.

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