



Conflict of Interest Policy

Contents:

- 1. Introduction**
- 2. Examples of Conflicts of Interest**
- 3. Disclosure of Interest**

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1. Introduction

Trustees can only comply with their duty to act in a charity's best interests if they prevent their personal interests from conflicting (or appearing to conflict) with the best interests of the charity. This means recognising and dealing with conflicts of interest.

A conflict of interest is any situation where the personal interests of a trustee could, or could appear to, prevent that person from making a decision only in the charity's best interests. For example, if a trustee (or a person connected to that trustee, such as a close relative, business partner or company):

- receives payment from the charity for goods or services, or as an employee;
- makes a loan to or receives a loan from the charity;
- owns a business that enters into a contract with the charity;
- uses the charity's services; or
- enters into some other financial transaction with the charity.

Even when a trustee receives no financial benefit, he/she could have a conflict of loyalty. For example if the charity has business dealings with the trustee's employer, a friend, family member, or another body (such as a local authority or charity, or a charity's trading subsidiary) that the trustee serves on. Other examples of conflicts of interest are set out in section 2 below.

This means all trustees:

- should **identify**, and must declare conflicts of interest (or loyalty);
- must **prevent** the conflict of interest (or loyalty) from affecting the decision; and
- should **record** the conflict of interest (or loyalty) and how it was dealt with.

The purpose of this policy is to protect the integrity of the Trust's decision-making process, to enable people to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff and Trustees.

2. Examples of Conflicts of Interests

- i. A Trustee who is also on the Trustee for another Charity that is competing for the same funding.
- ii. A Trustee who has shares in a business that may be awarded a contract to do work or provide services for the Trust.
- iii. A Trustee who is related to a member of staff and there is a decision to be taken on staff pay and/or conditions.
- iv. A Trustee is related to the person with 'Grant of Exclusive Right of Burial' when specific plots are being discussed.

3. Identifying a Conflict of Interest

It is a legal requirement that a trustee declares a conflict of interest immediately he/she is aware of any possibility that his/her personal or wider interests could influence their decision-making. Therefore, upon appointment each Trustee will make a full, written disclosure of any interests, such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file for the duration of a trustee's appointment and for five (5) years thereafter, and will be updated as appropriate.

There will be a standard agenda item at the beginning of each trustee meeting to allow trustees to declare any actual or potential conflicts of interest. Furthermore, to the extent not already disclosed, Trustees shall disclose any interests in a transaction or decision where there may be a conflict.

4. Dealing with a Conflict of Interest

Once a conflict of interest is identified, the Trust must prevent it from affecting the decision-making process by:

- finding an alternative way forward which doesn't involve the conflict of interest (particularly if the issue is serious); or

- taking appropriate steps to manage the conflict (if it's less serious), which will usually mean that the trustee affected doesn't take part in discussions about or votes on the issue.

The Trust will have to ask the Charity Commission to authorise a decision in advance if:

- it is going to involve any benefit to a trustee that hasn't already been authorised by the Commission;
- the conflict of interest is serious but there's no alternative way forward that will remove it; or
- most or all of the trustees share the conflict of interest.

5. Recording a Conflict of Interest

Keep a written record of the conflict of interest and how the Trust dealt with it in the minutes of its meetings. Explain:

- what sort of conflict of interest it was;
- which trustee or trustees were affected;
- if any conflicts of interest were declared in advance;
- an outline of the discussion;
- if anyone withdrew from the discussion; and
- how the other trustees made the decision in the charity's best interests.