

Conflicts of interest policy Waterlooville u3a

PURPOSE OF THIS POLICY

The purpose of this policy is to protect the integrity of the Charity's decision making process and, thus, enable the Trustees to have confidence in the Charity's integrity and reputation. In this policy document the term 'Charity' refers to Waterlooville u3a.

This policy should be read in conjunction with the charity's governing document. It is set up to advise Trustees of:-

- When conflicts of interest commonly happen
- How to declare them
- What all Trustees need to do about them

This Policy will be reviewed regularly, at least annually, and discussed with all current and new Trustees.

Managing Conflicts of Interest (Conflicting Interests)

Trustees must make decisions based on sound judgement and what is in the best interest of the charity. We will not allow our personal interests, or the interests of people or organisations connected to Trustees, to influence these decisions.

Identifying Conflicts of Interest

A conflict of interest occurs when an individual's personal interests affect his or her decision making. Such personal interests could, for instance, be of a financial, property, loyalty or political nature, with the associated decision making compromised as a result of biased judgement.

Financial Conflicts

These conflicts happen when a Trustee, or person or organisation connected to them, could gain financially or realize something else of value from a Trustee decision.

Such conflicts do not include a Trustee's expenses – for example, travelling to and from an authorised meeting or approved purchasing of resources

Some common examples

Financial conflicts for a Trustee happen if the charity is deciding whether or not to:-

- Pay the Trustee for doing their Trustee role (in excess of expenses)
- Sell, loan or lease charity assets (land or anything else the charity owns) to the Trustee
- Purchase, borrow or lease charity assets from the Trustee
- Purchase goods from a business owned by the Trustee

It still counts as a conflict, even if the charity would get a good deal for its money.

Loyalty conflicts

These conflicts are not about money or other Trustee benefits. They happen when, for other reasons, a Trustee might not be able to make decisions that are best for the charity.

Some common examples

They can happen if the charity's decision involves a person or organisation linked to a Trustee. For example

- the Trustee's employer
- another charity where they are a Trustee
- the organisation that appointed them as a Trustee
- their relatives or friends

There can be a conflict because the Trustee's responsibility (or loyalty) to the other organisation or person could compete with their responsibility to the charity.

The charity must identify and deal properly with all conflicts of interest.

Every Trustee must do this, not just the Trustee with the conflict, thus ensuring that the charity meets its joint legal responsibility to make decisions. Such decisions must be:-

- based only on what's best for the charity
- without influence from personal interests

The charity will follow these 4 steps.

Step 1

Declare conflicts of interest

Prior to any related discussions or decisions taking place Trustees must tell the other Trustees if they have a personal conflict of interest

Trustees must not ignore something that might be considered a conflict of interest by other Trustees.

All Trustees must:-

- Identify and declare conflicts at the start of meetings - have this as a standard agenda item (*we do!*)
- Keep and update a register of interests

Step 2

Consider removing conflicts of interest

Trustees have to take action to stop the conflict from affecting decisions, always acting in the best interests of the charity.

Consider if it is best for the charity to remove the conflict, particularly important if it is a serious conflict

If the charity decides that the conflict does not need to be removed, Trustees must prevent it from affecting any decision in a different way.

Step 3

Check that any Trustee payments or benefits are authorised

Trustees must not allow another Trustee, organisations or people connected to them, to benefit from the charity, unless it is allowed by any of the following:-

- Rules in the charity's governing document; these rules must be checked prior to any decision to pay or benefit a Trustee.
- The law
- The charity commission or the court

Before a decision is made that may involve a conflict of interest, any conflicted Trustee must not:-

- Take part in any relevant discussion
- Take part in the decision or vote
- Be counted in the quorum

All Trustees are legally responsible for making sure any conflict is managed by following the established process.

Step 4
Keep a record of conflicts of interest

Record

- What the conflict was
- Who or what it affected
- When it was declared
- How it was managed
- Agreed decision

This will help to show that the charity has acted with integrity foremost.

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