

Conflict of interest policy

A conflict of interest is any situation in which a trustee's personal interests, or interests that they owe to another body, may (or may appear to) influence or affect the trustee's decision making.

Conflicts of interest may come in a number of different forms:

- direct financial gain or benefit to the trustee, such as:
 - payment to a trustee for services provided to the charity;
 - the award of a contract to another organisation in which a trustee has an interest and from which a trustee will receive a financial benefit;
 - the employment of a trustee in a separate post within the charity, even when the trustee has resigned in order to take up the employment;
- indirect financial gain, such as employment by the charity of a spouse or partner of a trustee, where their finances are interdependent;
- non-financial gain, such as when a user of the charity's services is also a trustee;
- conflict of loyalties, such as where a trustee is appointed by one of the charity's funders, or where a friend of a trustee is employed by the charity.

All trustees need to be alert to possible conflicts of interest which they might have and to how they can minimise their effects. A key aspect of minimising the effects of conflicts of interest is to be open and transparent about such situations when they arise.

All trustees should advise the Chairman of any actual or potential conflicts of interest of which they are aware, as soon as they arise.

At the beginning of every meeting, there will be an opportunity for every charity trustee to declare any private interest which he or she has in an item to be discussed, and certainly before any discussion of the item itself. Simply declaring that a conflict exists and withdrawing from the discussion and any decision making will be all that is required if the trustee is not receiving any material benefit as a result of the conflict of interest.

- The trustee should not participate in the decision making process;
- once a decision has been made, consideration must be given at that point in time to managing the conflict of interest;
- details of the discussions and decisions made must be minuted

If a trustee is receiving a material benefit this will need authority.

Payment for services can only be made on the following conditions

- there is a written agreement between the charity and the trustee or connected person who is to be paid;
- the agreement sets out the exact or maximum amount to be paid;
- the trustee concerned may not take part in decisions made by the trustee board about the making of the agreement, or about the acceptability of the service provided;
- the payment is reasonable in relation to the service to be provided;
- the trustees are satisfied that the payment is in the best interests of the charity;
- the trustee board follows the 'duty of care' set out in the 2000 Act;
- the total number of trustees who are either receiving payment or who are connected to someone receiving payment are in a minority; and
- there is no prohibition against payment of a trustee.

It is also a condition that, before entering into this type of agreement, trustees must 'have regard to' Charity Commission guidance on the subject. Trustees must be able to show that:

- they are aware of this guidance;
- in making a decision where the guidance is relevant, they have taken it into account;
- if they have decided to depart from the guidance, they have a good reason for doing so.

It will be the responsibility of the Chairman of the Council to ensure that in such circumstances, all this guidance is available to the trustees and is followed.

This policy on conflicts of interest will be published on the British School at Rome website.