



Conflict of Interest Policy

A conflict of interest is any situation in which a Trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity. Even the perception that there is a conflict of interest can damage the charity.

Conflicts of interest usually arise where either:

- A. there is a potential financial or measurable **benefit** directly to a Trustee, or indirectly through a connected person (relative, business partner etc.)
- B. a Trustee's duty to the charity may compete with a duty or **loyalty** they owe to another organisation or person.

A. **Benefits** to Trustees

There is a conflict of interest where there is

- a proposed transaction between the Green and a Trustee/connected person;
- a benefit or a potential benefit to a Trustee/connected person; or
- a Trustee/connected person is a member of another organisation whom the Green is intending to employ.

B. Conflicts of **loyalty**

There is a conflict of loyalty where - although the affected Trustee does not stand to gain any benefit - the Trustee's decision-making at the Green could be influenced by his or her other interests.


For example, a Trustee's loyalty to the Green could conflict with his or her loyalty to

- another organisation, such as their employer
- another charity of which they are a trustee
- a member of their family
- another connected person or organisation

Preventing conflict from affecting decision-making

1. Individual trustees should always declare any conflicts of interest which affect them. Any failure to declare a conflict of interest is a serious issue.

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Always bear in mind that the perception of a conflict of interest could be as detrimental to the Green as actual conflict.

2.a Where the conflict involves a potential benefit, that Trustee should not participate in any decisions where they stand to gain. Whether directly, or indirectly through a connected person (*benefits to Trustees*).

2.b. Where affected Trustees do not stand to gain any benefit (*conflict of loyalty*) the Trustees must decide what level of participation is in the best interests of the charity: that declaration is sufficient, or withdrawal from the decision-making is necessary.

3. Whatever decision Trustees take to prevent a conflict of interest from affecting them, they should be able to demonstrate that their decision was made only in the best interests of the charity.

4. Trustees should consider whether serious conflicts of interest should be removed or require authority from the Charities Commission.

Keep a written record of the decision

Any conflict of interest and how the Trustees have dealt with it should be recorded in the Minutes. The written record should show:

- the nature of the conflict
- which Trustee was affected
- whether any conflicts of interest were declared in advance
- an outline of the discussion
- whether anyone withdrew from the discussion
- how the Trustees took the decision in the best interests of the charity.