



Harmonie

Concert Band

Conflict of Interest Policy for Trustees

This policy sets out the regulatory requirements in relation to conflicts of interest with respect to the Trustees.

A conflict of interest is any situation in which the Trustee's personal interests, or interests that they owe to another body, and those of the charity arise simultaneously or appear to clash.

It is inevitable that conflicts of interest may occur. The issue is not the integrity of the trustee concerned, but the management of any potential to profit from a person's position as trustee, or for a trustee to be influenced by conflicting loyalties.

The law states that trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so. 'Benefit' includes any property, goods or services that have a monetary value, as well as money. This legal authority will come from the Charities Commission. It is the potential, rather than the actual, benefit from which the conflict of interest arises that requires authority.

Not all benefits enjoyed by trustees need to be authorised by the Commission. It is perfectly acceptable to repay reasonable out of pocket expenses to trustees. Any costs that are necessary to allow trustees to carry out his or her duties as a trustee can be classed as expenses and recovered from the charity. Benefits that are available to all, or that are of little measurable value, will not normally need to be authorised.

The following are areas of possible conflict:

1. Direct financial gain or benefit to the trustee such as:
 - Payments for services provided
 - Award of contracts to outside bodies in which a trustee has an interest
 - Employment of a trustee in a position in the charity
2. Indirect financial gain, such as the employment of a spouse, partner or child of a trustee, where the finances are interdependent.
3. Non-financial gain when the user of the charity's services is also a trustee
4. Conflict of loyalties when an outside body appoints a trustee and a friend of that trustee is employed by the charity.

The Charity Commission expects trustees to be able to identify conflicts of interest and to ensure that the benefit is authorised. The Commission will provide authority where there is a clear advantage to the charity.

If there is no material benefit to a trustee, no authority will be required, but the trustees will need to ensure that the conflict of interest is managed properly.

Management of Conflicts of interest

Trustees must advise the charity of any actual or potential conflicts of interest of which they are aware, as soon as they arise. The charity will prepare a register of interests.

At the beginning of every meeting the trustees will declare any private interest that he or she has in an item to be discussed. Simply withdrawing from the discussion and decision-making will be all that is needed if the trustee is not receiving any material benefit from the conflict of interest. If the trustee will receive a material benefit then authority will need to be obtained.

Any new trustees will be required to consider the question of possible conflicts of interest before they are appointed.

Any benefits received by trustees will be disclosed in the chairman's annual report and the treasurer's accounts.

When a trustee is subject to a conflict of interest, that trustee will:

- Be removed from the decision making process

- The charity will then manage the conflict of interest once a decision has been made.

- Details of the discussions and decisions made will be recorded.

A copy of this policy will be available on the charity's website.