

CONFLICTS OF INTEREST POLICY FOR CAQM

Conflicts of Interest Policy

1. Purpose

Cumbria Area Quaker Meeting (CAQM) is committed to maintaining transparency, integrity, and ethical conduct. This policy outlines how we handle conflicts of interest to ensure fair decision-making and protect the best interests of our community.

Trustees have a legal duty to act only in the best interests of their charity. The Charity Commission expects them to take appropriate steps in line with this guidance to ensure that they can do this.

2. Scope

This policy applies to all Trustees, staff, volunteers, and anyone associated with our organisation.

The existence of a conflict of interest does not reflect on the integrity of the affected Trustee, so long as it is properly addressed.

Trustee Conflict of Interest

Trustees will make decisions based only on what's best for the charity. We do not allow personal interests, or the interests of people or organisations connected to Trustees, to influence these decisions.

There are two common types of conflict of interest:

- Financial conflicts - when a Trustee, or person or organisation connected to them, could get money or something else of value from a Trustee decision. This does not include the payment of expenses.
- Loyalty conflicts - other reasons, a person might not be able to make decisions that are best for the charity.

Generally, a potential conflict of interest will occur when a Trustee has a connection to another organisation (or person) that we have a financial, or other working arrangement with, either as:

- Family – his or her partner, child etc or:
- Organisation – as a Trustee, board member, member of staff or similar.

Financial conflicts for a Trustee happen if your charity is deciding whether to:

- pay the Trustee for doing their Trustee role (more than their expenses)
- employ or pay the Trustee, or their relative, for some work at your charity, or its trading company
- sell, loan or lease charity assets (land or anything else the charity owns) to the Trustee

- buy, borrow or lease charity assets from the Trustee
- buy goods from a business owned by the Trustee.

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

Loyalty 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.

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.

Conflicts can affect all types of charities. But you must identify and deal with them properly.

Everyone must do this, not just the Trustee with the conflict. Otherwise, you will not meet your joint legal responsibility to make decisions:

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

3. Policy Guidelines

3.1. Identification and Disclosure

1. **Obligation to Disclose:** Trustees must promptly disclose any actual or potential conflicts of interest that may affect their ability to act in the organisation's best interests.
2. **Annual Declarations:** Trustees should provide an annual declaration of any relevant interests, financial or otherwise.

Identifying Trustee Conflicts of Interest

Conflict of interest is a standing item at all AM Trustee meetings; the chairman will remind Trustees at the start of each meeting that any interests must be declared.

A record of any professional or personal interest that may make it difficult for a Trustee to fulfil their duties impartially, or may create an appearance of impropriety, with any item on the agenda for that day's meeting is to be noted in the minutes of the meeting. Specifically:

- If a Trustee is in any way, directly or indirectly, interested in a proposed transaction or arrangement with the organisation, s/he must declare the nature and extent of that interest to the other Trustees
- If a declaration of interest proves to be or becomes inaccurate or incomplete, a further declaration must be made
- Any required declaration of interest must be made before the charity enters into the transaction or arrangement
- A declaration is not required in relation to an interest of which the Trustee is not aware or where the Trustee is not aware of the transaction or arrangement in question. For this purpose, a Trustee is treated as being aware of matters of which s/he ought reasonably to be aware.

If a Trustee states a conflict of interest, s/he will normally be requested to leave the meeting while the relevant agenda item is discussed.

Potential Trustee Conflict of Interest

A charity may pay and offer other material benefits to one or more of its Trustees to provide services to the charity, where the Trustees reasonably believe it to be in the charity's best interests to do so. The services in question must be ones which the charity Trustee provides in addition to carrying out normal Trustee duties. Any such proposal would be treated on a case for case basis and would only be approved subject to compliance with the Articles of Association and Charity Commission guidance.

Where an individual is not part of the decision-making process, there is no direct conflict of interest. However, where he/she has a relationship with the organisation, or individual Trustee/director, the perception could arise that the Trustees haven't acted in the organisation's best interests, because of this.

3.2. Handling Conflicts

1. **Assessment:** When a conflict arises, AM Trustees will assess its significance and impact on decision-making.
2. **Recusal:** Trustees with a conflict must recuse themselves from discussions or decisions related to the matter.
3. **Alternative Approaches:** AM Trustees will explore alternative approaches to address the conflict, such as seeking independent advice or involving other Trustees.

Managing Trustee Conflict of Interest

To manage these issues, AM Trustees will ask themselves these kinds of questions:

- Is this the best use we might make of our limited resources?
- If so, might anyone else be able to provide this service?

- If there are others, in terms of cost, quality, availability etc, who would be the best provider?

3.3. Decision-Making

1. Transparency: All decisions involving a conflict of interest will be transparently documented.
2. Best Interests: The organisation's best interests will always take precedence over individual interests.

Recording Charity Trustee Decisions

Conflicts of interest will be recorded in the minutes, together with the key points and decision(s) made, in sufficient detail to enable a reader to understand the issue and the basis on which the decision was made.

3.4. Review and Training

1. Regular Review: AM Trustees will periodically review this policy to ensure its effectiveness.
2. Trustee Training: New Trustees will receive training on conflicts of interest during their induction.

4. Reporting and Register

1. Register of Interests: Maintain a register of Trustees' interests, including financial interests, relationships, and affiliations.
2. Reporting: Trustees should report any changes to their declared interests promptly.

When a person is being considered for selection as a Trustee, the potential Trustee should be given an opportunity to see how Trustees work and the scope of their responsibilities and work. At this stage a potential Trustee should consider whether their service would create issues with conflicts of Interest.

Induction: Each new Trustee should be given an induction which provides training on how to manage conflicts of interest. This should include training on managing Trustees' special interests when they conflict with acting in the best interests of the organisation.

Each Trustee will be required to sign an acceptance (Fit and Proper Person Declaration) on becoming a Trustee. Each Trustee must register as a Trustee in the register, stating any conflicts of interest. The register will be held by the Clerk of Trustees / CAQM Management Committee and be open to scrutiny by Members of the Religious Society of Friends. Trustees must up-date the register if any change in their circumstances creates a conflict of interest. The register will be reviewed by the Clerk of Trustees and discussed at a Trustee meeting on an annual basis. If a Member of CAQM considers that a Trustee has acted in an

inappropriate manner, then they should write to the Clerk of Trustees / Clerk to CAQM stating their case.

5. Contact Information

For any questions or clarifications regarding conflicts of interest, please contact:

- **Name:** Clerk to the Trustees
- **Email:** am.clerk@cumberlandquakers.org.uk

All Trustees must follow these four steps:

STEP 1

Declare conflicts of interest

You must tell the other Trustees if you personally have a conflict of interest. Do this early, before discussions or decisions happen.

Do not ignore something that might be a conflict for you or another Trustee. Talk to the other Trustees if you're unsure.

You and the other Trustees should:

- identify and declare conflicts at the start of meetings - have this as a standard agenda item
- keep and update a register of interests

Follow the CAQM Conflicts of Interest policy

Follow any rules in your charity's governing document about conflicts of interest.

You should also set a policy to tell Trustees:

- when conflicts of interest commonly happen
- how to declare them
- what all of the Trustees need to do about them

Review your policy regularly and discuss it with new Trustees.

STEP 2

Consider removing conflicts of interest

As Trustees you have to take action to stop the conflict from affecting your decision.

What you need to do depends on your situation, but you must decide based only on what is in the best interests of your charity.

You must consider if it is best for the charity to remove the conflict. This is particularly important if it is a [serious conflict](#).

If you decide that you do not need to remove the conflict, you must prevent it from affecting your decision in a different way. Use the following steps to manage it.

STEP 3

Manage conflicts of interest

Check that any Trustee payments or benefits are authorised

You must not allow a Trustee - or organisations or people connected to them - to benefit from your charity, unless it's allowed by (any of the following):

- rules in your charity's governing document
- the law
- the Charity Commission or the Court

[Check the rules before you decide to pay or benefit a Trustee](#): you may have to repay your charity if you do not follow them.

You must [get Commission agreement before your charity sells or leases land to a Trustee](#) (or connected people or organisations).

Even if a Trustee benefit is allowed, you still have to strictly manage the conflict of interest.

Follow any specific rules on managing the conflict

Check and follow:

- your charity's governing document
- any directions from the Charity Commission, for example if we have given your charity permission to benefit a Trustee
- other legal rules that apply to your charity

If you do not have any of these rules to follow, make sure your charity sets some before you make a decision affected by a conflict of interest.

As a minimum, the rules should require that the conflicted Trustee:

- leaves relevant discussions
- does not take part in the decision or vote

- is not counted in the quorum

If your charity is a company, you must add the rules to its governing document before you make your decision. You can use the wording in this [Model governing document](#) (PDF, 346KB, 27 pages).

You and the other Trustees are legally responsible for making sure you manage the conflict by following the right 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 you managed it

This will help to show that you have acted properly.

What to do about serious conflicts of interest

Common examples of serious conflicts are where:

- a majority of you have a conflict
- there is a single Trustee, for example, a company or local authority and they have a commercial interest in the charity decision
- your decision involves significant money or risk, and there is a conflict

In these types of situation, consider these options.

Can you remove the conflict? Consider:

- changing your plan
- asking a conflicted Trustee to resign
- deciding not to appoint a conflicted person

Can you appoint additional Trustees not affected by the conflict?

Take legal advice if you're unsure. Your charity can pay for this when taking advice for the charity only.

Consider if you need to ask the Commission to authorise your decision in very high-risk cases.

Always follow the Charity Commission's [more detailed guidance on conflicts of interest](#) in complex or serious cases. These are where you cannot make your decision in the best interests of the charity, or it could look like that to people outside your charity.

Register of Trustees' Interests: Disclosure form

(continue overleaf if insufficient space)

1.	NAME	
2.	Paid employment (Employer / business interest:	
3.	Self Employment / business interest:	
4.	Directorships (name companies)	
5.	Significant shareholdings	
6.	Are you on any other Quaker committees?	
7.	Membership of other Quaker bodies	
8.	Elected office / Public Appointments	

9.	Trusteeships / management of charities / voluntary bodies	
10.	Membership of professional bodies	
11.	Other (such as spouse / partner working for Society of Friends)	

Signed

Date

November 2024