



CONFLICT OF INTEREST POLICY

1. INTRODUCTION

- 1.1 The Community Foundation serving Tyne & Wear and Northumberland (the Foundation) relies on having a good reputation and is committed to fairness and integrity in decision-making. Therefore, we actively and transparently manage conflicts of interest, while recognising the benefit of having trustees, volunteers and employees who are engaged in our area and involved in other organisations.

2. PURPOSE AND SCOPE

- 2.1 The purpose of this policy is to set out the process and responsibilities for ensuring that conflicts of interest when they arise do not compromise the organisation's ability to impartially and objectively pursue its charitable purposes.
- 2.2 The policy applies to all employees, trustees (directors) and volunteers (including committee co-optees and grant panel members).

3. DEFINITIONS

- 3.1 A conflict of interest is any situation in which someone's personal or professional interests and those of the Foundation arise simultaneously or appear to clash. Conflicts of interest include, but are not limited to:
- direct financial gain or benefit e.g. payment to a trustee for services provided to the charity, or award of a grant or contract or to an organisation in which a trustee, employee or volunteer has an interest;
 - indirect financial gain e.g. employment of a spouse or partner of a trustee.
- 3.2 At the Foundation, conflicts of interest are most likely to occur in relation to grants. A conflict of interest may occur if a trustee, volunteer or employee is, for example:
- a trustee or employee of an organisation applying for/receiving a grant;
 - a beneficiary or member of such an organisation;
 - is closely related to someone who is any of the above;
 - stands to benefit from a grant as a contractor to the grantee organisation.
- 3.3 A conflict of interest may also occur if a Foundation trustee, volunteer or employee is themselves, or has a close relationship with, a person or organisation that is:
- a donor or potential donor;
 - a current or potential funding partner;
 - a supplier of services to the Foundation.

4. RESPONSIBILITY FOR IMPLEMENTING THE POLICY

- 4.1 All trustees, volunteers and employees must declare any external personal or professional interests where they may receive a direct or indirect financial gain.
- 4.2 Trustees and volunteer committee/panel members must notify the chair of any meeting they are attending of any conflict of interest relating to any organisation being discussed, whether as a grantee, partner, donor or supplier. To avoid any perceived or actual conflict of interest, the Chair may tell the conflicted person to:
- withdraw for all or some of the meeting, or
 - stay, but not take part in the discussion and any decision-making.
- 4.3 Employees must notify their line manager of any conflicts relating to any grant recipient or applicant, donor, supplier or partner organisation that arise during the course of their work. Line managers will ensure that the conflicted employee is not involved in any assessment or decision-making in relation to the conflict concerned.

5. BREACHES OF THE POLICY

- 5.1 Trustees, volunteers and employees must notify the Chief Executive as soon as possible if they believe or suspect that a breach of this policy has occurred or may occur in the future. Where any alleged conflict relates to the Chief Executive, either the Chief Finance and Operating Officer or Chair of the Board should be notified.
- 5.2 In most cases breaches of the policy will likely be unintentional so may, following investigation, be dealt with informally and through reminders of the requirement to work within this policy. However, repeated failure to declare conflicts of interest, or deliberate attempts to gain benefit from concealing conflicts of interest, could result in formal action. For employees, such issues will be dealt with under the Foundation's disciplinary procedure. For trustees, investigation will be carried out by the Governance, Finance and Audit Committee and could result in disqualification from the Board. Breaches by volunteers will be investigated by the Chief Executive and could result in individuals being removed from committees or panels.

6. RECORD KEEPING

- 6.1 The Foundation will maintain registers of interest for trustees, volunteers and staff. These will be updated annually and when new conflicts are notified.
- 6.2 Minutes of meetings will record any notifications of conflicts of interest and the action agreed by the chair in response in line with this policy.

7. MONITORING AND REVIEW

- 7.1 The Foundation will monitor the effectiveness of this policy regularly to ensure its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. The policy will be reviewed by the Board every three years.

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