

VOLUNTARY ACTION - LEEDS

TRUSTEE BOARD POLICY ON CONFLICT OF INTEREST

1. Definitions

A conflict of interest exists where a trustee of Voluntary Action - Leeds has a financial interest in or stands to gain or lose financially from any contract, transaction or other agreement entered into by Voluntary Action - Leeds. The terms “financial interest” and “gain” apply to anything with a monetary value. A potential gain may arise directly (for example, goods and services purchased from the trustee) or indirectly (for example, if purchased from a partnership or company in which the trustee has shares). A conflict of interest also exists if someone connected with a trustee (spouse, child or stepchild under 18, business partner or business partner of spouse/child) stands to gain.

2. General Duties of Trustees

Trustees of Voluntary Action - Leeds have a general duty to act in the best interests of Voluntary Action - Leeds as a whole. They should not do so in order to gain financial or other material benefit for themselves, their family, their friends, their business connections, or the organisation they come from or represent. They should not place themselves under any financial or other obligation to external individuals or organisations which might seek to influence them in the performance of their role.

3. Declarations of Interest

Trustees of Voluntary Action - Leeds have a duty to declare any interests relating to their trustee role and to take steps to resolve any conflicts which may arise. Where private interests of a trustee conflict with their trustee duties, they must resolve the conflict in favour of the trustee role. On seeking to become a trustee, and on being elected, trustees must make relevant declarations of interest in the different circumstances and roles they play both within and outside VA-L. Should any potential conflicts arise during the trustee’s time in office, this should again be declared. Any

declarations of interest should be recorded by the Chair or Deputy Chair in a register maintained for this purpose. There will be a set agenda item for Declarations of Interest, this will be an open Declaration.

4. **Financial Interests**

Trustees of Voluntary Action - Leeds should not have any financial interests in conflict with those of VA-L, either in person or through family or business connections, nor any financial interest in a matter under discussion. Where such interests exist or may exist, the trustee is required to declare a conflict of interest by specifically notifying any such interest at any meeting where trustees are required to make a decision which affects or may affect their personal interest and by absenting themselves entirely from such decision-making/voting - usually by leaving the room, but always by taking no part in the discussion and/or vote.

Any VA-L trustee who stands to gain, however innocently, from a decision of the Trustee Board, or who finds that there is or may be any conflict between her/his duty to VA-L and her/his personal interests, should disclose this and take no part in the decision. If the conflict is sufficiently serious or is likely to be prolonged, the trustee concerned may have to avoid attending Trustee Board meetings while the issue is resolved, or even resign her/his trusteeship.

5. **Duality of Interest**

It is recognised that conflicts can also arise between a trustee's duty to VA-L and some other public obligation or trusteeship of another organisation. This is defined as duality of interest: that is, the trustee may have divided loyalties, but does not stand to gain financially. Where such duality exists, the trustee should declare it, and is expected to act in the best interests of VA-L. If the trustee is appointed by, represents, or is a member of another body, s/he must remember that her/his duty to VA-L still overrides all other obligations; if irreconcilable conflict arises, again s/he may have to avoid taking any part in decisions of the Trustee Board, or may have to resign from one or other position.

6. **Situations Where Interest May Be Unclear**

If a trustee has an interest which does not, in the opinion of a clear majority of the rest of the trustees present at a meeting, create a real danger of bias but which might cause others to think that it could influence their decision, the trustee should still declare the nature of the interest, but may remain in the room and take part in the discussion and vote if s/he and other trustees feel this to be appropriate.

It is recognised that there may be occasions on which correct procedure is harder to identify, and then trustees must remember their overriding duty to avoid conflict of interest and to act not in their own interests, but in the interests of VA-L as a whole and all its present and future beneficiaries.

If there is any doubt about any aspect of this Policy, trustees should consult the Chair at the earliest opportunity. If the Chair is unclear advice should be taken from the Charity Commission or VA-L's solicitors.

7. **Recording of Interest**

All declarations of dual interest or conflict of interest - real or potential - must be recorded in the minutes of Trustee Board meetings.

Above taken from:

Running a Charity/Voluntary Sector Legal Handbook/NCVO Model Code of Conduct for Voluntary Sector Trustee Boards

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