

# Board Conflict of Interest and Loyalty Policy



Centre Name	
Centre Address	

Policy Name	Board Conflict of Interest and Loyalty Policy
Policy Number	
Date Created	
Effective Date Adopted by the Board	
Version Number	
Date of Last Version	
Administrator Responsible	
Administrator Contact Information	

## POLICY HISTORY

Version Number	Approved by	Revision Date	Author

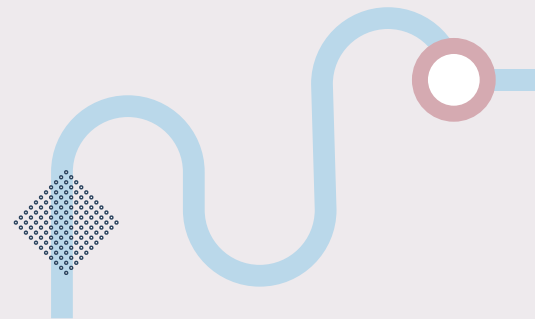
## DOCUMENT CONTROL

Document Ref		Title	Board Conflict of Interest and Loyalty Policy
Version & Date		Author	
Directorate:		Approved by Management	
Reviewed		Change History	

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# Board Conflict of Interest and Loyalty Policy



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## OVERVIEW

The Board of \_\_\_\_\_ is committed to setting high standards of ethical conduct and accordingly places enormous emphasis on making clear any existing or potential conflicts of interest.

The purpose of this policy is to assist board members (charity trustees) to effectively manage conflicts of interest or conflicts of loyalty.

A conflict of interest arises when a board member's private or business interests compete with his or her professional duties, in this case, board membership of x community centre. A conflict of loyalty arises where a board member is potentially influenced by considerations other than the best interests of the organisation

This policy has been developed to provide a framework for:

1. all board members to declare conflicts of interest
2. all board members to recognise a conflict of interest
3. the board, when determining how to deal with situations of conflict.

## OBJECTIVE

The \_\_\_\_\_ board of management aims to ensure that the directors are aware of their obligations to disclose any conflicts of interest that they may have, and to comply with this policy to ensure that they effectively manage those conflicts of interest as representatives of \_\_\_\_\_ CLG.

## SCOPE

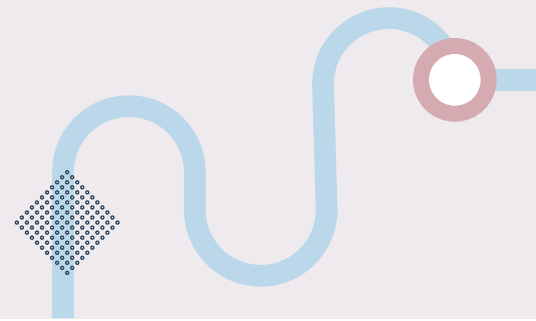
This policy applies to board members authorised officials in attendance and senior management of \_\_\_\_\_

## POLICY

This policy has been developed because conflicts of interest commonly arise and do not need to present a problem to the company if they are openly and effectively managed. It is the policy of \_\_\_\_\_, as well as a responsibility of its directors, that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with their obligations to \_\_\_\_\_.



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\_\_\_\_\_ will manage conflicts of interest by requiring directors to:

- Avoid conflicts of interest where possible.
- Identify and record any conflicts of interest.
- Carefully manage any conflicts of interest.
- Follow this policy and respond to any breaches.

## DEFINITION OF CONFLICTS OF INTERESTS

A conflict of interest is any situation in which a director's personal interests or loyalties could, or could be seen to, prevent the board from making a decision in the best interests of the company / charity.

This personal interest may be direct or indirect and can include interests of a person connected to the director. These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the company and therefore must be managed accordingly. Examples of such conflicts of interest are stated below, though it is not an exhaustive list:

For purposes of this policy, the following circumstances shall be deemed to create conflicts of interest:

Before a Board member begins his or her term as a director with the organisation, they shall file with the Secretary a list of their principal business activities, as well as involvement with other charitable and business organisations or business interests, or with any other associations that might produce a conflict of interest. This information should be documented in the Conflict of Interest Checklist. (see check list below)

Board members shall also file with the Secretary notification of any relationships between themselves and any employee or volunteer of the organisation, or any other person having dealings with the organisation that might reasonably give rise to the perception of a conflict of interest.

Further, Members shall declare any conflicts of interest of which they become aware either at the start of the board meeting concerned or when a relevant issue arises. The nature of this conflict of interest should be entered in the meeting minutes. The nature of the conflict of interest should also be documented in the conflict of interest checklist.

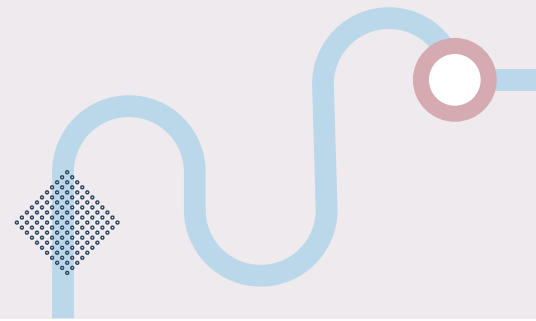
Where a conflict of interest or potential conflict of interest, as defined below, is identified and/or registered, the board member concerned shall leave the room as soon as that item comes up for discussion. The concerned Board member shall not vote on that issue, nor initiate or take part in any board discussion on that topic (either in the meeting or with other Board members before or after the Board meetings), unless expressly invited to do so by unanimous agreement by all other members present. The board member's abstinence should be recorded in the meeting minutes.

If a person declares themselves to have an existing or potential conflict of interest, confidentiality will be respected. If a person alleges that another person has a conflict of interest, whether existing or potential, and that person does not agree, and if the Board cannot resolve this allegation to the satisfaction of both parties, the matter shall be referred to the ethics sub-committee. This committee will make a recommendation to the board as to what action shall be taken.

'Close relationship' is defined as any relationship that might reasonably give rise to an apprehension that the board member might place the interests of the other party above the interests of the organisation.



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## DEFINITIONS OF UNDERSTANDING OF TERMS

A "conflict of interest" is any circumstance described in parts of this policy.

1. A "responsible Person" is any person serving as an Officer, Employee, or member of the board of Directors of \_\_\_\_\_
2. A "Family Member" is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a responsible Person.
3. A "Material Financial Interest" in an entity is a Financial Interest of any kind which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
4. An "agreement or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, or the establishment of any other type of pecuniary relationship by \_\_\_\_\_ limited by Guarantee. The making of a gift to \_\_\_\_\_ is not an agreement or Transaction within the meaning of this document.

## RESPONSIBILITY OF THE BOARD OF CHARITY TRUSTEES

The board is responsible for establishing a system for identifying, disclosing and managing conflicts of interest across the Charity, by:

- Monitoring compliance with this policy.
- Reviewing this policy on an annual basis to ensure that the policy operates.

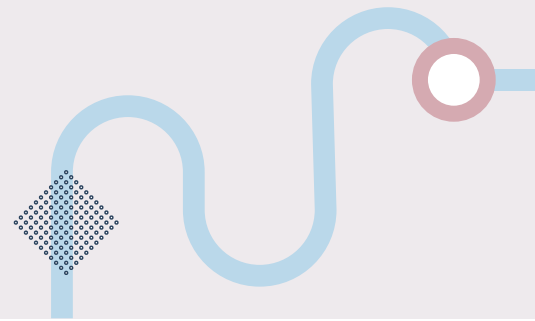
The charity trustees should ensure they are aware of their legal obligations in the management and control of their Charity and should refer to the Charities Regulator's Guidance for charity trustees for further information on this – see their website <https://www.charitiesregulator.ie/en>

### 1. Conflicts of Interest Procedure

- Board members must declare all conflicts of interest at a board Meeting and at the earliest available opportunity to do so. It is not sufficient to declare a conflict of interest at a Subcommittee Meeting or a Working Group Meeting.
- Board members should declare the exact nature of their interest or conflict to fellow board Members.
- Board members should not participate in any discussion of the issue in which they have an interest during the board Meeting unless invited to do so by the Chairperson.
- Board members should leave the meeting room while fellow board Members discuss and / or reach a decision with respect to the issue in which the affected board Members have an interest.
- If board member fail to declare an interest that is known to the Chairperson or Secretary, the Chairperson will declare the interest and the actions specified in numbers 3 and 4 above will be followed.
- All declarations of conflicts of interest (and actions arising) must be recorded in the Minutes of the meeting where they are declared.
- The Chairperson must record conflicts of interest in a Register maintained for this purpose.



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## CONFLICTS OF LOYALTY PROCEDURE

Board members should declare any conflicts of loyalty that may arise in a board Meeting at the earliest available opportunity. If the nature of the conflict of loyalty cannot be resolved, the affected board Members may have to avoid taking part in the decisions of the board or resign from their membership of the board.

## COMPLIANCE WITH THE POLICY

If the board believes that a board member has failed to comply with this policy, it will investigate this compliance failure.

If it is found that the board member has failed to declare a conflict of interest, the board may take action, up to and including seeking the board Member's resignation from the organisation.

If a person is of the opinion that a board member has failed to disclose a conflict of interest, they should notify the Chairperson of the board.

## CONFIDENTIALITY OF DISCLOSURES

To support charity trustees to disclose their conflicts of interest, the level of confidentiality associated with any disclosure should be set out. This should include details of who will have access to the information disclosed, such as restricting this to the board of charity trustees and the secretary to the board.

## CONTACTS

For questions on this policy, contact the board of charity trustees or the Chairperson of the board.

## REVIEW OF POLICY

Each new responsible person shall be required to review a copy of this policy and to acknowledge in writing that they have done so.

Each responsible person shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the responsible person is involved, and which they believe could contribute to the occurrence of a conflict of interest.

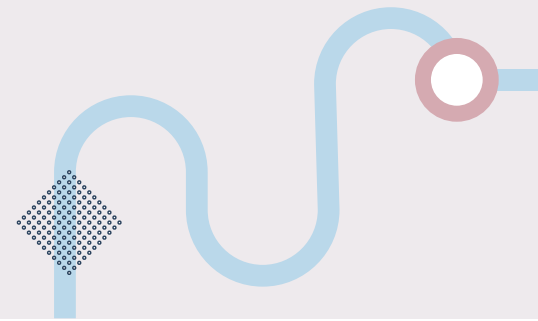
Each responsible person should also disclose to the board of Directors any potential conflict of interest that may arise during the course of the year between the submissions of annual disclosure forms. Any such information regarding business interests of a responsible person or a Family member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any committee appointed to address conflicts of interest, except to the extent that additional disclosure may be necessary in connection with the implementation of this policy.

This policy shall be reviewed annually by each member of the board of Directors. Any changes to the policy shall be communicated immediately to all responsible Persons.

<https://www.charitiesregulator.ie/media/1417/managing-conflicts-of-interest-may-2018.pdf>



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## APPENDIX 1 – REGISTER OF INTERESTS

NAME OF CHARITY TRUSTEE	DATE OF APPOINTMENT	DESCRIPTION OF INTEREST	WHETHER THE BOARD OF CHARITY TRUSTEES HAS BEEN NOTIFIED OF THE INTEREST	DATE OF DISCLOSURE

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

