

Downright Perfect (1200893) Conflicts of Interest Policy

Trustees have a legal obligation to act in the best interests of Downright Perfect and to follow any clauses in its governing document. All trustees of Downright Perfect will strive to avoid any actual or potential conflict of interest between the interests of Downright Perfect on the one hand, and personal, professional, and business interests on the other. Downright Perfect will identify conflicts of interest and manage them accordingly. The purposes of this policy is to protect the integrity of Downright Perfect's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of individual trustees and the Board.

A conflict of interest is any situation where your personal interests could, or could appear to, prevent trustees from making a decision only in the charity's best interests. Even when a trustee receives no financial benefit, they could have a conflict of loyalty. For example if Downright Perfect has business dealings with a trustee's employer, a friend, family member, or another body (such as a local authority or charity, or a charity's trading subsidiary) that a trustee serves on.

The Charity Commission defines (CC29):

“a conflict of interest is any situation in which a trustee's personal interests or loyalties could, or could be seen to, prevent them from making a decision only in the best interests of the charity.”

A conflict of interest can arise not only with a trustee but also with a 'connected person', which is defined as:

- (a) a child, parent, grandparent, brother or sister of the charity trustee;
- (b) the spouse or civil partner of the charity trustee or of any person falling within (a) above;
- (c) a person carrying on business in partnership with the charity trustee or with any person falling within (a) or (b) above;
- (d) an institution which is controlled –
 - i. by the charity trustee or any connected person falling within (a), (b), or (c) above; or
 - ii. by two or more persons falling within (d)(i), when taken together
- (e) a body corporate in which –
 - i. the charity trustee or any connected person falling within (a) to (c) has a substantial interest; or
 - ii. two or more persons falling within (e)(i) who, when taken together, have a substantial interest.

Examples of conflict include:

- direct financial interest - when a trustee obtains a direct financial benefit via:
 - the payment of a salary/fee to a trustee by the charity
 - the award of a contract to a company with which a trustee is involved
 - the sale of property at below market value to a trustee
- indirect financial interest - this arises when a close relative of a trustee benefits from the charity:
 - the awarding of an employment contract/payment of a fee to a trustee's spouse; and
 - making a grant to a trustee's dependent child or relative
- non-financial or personal conflicts – occur where trustees receive no financial benefit, but are influenced by external factors:
 - influencing board decisions on service provision to their own advantage, perhaps because they use the charity's service themselves or care for someone who does
 - to gain some other intangible benefit or kudos
 - awarding contracts/fees to friends
- conflicts of loyalties - trustees may have competing loyalties between the charity to which they owe a primary duty and some other person or entity.

Conflicts of interest can create problems such as:

- inhibit free discussion
- result in decisions or actions that are not in the interests of Downright Perfect
- risk the impression that Downright Perfect has acted improperly.

Trustee appointment

Upon appointment each trustee will make a full, written disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest. This written disclosure will be kept on file and will be updated as appropriate.

Trustee meetings

For each Board meeting a standing agenda item at the beginning will be a Declaration of Interests which will be recorded in the minutes.

In the course of meetings or activities, trustees must disclose any interests in a transaction or decision where there may be a conflict between the organisations best interests and the trustees best interests or a conflict between the best interests of two organisations that the committee members is involved with. They must do this as soon as they become aware of the conflict if not already declared.

After disclosure, the conflicted trustee will be asked to leave the room for the discussion on that item and will not be able to take part in the decision. Any such disclosure and the subsequent actions taken will be recorded in the minutes:

- what sort of conflict of interest it was
- which trustee or trustees were affected
- if any conflicts of interest were declared in advance
- an outline of the discussion
- if anyone withdrew from the discussion
- how the other trustees made the decision in Downright Perfect's best interests

If the item is sensitive then the minutes given to the conflicted trustee will be redacted.

There are situations where trustees may participate in discussions from which they could indirectly benefit, for example where the benefits are universal to all users, or where the benefit is minimal. This action will be agreed by the chair and minuted accordingly. Examples of this situation include where trustees are organising an event or considering a benefit/gift open to all members, or a category of members which the trustee's child / relative falls into.

If a trustee fails to declare an interest that is known to the chair or another trustee they will declare that interest.

In the event of the board having to decide upon a question in which a trustee or member has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate and interested board members may not vote on matters affecting their own interests

Reporting

Where a trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current reporting requirements. All payments or benefits in kind to trustees will be reported in the charity's accounts and annual report, with amounts for each trustee listed for the year in question.

This policy is meant to supplement good judgment, and trustees should respect its spirit as well as its wording.

Date: 31/05/2023



Emma Cross

Chair of Trustees