

HOLY TRINITY, PRESTWOOD AND ST. MARY MAGDALENE, GREAT HAMPDEN

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Holy Trinity Church, Prestwood (HTP) Conflict of Interest Policy (“The Policy”)

Definition.

A conflict of interest is where a situation arises in which a person cannot make a fair decision or reach a fair conclusion because they will be affected by the outcome. “Fair” could be interpreted as “unbiased”. “Affected” could be interpreted either positively or negatively.

The Trustees

At any given time, these are the elected members of HTP’s Parochial Church Council (PCC), together with the Clergy and any *ex-officio* members of the PCC.

Policy Statement.

Trustees of HTP have a duty to act in the best interests of HTP and must not use their position as a trustee to their own personal benefit. Conflicts of interest occur when a trustee’s personal or business interests or the interests of any person or organisation to which the trustee is connected conflict, or have the potential to conflict, with the interests of HTP. Trustees must avoid all situations which could possibly lead to a conflict of interest and, in addition, they have a legal duty to declare any conflict of interest as soon as such a conflict arises. Prior legal authorisation is required in any situation if a trustee stands or potentially stands to receive material benefit from the charity.

The purpose of The Policy is to provide a procedure enabling trustees to recognise situations which can lead to potential or actual conflicts of interest and to create a clear and transparent process for declaring and managing

such conflicts. All trustees and potential trustees are to be made aware of The Policy and of the need to encourage transparency. The Policy is made available on HTP's website.

Examples of Conflicts of Interest.

This is not an exclusive list and trustees should also exercise their own judgement at all times.

A conflict of interest may arise in situations where there is potential for:

- **direct financial gain or benefit.** Such circumstances might include:
 - a paid employee of HTP becoming a trustee
 - HTP employing a trustee
 - paying an organisation which a trustee has a financial interest for services to HTP
 - paying a trustee for work they carry out as part of the duty or duties of a trustee
 - selling or loaning HTP property (e.g. equipment, land) to a trustee
 - a trustee providing a loan (financial or other) to HTP
 - HTP providing a waiver or a reduction in any fee to a trustee
- **indirect financial gain or benefit.** This might include the employment of any relative of a trustee by HTP as the trustee might benefit directly or indirectly from any payment.
- **Non-financial gain.** This might include favourable treatment of a trustee when using the services of HTP such as being given preferential treatment over non-trustees.
- **Conflicts of loyalty or duty.** These could arise for a trustee if:
 - a partner, relative or friend were to be employed by HTP
 - that trustee is also a trustee, employee or member of another organisation that has dealings with, or is in competition with HTP - e.g. in a bid for funding

Authorisation for a trustee to receive a benefit.

Conflicts of interest often arise when a trustee stands to personally profit or benefit, either directly or indirectly through their role as a trustee. Explicit legal authority must be obtained from The Charity Commission before a trustee of HTP can receive any benefit (financial or material) from HTP.

There are limited circumstances where a benefit may not require such formal authority e.g. reasonably incurred expenses. Benefits which are publicly available to anyone and not just to a trustee will not, in general, require formal authorisation. All benefits and payments to a trustee are to be clearly detailed in HTP's accounts.

Procedures for dealing with conflicts of interest (actual and potential).

- A Register of Trustees' interests ("The Register") shall be set up.
- On invitation, a potential trustee should complete a declaration which should disclose any interests actually or potentially conflicting with those of HTP. This declaration should be reviewed annually. Any conflict of interest arising during the year should be declared immediately.
- HTP Members will be informed of the significant interests of prospective trustees at elections time.
- The Register will be used at every meeting of trustees to identify any items under discussion where a conflict of interest may arise for any trustee or trustees, as not all conflicts of interest can be predicted in advance
- Wherever possible trustees must declare any potential conflicts at the beginning of the actual meeting. If a conflict of interest arises in the course of a meeting (perhaps unexpectedly), the trustee or trustees should immediately declare it.
- Any trustee or trustees with a conflict of interest must withdraw from the discussion on that matter and may not vote on it.
- To ensure transparency, a trustee with a conflict of interest is usually asked to withdraw from the meeting so that it cannot be claimed that he/she influenced the discussion or the final decision in any way. However, relevant information may be sought from any trustee prior to such withdrawal.
- A trustee withdrawing from either the discussion or the meeting owing to a conflict of interest is not included in the quorum and may therefore make the meeting inquorate: in such a situation any voting or decision-making should be held over until the next quorate meeting.
- Conflicts of interest and resulting actions will be recorded in the

minutes of the meeting.

Additional conditions related to financial or material benefits.

- Trustees who do not stand to benefit from a proposal make the decision as to whether it is in the best interests of HTP for a trustee to receive a financial or material benefit.

A benefitting trustee

- has no involvement in the decision. This issue is to be recorded in The Register and the minutes.

Where trustees decide that a trustee may receive a benefit (as immediately above), they should

- ensure that they have the appropriate and/or necessary legal authority before proceeding further,
- making an application to the Charity Commission for authority.

If legal authority is provided:

- the number of trustees receiving any benefit from HTP at any time either directly or indirectly should be in a minority.
- a written agreement is to be drawn up setting out arrangements between the trustee or trustees concerned and HTP, to be approved by the non-benefiting trustees.
- payments or benefits of any kind payable to a benefitting trustee shall be fair and reasonable for the service provided and shall not exceed those which might be paid by HTP to any external agency
- any trustee with a conflict of interest will be precluded from signing any contract or invoice connected with the conflict.
- those holding official positions (*e.g.* secretary, treasurer *etc*) are precluded from receiving any benefit as any conflict of interest would most likely clash with their official role.
- All benefits will be recorded in HTP's Annual Report and accounts

Each and every trustee is responsible for declaring any matters that may present any actual or potential conflict of interest. If any trustee is uncertain as to whether any matter comprises a conflict, he/she should declare this to the other trustees. If necessary, those latter trustees should seek advice from the Charity Commission. Such advice and any subsequent action will

be recorded in the minutes.

Should the trustees find that a trustee/trustees are receiving an unauthorised benefit or has/have not acted in the best interests of HTP, the Charity Commission must be notified. Such a trustee may be in breach of trust and may be liable for repayment to HTP of any benefit received.

Should it be found that a conflict of interest has damaged or may damage the reputation or standing of HTP within the church membership, the wider community or elsewhere, the trustee/trustees concerned may be asked to take action to put an end to the situation, if necessary by offering his/her/their resignation/s from trusteeship.

This policy was adopted at a meeting of Holy Trinity Church, Prestwood held on [date of APCM 2019]. The policy will be reviewed annually by the PCC, initially in April 2020.

Signed on behalf of the trustees of HTP (The PCC):

Name:

Position:

Signature:

Date: