

## Conflicts of Interest Policy

Trustees have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of Friends of Bedfordshire Youth Music

### Conflicts of interest

- a situation in which the concerns or aims of two different parties are incompatible.
- a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

A conflict of interest exists even where there is the possibility that a Trustee's personal or wider interests could influence the Trustee's decision making.

Even the perception that there is a conflict of interest can damage FBYM. Where the perception is not accurate because there is no conflict of interest, the Trustees should always be able to respond appropriately to the situation by managing the risks to the charity and being prepared to explain how they have made their decisions only in the best interests of FBYM.

Conflicts of interest relate to a Trustee's personal interests and the interests of those connected to them. This means that there is a conflict of interest where there is a proposed transaction between FBYM and a connected person/organisation. Similarly, there is a conflict of interest where there is a benefit or a potential benefit to a connected person.

Conflicts of interest usually arise where either:

- there is a potential financial or measurable benefit directly to a FBYM Trustee or indirectly through a connected person
- a Trustee's duty to FBYM may compete with a duty or loyalty they owe to another organisation or person

### Conflicts of loyalty

These conflicts of interest arise because, although the affected FBYM Trustee does not stand to gain any benefit, the member's decision making at the charity could be influenced by his or her other interests.

For example, a member's loyalty to FBYM could conflict with his or her loyalty to:

- another organisation, such as their employer
- another charity of which they are a Trustee
- a member of their family
- another connected person or organisation

The test is always that there is a conflict of interest if the Trustee's other interest could, or could be seen to, interfere with their ability to decide the issue only in the best interests of FBYM.

Some conflicts of loyalty arise because a FBYM Trustee has a competing legal obligation or duty to another organisation or person. Others result from conflicting loyalties which FBYM Trustees owe or may feel towards family, friends or other people or organisations who are part of their network. A conflict of loyalty could also arise where the religious, political or personal views of a FBYM Trustee could interfere with their ability to decide the issue only in the best interests of the charity.

### **Disclosure of personal interests**

Where a Trustee has a personal interest in any business of the charity and attends a meeting at which the business is considered, a Trustee must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent. This includes business and personal interests and those of their spouse, partner, family and close relatives.

You must not seek improperly to influence a decision about that business.

The declaration of interests does not in itself resolve the conflict. Additional measures to resolve or manage the conflict positively must be considered. The conflicted Trustee could:

- not participate in decision-making on the affected matters
- abstain from voting on decisions
- withdraw from discussion on affected proposals and plans
- a combination of all of the above

Details of the discussions and decisions made will be recorded in the minutes of the meeting.

In any situation which is not explicitly permitted by the Constitution where a Trustee will receive a benefit, FBYM will obtain legal authority before any transaction involving Trustee benefit is undertaken.