

# Cullingworth Village Hall Management Committee Ltd

## CONFLICT OF INTEREST POLICY

It is a legal requirement for each committee member to declare a conflict of interest immediately they are aware of any possibility that their personal or wider interests could influence their decision-making.

The most common ways in which impartiality can be put at risk can be categorised under four headings:

- Financial interests
- Organisational relationships
- Personal relationships
- Prejudgement

This policy is designed to –

- Tell existing trustees/directors/committee members how to identify and disclose conflicts of interest
- Help prospective trustees/directors/committee members identify possible conflicts of interest before they are appointed.

Every board, committee and sub-committee meeting or annual general meeting will have a specific agenda item at the beginning of the agenda for conflict of interest to allow trustees/directors/committee members to declare any actual or potential conflicts of interest.

A written record of the conflict of interest and how it was dealt with will be recorded in the Minutes of the relevant meeting, explaining –

- What sort of conflict of interest it was
- Who was affected
- If any conflicts of interest were declared in advance
- An outline of the discussion
- If anyone withdrew from the discussion
- How the decision was made in the best interests of the charity

### How to deal with a conflict of interest

Once a conflict of interest is identified, seek to prevent it from affecting the decision-making by –

- Finding an alternative way forward which doesn't involve the conflict of interest (particularly if the issue is serious)
- Taking appropriate steps to manage the conflict (if it's less serious), which will usually mean that the person affected doesn't take part in discussions about the issue, nor vote.

The Charity Commission will be asked to authorise a decision in advance if –

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- it is going to involve any [benefit to a trustee/director/ committee member that hasn't already been authorised](#)
- the conflict of interest is serious but there's no alternative way forward that will remove it
- most or all of the trustees/directors, committee members share the conflict of interest

### **Payments to trustees/directors/committee members**

See Appendix 1.

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## Appendix 1

### Trustee/director/committee member expenses

Expenses are for out-of-pocket payments made in order to carry out their duties, for example:

- travel to and from meetings outside Cullingworth
- overnight accommodation
- postage, telephone calls and broadband time on behalf of Cullingworth Village Hall

Out-of-pocket expenses must be budgeted and approved in advance by the Cullingworth Village Hall Management Committee and recorded in the Minutes. Details of such payments must be included in the Annual Accounts.

### Payment for work

As per Article 40 of the Company's Memorandum and Articles of Association, trustees/directors/committee members must not be paid remuneration. The only exception being items detailed in Article 7 and the formalities to be followed.

Before making any such payment, the following will be put in place –

- A written agreement between the Village Hall and the trustee/director/committee member (or connected person) being paid
- The exact or maximum amount to be paid will be specified
- Assurance that the trustee/director/committee member does not take part in decisions made by the committee regarding any aspect of the agreement
- Minuted agreement the payment is in the charity's best interests and reasonable for the service provided
- Assurance that payments or other benefits are not made to half or more than half of the charity's committee (the number receiving any payment or benefit must be in the minority)
- Assurance that the charity's governing document doesn't prevent payment for services to trustees/directors/committee members
- Any such payment must be detailed in the Annual Accounts.