

Kent Reliance Community Foundation

Conflicts of Interest Policy

Kent Reliance Community Foundation (the “**Charity**”) is a registered charity which is governed by its Articles of Association (the “**Articles**”). This policy applies to the Trustees of the Charity.

1. Why we have this policy

- 1.1. The Trustees, as company directors and charity trustees, have a legal duty to act in the best interests of the Charity.
- 1.2. In accordance with this duty and the legal requirements relating to conflicts of interest under company and charity law, Trustees should avoid putting themselves in a position in which their obligation to act in the best interests of the Charity potentially conflicts with their personal interests or duties. Such conflicts may create problems because they can:
 - 1.2.1. inhibit free discussion;
 - 1.2.2. result in decisions or actions that are not in the best interests of the Charity;
 - 1.2.3. risk giving the impression that the Charity, or an individual Trustee, has acted improperly, which could damage the reputation of the Charity (or a connected
- 1.3. However, from time to time, conflicts of interests may arise where a Trustee’s personal interests and loyalties conflict with those of the Charity.
- 1.4. Even the appearance of a conflict can damage the Charity’s reputation and so any interests, duties or obligations which may give rise to the appearance of a conflict must be recognised, disclosed appropriately and dealt with in accordance with this policy.
- 1.5. Trustees should act in accordance with the spirit as well as the wording of this policy. This policy offers guidance but is not intended to modify any legal duty which would otherwise apply.

2. What is a conflict of interest?

- 2.1. A conflict of interest is any situation in which a Trustee’s personal interests or loyalties directly or indirectly prevents, or could prevent, the Trustee from making a decision which is in the best interests of the Charity.
- 2.2. Conflicts of interest usually arise where either:
 - 2.2.1. there is a potential financial interest or other material benefit directly to a Trustee, or indirectly through a person connected to the Trustee, or
 - 2.2.2. a Trustee’s duty to the Charity may compete with a duty or loyalty they owe to another organisation or person.
- 2.3. The following paragraphs describe these types of conflict of interest in more detail.
Financial or other material benefits
- 2.4. Conflicts of interest of this sort are particularly serious.
- 2.5. Conflicts may, for example, arise in relation to:
 - 2.5.1. payments and financial interests of any sort (other than out-of-pocket expenses);

- 2.5.2. employment by the Charity;
- 2.5.3. use of the property of a Trustee or a connected person by the Charity in return for a payment or other benefit;
- 2.5.4. the Charity contracting with a company of which a Trustee (or connected person) is a director or shareholder (e.g. a company that may have a commercial or financial interest in any activity of the Charity, including the results of any research funded by the Charity);
- 2.5.5. any action of the Charity resulting in a Trustee or a person connected with a Trustee receiving a benefit from a third party.

Conflicts of duty or loyalty

- 2.6. Conflicts of interest are not just about personal benefits or benefits received by people or organisations connected with a Trustee. These types of conflict arise because, although the affected Trustee does not stand to gain any material benefit, their ability to make decisions solely in the best interests of the Charity could directly or indirectly be influenced by other interests, duties, roles or loyalties.
- 2.7. For example, a Trustee's loyalty to the Charity could conflict with their loyalty to:
 - 2.7.1. another organisation, such as an employer;
 - 2.7.2. another charity of which they are a trustee or have another role;
 - 2.7.3. a close relative or friend, or another connected person or organisation.
- 2.8. There will be a conflict of interest if the Trustee's other interest could interfere with the Trustee's ability to make a decision only in the best interests of the Charity.
- 2.9. Conflicts of duty may also arise in respect of information known to a Trustee. For example, if a Trustee has information which might benefit another organisation, or a person who is connected to a Trustee.

Connected persons

- 2.10. A conflict can arise indirectly because of a Trustee's relationship with, or connection to, another person or organisation. This is because of the risk that the Trustee's decision-making is, or could be affected. Issues relating to conflicts of interest often arise in charities because of benefits received by connected persons.
- 2.11. Examples of connected persons include: members of a Trustee's family, a business partner or colleague, anyone whose finances are interdependent with the Trustee (e.g. through joint bank accounts, joint mortgages or property held in joint names, one party financially dependent on the other, joint beneficiaries of a trust), businesses in which a Trustee has an interest through ownership or influence, or anyone else receiving a benefit where it could be perceived that the benefit could influence the Trustee's ability to make decisions only in the best interests of the Charity.
- 2.12. If the Charity is paying a connected person for goods or services, or is disposing of land to a connected person, the Charities Act 2011 defines what a connected person is at s188 (for goods and services) and s118 (for land disposals).
- 2.13. A Trustee might be a member of another organisation whose policies or objectives are inconsistent with or otherwise have a bearing on those of the Charity. A Trustee's duty is to take only their responsibilities to the Charity into account.

Perceived conflicts

- 2.14. A conflict of interest does not include a perceived conflict of interest, whereby a third party might perceive a Trustee to be conflicted as a result of circumstances which do

not amount to a conflict of interest or conflict of loyalty on the basis described above. However, such circumstances may nonetheless require management as a reputational issue (rather than a conflicts issue) as discussed further in paragraph 6 below.

3. Declaring interests

- 3.1. Many possible conflicts can be managed by ensuring appropriate transparency as to a Trustee's potentially conflicting interest. This is done by proactive declaration and the maintenance of a register of interests.
- 3.2. Trustees must declare their interests and any gifts or hospitality offered or received in connection with their role in the Charity at the earliest opportunity. The disclosure must include sufficient information to enable appropriate decisions to be taken as to the seriousness of any potential conflict and its management.
- 3.3. A declaration of interests form is provided for this purpose, listing the types of interest you should declare. The declaration of interests needs to be completed prior to taking office and updated at least annually and/or when any material changes occur. An interest will only be properly declared if the full nature and extent of the interest is disclosed.
- 3.4. If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the Chair for guidance.
- 3.5. In addition to keeping the declaration of interests up to date, Trustees must declare any interest (including a potential conflict) at the earliest possible opportunity and orally at any meeting where a conflict may arise. Conflicts of interest should be a standard agenda item at the beginning of each meeting of the Trustees. If a Trustee is aware of an undeclared conflict issue affecting another Trustee, they should notify the Chair or the other Trustees.
- 3.6. Information about Trustee interests, including all gifts and hospitality received by any Trustee, will be recorded on the Charity's register of interests, which will be maintained by the Charity's Secretary. Following disclosure to the Board, the register will be accessible by Trustees so that the relevant matters can be managed properly.
- 3.7. The Charity must also disclose any 'Related Party Transactions' in its statutory accounts, including any transactions with Trustees or connected parties.

Data protection

- 3.8. The Charity will only process personal data relating to Trustee interests where it has a lawful basis to do so. Usually the Charity's lawful basis will be one or both of the following:
 - 3.8.1. processing the personal data is necessary in order to comply with the Charity's legal obligation to ensure that conflicts of interest are identified and managed appropriately; or
 - 3.8.2. the Charity has a legitimate interest in processing the personal data (for example, to ensure best practice and to respond to any complaints, investigations or challenges that may arise relating to decisions that are made) and this interest is not overridden by the relevant Trustee's interests.

4. Managing conflicts of interest

- 4.1. Once a conflict of interest has been disclosed it must either be managed or removed so that any potential effect on decision-making is eliminated.
- 4.2. Where a conflict of interest needs to be managed, the way in which this is done must be decided by the Trustees. In doing this the Trustees must follow the Articles and the general law which deal with how conflicts of interest must be handled. They should also take into account Charity Commission guidance on conflicts of interest.

Default procedure

- 4.3. Whenever a Trustee has an actual or potential conflict of interest, the following procedure must be followed:
 - 4.3.1. the affected Trustee must declare the nature and extent of the interest as soon as it arises and before discussion begins on the matter at any meeting,
 - 4.3.2. the affected Trustee must be absent from any part of any meeting where the issue is discussed or decided, unless invited to provide information to assist the other Trustees in their discussions,
 - 4.3.3. the affected Trustee should not vote or be counted in deciding whether a meeting is quorate, and
 - 4.3.4. any other requirements which the other Trustees resolve is necessary should be complied with.

Authorising a conflict of loyalty

- 4.4. The Trustees may authorise a conflict of loyalty where the following conditions are satisfied:
 - 4.4.1. the unconflicted Trustees consider that authorising the conflict is in the best interests of the Charity;
 - 4.4.2. the conflicted Trustee is absent from discussions pertaining to the arrangement or transaction giving rise to the conflict;
 - 4.4.3. the conflicted Trustee is not counted in the quorum for any such discussions, and does not vote on any matter related to the conflict; and
 - 4.4.4. appropriate record is taken of the decision and reasons for that decision.
- 4.5. The authorisation must apply the condition that the conflicted trustee does not take part in the meeting at which there is discussion of any arrangement or transaction affecting the other organisation (unless invited to contribute to the discussion), and does not vote or count in the quorum.
- 4.6. In authorising the conflict, the unconflicted Trustees may impose conditions or other requirements on the conflicted Trustee in order to deal with the conflict appropriately.
- 4.7. If the conflicted Trustee obtains confidential information in relation to a third party, they are not be obliged to disclose that information to the Charity or to use it to further the Charity's affairs if doing so would amount to a breach of confidence.
- 4.8. The unconflicted Trustees may revoke or vary any authorisation.

Guidance

- 4.9. In relation to interests where there is a material benefit to a Trustee or a person connected to a Trustee, the affected Trustee should never be authorised to vote on the matter.

- 4.10. A Trustee must not be involved in managing or monitoring on behalf of the Charity a contract in which the Trustee or a connected person has an interest. Monitoring arrangements for such contracts should include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory. Generally, because of the possible reputational effect of contracts with Trustees, the Charity will require strong reasons to enter such a contract rather than dealing with an unconnected person.
- 4.11. In other circumstances, such as a conflict of loyalty, having evaluated the level of conflict the Trustees must decide how it is to be managed and generally the following will be appropriate:

Category of interest	Action to manage the interest
A. The interest is low risk and does not create a real danger of bias or conflict	The Trustee must declare the interest and may contribute information to the meeting and remain in the meeting, be counted in the quorum and vote
B. The interest creates a significant but not substantial danger of bias or conflict	It shall be at the discretion of the other Trustees (who do not themselves have an interest in the matter) whether the Trustee may contribute information to the meeting and remain in the meeting, but in any event the Trustee must not participate in the discussion, or vote on the matter and will not be counted in the quorum for that issue
C. The interest creates a substantial danger of bias or conflict of duty	The Trustee must leave the meeting, not participate in the discussion or vote on the matter and will not be counted in the quorum for that issue
D. The interest creates a severe or substantial and recurring danger of bias or conflict of duty	Other steps will need to be taken to manage the conflict in addition to those referred to above and in a serious case a Trustee may have to consider resigning if the extent and nature of the conflict result regularly in their being unable to contribute to Trustee decision making.

- 4.12. In relation to any type of conflict, where the conflict is so acute or extensive that following these procedures will not allow the Trustees to demonstrate that they have acted in the best interests of the Charity, a specific approach may need to be developed with the benefit of advice which could be sought from the Charity Commission.

5. Recording steps taken

- 5.1. All decisions affected by a conflict of interest will be recorded by the Secretary and reported in the minutes of the meeting. The record will include:
- 5.1.1. the nature and extent of the conflict;
 - 5.1.2. which Trustee or Trustees were affected;

- 5.1.3. whether any conflicts of interest were declared in advance;
- 5.1.4. an outline of the discussion;
- 5.1.5. whether anyone withdrew from the discussion;
- 5.1.6. what other actions taken to manage the conflict;
- 5.1.7. how the Trustees took the decision in the best interests of the Charity.
- 5.2. Where a Trustee or a connected person receives a payment or other benefit from a decision, this must be reported in the Annual Report and Accounts in accordance with the Charities' Statement of Recommended Practice.
- 5.3. The Secretary will take special care to ensure that minutes or other documents relating to the item presenting a potential conflict are appropriately redacted before being provided to the person facing the conflict. A balance needs to be made to ensure that the person still receives sufficient information about the activities of the Charity generally without disclosing information which it would be inappropriate for the person to receive.

6. Perceived conflicts of interest

Where there may be a perceived conflict of interest (as described above) in relation to a Trustee's participation in a decision-making process, the Charity might need to work to safeguard its reputation in order to protect the external perception of its independence, even where there is no actual threat to its independence. Reputational management may involve the Charity taking steps in order to address the perceived conflict of interest. Ultimately, the individual Trustee or the board may decide the best course is to take the same steps as would be required to be taken if there was an actual conflict of interest, but the reasons for doing so should be carefully minuted, making clear that the situation does not constitute an actual conflict of interest.

7. Compliance

- 7.1. Compliance with this Policy will be the responsibility of the Chair and the Board generally.
- 7.2. Each Trustee has a fiduciary duty to not put themselves in a position of actual or potential conflict with the interests of the Charity without express consent.

8. Transparency

This policy will be available to Trustees and to third parties where appropriate.

9. Policy Review

This Policy will be subject to a review at least 12 months from the date of last approval. This Policy will be reviewed more frequently as necessary in the event of an amendment to either the regulatory requirements or KRCFs internal requirements.

Date of policy: 20 May 2025
Date approved: 20 May 2025
Date of next review: May 2026

Appendix A – Trustee Declaration Form

KENT RELIANCE COMMUNITY FOUNDATION LIMITED

Declaration of Interests Form

As a Trustee of Kent Reliance Community Foundation Limited (the “**Charity**”), I have set out my interests, relationships or involvements or other matters which may give rise to conflicts of interest or duties below.

Category of Interest	Please give details of the interests, relationships, involvements and duties and whether they apply to yourself or to a member of your immediate family or some other close personal, business or financial relationship or connection (a connected person)
Current business, activity, employment or professional activity and any previous activity in which you continue to have an interest.	
Appointments (voluntary or otherwise) e.g. trusteeships, directorships, local authority roles, memberships, tribunals etc.	
Memberships of any professional bodies, groups, political parties or other organisations.	
Investments in companies, partnerships and other forms of business, or beneficial interests in trusts unless you have less than 1% of issued share capital or a 1% interest therein.	
Gifts or hospitality or other inducements offered to you by external bodies and whether this was declined or accepted in the last twelve months.	
Any use by you of the services of the Charity or any body funded by the Charity.	
Any transactions or contractual relationships with the Charity.	

Any other interests not covered by the above that may give rise to a conflict of interest.	
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To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis.

Signed _____

Dated _____

Trustee