



Make Space for Girls: Conflicts of Interest Policy

Introduction

It is essential that trustees understand their duties to avoid conflicts of interest and trustees are referred to CC29 “*Conflicts of Interest: A Guide for Charity Trustees*” for detailed guidance. [Conflicts of interest: a guide for charity trustees \(CC29\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/conflicts-of-interest-a-guide-for-charity-trustees)

This policy explains the issues that arise from real and perceived conflicts of interest and sets out the steps that we take to manage conflicts of interest. This policy applies to all the trustees of Make Space for Girls.

The aim of this policy is to protect both Make Space for Girls and the trustees from the risks associated with failing to handle conflicts of interest properly.

What Is a Conflict Of Interest?

A conflict of interest can be defined as:

“...any situation in which a trustee’s personal interests or responsibilities they owe to another body, may, or may appear to influence the trustee’s decision making.”

Conflicts of interest arise when the interests of trustees, or the interests of somebody close to them, conflict or compete with the interests of Make Space for Girls. In these situations there is a risk that the trustees will make decisions based on these conflicting/competing influences, rather than the best interests of Make Space for Girls, or that they are perceived to have done so.

The most common types of conflict include:

- A direct financial interest - when a trustee obtains a direct financial benefit from Make Space for Girls. For example, making payment to a trustee for goods or services; awarding a contract to an organisation with which a trustee is involved; or the sale of assets at below market value to a trustee;
- An indirect financial interest – this can arise when someone close to a trustee obtains a financial benefit from MSFG: for example, employing or engaging as a consultant a member of the trustee’s family; or making a grant to a trustee’s relation;
- Non-financial or personal conflicts–these can occur where trustees receive no financial benefit, but are influenced by external factors. For example: influencing board decisions to their own financial advantage, perhaps to do a favour for a friend or family member, or to

benefit another organization they have links with; to gain some other intangible benefit or kudos; awarding contracts to organisations they have connections with, to family members or friends;

- Conflicts of loyalties - trustees may have competing loyalties between MSFG and other organisations to which they owe fiduciary duties; for example because they are a trustee, director or employee of some other charity or business with which MSFG has dealings.

Why Do Conflicts Of Interest Matter?

Trustees have a legal duty to act in the best interests of the charities they serve. Trustees, generally, should not benefit from the charity and should not be influenced by their wider interests when making decisions affecting the charity. A conflict of interest can lead to a Trustee breaching these obligations.

Conflicts of interests can:

- Lead to the trustees acting in breach of trust;
- Lead to actions of the trustees being challenged;
- Result in decisions or actions that are not in the interests of MSFG;
- Risk the impression that MSFG has acted improperly; and
- Inhibit a proper and frank discussion of the relevant issues.

Therefore it is important that we identify actual and potential conflicts of interest and take steps to manage them once they are identified.

Procedure to Manage Conflicts

Step 1: Identifying actual or potential conflicts:

It is important to identify any relationships that you or somebody close to you has with any organization with which MSFG has dealings.

On joining and after that on an annual basis we ask trustees to notify us of any roles or positions that they hold with any organisations so that we can identify any potential conflicts.

If you are not sure what to declare, or whether/when your declaration needs to be updated, please err on the side of caution. Interests will be recorded on the charity's register of interests, which will be maintained by the Trustees.

Step 2: What to do if you face a conflict of interest

If you have an actual or potential conflict of interest in relation to any transaction, grant application or other dealing involving MSFG, you should declare that interest at the earliest opportunity.

Our constitution contain detailed rules about how to manage such a conflict. In particular clause 7 (conflicts of interest; conflicts of loyalty) state:

A charity trustee must:

(1) declare the nature and extent of any interest, direct or indirect, which he or she has in a proposed transaction or arrangement with the CIO or in any transaction or arrangement entered into by the CIO which has not previously been declared; and

(2) absent himself or herself from any discussions of the charity trustees in which it is possible that a conflict of interest will arise between his or her duty to act solely in the interests of the

*CIO and any personal interest (including but not limited to any financial interest).
Any charity trustee absenting himself or herself from any discussions in accordance with this clause must not vote or be counted as part of the quorum in any decision of the charity trustees on the matter.*

Step 3: Keeping records

MSFG keeps a register of interests for all trustees. All decisions which involve an actual or potential conflict of interest will be recorded by Chair and reported in the minutes of the meeting.

The report will record:

- the nature and extent of the actual or potential conflict;
- an outline of the discussion;
- the actions taken to manage the conflict.

VERSION CONTROL

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