



## **Conflict of Interest Policy**

*For The Diversity Trust CIC*

### **1. Purpose**

This policy helps protect The Diversity Trust CIC by making sure decisions are made fairly and in the best interest of the community. It applies to directors, employees, and anyone closely connected to them.

Adherence to this policy will enable employees and volunteers to have confidence that decisions are made in a fair and transparent way and that any conflicts of interests are dealt with in accordance with this policy and the Trust's mission statement.

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### **2. What is a Conflict of Interest?**

A conflict of interest happens when someone's personal or professional interests (or those of someone close to them) might impact their decisions at the CIC.

This includes but not limited to:

- Getting paid by the CIC
- Being related to or living with another board member or employee
- Having another job or role that could influence decisions

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### **3. Outline of our policy**

To ensure that there is no conflict of interest when it comes to decision making within the Trust directors, employees, volunteers and other interested parties will comply with the following:

- Wherever possible, avoid any situation which may lead to a potential conflict of interest. Where conflicts cannot be avoided, they must be declared and managed in accordance with this policy.
- Decision makers are obliged to act in the best interest of the Trust. All information received regarding any potential conflict of interest must be treated as confidential unless stated otherwise and the information should not be used for personal gain or the detriment of others.
- Failure to declare any conflict of interest could lead to disciplinary action being taken by the board of directors.

#### **4. Types of conflicts of interest**

The following are examples of conflicts of interest that the Trust would expect directors, employees, volunteers and other interested parties to declare.

- Financial interest – If someone has another form of employment which they would gain to benefit if they did not declare a conflict of interest.
- Non-financial / personal interest – Where outside interests could cause the Trust to benefit either directly or indirectly, i.e. free publicity through other organisations which could lead to positive reputational growth.
- Professional conflict – Where someone involved with the work of the Trust gets paid or gains beneficial advantage through contacts which are made through this work to further their own professional career.

#### **5. Procedure of disclosing conflict**

If a director, employee, volunteer or interested party does have a conflict of interest in any matters which could impact the work of the Trust they must do the following:

- Conflicts must be disclosed at the start of work on any new projects and must be written into the proposals of these working documents. This must be reviewed on an annual basis for the lifespan of the project.
- Disclosures should also be set out in the Trust's annual report where necessary.
- Once an interest has been identified or there is no conflict, the interest does not need to be notified again unless the nature of the interest changes.
- For on-going meetings agendas and papers must be issued ahead of time to allow people to declare if they have a conflict of interest. If this does arise the interested party will be asked to leave during the relevant section of the meeting.

#### **6. Managing conflict**

Conflicts within the Trust should be dealt with on a case-by-case basis and should be dealt with by a member of leadership and the project lead to determine outcome.

If a conflict is brought to the attention of the Trust in advance of a meeting or discussion, then the Trust can pre-emptively manage an action which the project lead determines appropriate.

All discussions and decisions relating to a conflict of interest will be recorded in the minutes of the meeting or in any relevant paperwork, along with how the conflict has been managed.

#### **7. Payments to Individuals (When Decisions Are Being Made)**

If a decision is being made about paying someone who is a board member, employee, or closely connected to either:

- The conflict must be **declared immediately**

- The person must **not take part in the discussion or decision**
- The rest of the board must:
  - Make sure the payment is fair and necessary
  - Record the decision clearly in the meeting minutes
  - Meet quorum without the conflicted person

This applies only when **a decision is being made about the payment or benefit**.

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## **8. Personal Relationships (Only Relevant to Decisions)**

If board members or employees are **related or live together**, it is only considered a conflict when **a decision is being made** that could benefit or impact one of them.

When this happens:

- The relationship must be **declared**
  - The person involved in the decision must **step back from the discussion and vote**
  - The board may:
    - Adjust responsibilities to avoid future conflicts
    - Ensure the decision is fair and documented
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## **5. Keeping Things Up to Date**

- Everyone must declare new or potential conflicts as soon as they arise
  - A register of interests will be maintained and reviewed at least once a year
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## **6. Breach of Policy**

Not declaring a conflict or being involved in a related decision may result in disciplinary action, including removal from the board or role.

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**Approved by the Board on:** 8<sup>th</sup> May 2025

**Review Date:** 8<sup>th</sup> May 2027