

# CASHFACTS

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## Conflict of interests

**E**mployees, volunteers and trustees should all put the interests of the charity first. A conflict of interests may arise where the objective of the organisation and the interests of trustees or employees or volunteers do not coincide. While not a legal requirement, it is good practice for charities to address the problem of a conflict of interests.

A code of conduct cannot cover every eventuality, but it is a means through which the charity's intentions are made clear and provides guidance on what standards of behaviour are expected. It should be reviewed annually or as the need arises.

Friends and family should not be favoured for special use of the service or employment. Family members would normally include - parents, brothers, sisters, children, wives, husbands, inlaws, cohabiting partners and their relatives, separated and divorced partners.

Areas where conflicts of interest might arise include:

- Trusteeships, directorships, employment or investments in supplying and client organisations.
- Priority treatment for services, ie. jumping the queue or receiving services that would not normally be available to the client group.

- Receipt of free services when clients (users) normally have to pay.
- Influencing selection of staff, trustees or volunteers.
- Influencing the allocation and rostering of work for staff and volunteers.

The important point is that an interest is declared and preferably registered in a book. A trustee might suggest that her daughter volunteers during a summer play scheme. The trustee should write in the register of interests that the volunteer is her daughter.

Taking the point a little further the trustee might suggest that her daughter takes on a casual job with the charity during the summer. The trustee should register the interest and an interview not involving the mother should take place. Many charities are community organisations so it is natural that these family situations will arise, what is important is that they are recorded and systems ensure that there is no favouritism.

Charities should also ensure that they have an equal opportunities policy so that services, employment and volunteering opportunities are open to all sections of the community.

There may be a limited number of exceptions detailed in the employment contract or arising out of custom and practice. This might include a free car or free child care places for employees. These situations should be written down and approved by a meeting of the trustees. Any tax implications must also be considered.

A trust providing domiciliary respite care - somebody to care for a sick relative so that a carer can have a break - might always provide respite care for dependents of trustees when a carer attends a trustee meeting despite there being a waiting list for respite care. The point here is that the charity could not function properly without carers/users being trustees so the provision of respite care to enable the trustee to attend meetings is necessary to enable the charity to go about its normal business.

Volunteers should be treated in a similar manner to trustees and employees, but if there are perks that volunteers have traditionally had then the general principle should be approved by the trustees. A charity supplying donated second hand furniture to people in need might agree that volunteers in need can select five items of furniture a year from the charities furniture store.

The situation is made more complicated by trustees and employees being trustees of other voluntary organisations that might be competing with the charity. The irony is that on the one hand we are being encouraged to work in partnership and consortiums with other organisations, but we are also being scrutinised more closely. The answer is transparency, declare the relationships you have with other organisations.

Staff have great potential for conflicts of interest. Consultancy work with client organisations, letting friends do casual work, or unqualified friends filling vacancies that need qualified staff.

Staff, volunteers and trustees should register interests in a bound page, numbered manuscript book. Failure to declare an interest could justify disciplinary action.

We heard a few years ago about a Director of a community centre who used to pay his fourteen year old son £100 every weekend to clean the centre windows! So conflicts do arise.

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CASH's Conflict of Interests Policy can be downloaded from CASH-ONLINE [www.cash-online.org.uk/downloads](http://www.cash-online.org.uk/downloads)

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