

Peel Institute - Conflict of Interest Policy

A conflict of interest is any situation in which a persons personal interests, or interests which they owe to another body, and those of the charity arise simultaneously or appear to clash.

We recognise that it is inevitable that conflicts of interest occur. The issue is not the integrity of the individual concerned, but the management of any potential to profit from an individuals position with the Peel, or for an individual to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts need to be managed carefully.

All staff, volunteers, and management committee members of the Peel Institute will strive to avoid any conflict of interest between the interests of the Organisation on the one hand, and personal, professional, and business interests on the other. This includes avoiding actual conflicts of interest as well as the perception of conflicts of interest.

The purposes of this policy is to protect the integrity of the Organisation's decision-making process, to enable our stakeholders to have confidence in our integrity, and to protect the integrity and reputation of volunteers, staff and committee members.

Examples of conflicts of interest include:

- 1 A committee member who is also a user who must decide whether fees from users should be increased.
- 2 A committee member who is related to a member of staff and there is decision to be taken on staff pay and/or conditions.
- 3 A committee member who is also on the committee of another organisation that is competing for the same funding.
- 4 A committee member who has shares in a business that may be awarded a contract to do work or provide services for the organisation.

Upon appointment each committee member will make a full disclosure of interests, such as relationships, and posts held, that could potentially result in a conflict of interest.

In the course of meetings or activities, committee members will disclose any interests in a transaction or decision where there may be a conflict between the organisations best interests and the committee members best interests or a conflict between the best interests of two organisations that the committee members is involved with.

After disclosure, I understand that I may be asked to leave the room for the discussion and may not be able to take part in the decision depending on the judgement of the other committee members present at the time.

Any such disclosure and the subsequent actions taken will be noted in the minutes.

This policy is meant to supplement good judgment, and staff, volunteers and management committee members should respect its spirit as well as its wording.

In addition to the above policy the following guidance applies specifically to Trustees of the organisation. This guide sets out the legal and regulatory requirements in relation to conflicts of interest and offers advice to trustees on complying with these requirements. There is also a [checklist](#) to help trustees follow the correct procedures when dealing with a conflict of interest.

Peel Institute - A Guide To Conflicts of Interest For Charity Trustees

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Common terms

Governing document - means any document which sets out the charity's purposes and, usually, how it is to be administered. It may be a trust deed, a constitution, memorandum and articles of association, rules, conveyance, will, Royal Charter, Scheme of the Commissioners or, in relation to an appeal, the published terms of the appeal inviting donations.

Trustees - means charity trustees. Charity trustees are the people who are responsible for the general control of the management of the administration of the charity. In the charity's governing document they may be called trustees, managing trustees, committee members, governors or directors, or they may be referred to by some other title.

Trustee board – means the charity's governing body. This may be called the management committee, executive committee or board of directors, or may be referred to by some other title.

1. Who is this guide for?

This guide is for trustees of all charities, regardless of the size or type of charity. The guide seeks to help trustees identify and manage conflicts of interest.

A number of our existing publications contain information about conflicts of interest in particular situations, such as [Payment of charity trustees \(CC11\)](#). The intention of this guide is not to look in depth at these particular situations, but to provide an overview of conflicts of interest, and how to deal with them, and to signpost sources of further information, provided both by the Commission and by other organisations.

This guide sets out the legal and regulatory requirements in relation to conflicts of interest and offers advice to trustees on complying with these requirements. There is also a [checklist](#) to help trustees follow the correct procedures when dealing with a conflict of interest.

Whilst this guide applies to the trustees of all charities, directors of charitable companies are also subject to the provisions of the Companies Act 1985 in relation to conflicts of interest, and are required to declare any interest in contracts or proposed contracts. That Act also limits or does not allow certain types of conflict of interest, such as sales of property or loans from the charitable company to directors of that company.

Companies House provides a wide range of guidance for company directors - www.companieshouse.gov.uk

2. What is a conflict of interest and what issues does it raise?

A conflict of interest is any situation in which a trustee's personal interests, or interests which they owe to another body, and those of the charity arise simultaneously or appear to clash.

We recognise that it is inevitable that conflicts of interest occur. The issue is not the integrity of the trustee concerned, but the management of any potential to profit from a person's position as trustee, or for a trustee to be influenced by conflicting loyalties. Even the appearance of a conflict of interest can damage the charity's reputation, so conflicts need to be managed carefully.

The need to declare and manage conflicts of interest does not just apply to charity trustees. The Committee on Standards in Public Life (the Wicks Committee) – www.public-standards.gov.uk, set up by the Government with the aim of ensuring the highest standards of propriety in public life, acknowledged the need to declare and manage conflicts of interest, in its "Seven Principles of Public Life", which it believes should apply to everyone who holds a public office. These principles state that holders of public office should declare any private interests relating to their public duties and should take steps to resolve any conflicts in a way which protects the public interest.

3. What does the law say about conflicts of interest?

The law states that trustees cannot receive any benefit from their charity in return for any service they provide to the charity unless they have express legal authority to do so. "Benefit" includes any property, goods or services which have a monetary value, as well as money. This legal authority will come either from a clause in the charity's governing document or, where there is no adequate clause in the governing document, from us or the Court.

The rule that a trustee cannot receive any benefit from his or her charity without explicit authority is based on the principle that trustees should not be in a position where their personal interests and their duty to the charity conflict, unless the possibility of personal benefit from which the conflict of interest arises is transparent. Transparency is achieved by requiring explicit authorisation of the benefit, and by ensuring that any particular conflict of interest is properly and openly managed.

It is the potential, rather than the actual, benefit from which the conflict of interest arises which requires authority. In order to avoid a breach of trust and to ensure transparency, authority is required where there is a possibility of benefit. This will avoid accusations of impropriety, which could in turn have a damaging effect on the charity's reputation.

Not all benefits enjoyed by trustees need to be authorised by the governing document, the Commission or the Courts. It is perfectly acceptable to repay reasonable out of pocket expenses to trustees. Any costs that are necessary to allow a trustee to carry out his or her duties as a trustee can be classed as expenses and recovered from the charity or met directly by the charity. This may include travel costs and the cost of providing care for a dependent whilst attending a trustee meeting or when undertaking trustee business. It may also include the cost of providing documents in Braille or on audio tape for a trustee who is blind, or providing special transport, equipment or facilities for any trustee with a disability.

Benefits that are available to all, or that are of inconsequential or little measurable value, will not normally need to be authorised, such as the use of the village hall facilities by one of the village hall trustees. This would not need to be authorised, as the facilities are available to all members of the local community, which includes the trustees.

Where a trustee has a conflict of interest or loyalties on a particular issue, but there is no potential for profit, the governing document may still require this trustee to declare his or her interest and take no part in deciding that issue. Any requirement of this kind must be strictly complied with.

4. How do I identify a conflict of interest?

Conflicts of interest may come in a number of different forms:

- direct financial gain or benefit to the trustee, such as:
 - payment to a trustee for services provided to the charity;
 - the award of a contract to another organisation in which a trustee has an interest and from which a trustee will receive a financial benefit; or
 - the employment of a trustee in a separate post within the charity, even when the trustee has resigned in order to take up the employment.
- indirect financial gain, such as employment by the charity of a spouse or partner of a trustee, where their finances are interdependent;
- non-financial gain, such as when a user of the charity's services is also a trustee; and
- conflict of loyalties, such as where a trustee is appointed by the local authority or by one of the charity's funders, or where a friend of a trustee is employed by the charity.

Further information about the most frequent situations where conflicts of interest arise can be found in [section 8](#).

The Commission expects trustees to be able to identify conflicts of interest when they arise and to ensure, if they receive a material benefit as a result of the conflict of interest, that the benefit is authorised. The Commission will provide authority where there are clear advantages to the charity.

If there is no material benefit to a trustee, no authority will be required, but the trustees will need to ensure that the conflict of interest is properly managed. Further information about managing conflicts of interest can be found in [section 7](#).

Where we find, or are alerted to, an unauthorised benefit, the action we take will depend on the extent of the benefit and conflict of interest and the impact which it has on the charity.

We will also take into account other factors, such as the reason why the trustees did not obtain authority. We are likely to be more supportive if the trustees can show that the failure to obtain authority was an oversight. However, we will generally not take a sympathetic line where we have previously advised the trustees that the benefit needs to be authorised or where a solicitor is acting for the trustees.

Where the arrangements are in the interests of the charity we will give advice on the management of conflicts of interest and the authorisation of future benefits to trustees. However, we will open a formal inquiry, with the possibility that we might use our statutory powers, in cases where trustees appear to have placed their personal or other interests ahead of those of the charity in order to derive significant benefit at the charity's expense, and where they have deliberately ignored the requirements of the law or of previous advice.

More information about how we evaluate complaints made to us can be found in [Complaints about charities \(CC47\)](#).

5. What do I do if I identify a conflict of interest affecting a trustee?

If the trustee board has identified a conflict of interest, the first thing to do is to find out whether or not the trustee or trustees involved will receive a material benefit from the conflict of interest and, if so, whether the benefit is authorised.

The first place to look to see if the necessary authority exists is the charity's governing document. If the governing document does provide authority, the trustee board must ensure that the authority is used appropriately, and that the necessary arrangements are in place to manage the conflict of interest.

If the governing document does contain authority, it will usually be in relation to a trustee benefit arising from a specific type of conflict of interest, rather than a general authority for trustee benefits arising from all types of conflict of interest. For example, it may include authority to pay a trustee who is also a solicitor or accountant for work done on behalf of the charity, but it is unlikely to authorise any other type of payment to a trustee, such as payment to a trustee who is a builder for repairs carried out to the charity's property.

If the benefit from which the conflict of interest arises is not authorised by the charity's governing document, trustees will need to apply to the Commission for the necessary authority. If the trustees are in any doubt about whether the governing document contains sufficient authority, we would encourage them to take professional advice or seek advice from us.

In order for us to consider authorising the benefit, trustees will need to show why it is in the **charity's** best interests to permit the benefit and resulting conflict of interest. We will also need to be satisfied that there are arrangements in place to ensure that the conflict of interest will be properly managed once the benefit has been authorised.

It is important to remember that it is not simply enough for the benefit arising from the conflict of interest to be authorised. Trustees also need to ensure that the charity has adequate procedures in place to manage the conflict of interest once the benefit has been authorised.

Further information about managing conflicts of interest can be found in [section 7](#).

6. In what circumstances will the Commission authorise a benefit arising from a conflict of interest?

There is a relationship between the potential benefit to the trustee and the strength of the case the trustees will need to make. Charities will need to be able to demonstrate that the arrangement is in the best interests of the charity and that the conflict of interest is transparently managed.

Trustees will need to consider such issues as:

- whether or not the benefit and conflict of interest will be ongoing or a one-off situation; and
- the procedures which the trustees have in place to ensure that conflicts of interests are managed transparently.

There are special procedures for charities with an annual income of less than £10,000. Trustees of such charities can make payments to trustees without authority, provided that the total amount of payment to trustees in the charity's financial year does not exceed £1,000. The aim of these procedures is to give trustees more freedom to make straight forward, but important decisions.

More detailed advice about these procedures can be found in [Payment of charity trustees \(CC11\)](#) and in our operational guidance [OG 205](#).

7. How can conflicts of interest be managed effectively?

All trustees need to be alert to possible conflicts of interest which they might have and to how they can minimise their effects. A key aspect of minimising the effects of conflicts of interest is to be open and transparent about such situations when they arise. We recommend that all trustees advise their charity of any actual or potential conflicts of interest of which they are aware, as soon as they arise.

We recommend that charities have a policy on how they will deal with any conflicts which arise as a result of the work which the charity undertakes. A policy can include guidance on the procedures to follow when a trustee is subject to a conflict of interest, such as:

- the removal of the trustee concerned from the decision making process;
- managing the conflict of interest once a decision has been made; and
- recording details of the discussions and decisions made.

We also recommend that trustees establish a register of interests. In recording all their other interests openly, any actual or potential conflicts of interest can be identified more easily. The register of interests should be regularly updated.

It is good practice at the beginning of a meeting for every charity trustee to declare any private interest which he or she has in an item to be discussed, and certainly before any discussion of the item itself. Simply declaring that a conflict exists and withdrawing from the discussion and any decision making will be all that is required if the trustee is not receiving any material benefit as a result of the conflict of interest. However, if a trustee is receiving a material benefit this will need authority.

We would encourage trustees to make the operation of the charity as transparent as possible. With this in mind, the charity may wish to make their policy on conflicts of interest available to the public. The charity may also wish to make some or all of their register of interests publicly available. This information may be subject to the provisions of the Data

Protection Act 1998, and trustees may wish to take advice about making personal information publicly available.

Further information about the Data Protection Act is provided by the Information Commissioner at www.dataprotection.gov.uk

A number of organisations provide model conflict of interest policies and model registers of interest, such as the Institute of Chartered Secretaries and Administrators (ICSA) www.icsa.org.uk/news/guidance.php

It is good practice to ensure that prospective new trustees consider the question of possible conflicts of interest before they are appointed. If new trustees are elected by the charity's membership, we recommend that the membership is made aware of any possible conflict of interests involving the individuals standing for election, so that they can take this into account when voting. This is particularly important where personal interests may be significant enough to make it difficult for the individual concerned to make a full and rounded contribution to the decisions and discussions of the trustee body.

We strongly recommend that all charities disclose benefits received by trustees in their report and annual accounts. This can help protect trustees from accusations that they are benefiting in a hidden way. It is a legal requirement for charitable companies, those non-company charities with a gross annual income or expenditure over £100,000, and smaller charities which prepare their accounts on an accruals basis, to disclose benefits to trustees.

Further information on charity accounts can be found in [Charity Accounts: The framework \(CC61\)](#).

8. What are the most common situations in which conflicts of interest can occur?

There are a number of situations in which conflicts of interest commonly occur, and of which you, as trustees, should be aware.

Direct financial gain or benefit to a trustee

Payment of trustees

The most common type of direct financial gain to a trustee is the payment of a trustee. By payment we mean:

- payment to a trustee for a service provided to the charity, such as painting the charity's premises, or legal or accountancy services;
- payment for acting as a trustee; and
- payment for a separate post within the charity, such as headteacher or chief executive, to someone who is also a trustee.

If trustees wish to pay one or more trustees, such payment will need to be authorised, either by a clause in the charity's governing document, or by an Order of the Court or the Commission. This authorisation is needed even if the trustee will be providing a service to the charity at below market cost, since the conflict of interest will still exist.

In the case of a trustee also being employed in a separate post within the charity, or a trustee being paid for a service provided to the charity, the conflict of interest may result in a liability to repay salary or other related benefits. It should not be assumed that such conflict

can be overcome merely by the person concerned resigning as a trustee, either before or after taking up the post. The only instance where authority may not be needed is where, practically, the trustees can show that there is no conflict of interest. In our view, this is confined to the fairly narrow circumstance where the trustee concerned:

- has had no significant involvement with the trustees' decision to create or retain the post, or with any material aspect of the recruitment process; and
- where that person resigns as a trustee in order to apply for the employed post in advance of a fair and open competition for it.

All other circumstances require an express authority. Further information on this issue can be found in our guidance [OG92](#).

Further information about the payment of trustees, including how to apply for our authority to pay a trustee, is contained in our publication [Payment of charity trustees \(CC11\)](#).

Trustees as directors of a subsidiary trading company

When a charity establishes a trading company to undertake a wider range of activities than the charity, it is often the case that a number of the charity trustees will also become directors of the trading company. This clearly creates the potential for conflicts to arise between the interests of the charity and the interests of the trading company.

A charity trustee cannot be paid for his or her services as a director, or employee, of the subsidiary trading company (or, of course, as an employee or trustee of the charity), unless authority is contained either in the governing document or has been provided by us.

Further information about charities and the extent to which they can trade can be found in [Charities and Trading \(CC35\)](#).

Sale of land to a trustee

Any sale or lease of land to a trustee or to someone closely connected to a trustee, even if it is at full market value, will need to be authorised by the Commission.

Further information about selling, leasing and mortgaging land, and how to apply for our authority is contained in [Disposing of Charity Land \(CC28\)](#).

Use of trustee's property by the charity

There may be circumstances in which a trustee of a charity is willing to allow that charity to use the trustee's land at little or no cost to the charity. Whilst the use of the land for little or no payment will be in the charity's interests, if the charity then puts buildings on the land or makes improvements to an existing property, unless the charity has a formal interest in the land, any buildings or improvements to the property might be returnable to the trustee.

Similarly, a trustee may loan money to the charity at a favourable rate of interest, or at no interest, without any security. Whilst the situation may be clearly in the charity's interests, we recommend that it should be formally documented.

In any situation where a trustee is loaning money to the charity of which they are a trustee or letting the charity use their property, we expect trustees to protect themselves and the interests of the charity by ensuring that formal agreements are in place.

Indirect financial gain or benefit to a trustee

The most common situation in which a trustee will receive an indirect financial benefit from the charity is when a close relative, such as a spouse or partner, is employed by the charity. By being involved in the appointment or payment of their spouse or partner to a paid position within the charity, the trustee could be seen to benefit, at least indirectly, from the appointment and the resulting payment.

If the trustee is wholly or partially dependent upon the financial support of his or her spouse or partner, the payment could be said to directly benefit the trustee. Even if the trustee has other income, if he or she and his or her partner or spouse are living in the same household, and are reliant on joint income and share joint expenses, the payment received contributes to the "joint purse" and the trustee is receiving some benefit through the contribution to these expenses.

Despite the fact that the payment is not being made directly to a trustee, the payment will still need to be authorised, and if there is no suitable power in the charity's governing document, the trustees will need to apply to the Commission for the necessary authority.

If the trustee is not receiving a financial benefit, there will still be a conflict of loyalties and the trustee will need to follow certain procedures, which are outlined in the section on [conflicts of loyalties](#).

Further information about the payment of spouses or partners of trustees and how to apply for our authority is contained in [Payment of charity trustees \(CC11\)](#).

Non-financial gain

Users as trustees

Many charities involve users in the effort to improve services, including appointing users as trustees of the charity, and we welcome user trusteeship as a way of helping a charity achieve its aims more effectively.

Defining what is a personal interest can be a difficult area in the context of user trustees. However, the key to this is the size and nature of the proposed transaction in relation to the number of people who will benefit. Essentially, the question is whether the decision to be taken by the trustees will confer a direct tangible benefit on the user trustee which is exclusive to him or her and which is not shared with other users.

For example, a user trustee in a charity that helps people with cerebral palsy might apply for assistance from an independent living scheme run by the charity. Obviously, this trustee would be in a position where they might gain from the award of a grant or direct assistance, and this situation would need to be authorised.

However, often there will be circumstances where user trustees will be asked to take a decision which indirectly affects them or a relative, such as the level of fee to be charged for a service provided by the charity. We consider that a decision would indirectly affect a trustee if:

- it results in the user trustee or relative receiving something which will also be more generally available to other users outside the trustee body, or;

- it is a general policy or practice decision affecting the service in which the user trustee or relative, along with other users, participates.

User trustees can take part in such decisions, but should declare their interest at the outset.

More detailed information about users of the charity being trustees can be found in [Users on Board: Beneficiaries as trustees \(CC24\)](#).

Conflict of loyalties

Trustees should bear in mind that when they are dealing with the business of the charity, their overriding duty is to act in the best interests of the charity. There may be situations in which a trustees' loyalty to the charity conflicts with their loyalty to the body which appointed them, to another charity of which they are a trustee or to a member of their family. Such conflicts of loyalty will not stop anyone from being a trustee, but they can occasionally cause conflicts of interest.

Any trustee who has a conflict of loyalties should declare this and it should be included in the register of interests. They should also declare the interest at the beginning of any meeting at which an issue is to be discussed that is subject to the conflict and should take no further part in the discussions on the issue. This will help to ensure transparency and avoid any accusations of impropriety.

Nominative or representative trustees

Trustees appointed by another organisation, such as by a local authority, (sometimes referred to as nominative or representative trustees) have exactly the same duties and responsibilities as other trustees. They must act independently of the organisation which appointed them and act only in the best interests of the charity. There may well be occasions where such trustees will have to act in a way which conflicts with the interests of the organisation appointing them. In such circumstances the best interests of the charity must come first; this duty overrides all other considerations.

Failure to act in the best interests of the charity could constitute a breach of trust for which a personal liability (financial or otherwise) could arise.

Where a conflict of interest arises in relation to a particular issue, for example in relation to a property transaction, the trustee concerned should not vote on it and should withdraw from any meeting at which it is considered.

It is a good idea to ensure that when nominated or representative trustees are appointed, the trustees are fully trained in their responsibilities as trustees and that the appointing body is also made aware of these responsibilities.

Further information can be found in our operational guidance [OG 56](#) Local authorities and trustees. Information about trustee responsibilities is contained in [Responsibilities of charity trustees \(CC3\)](#).

Ex-Officio trustees

An ex-officio trustee is a trustee who is in that position by virtue of their office. Normally this relates to positions such as the Vicar of a parish or the Mayor of a town. Ex-officio trustees

have exactly the same responsibilities as other trustees to act in the best interests of the charity.

Local authorities as trustees

Charities, such as playing fields, are sometimes managed by the local authority as sole trustee, or by members of the local authority, as trustees. It is especially important when this is the case that the local authority as trustee, or its members as trustees, are clear when they are dealing with charity business and when they are dealing with local authority business. When they are dealing with charity business, they must only consider the best interests of the charity and not those of the local authority.

Further information can be found in our operational guidance [OG 56](#) Local authorities and trustees.

9. What are the consequences of an unmanaged conflict of interest?

There can be a number of consequences arising from an unmanaged conflict of interest.

If a trustee has received a benefit from the charity which is not authorised, either by the charity's governing document or by the Court or the Charity Commission, they will be acting outside the terms of the charity's governing document and may be in breach of trust. Even if the governing document does provide a power for trustees to receive benefits from the charity, if this power has been used in a way which is not in the best interests of the charity (for example, if a trustee is buying part of the charity's property for a much reduced price) then a breach of trust might still have occurred. If a breach of trust has occurred, then the transaction could be challenged by the Commission or by another interested party, such as a beneficiary of the charity. Where a trustee has received an unauthorised benefit, or where a trustee doesn't personally benefit but does not act in the best interests of the charity, the transaction may not be valid and the trustee could be liable to pay back the value of the benefit to the charity.

In cases where it seems that trustees have deliberately placed their own interests ahead of those of the charity in order to gain significant benefit at the expense of the charity, we will open an inquiry and, if appropriate, refer the matter to the police

An unmanaged conflict could also adversely affect the way in which the trustee body operates. Trustees may find it difficult to make a decision on a matter which involves a fellow trustee. You may feel that you should decide in favour of the trustee as you know him or her, or that, for the same reason, you should decide against him or her, even if the trustee's and the charity's interests are the same. You may also feel uncomfortable voting against the interests of a fellow trustee.

In addition to the legal consequences of an unmanaged conflict of interest, trustees also need to be aware of the effect that an unmanaged conflict can have on the charity's reputation. If those outside the trustee body have the impression that the trustees have acted in their own interests rather than those of the charity, this could damage the reputation of both the charity and the trustees, even where the trustees have acted in the charity's best interests. This could affect the charity's fundraising and the confidence of staff, volunteers and beneficiaries in the charity. Additionally, if the publicity is widespread, trustees may need to devote time and resources to defending the decision they have made, which will divert resources away from carrying out the objects of the charity.

When dealing with conflicts of interest, trustees should be aware of how the situation may appear to someone from outside the charity, and make sure that a policy and procedures are in place which will allow trustees to demonstrate that such situations have been dealt with properly.

10. What do I do if I discover an unauthorised trustee benefit?

If you, as a trustee, realise that there is an unauthorised trustee benefit, we would encourage you to tell us about it, particularly if a significant breach of trust has occurred. This should be accompanied by an explanation of why the breach of trust occurred, how the trustees would prevent a similar situation occurring in the future and what benefits, if any, the charity received from the situation.

Details of how we will deal with unauthorised trustee benefits can be found in [section 4](#).

11. Where can I find further information and advice?

Further information on what to do if you are an employee of a charity or someone else with an interest in the charity and you discover an unauthorised trustee benefit can be found in [Complaints and Charities \(CC47\)](#).

In addition to the organisations mentioned in this guide, there are a number of organisations which provide advice on dealing with conflicts of interest together with a range of advice for trustees, which can be accessed from the [Useful links](#) area on our website.

12. Checklist for trustees

1. If you have identified that a conflict of interest exists, are you, or is the trustee concerned, receiving a material benefit as a result of that conflict of interest? (details of benefits which need to be authorised can be found in [section 3](#) of this guide).

If no, have you, or has the trustee, declared the interest in the register of interests and not taken part in any discussions/voting on that issue?

If yes, has the benefit been authorised?

2. Does the governing document contain authority for the benefit arising from the conflict of interest?

If yes, have the charity's trustees complied strictly with the terms of the authority contained in the governing document?

If no, have the charity's trustees applied to the Commission for authority (see [section 6](#) of the guide)?

3. Once the charity's trustees have the necessary authority, are there procedures in place to manage the conflict of interest effectively (see [section 7](#) of the guide)?

If no, have the charity's trustees ensured that procedures are put in place for managing conflicts of interest?

4. Have the charity's trustees ensured that any benefit received by the trustees is disclosed in the annual report and accounts (see [section 7](#) of the guide)?