



University of Lincoln Students' Union Conflict of Interest Policy

1.0 Policy Statement

- 1.1 The University of Lincoln Students' Union (ULSU) is committed to upholding and promoting the highest standards of behaviour and to preventing, identifying and managing conflict of interests.
- 1.2 Trustees, Subsidiary Company Directors, Staff and Volunteers are expected to act with the highest standards of integrity in all dealings relating to ULSU and its subsidiary companies. The Trustees, Subsidiary Company Directors and Senior Managers in particular are expected to lead by example in ensuring that the highest levels of behaviour are adopted. The Trustees and Subsidiary Company Directors owe a duty of loyalty to the Charity and the Limited Companies respectively and must always act in its best interests. Trustees, Subsidiary Company Directors and Staff must not use their office or employment for personal gain and should act at all times in good faith and in the interests of the ULSU Group. ULSU Group is herein after used as the collective term for ULSU and its trading subsidiaries, namely Lincoln Students' Union Trading Limited (LSUT) and Students' Union Management System Ltd (SUMS).
- 1.3 On occasion, conflicts of interest (whether potential, actual, or perceived) may arise in the course of, or relating to, ULSU's activities and those of its Trustees, Limited Company Subsidiary Company Directors, Staff and Volunteers. All ULSU Trustees, Subsidiary Company Subsidiary Company Directors, Staff and Volunteers are required to recognise and disclose activities that might give rise to conflicts of interest, or the perception of conflicts, and to ensure that such conflicts are seen to be properly managed or avoided.
- 1.4 If conflicts of interest are properly managed, activities can often proceed whilst at the same time upholding the person's obligations to the ULSU Group, meeting regulatory and other external requirements and protecting the integrity and reputation of the ULSU Group. By contrast, conflicts which are not managed effectively, or where the conflict of interest cannot be appropriately resolved, may cause serious damage to the reputation of the ULSU Group and of the person declaring the conflict. It is therefore ULSU Group policy to ensure that when conflicts or perceived conflicts of interest arise they are acknowledged, disclosed, and properly managed.
- 1.5 There are legal requirements and consequences specifically upon Trustees of Charities, and a regulatory framework administered by the Charity Commission to which regulatory framework ULSU is subject as a registered Charity. Trustees are also bound by any and all provisions within ULSU's Constitution relating to conflicts of interest.

2.0 Aim and Scope of the Policy

- 2.1 The aim of this Policy is to give guidance on the legal requirements and to set out ULSU Group policy in relation to conflicts of interest, and to assist those to whom this policy applies, to identify, disclose and manage any real, perceived or potential conflicts of interest in the performance of their duties, and to ensure their actions are consistent with this Policy.

2.2 This Policy applies to all Trustees, Staff, Volunteers, Subsidiary Company Directors, or Committee Members of either ULSU, Lincoln Students' Union Trading Limited (LSUT) and Students' Union Management System Ltd (SUMS).

3.0 What is a Conflict of Interest?

3.1 A conflict of interest is any situation in which one's personal interests or loyalties, or the interests of a person or organisation connected to them, such as a family member or organisation in which they have an interest, could, or could be perceived to, prevent the person from making a decision only in the best interests of the ULSU Group, or where the conflict could, or could be perceived, to compromise the obligations they owe to the ULSU Group.

3.2 Even the perception that there is a conflict of interest can damage an organisation's reputation. Where the perception is not accurate because there is no conflict of interest, the person declaring the conflict should always be able to respond appropriately to the situation by managing the risks to the organisation and being prepared to explain how they have made their decisions only in organisation's best interests.

3.3 Conflicts of interest usually arise where either:

- there is a potential financial or measurable direct benefit , or indirectly through a connected person, or
- A Trustee, Staff member, Volunteer, Subsidiary Company Directors, or Committee Member's duty to the Charity may compete with a duty or loyalty they owe to another organisation or person

3.4 All those covered by this Policy are required to recognise and disclose when there is a situation which might give rise to a conflict of interest or the perception of a conflict, and to ensure that such conflicts are seen to be properly managed or avoided.

4.0 How Conflicts of Interest will be handled

4.1 Any conflict between the interests of the Charity or Subsidiary Trading Company and the interests of a person covered by this Policy, or a person or organisation connected with them, must be handled using the following steps:-

- **IDENTIFY** conflicts of interest
 - Everyone covered by this Policy each have an individual, personal responsibility to declare conflicts of interest which affect them
 - strong systems must be in place so that conflicts of interest can be identified
- **PREVENT** the conflict of interest from affecting the decision
 - Decisions must be made only in the best interests of the Charity or Subsidiary Trading Company. This means the issue of the conflict of interest must be managed so that any potential effect on decision making is eliminated. How this is done will depend on the circumstances. In cases of serious conflicts of interest, it may mean a decision being made to remove the conflict by:
 - not pursuing a course of action or
 - proceeding with the issue in a different way so that a conflict of interest does not arise or
 - not appointing a particular Trustee or
 - securing a Trustee resignation
- **MANAGE** the conflict of interest

- Where a decision is made to manage rather than remove the conflict of interest, the following procedures must be applied:
 - any specific requirements in the law or the Charity's governing document which deal with conflicts of interest and how they should be managed must be followed (as well as being a requirement of this policy, this is also a legal requirement)
 - conflicted individuals declare their interest at an early stage and, in most cases, withdraw from relevant meetings, discussions, decision making and votes
 - the Trustees may, in exceptional cases, need to seek the authority of the Charity Commission where the conflict of interest is so acute or extensive that the measures above alone will not allow the Trustees to demonstrate that they have acted in the best interests of the Charity

- **AUTHORISE** (or not) the conflict of interest
 - Where a decision is made to manage rather than remove the conflict of interest, it must be properly authorised (as well as being a requirement of this policy, this is also a legal requirement in the case of a Trustee conflict of interest)
 - must follow any conditions attached to the authority which say how the conflict of interest should be handled (as well as being a requirement of this policy, this is also a legal requirement in the case of a Trustee conflict of interest)

- **RECORD** conflicts of interest
 - Conflicts of interest must be formally recorded, including details of how they have been handled
 - Any conflict of interest involving a Trustee benefit must be disclosed in ULSU's annual financial statements (as well as being a requirement of this policy, this is also a legal requirement)

5.0 How do I identify a conflict of interest?

5.1 Individual's required to adhere to this Policy must be able to identify any conflicts of interest at an early stage. In Particular, Charity Law says that Trustees must avoid putting themselves in a position where their duty to act only in the best interests of the Charity could conflict with any personal interest they may have. In practice this means that:

- individual Trustees who fail to identify and declare any conflicts of interest will fail to comply with their personal legal responsibility to avoid conflicts of interest and act only in the best interests of the Charity
- the Board must ensure that any conflicts of interest do not prevent them from making a decision only in the best interests of the Charity

5.2 Conflicts of interest may come in several different forms:

- Direct financial gain or benefit such as the following examples, although this list is not exhaustive:
 - Payment to the person declaring the conflict, or a person or company closely connected to them, for providing a service; this covers anything that would be regarded as a service provision and includes legal, accountancy or consultancy services through to painting or decorating the Charity's premises, or any other maintenance work
 - the award of a contract to another organisation in which the person declaring the conflict, or a connected person, has an interest and from which the person declaring the conflict will receive a financial benefit
 - sale, loan or lease of assets to an individual covered by this Policy
 - positions of office or significant influence held within another organisation
 - shareholdings, investments or other business interests held by the person declaring the conflict or a family member
 - 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

- receipt of gifts or preferential rates
- Indirect financial gain or benefit to a person covered by this Policy such as the following examples, although this list is not exhaustive:
 - employment by the Charity of a spouse or partner of an individual covered by this Policy; by being involved in the appointment or their spouse or partner to a paid position within the Charity, the person themselves could be seen to benefit, at least indirectly, from the appointment and the resulting remuneration
 - non-financial gain, such as when a user of the Charity's services is also a Trustee
 - conflict of loyalties, such as where a family member or friend of a person covered by this Policy is employed by the Charity or where a personal relationship exists between staff or an individual which could lead to a suspicion of favouritism or preferential treatment. Where such personal relationships exist, they should be declared in the same way as relationships with external organisations; declarations of such relationships will be handled in a sensitive manner and issues of confidentiality will be considered.
 - any interests of which he or she is aware that persons connected with him or her have in organisations where it is reasonably likely that a conflict could arise, such as organisations operating in the same or similar fields as, or which might fund, or provide goods or services to, ULSU, or organisations which ULSU might fund, or to which ULSU might provide goods or services

6.0 How do I declare a conflict of interest?

6.1 Each individual covered by this Policy is responsible for disclosing any potential or actual conflicts of interest that may impact on their roles and responsibilities. When deciding on such matters, consideration must also be given to how things could appear to others and, in all cases, individuals should err on the side of caution, declaring an interest if there is any possibility that a conflict of interest may exist.

6.2 All Trustees, staff and volunteers **MUST** declare any actual or potential conflicts of interest of which they are aware, as soon as they arise.

6.3 In the first instance declarations should be made using the Declaration of Interests (DOI) form, or subsequent updates may be given verbally or by email. All sections of the form must be completed, and as much detail as possible should be given in the interest of transparency and assessing how the conflict can be managed and whether it should be authorised or not authorised.

6.4 Where a conflict of interest has been declared, the following process will be followed:

- where the conflict of interest relates to a Trustee or a Subsidiary Company Director, the declared conflict will be reported to the respective Board via the Register of Interests included within the meeting papers, or if necessary by the Chief Executive (where the conflict of interest relates to the Chief Executive, another Trustee shall act in this regard). The following steps may then be taken, depending on the nature of the conflict:
 - a strategy for managing the conflict of interest proposed and agreed upon by the Board of Trustees or Directors as applicable
 - the Board is question discuss and agree how the conflict should be handled if approved, or whether the conflict should be removed
 - if the conflict relates to a Trustee, the proposed strategy to manage the conflict of interest may include:
 - removal of decision making and voting rights from a Trustee on the issue to which the conflict of interest relates
 - authorisation of the conflict by the Charity Commission
- where the conflict relates to a staff member (who is not a Director) or a volunteer, and the annual potential financial benefit involved in the conflict is estimated to be less than £1,000 per annum, the Deputy Chief Executive, taking advice from others where appropriate, will formulate the strategy for managing the conflict of interest, and authorise or not authorise the conflict.

- where the conflict relates to a staff member (who is not a Director) or a volunteer, and the annual potential financial benefit involved in the conflict is estimated to be more than £1,000 per annum, the Deputy Chief Executive, taking advice from others where appropriate, will propose a strategy for managing the conflict of interest, and Board will formally approve (or not) the proposed strategy to manage the conflict, or decide the conflict must be removed

6.5 Measures to manage the conflict may involve:

- the conflict of interest and any associated proposed transactions not being allowed to proceed (removal of the conflict)
- restricting the individual from participating in part of the activity (e.g. taking part in deliberations on the issue or issues which are the subject of the conflict of interest)
- removing the individual from involvement in the issue altogether where the interest is substantial and partial restriction may not be appropriate
- requesting that the Trustee, Subsidiary Company Director, Staff Member or Volunteer relinquish their personal interest if it is considered that the personal interest is outweighed by their duty to the ULSU Group
- if the conflict relates to a Trustee, removal of decision making and voting rights for that individual on any issue to which the conflict of interest relates
- if the conflict relates to a Trustee, the Board may, exceptionally, need to seek the authority of the Charity Commission where the conflict of interest is so acute or extensive that following the above or other options will not allow the Trustees to demonstrate that they have acted in the best interests of the Charity

6.6 Trustees must consider the issue of the conflict of interest so that any potential effect on decision making is eliminated. This means that in cases of serious conflicts of interest they may decide that removing the conflict of interest is the most effective way of preventing it from affecting their decision making and demonstrating that they have acted only in the best interests of the Charity. Serious conflicts of interest include, but are not limited to, those which:

- are so acute or extensive that the Trustees are unable to make their decisions in the best interests of the Charity, or could be seen to be unable to do so
- are present in significant or high-risk decisions of the Trustees
- mean that effective decision making is regularly undermined or cannot be managed in accordance with the required or best practice approach
- are associated with inappropriate Trustee benefit

In practice removing the conflict of interest is likely to mean one or more of the following:

- not pursuing the course of action
- proceeding with the issue in a different way so that a conflict of interest does not arise. This might mean deciding not to consider using a Trustee's company to do some work for the Charity if this would mean that the number of payments to Trustees, although authorised, is at risk of introducing levels of conflict of interest which could be difficult to manage and to justify. It could, exceptionally, mean seeking the Charity Commission's prior authority to a continuing and widespread conflict of interest
- securing the resignation of a Trustee affected by a conflict of interests
- not making Trustee appointments which will introduce a conflict of interests

6.7 If the decision under any of the approval processes detailed in section 6.4 is that it is possible to successfully manage the actual or potential conflict of interest, and that therefore the proposed transactions or activities in relation to the conflict should proceed, the approval given may take any of the following forms:

- if the conflict relates to a supplier from which the person declaring the conflict, or a person connected to them, will receive a financial benefit, and that supplier is a preferred supplier under ULSU's procurement procedures (which include consideration of any potential conflict

implications and approval by the Board of the process to manage the conflict, before appointment as a preferred supplier):

- approval without limitation may be given or
- approval up to a total amount over any period of time or
- approval up to a total annual amount.

If the value of the financial transactions is likely to exceed any limitation within the approval, further Board approval must be sought before the approved limit is exceeded

- if the supplier is not an existing preferred supplier, approval for transactions in relation to the managed conflict may be given up to a total amount over any period of time, or an amount per annum, above which limitations further approval must be sought from the Board before the approved limit is likely to be exceeded
- if the conflict of interest relates to a matter which is not one of purchasing from a supplier, the Board will discuss and formally approve the process by which the conflict will be managed

7.0 Register of Interests

- 7.1 A Register of Interests will be maintained by the Clerk to the Board, recording interests declared by Trustees, Subsidiary Company Directors, Senior Managers and other staff members who may attend Board level meetings. A separate register of Conflicts of Interest declared by all staff will also be maintained.
- 7.2 As part of the appointment or employee recruitment process, all those covered by this Policy must complete a DOI form at the earliest opportunity. The Clerk to the Board is responsible for issuing the form to Trustees and Directors and the HR Department for issuing to staff respectively, and for ensuring that it is returned within the required timeframe.
- 7.3 If a conflict of interest is declared by any candidate, the approval process as detailed in section 6.4 above must then be followed.
- 7.4 The Register of Interests will be continually updated as and when new interests are declared, or existing ones are no longer deemed to be relevant.

8.0 Conduct of Meetings involving a Conflict of Interest

- 8.1 Each Board and Sub-Committee meeting must have a standard agenda item at the start of each meeting for Trustees, Directors or Staff or to declare any actual or potential conflicts of interest, either as a recent change or in reference to a particular item up for discussion at that meeting.
- 8.2 Whenever a matter is to be discussed or decided at a meeting in which an individual has or may have a conflict of interest, or might be perceived by a reasonable person to have a conflict of interest, with the interests of the ULSU Group, the person MUST:
- declare his or her interest at the start of the meeting, in advance of any discussion of the item taking place; if an individual is uncertain whether he or she is conflicted, they should err on the side of openness, declaring the issue and discussing the potential conflict with the group
 - remain only for such part of the meeting as, in the view of the group, is necessary to inform the debate
 - not be present at any vote and have no vote on the matter
 - not be counted in the quorum for that part of the meeting
 - if any question arises as to whether there is a conflict of interest, the question shall be decided by a majority decision
 - if an individual is aware of an undeclared conflict of interest affecting another meeting attendee, they should notify the Chair as soon as possible
- 8.3 Minutes of the meetings of Board and Sub-Committees at which conflicts of interest arise should record:
- whether the conflict of interest was declared in advance
 - the nature of the conflict

- the level of participation, or withdrawal, of the affected Trustee with respect to consideration of the matter
- details of the discussion in relation to the conflict
- what is determined in relation to the conflict, and the outcome of any vote taken regarding the conflict
- any limitation agreed on the Trustee's ability to act with respect to the conflict
- any limitation agreed on the value or nature of prospective transactions in relation to the conflict
- details of how the Trustees took the decision in the best interests of the organisation

8.4 Meetings other than Board meetings, should follow the same principles as above when a conflict of interest is declared.

9.0 What are the consequences for Trustees of not acting properly when there is a conflict of interest?

9.1 Failure to act properly where there is a conflict of interest is a breach of the Trustees' legal responsibilities, and can have serious consequences for the affected Trustee, the Charity, and public trust and confidence in charities generally. Where a Trustee or Trustees have acted outside the terms of the Charity's governing document or the law, their decision may not be valid and it could be challenged by the Charity Commission or by an interested party or beneficiary of the Charity. In some circumstances the transaction to which the conflict of interest relates may be capable of being invalidated by the courts or the Charity Commission, or, in the worst case, might be ruled void (ie: having no legal basis) from its start.

9.2 Where they have not acted properly, Trustees may have to repay any sums paid by the Charity, whether they result from an unauthorised Trustee benefit or another breach of duty. This can be the case, even where the Charity has benefited from the arrangement. If the Charity has also suffered a loss, the Trustees may have to make good such loss to the Charity.

9.3 Where a case involving a conflict of interest presents a serious risk to the Charity or to public confidence in charities generally, or where it seems that Trustees have deliberately or negligently placed their own interests ahead of those of the Charity and have, as a result, gained significant benefit at the expense of the Charity, the Charity Commission will use their powers to:

- stop abuse, Trustee misconduct and mismanagement; this includes where the Trustees fail to fully take steps to resolve the issues or are incapable of doing so
- intervene in a Charity's affairs and take steps to recover any sums lost to Charity, where the Trustees are unable or unwilling to do so, and the amount involved is significant
- if evidence is found, or suspected, of criminal activity, the Charity Commission will refer the matter to the police and other relevant agencies, as well as invoking their own powers of intervention

9.4 In addition to the legal and regulatory consequences, Trustees also need to be aware of the significant negative effects that a conflict of interest 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. This could affect the Charity's fundraising and the confidence of staff, volunteers and beneficiaries in the Charity.

10.0 Prospective new Trustees

10.1 Prospective Trustees or Directors must be asked before they are appointed about other interests they hold, and must also specifically declare on the DOI form any conflicts of interest which exist or they can foresee arising in relation to the organisation.

10.2 If a new Trustee's position is elected by ULSU's membership, such as elected Sabbatical Trustees, the membership must be made aware of any possible conflicts of interest 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 board. The Head of Student Voice & Insight, in liaison with the Representation & Governance Coordinator, is

responsible for ensuring declarations of any actual or potential conflicts of interest are made during the nomination process by all prospective Sabbatical Trustees, by their completion of a DOI form; the form must be completed by all candidates, including "nil returns", confirming they have no relevant interests, and therefore no potential conflicts of interest.

10.3 With regard to prospective External Trustees and Student Trustees, the Chief Executive has responsibility to ensure that any actual or potential conflicts of interest are declared by all prospective Trustees during the recruitment and selection process, by completion of a DOI form.

11.0 Implementation and Monitoring of the Conflict of Interest Policy

11.1 Clerk to the Board (for Trustees and Directors), Deputy Chief Executive (for staff) and the Campaigns & Employability Manager (for volunteers) will ensure that this policy is brought to the attention of Trustees, Subsidiary Company Directors, Staff and Volunteers as part of the induction procedure, and that individuals are made aware of their responsibilities under this Policy and the requirement to declare conflicts of interest.

11.2 A declaration of interest does not replace the need for individuals to declare relevant interests during the business of a meeting, or during day-to-day activity; any such interests, even if previously declared and approved, must be reiterated at each meeting.

11.3 ULSU's Finance & Risk Sub-Sub-Committee will monitor the implementation of this policy and is responsible for advising the Trustees of any further measures required to control the risk relating to conflict of interests.

11.4 All documentation (DOI forms, emails, proposals, formal authorisations, copy of contract etc.) relating to conflicts of interest will be centralised with the Clerk to the Board or the HR Department as applicable, and retained in a readily accessible format.

11.5 Breaches of this policy, or failure to comply with the strategy for managing the conflict of Interest agreed and approved, may lead to disciplinary action against staff, including potentially gross misconduct, depending on the nature and severity of the breach, or other appropriate action against Trustees or Directors as determined by the Board, or appropriate action against volunteers.



Disqualification of Trusteeship - Guidance for Trustees and Senior Managers

In line with the Charities Act 2016, to ensure due diligence of good governance and protect the best interest of Charities, the Charity Commission has introduced a ruling for all Charities when appointing Trustees and throughout their term in office. Trustees will now be automatically disqualified from acting as a Charity Trustee should the Commission consider the individual to be unfit for Trusteeship.

The Act extends this past Trustees to Senior Managers and as such this will also apply for the ULSU Senior Management Team. An individual who has been disqualified as a Trustee is not allowed to be in a Senior Management role in a Charity or actively involved in the management of a corporate Charity Trustee.

The following outlines the criteria for when disqualification may occur - one of the six conditions must apply for the Charity Commission to enact the process:

1. Someone has been cautioned for an offence against a Charity or in the administration of a Charity for which a conviction would bring automatic disqualification.
2. Someone has been convicted of an offence in another country that is against, or involves the administration of, a Charity or similar body or if it had been committed here would bring automatic disqualification from acting as a Trustee.
3. Someone has been found by HMRC not to be a 'fit and proper person' to be a manager of a body or Trust.
4. They were the Trustee, officer, agent or employee of a Charity who was responsible for, contributed to or facilitated misconduct or mismanagement in a Charity.
5. They were an officer or employee of a corporate Trustee who was responsible for, contributed to or facilitated misconduct or mismanagement in a Charity.
6. They have done something, whether or not in relation to a Charity that is, or is likely to be, damaging to public trust and confidence in a Charity or charities

As well as the above six conditions, the number of criminal offences which can contribute to the automatic disqualification of an individual becoming a Trustee includes convictions for terrorism offences, misconduct in public office, perverting the course of justice, money laundering or bribery.

In line with this, all appointed Trustees and the Senior Management Team of the ULSU must complete a Disclosure Barring Service (DBS) check which shall be reapplied for when commencing a new Terms of Office. Senior Managers should adhere to the ULSU DBS Policy.

Individuals are also obligated to declare any such activity which reflects any of the six conditions as well as any criminal offences in line with the Code of Practice for all Trustees.



Declaration of Interests (DOI) Form 2020/21

I _____ (print name) have detailed my interests below in accordance with ULSU's Declaration of Interest Policy.

Should your circumstances change at any time you should contact the Clerk to the Board of Trustees as soon as possible.

Category of interest	<i>Please give details of relevant interests, whether it applies to yourself or a close family member or some other close personal connection</i>
A. Existing employment and any previous employment in which you continue to have an interest.	
B. Appointments (including voluntary) such as Subsidiary Company Directorships, Trusteeships, local authority memberships etc.	
C. Membership of any professional bodies, pressure or special interest groups or mutual support organisations	
D. Significant or material shareholdings or interests in listed companies. (We are defining 'significant' as meaning 25% or more of the company equity; and 'material' as an investment which makes a personal difference to the circumstances of the owner of the shareholding.) Investments in unlisted companies, partnerships and	

other forms of business should be disclosed.	
E. Gifts or hospitality of a value of more than £25 accepted by you in the last 12 months from external bodies or companies in relation to Union activities.	
F. Any contractual relationship with ULSU or any of its trading subsidiaries.	

Signed:

Dated: