

THE SOCIETY FOR THE STUDY OF MEDIEVAL LANGUAGES AND LITERATURE

CONFLICT OF INTEREST POLICY

Adopted at the Executive Committee meeting held on 16<sup>th</sup> May 2009

*A. Introduction*

1. The governing body of the Society is its Executive Committee, whose members are its Trustees. It is recognised that, for any Trustee, perceived or real conflicts of interest may arise between their role within the Society and their other activities.

2. The Charity Commission defines a conflict of interest as ‘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’.

3. Conflicts of interest can be either direct or indirect. The following list of examples is not exhaustive:

- 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 one of the charity’s funders, or where a friend of a trustee is employed by the charity

4. Further guidance is available from the Charity Commission:

<http://www.charitycommission.gov.uk/supportingcharities/conflicts.asp#7>

This guidance has been taken into consideration when drawing up this Policy.

5. The Society is concerned to manage actual conflicts of interest and to minimise the perception of conflicts of interest. This Policy relates the principles outlined by the Charity Commission to the Society’s normal workings.

6. In terms of the Society’s activities, possible conflicts of interest are most likely to arise when a Trustee, or a person with whom that Trustee has a close personal or professional relationship, is either involved in an event which may be sponsored by the Society, or in a position to contract for academic or administrative services being sought by the Society.

*B. The Society’s Constitution and Conflict of Interest*

1. The Society’s Policy concerning conflict of interest is governed by Article IV of its Constitution (adopted 3<sup>rd</sup> April 2009). The relevant Article reads in full:

#### **IV. Application of the Income and Property**

‘1. The income and property of the Society shall be applied solely towards the promotion of the Objects.

‘2. A Trustee may pay out of, or be reimbursed from, the property of the Society reasonable expenses properly incurred by him or her when acting on behalf of the Society.

‘3. None of the income or property of the Society may be paid or transferred directly or indirectly by way of dividend bonus or otherwise by way of profit to any member of the Society. This does not prevent:

(a) a member who is not also a Trustee from receiving reasonable and proper remuneration for any goods or services supplied to the Society;

(b) a Trustee from:

(i) buying goods or services from the Society upon the same terms as other members or members of the public

(ii) receiving a benefit from the Society in the capacity of a beneficiary of the Society, provided that the Trustees comply with the provisions of paragraph (6) of this Article,

or as a member of the Society and upon the same terms as other members;

(c) the purchase of indemnity insurance for the Trustees against any liability that by virtue of any rule of law would otherwise attach to a Trustee or other officer in respect of any negligence, default breach of duty or breach of trust of which he or she may be guilty in relation to the Society but excluding:

(i) fines

(ii) costs of unsuccessfully defending criminal prosecutions for offences arising out of the fraud, dishonesty or wilful or reckless misconduct of the Trustee or other officer

(iii) liabilities to the Society that result from conduct that the Trustee or other officer knew or ought to have known was not in the best interests of the Society or in respect of which the person concerned did not care whether that conduct was in the best interests of the Society or not.

‘4. No Trustee may be paid or receive any other benefit for being a Trustee.

‘5. A Trustee may:

(a) sell goods, services or any interest in land to the Society

(b) be employed by or receive any remuneration from the Society

(c) receive any other financial benefit from the Society,

if :

(d) he or she is not prevented from so doing by paragraph (4) of this Article; and

(e) the benefit is permitted by paragraph (3) of this Article; or

(f) the benefit is authorised by the Trustees in accordance with the conditions in paragraph (6) of this Article.

‘6. (a) If it is proposed that a Trustee should receive a benefit from the Society that is not already permitted under paragraph (3) of this Article, he or she must:

(i) declare his or her interest in the proposal;

- (ii) be absent from that part of any meeting at which the proposal is discussed and take no part in any discussion of it;
- (iii) not be counted in determining whether the meeting is quorate;
- (iv) not vote on the proposal.

(b) In cases covered by paragraph (5) of this clause, those Trustees who do not stand to receive the proposed benefit must be satisfied that it is in the interests of the Society to contract with or employ that Trustee rather than with someone who is not a Trustee and they must record the reason for their decision in the minutes. In reaching that decision the Trustees must balance the advantage of contracting with or employing a Trustee against the disadvantage of doing so (especially the loss of the Trustee's services as a result of dealing with the Trustee's conflict of interest).

(c) The Trustees may only authorise a transaction falling within paragraphs 5(a)–(c) of this Article if the Trustee body comprises a majority of Trustees who have not received any such benefit.

(d) If the Trustees fail to follow this procedure, the resolution to confer a benefit upon the Trustee will be void and the Trustee must repay to the Society the value of any benefit received by the Trustee from the Society.

‘7. A Trustee must absent himself or herself from any discussions of the Trustees in which it is possible that a conflict will arise between his or her duty to act solely in the interests of the Society and any personal interest (including but not limited to any personal financial interest) and take no part in the voting upon the matter.’

2. The Policy presented here should not be taken to contradict or modify in any way the Constitution. The purpose of this Policy is to clarify how the Society will fulfill its constitutional commitment to manage any potential conflict of interest in a transparent and effective manner.

### *C. Declarations of Interest*

1. At the start of each Committee meeting, all interests related to any items on the agenda will be declared by each Trustee present. Such a declaration should include any case where the Trustee stands to gain either a direct or an indirect benefit. Such a declaration should also include any case where a reasonable observer might legitimately perceive there to be a potential conflict of interest. If there is any doubt in the Trustee's mind about whether something needs to be declared, they should err on the side of disclosure.

2. Where the direct or indirect benefit to be gained by the Trustee is significant, that Trustee must withdraw from the discussion and decision-making for that item.

### *D. Expenses and Honoraria*

1. As is stated at Article IV, para. 2 of the Constitution, a Trustee can expect reimbursement of costs incurred while acting in their role as a Trustee. Claiming expenses does not constitute a conflict of interest. However, a Trustee can only claim such expenses from the Society by submitting receipts for the full amount claimed.

2. The Society has a tradition of honoraria for its Hon. Officers and Editors. In line with Charity Commission guidance, the Society will strive to ensure that the total sum of honoraria for Hon. Officers and Editors in each calendar year does not exceed £1,000. If honoraria exceed that amount, authority will be sought from the Charity Commission.

#### *E. Sponsorship of Events*

1. It is likely and, on occasion, unavoidable that a request for sponsorship will be submitted for a conference or other event in which a Trustee is involved as an organiser or speaker. In such instances, to manage any conflict of interest, the Trustee must:
  - (a) declare that involvement before the discussion begins
  - (b) withdraw from the discussion and decision-making about that specific request
2. If a grant is awarded to an event in which the Trustee is directly involved, that Trustee must also withdraw from any further decision-making about that particular grant.
3. This does not preclude the Trustee from presenting to the Committee a report of the event after it has taken place.
4. It is also likely that a request for sponsorship might be submitted for an event organised by a body of which the Trustee is a member, without the Trustee being directly involved in the event. In that situation, the benefit accruing to the Trustee is considered insignificant, and the Trustee, having declared their membership, need not withdraw from the discussion.

#### *F. Provision of Services*

1. The Society pays for services, including (but not confined to) copy-editing, proof-reading, web and print design, and administrative support.
2. In some cases, those services are provided by members of the Society who are not Trustees. In such cases, if that member is attending an Executive Committee meeting and the matter is raised of the services they do or may provide, they should withdraw for the relevant item, unless asked to remain to respond to specific questions.
3. There can also be occasions on which a potential provider of paid services is a Trustee, or a person with whom a Trustee has a close personal or professional relationship. In such an instance, the clear conflict of interest will be managed in accordance with Article IV, para. 6 of the Constitution, by following the procedure laid out below:
  - (a) Ahead of the decision:
    - (i) The Executive Committee will clearly specify the service required.
    - (ii) Any Trustee who is a potential provider of services will submit in writing a clear quotation, specifying the work, cost and anticipated completion date.
    - (iii) At the same time, the Society will seek at least one other written quotation from someone who is not a Trustee.
    - (iv) The submissions will be circulated to the Trustees who will be eligible to vote on the matter.
  - (b) At the meeting:
    - (v) Any Trustee who is a potential service-provider will declare their interest before the item is discussed and withdraw from the discussion and decision-making when the item is reached on the agenda.

- (vi) If the relevant Trustee is chairing the meeting, they will vacate the Chair, and the Committee will follow Article V, para. 12 of the Constitution.
  - (vii) The Chair for the item will ensure the meeting remains quorate and, if it does, the remaining Trustees will consider all the submitted quotations equally and, in making their decision, will state their reasons for their choice. Those reasons must be recorded in the minutes.
  - (viii) If it is decided to accept the provision of services from a Trustee, the remaining Trustees will also appoint one of their number, or delegate to another person, the task of liaising with the service-provider to ensure the work is completed to the Committee's satisfaction.
- (c) After the decision:
- (ix) The service provided will be as specified in the minutes of the meeting. If the work substantially changes or if the costs or timescale exceeds that stated in the minutes, the decision will be void and the procedure must be re-initiated.
  - (x) The person appointed by the remaining Trustees to liaise with the service-provider will submit in writing to those Trustees progress reports, as necessary, and a final statement confirming that the work has been done in accordance with the Committee's decision.
  - (xi) The Trustee who is a service-provider will take no part in the Society's management of the work, or in discussions of the work.
  - (xii) The Committee, with the relevant Trustee absent, will take note of the progress reports and final statement and will record in its minutes when the work has been completed to the Committee's satisfaction, and the conflict of interest successfully managed.

### *G. Transparency*

1. The Declarations of Interest made at the start of each Committee meeting will be available for consultation by any member of the Society and by the Charity Commission. A request to consult the Declarations of Interest should be made in writing to the Executive Officer (or, if there is no such an officer, the Hon. Secretary), who will respond within 28 days. The request should specify the date of the meeting or meetings for which the Declarations are to be consulted.

3. Full details of any benefits, both direct and indirect, to Trustees will be recorded in the Annual Report and thus notified to the AGM.

4. This Policy will be made publically available on the Society's website. It will also be provided to any member of the Society who requests it in writing within 28 days of receipt of the request by the Executive Officer (or, if there is no such officer, the Hon. Secretary).