**Managing Conflicts of Interests – PTA Policy**

**PTA Name: Verulam School PTA**
**Name of school: Verulam School**
**School address: Brampton Road, St Albans, Hertfordshire AL1 4PR**

**Date policy adopted: January 2016**

As the committee members and trustees of this PTA, we understand that it is our duty to make decisions that are in the best interests of the PTA. We know that where any of us hold a personal or other interest, this will stop us from achieving this duty and acting in the best interests of our PTA.

Our PTA committee takes the following steps to identify and deal with any conflicts of interest:

1. We make all new committee members aware of this policy and the advice on conflicts of interest from PTA UK (attached as Appendix 1) and the Charity Commission for England and Wales (attached as Appendix 2).
2. We ask all committee members to declare any conflict of interest 1) when they are newly appointed, 2) at the start of every committee meeting and 3) in addition to this, whenever a committee member becomes aware of the possibility of a conflict of interest. This is usually noted in the committee meeting minutes and then used to update a separate register of conflicts of interest. This is available to all our committee members because it is 1) circulated with every set of committee meeting minutes or 2) is available online through our shared online directory (ie: our PTA’s online account that is part of PTA UK membership).
3. Any committee member with an identified conflict, is asked to withdraw from any discussion of and/or vote on that issue.
4. Where conflicts of interest arise, we detail in the minutes of the committee meeting how this is addressed.
5. Our PTA works to make sure there is a good mix of parents and staff from across the school that are involved in our PTA. This stops any one part of the school from being overly represented.
6. Where decisions may favour one year group, subject area or particular aspect of the school over others, we ensure that: a. We have specifically consulted (ie: with the school, parents and pupils) to ensure this is appropriate; and/or b. Over a period of time, we ensure that all aspects of the school benefit and that this benefit is close to being equal.
7. We review this policy annually (in advance of our AGM) and make it available to our members so they understand how the committee is operating in the best interests of the PTA.

**Appendix 1 – Advice from PTA UK on Managing Conflicts of Interests**

**Conflicts of interest are common in charities.**

**What is a conflict of interest?**

You have a legal duty under charity law to act in the best interests of your PTA when your committee is making a decision. If there is a decision where you have a personal or other interest, you won’t be able to act in the best interests of your PTA. The Charity Commission for England and Wales provides very clear advice on conflicts of interest, you can read it at Appendix 2.

**Who does this apply to?**

This applies to every elected member of your PTA committee. They are all charity trustees (have the legal right and responsibility for running the association until your next AGM). This includes those that are office holders (your Chair, Secretary, Treasurer etc) as well as those that are ordinary committee members (those that don’t hold an office).

**How does our PTA stop a conflict of interest happening?**

Conflicts of interest in charities are common – having a conflict of interest doesn’t mean you’ve done something wrong. Your committee needs to act to prevent a conflict of interest stopping it from making a decision in the best interests of the PTA.

**What conflicts of interest are common in PTAs?**

Almost all PTA members are parents of children that are beneficiaries of the PTA’s activities. Care needs to be taken that parents are not putting the interests of their children first when making decisions about how the PTA operates. This can also apply to members of school staff who are part of the PTA committee when decisions may benefit their class or subject area.

Your committee may also contract a committee member for the supply of goods and services (see clause 9.2 of the PTA UK model constitution). For example, a parent who runs a fencing firm who is contracted by the PTA to mend the school fence, paid for by the PTA as requested/agreed by the school. This is a conflict of interest for this member; they cannot vote on appointing themselves to do work on behalf of the PTA.

**How does our PTA identify conflicts of interest?**

Under charity law, it is a legal requirement that conflicts of interest are declared as soon as you are aware there is a possibility your personal or other interest could influence your decision making. Charities usually do this by opening all meetings by asking for conflicts of interest to be declared. Use this to build a register of interests that can be updated as new trustees are appointed. This can be a simple list of interests which can be routinely attached to committee meeting minutes or made accessible through your PTA’s online account as part of your PTA UK membership.

**How does our PTA deal with a conflict of interest?**

It is usual and a requirement of the PTA UK model constitution (see clause 9.3) that any committee member with a conflict of interest would withdraw from any discussion of or vote on that issue. Other methods, given the conflicts of interest common to PTAs, include:

* ensuring there is a good mix of parents from a variety of year groups represented on the committee;
* consulting the school, parents and pupils on how the PTAs funds should be distributed; and
* over a period of time, ensuring that all year groups within the school benefit equally from the support of the PTA.

Where a clear conflict of interest does arise, make sure that this is recorded in the meeting minutes alongside what has been done to deal with the conflict (i.e: asked the committee member concerned to withdraw from the discussion/vote). This is to protect your PTA: if a decision of your PTA is challenged on the basis of a conflict of interest, you can easily show what steps have been taken and how your decision is still valid. Lastly, have a conflicts of interest policy. This needs to clearly state how you identify and deal with any conflict of interest. PTA UK has provided a model policy which has been approved by the Charity Commission for England and Wales.

**Appendix 2 – Guidance from the Charities Commission on managing Conflicts of Interests**

# **Manage a conflict of interest in your charity**

**From:** [**The Charity Commission**](https://www.gov.uk/government/organisations/charity-commission)

**First published: 23 May 2013**

**Part of:** [**Trustee role and board**](https://www.gov.uk/running-charity/trustee-role-board)**,** [**Setting up and running a charity**](https://www.gov.uk/running-charity)**,** [**Managing your charity**](https://www.gov.uk/running-charity/managing-charity) **and** [**Running a charity**](https://www.gov.uk/browse/citizenship/charities-honours/running-charity)

**Applies to: England and Wales**

**How to identify, deal with and record conflicts of interests within your charity.**

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5. [See more like this](https://www.gov.uk/manage-a-conflict-of-interest-in-your-charity#more-like-this)

## **About conflicts of interest**

You have a legal duty to act in your charity’s best interests when [making decisions as a trustee](https://www.gov.uk/charity-meetings-making-decisions-and-voting). If there’s a decision to be made where a trustee has a personal or other interest, this is a conflict of interest and you won’t be able to comply with your duty unless you follow certain steps.

For example, if you’re a trustee, you would have a conflict of interest if the charity is thinking of making a decision that would mean:

* [you could benefit financially or otherwise from your charity](https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29), either directly or indirectly through someone you’re connected to
* [your duty to your charity competes with a duty or loyalty you have](https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29) to another organisation or person

Conflicts of interest are common in charities – having a conflict of interest doesn’t mean you’ve done something wrong. But you need to act to prevent them from interfering with your ability to make a decision only in the best interests of the charity.

Follow a 3 step approach (identify, prevent, record) so that you are able to comply with your duty and avoid:

* making decisions that could be overturned
* risking your charity’s reputation
* having to repay your charity if you make unauthorised payments to trustees

## **How to identify a conflict of interest**

Legal requirement: you must declare a conflict of interest immediately you are aware of any possibility that your personal or wider interests could influence your decision-making.

Have a standard agenda item at the beginning of each trustee meeting to allow trustees to declare any actual or potential conflicts of interest.

It’s good practice to have a written conflicts of interest policy to:

* tell your existing trustees how to identify and disclose conflicts of interest
* help prospective trustees identify possible conflicts of interest before they’re appointed

You can also keep a register of interests – make sure you change this if trustees’ circumstances change and when new trustees are appointed.

## **How to deal with a conflict of interest**

Once a conflict of interest is identified, [prevent it from affecting your decision-making](https://www.gov.uk/government/publications/conflicts-of-interest-a-guide-for-charity-trustees-cc29) by:

* finding an alternative way forward which doesn’t involve the conflict of interest (particularly if the issue is serious)
* taking appropriate steps to manage the conflict (if it’s less serious), which will usually mean that the person affected doesn’t take part in discussions about the issue

Follow any instructions on managing conflicts of interest in your charity’s governing document. In some situations you need to comply with legal restrictions. For example, if your charity plans to [sell land to one of its trustees](https://www.gov.uk/sell-or-lease-property-to-someone-connected-to-your-charity), or [pay a trustee for goods or services](https://www.gov.uk/payments-to-charity-trustees-what-the-rules-are).

If there’s nothing about the conflict of interest in your charity’s governing document or the law, you will still need to make sure that it is declared and consider whether the conflicted trustee should withdraw from discussions and voting on the matter.

You will have to ask the Charity Commission to authorise a decision in advance if:

* it is going to involve any [benefit to a trustee that hasn’t already been authorised](https://www.gov.uk/payments-to-charity-trustees-what-the-rules-are)
* the conflict of interest is serious but there’s no alternative way forward that will remove it
* most or all of your trustees share the conflict of interest

## **How to record a conflict of interest**

Keep a written record of the conflict of interest and how you dealt with it in the minutes of your meetings. Explain:

* what sort of conflict of interest it was
* which trustee or trustees were affected
* if any conflicts of interest were declared in advance
* an outline of the discussion
* if anyone withdrew from the discussion
* how you and the other trustees made the decision in your charity’s best interests

Legal requirement: if you prepare accruals accounts, they must include details of payments and benefits to your charity’s trustees and people connected to them. You must say why the payments were necessary and the legal authority you had to make them.

It’s good practice to include details of trustee payments and benefits if you prepare receipts and payments accounts.