

Conflicts of Interest Policy

Last updated and approved: 8 March 2023

Purpose

Charity Entrepreneurship (CE) is a charitable organisation entrusted to work towards achieving its charitable purposes for the public benefit. To this end, it is paramount that CE's Staff behave in a manner that is consistent with the achievement of CE's charitable purposes, putting to one side the advancement of their own personal interests. Individuals who fail to do this expose themselves to a conflict of interest which compromises their ability to act in the best interests of CE.

This policy is intended to enable CE to identify conflicts of interests and implement safeguards to ensure that it is CE's interests that are always being advanced instead of individuals' personal interests. For a list of **defined terms**, see the last section of this document.

What is a conflict of interest?

A conflict of interest arises where, by nature of a situation, a person cannot act in their own personal best interests and also in the best interests of the organisation whom they serve. There are three types of conflicts of interests:

1. An **actual conflict of interest** occurs when an individual or entity has two competing interests, one of which interferes or undermines the ability to fulfil responsibilities owed to the other interest.
2. A **potential conflict of interest** occurs when it is more likely than not that an individual or entity will have two competing interests in the future, one of which is likely to interfere or undermine the ability to fulfil responsibilities owed to the other interest.
3. A **perceived conflict of interest** occurs when an individual or entity may reasonably be understood as having two competing interests, one of which is likely to interfere or undermine the ability to fulfil responsibilities owed to the other interest.

Conflicts of interests are best illustrated using examples. The following are illustrative, and therefore not exhaustive, of potentially compromising situations that should be avoided:

- A Director who is also a decision-maker of a separate organisation who stands to receive a benefit from CE, such as a grant. To an external observer, it could look like the Director used their position as a Director of CE to secure a grant for the other organisation, which otherwise would not have received such a grant.
- Accepting substantial gifts, excessive entertainment, favours, or payments that may be deemed to constitute undue influence or otherwise be improper or embarrassing to CE (as outlined in CE's Anti-Corruption and Bribery Policy). This could appear to compromise the objectivity of the person receiving the gifts or benefits.
- Becoming romantically involved with a Staff member and then being in a position to decide that person's remuneration or promotion.
- A Staff member responsible for assessing applications for a job at CE knowingly being involved in the assessment of their cousin's application. Regardless of the closeness of the relationship, it is not possible to maintain the appearance of objectivity.

Specific situations not deemed to be conflicts of interest

CE is part of an ecosystem dedicated to improving the effectiveness of the nonprofit sector. So, there will be situations where the interests of the broader nonprofit sector will take precedence over CE's specific interests. The below are some illustrative, and therefore not exhaustive, examples:

- Staff talking to a promising potential new employee who they think would be a better fit for another organisation. If the member of Staff thinks it would be best for the person's ability to do good, they could reasonably advise them to consider working for the other organisation instead of working for CE.
- Staff talking to one of CE's donors, who asks about a mistake CE has made. This policy does not require that Staff conceal CE's mistakes. It is preferable that the member of Staff be honest.

Application

Duty to act in the best interests of Charity Entrepreneurship

Members of the Board and Directors have a duty to act in the best interests of CE, and must avoid putting themselves in positions where their duty to CE conflicts with their personal interests or loyalties to any other person or organisation.

Recusal

Members of the Board and Directors are expected to recuse themselves from discussions, decisions or transactions in which it is possible that a conflict of interest will arise between their duty to act solely in the interests of CE and any personal interest.

If at least two Directors believe another Director to have a conflict of interest, they can ask that Director to recuse themselves from a discussion, decision or transaction. The Director being asked must then recuse themselves. The same applies to members of the Board.

Periodic disclosure by members of the Board and Directors

As a proactive measure towards the identification of potential conflicts of interest, each member of the Board and each Director will complete a Periodic Disclosure Form (see Appendix A of this policy). CE will provide this form to the relevant member of the Board or Director prior to that person taking office and/or beginning employment or other service for CE. Annually thereafter, each member of the Board and each Director will review their most recent Periodic Disclosure Form and, if anything has changed since then, complete a new Periodic Disclosure Form that highlights what has changed.

Each member of the Board and each Director is responsible for proactively completing a new Periodic Disclosure Form as necessary over the course of a year to reflect new developments as they become known or apparent.

All completed forms will be saved securely on CE's cloud-based storage system (i.e. Google Drive) and will be shared with all other Board members and Directors. Completed forms will also be made available for inspection by CE's legal counsel.

Reporting

All members of Staff are encouraged to report any situations in which a conflict of interest may be present, whether actual, potential or perceived. These may be situations involving any member of Staff, including Directors, and may be reported directly to the relevant managers, a Director or a member of the Board.

Romantic or sexual relationships

CE acknowledges and respects its Staff's right to a private life, and also understands that some people do meet their partners at work. However, there are some relationships between members of Staff that could affect the objectivity or decision-making ability of the participants in that relationship.

Staff are expected to conduct themselves in a professional manner at work in respect of any personal relationship. This means being considerate of the feelings of their other

colleagues in their day-to-day dealings and being discrete in any discussions regarding their private life within the workplace. Public displays of affection are inappropriate in the work sphere.

The sub-sections below apply to new romantic and/or sexual relationships arising as of 8 March 2023. Relationships that pre-date this fall outside the scope of these sub-sections.

Relationships between individuals at different seniority levels

CE does not permit Executive Directors initiating a romantic and/or sexual relationship involving any member of Staff or the Board.

Further, CE does not permit members of Staff at different seniority levels from initiating a romantic and/or sexual relationship. The following are some illustrative and therefore not exhaustive examples of such relationships:

- A relationship between a member of Staff and their manager.
- A relationship between a Director and a member of Staff who is not a Director.
- A relationship between a member of the Board and a Director.
- A relationship between a member of the Board and a member of Staff.

Should a relationship as described above arise, the individuals concerned must disclose the existence of the relationship to the Directors. Should the relationship involve a Director or a member of the Board, its existence will be further disclosed to all members of the Board.

In all cases where a relationship begins between a member of Staff and their manager, the managerial arrangement will not continue and CE's Directors will arrange for a different manager.

Individuals must recuse themselves from decisions pertaining to a person with whom they are in a romantic and/or sexual relationship (including, but not limited to, decisions regarding salary, termination, scope of work, location of work and promotions).

The above applies regardless of the length or exclusivity of the relationship between the individuals concerned.

Relationships between individuals at the same seniority level

Members of Staff who enter into a romantic and/or sexual relationship, and both are at the same level of seniority, must disclose the existence of the relationship to their respective managers as soon as possible. No further disclosure is required.

The above applies regardless of the length or exclusivity of the relationship between the individuals concerned.

Past relationships

A member of Staff who has in the past been in a romantic and/or sexual relationship with another member of Staff but is no longer in that relationship must disclose this fact to their respective manager.

Where possible, members of Staff should recuse themselves from decisions pertaining to their former romantic and/or sexual partner (including, but not limited to, decisions regarding salary, termination, scope of work, location of work and promotions).

Promotions involving individuals in a relationship

Where two members of Staff are in a romantic and/or sexual relationship, and one of them is promoted such that they become the other's manager, CE's Directors will arrange for a different manager in line with this policy.

Program participants (aka. incubatees)

Members of Staff, including Directors and members of the Board, are not permitted to enter into a romantic and/or sexual relationship with any participants of CE's Programs currently undergoing.

Familial or financial relationships

CE does **not** permit Staff to act as a manager for a Family Member. In the event that this happens, the manager must disclose the relationship to a Director as soon as possible. In all cases, CE's Directors will arrange for a different manager.

Where a member of Staff is a Family Member of a Directors, the Director will disclose that tie to all members of the Board.

A manager who supervises somebody with whom they have a Financial Relationship must disclose such information to the Directors. Directors may then decide whether any safeguards are necessary to ensure that CE's best interests are protected.

Recruitment

Staff involved in Recruitment must hold themselves to high standards of integrity.

Staff members must inform the Directors about the existence of a conflict of interest (without needing to provide details about the nature of the conflict of interest) if, during the course of undertaking Recruitment, that Staff member comes across an individual who:

- Is a Family Member;
- Could reasonably be considered a (current or former) close friend;
- Is somebody with whom the Staff member has a current Financial Relationship;

- Is somebody with whom the Staff member has or has had a romantic and/or sexual relationship; or
- Is somebody with whom they share accommodation.

It will be at the discretion of CE's Directors to decide whether any additional safeguards are necessary to ensure that CE's best interests are protected.

Disciplinary action

Failure to adhere to the letter and spirit of this policy will result in disciplinary action in line with CE's Disciplinary Procedure.

Defined Terms

- Affiliated Entity:** An entity in which a person is an officer, director, trustee, member, employee or controlling shareholder (as defined in the UK Financial Conduct Authority Handbook).
- Board:** The organisation's legally appointed trustees.
- Charity Entrepreneurship:** A registered Charitable Incorporated Organisation in England and Wales with registered charity number 1195850 ('CE' for short).
- Executive Director:** A Director who is appointed by the Board to serve as Executive Director of CE.
- Family Member:** A person's:
- A. spouse or domestic partner;
 - B. parent, stepparent, sibling, stepsibling, child, stepchild, grandchild, great-grandchild, aunt, uncle or cousin;
 - C. the spouses of domestic partners of anyone listed above at B; and
 - D. the persons listed at B in relation to A (e.g. a person's spouse's parent).
- Financial Relationship:** A relationship involving the transfer or promise to transfer a pecuniary benefit (e.g. royalties, honoraria, fees, wages, securities), a non-pecuniary benefit (e.g. gifts in-kind, property), or the repayment of a debt.
- Staff:** Any person who is engaged by CE on a paid or unpaid capacity to conduct work for CE. This includes Board members, Key Persons, employees, consultants, self-employed contractors, casual workers, agency workers, volunteers and interns. For the avoidance of doubt, it does not include participants of CE's Programs and other beneficiaries of CE's activities and/or services.
- Programs:** CE's Incubation Program and its Foundations Program, as well as any other programs as CE may launch from time to time.
- Recruitment:** Any tasks involving the assessment and selection of new Staff or participants in CE's Programs.
- Directors:** Staff with the title of 'Director' including, but not limited to, Director of Programs, Director of Research, Director of Operations, Director of Recruitment, and Executive Director. The term also includes the role of Chief of Staff.

Appendix A

Periodic Disclosure Form for members of the Board and Senior Management

Charity Entrepreneurship is a registered Charitable Incorporated Organisation in England and Wales with registered charity number 1195850 (CE).

CE requires each member of the Board and Director to:

- A. Review CE's Conflicts of Interest Policy (the Policy);
- B. Disclose any possible personal, familial or financial relationship that could reasonably give rise to a conflict of interest or the appearance of a conflict of interest; and
- C. Acknowledge that he or she is acting in accordance with the letter and spirit of the Policy.

Please response to the following questions to the best of your knowledge:

- 1. Are you aware of any relationships, arrangements, transactions or matters involving CE which could, in your reasonable view, create a conflict of interest or the appearance of a conflict? If so, please describe each one.
- 2. Please list your Affiliated Entities, as defined in the Policy, including entities of which you are currently aware are affiliated through a Family Member or other Affiliated Entities.
- 3. Please also include any other entities in which you have an ownership interest that might, in your reasonable view, seek to be engaged in transactions with CE in future.

I have received, read and understood CE's Conflict of Interest Policy. The information I have provided above is true to the best of my knowledge. I am currently, and agree to remain, in compliance with the Policy.

Signature

Date signed:

Name