

Nuffield Foundation Conflicts of Interest Policy

Individuals entrusted by the Foundation to make decisions are required not to place themselves in a position where their personal interest could conflict, or could be seen to conflict, with that of the Foundation. All individuals in a position of influence over a decision must take responsibility for declaring any personal interest in a decision and negotiating its resolution. This policy applies to trustees, committee members, staff and others who are representing us.

The offer of any financial or other advantage to induce or reward improper decision making are related and are covered by our policy on bribery, gifts and hospitality.

Conflicts of interest can be direct, indirect or perceived. The first two categories are also Related Party Transactions where trustees stand to gain personally from their trusteeship. The third is concerned with reputational management.

- **Direct conflicts of interest** are where one of the decision-makers benefits personally from the decision. Likely direct conflicts include where the Foundation considers for example a grant to an institution of which a trustee is a member of *key management personnel*. These are also automatically declared in the annual accounts as Related Party Transactions.
- **Indirect conflicts of interest** involve close family members of trustees or staff, for instance if a close family member of a trustee is a member of *key management personnel* at a grantee or potential grantee institution. These will also be Related Party Transactions.
- **Perceived conflicts of interest** relate only to reputational risk management and are where staff, trustees or their institutions have no financial interest in a transaction but could be perceived by a reasonable onlooker to have an undue interest in the result of a decision and which can lead to an unfair outcome. The test here is if a story ran revealing the interest, would we find it awkward to rebut the appearance of wrongdoing?

Trustees and decision makers will invariably share many common interests in other organisations with the Foundation. Unlike a conflict of interest, a common interest need not be declared. For example, simply being a member of the Royal Society, as opposed to being part of its key management personnel, would not be a conflict of interest and would not be declarable.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity, or trustees. [IAS 24.9].

Principles for managing a conflict of interest:

- Disclose it in advance of any conversation of the subject.
- Do not seek to enquire into or influence the decision.
- If in doubt it is better to err on the side of disclosure of the interest.

There is no distinction in managing a direct, indirect or perceived conflict of interest, except that an outline grant application may still be seen (but not decided on) by someone with a perceived conflict of interest. Worked examples of the different types of conflict of interest, and the action to be taken, can be found below.

Notification of conflicts of interest:

The following procedure applies to conflicts of interest in relation to grant-making:

- As soon as a trustee is aware of a potential conflict, they should report it to the relevant grant manager (or the Finance Director who can pass it on if preferred).
- Attendees at meetings are required to declare in advance any conflicts of interest in relation to the business of the meeting to the Chair, unless these have previously been declared and appear on the Register of Interests.

Any other conflicts of interest should be reported to the Finance Director as they arise.

Register of Interests

We will keep a register of the appointments held by trustees, committee members, staff and others who are representing us and which they consider could potentially give rise to direct or perceived conflicts of interest.

Examples of appointments which should be included on the register are:

- Trusteeship/Directorship, or a member of the key management personnel, of any organisation where we have a financial relationship;
- Principal employer and any significant subsidiary employers.
- Any other significant positions in the UK social science community.

Any such interests should be declared when they first arise on the Register of Interests form. The register will be circulated to each trustee meeting and will be maintained by the Finance Director in his role as company secretary.

Related Party Transactions

Related Party Transactions do not have to be reported separately from the Register of Interests as finance staff will use the Register to identify those transactions which need to be reported in the annual accounts. Related Party Transactions in the annual accounts will include trustee remuneration and expenses, and trustees are not required to make any report of these under the Conflicts of Interest policy.

Trustees and staff may wish to consult the Charity Commission's guidance on conflicts of interest [here](#).

ANNEX

Conflicts of Interest Worked Examples

Scenario 1

Trustee A is head of the Department of Social Science at the University of Bassetshire. A researcher in that department applies to the Foundation for a grant.

Conclusion

This is a direct conflict of interest, as Trustee A is a member of key management personnel at the Department of Social Science, where the researcher is based. If the researcher had been in a different department at the University of Bassetshire, there would be no conflict of interest as Trustee A has no management responsibility in other departments and is not accountable for their success or otherwise in obtaining grant funding.

Actions

Trustee A would notify the Finance Director of the conflict of interest on receiving the notification that the outline application had been received. They would not be sent any papers relating to the outline.

If the grant progressed to a trustees' meeting, Trustee A would be excluded from the papers in relation to this grant. Trustee A would declare the conflict of interest at the beginning of the meeting and would take no part in the discussion or the decision on this grant.

If a grant were awarded, it would be reported in the annual accounts as a Related Party Transaction.

Scenario 2

Trustee B's daughter works for the Do Good charity as a junior researcher. She has been told that if Do Good's grant application to the Foundation is successful, she will be promoted to senior researcher to work on the project.

Conclusion

This is an indirect conflict of interest, as Trustee B's close family member has a financial interest in the decision on this grant application.

Actions

Trustee B would notify the Finance Director of the conflict of interest on learning that the outline application had been received. They would not be sent any papers relating to the outline.

If the grant progressed to a trustees' meeting, Trustee B would be excluded from the papers in relation to this grant. Trustee B would declare the conflict of interest at the beginning of the meeting and would take no part in the discussion or the decision on this grant.

If a grant were awarded, it would be reported in the annual accounts as a Related Party Transaction.

Scenario 3

Trustee C is a senior partner at Consultants R Us, a consulting firm specialising in the social science field. Consultants R Us completed a major project last year where they worked with the Research Good charity to transform their research work. The new researchers recruited to Research Good as a result of this project have now applied to the Foundation for a grant.

Conclusion

There is no direct conflict of interest here, since Consultants R Us have no financial interest in the success or failure of Research Good's grant application. However, it could be argued by a reasonable onlooker that a successful grant application by Research Good would bolster Consultants R Us' reputation and that its senior management would therefore have a reason to want the grant application to succeed. This is therefore a perceived conflict of interest.

Actions

Trustee C would notify the Finance Director of the conflict of interest on receiving the notification that the outline application had been received. They could be sent papers relating to the outline and advise on whether it should proceed to full application.

If the grant progressed to a trustees' meeting, Trustee C would be excluded from the papers in relation to this grant. Trustee C would declare the perceived conflict of interest at the beginning of the meeting and would take no part in the discussion or the decision on this grant.

Scenario 4

Trustee D is a member of the Save the Things charity. A researcher working for the charity applies to the Foundation for a grant.

Conclusion

There is no conflict of interest as Trustee D is an ordinary member of Save the Things, not a senior manager or trustee. No reasonable onlooker would think that Trustee D would have an inappropriate interest in the outcome of the grant application.

Action

None required.