

Item 2: Proposed BIF Conflict of Interest Policy

1. Why we have a policy

Trustees have a legal obligation to act in the best interest of Bridges Impact Foundation (the “**Foundation**”), and to avoid situations where there may be a potential conflict of interest. The aim of this policy is to protect both the organisation and the individuals involved from any impropriety or the appearance of impropriety.

2. Definition

A conflict of interest is any situation in which a trustee’s personal interests or loyalties could, or could be seen to, prevent the trustee from making a decision only in the best interests of the Foundation. Even the perception that there is a conflict of interest can damage the Foundation. Where the perception is not accurate because there is no conflict of interest, the trustees should always be able to respond appropriately to the situation by managing the risks to the Foundation and being prepared to explain how they have made their decisions only in the best interests of the Foundation.

(Source: Charity Commission)

Conflicts of interest may arise where an individual’s other professional, personal or family interest and/ or loyalties conflict with those of Bridges Impact Foundation. Such conflicts may create problems, as they can:

- Inhibit free discussion;
- Result in decisions or actions that are not in the best interest of Bridges Impact Foundation; or
- Give the impression that Bridges Impact Foundation has acted improperly.

3. Legal obligation of trustees

Trustees have a personal responsibility to declare conflicts of interest if they are to fulfil their legal duty to act only in the best interests of the Foundation. Article 54 of the Foundation’s Articles of Association governs when a trustee would need to declare the nature and extent of any direct or indirect interest. In particular, Article 54.4.1 sets out that a conflict of interest might arise if a trustee obtains a benefit as a result of a payment made to one of its “Connected Persons” (which includes, amongst others, “*any company or firm of which a trustee is a paid director, partner or employee, or shareholder holding more than 1% of the capital*”).

4. The Declaration of Interests

Accordingly, we are asking trustees to declare their interests, and any gifts or hospitality received in connection with their role in Bridges Impact Foundation. A Declaration of Interests form is provided for this purpose, listing the types of interest you should declare (see Appendix).

To be effective, the declaration of interests needs to be updated at least annually, and also when changes occur. Where a trustee is subject to a conflict of interest at any point in a board meeting, this should be declared at the time.

If you are not sure what to declare, or whether/ when your declaration needs to be updated, please err on the side of caution. If you would like to discuss this issue, please contact the company secretary for confidential guidance.

This register of interests shall also be used to record all gifts of a value in excess of £100 received by the trustees.

Interests and gifts will be recorded on the Foundation's register of interests, which will be maintained by the company secretary.

5. Decisions taken where a Trustee has an interest

In the event of the Foundation's board having to decide upon a question in which a trustee has an interest, all decisions will be made by vote, with a simple majority required. A quorum must be present for the discussion and decision. For these purposes, a quorum would include at least two non-conflicted trustees. Interested board members may not vote on matters affecting their own interests, unless non-conflicted trustees decide to the contrary.

All decisions under a conflict of interest will be recorded by the company secretary and reported in the minutes of the meeting. The report will record:

- The nature and extent of the conflict
- An outline of the discussion
- The actions taken to manage the conflict

If you fail to declare an interest that is known to the company secretary and/or the chairman of the board, the company secretary or the chairman will declare that interest.

Where the trustee benefits from the decision, this will be reported in the annual report and accounts in accordance with the current Charities SORP.

All payments or benefits in kind to trustees will be reported in the Foundation's accounts and annual report, with amounts for each trustee listed for the year in question.

6. Application to the Foundation's staff

Any staff of the Foundation will have to comply with this policy (as applicable).

7. Data Protection

The information provided will be processed in accordance with data protection principles as set out in the General Data Protection Regulation ((EU) 2016/679) ("GDPR") and any national implementing laws, regulations and secondary legislation, as amended or updated from time to time, in the UK and any successor legislation to the GDPR or the Data Protection Act 1998. Data will be processed only to ensure that trustees and all staff act in the best interest of Bridges Impact Foundation. The information provided will not be used for any other purpose.

Possible conflicts and how they will be addressed

	Possible conflict	Policy guidelines (deviation from BIF's AoA 37, 54.4 and 54.5)
Venture Philanthropy	Support for organisations which are currently in BFM portfolio (i.e. WLZ): Bridges trustees and Bridges (as 'connected person') could potentially be seen to benefit financially through carry/management fees	<ul style="list-style-type: none"> • Bridges trustees will not participate in decision-making relating to supporting any programme/ organisation part of SOF* (unless independent trustees decide to the contrary) • Quorum: 2 independent trustees required • If BIF supports a programme and this subsequently gets SOF funding, BIF's support would end at the next annual grant review unless otherwise approved by independent trustees • The same guidelines apply to any other BFM fund (ie BEH, SGF, BPAF)
	Support for organisations where a trustee is also involved in	<ul style="list-style-type: none"> • Trustee will not participate in decision-making
Seed-funding	SEF/ BEH: Bridges trustees and Bridges (as 'connected person') are potentially benefitting financially through carry/management fees	<ul style="list-style-type: none"> • For any investment decision, Bridges trustees will not participate in decision-making (unless independent trustees decide to the contrary); • Quorum: 2 independent trustees required
Market building	Funding of reports, based on Bridges work/ experience: could be perceived as 'marketing' for Bridges as 'connected person'	<ul style="list-style-type: none"> • For any investment decision, Bridges trustees will not participate in decision-making (unless independent trustees decide to the contrary); • Quorum: 2 independent trustees required

Note: *Concerns raised with these policy guidelines:

- (1) Investees of SOF very often rely on the contribution of philanthropic funding towards the programmes which deliver outcomes-based contracts. Some funders invest both in SIB and provide philanthropic funding to same organisation in a form of 'top up'.
- (2) If focus area of BIF overlaps with SOF, we may limit our pipeline of possible organisations to support.

ACTION sought:

- **Trustees to review and discuss policy, ensuring it addresses potential conflicts as set out above**
- **Trustees to approve policy**

**BRIDGES IMPACT FOUNDATION
DECLARATION OF INTERESTS**

I _____ as trustee of Bridges Impact Foundation have set out below my interests in accordance with the organisation's conflicts of interest policy.

Category	Details of interest and whether it applies to yourself or, where appropriate, a member of your immediate family, connected persons or some other close personal connection.
Current employment and any previous employment in which you continue to have a financial interest	
Appointments (voluntary or otherwise) eg trusteeships, directorships, local authority membership, tribunals etc	
Membership of any professional bodies, special interest groups or mutual support organisations	

<p>Gifts or hospitality offered to you by external bodies, and whether this was declined or accepted in the last 12 months</p>	
<p>Any contractual relationship with Bridges Impact Foundation</p>	
<p>Any other conflicts that are not covered by the above</p>	

To the best of my knowledge, the above information is complete and correct. I undertake to update as necessary the information provided, and to review the accuracy of the information on an annual basis. I give my consent for it to be used for the purposes described in the conflicts of interest policy and for no other purpose.

Signed: _____

Position: _____

Date: _____