

Shared Services for Charities Approved Policies and Procedures



Sample Procedures for Conflict Of Interest

Version Number:	Approved by:
Effective Date:	Date:

INTRODUCTION AND OBJECTIVE

This procedures document serves as a reference in determining issues with relation to conflict of interest ('COI'). The main objectives are to ensure that the organisation meets its regulatory obligations, help management make consistent decisions with regards to COI situations, provide a clear understanding of the lines of authority and responsibilities and define the processes and procedures with regards to handling of COI situations.

SCOPE

- Definition
- Identification and declaration of conflict of interest
- Managing conflict of interest
- Violation of conflict of interest

RESPONSIBILITY

The overall responsibility for ensuring correct application of the policies rests with the Board, who will be assisted by the Management.

Compliance is compulsory for all staff and volunteers.

DISCLAIMER

The policies and procedures are for illustration only, and should not be adopted in its current form or content. Further customisation will be required to ensure they address the specific requirements of the individual organisation.

Important Note:

All rights reserved.

Please contact Shared Services for Charities for customisation to your organisation's structure and requirements. 177 River Valley Road, #05-20 Liang Court, Singapore 179030. Tel: 6339 2811. Email: enquiries@sscharities.com

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1. Definition

- 1.1 “Interest” is defined as any commitment, relationship, obligation or involvement, financial or otherwise, that may influence a person’s judgement.
- 1.2 “Conflict of Interest” arises when a person has an interest in decision making or transaction that may interfere with his/her performance or duty in the organisation. A COI may also arise merely based on third party’s perception.

2. Identification and Declaration of COI

- 2.1 The organisation shall formalise a COI policy that contains guidelines to help the stakeholders identify any potential COI. The guidelines shall provide examples of possible COI.
- 2.2 All stakeholders shall declare their interest regularly (at least annually), through declaration forms. During the year, if there is new potential COI, the stakeholders are responsible to update the declaration.

3. Managing COI

- 3.1 In cases where there is potential COI;
 - The COI shall be fully declared;
 - Person with COI shall be excluded from the discussion and decision making process;
 - The organisation shall also ascertain that the transaction decision is in the best interest of the organisation; and
 - In case of financial transaction, the organisation shall ensure that the transaction is made on an arm’s length basis and comparative quote/bid shall be submitted and documented.

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4. Violation of COI

- 4.1 The organisation shall notify the person involved when it suspects that there has been COI that was not declared. The person involved shall provide explanation on non-declaration.
- 4.2 The organisation shall take appropriate action based on the explanations provided. Depending on the severity, a disciplinary action ranging from warning to expulsion from the organisation may be taken against the person that has violated the COI policy.

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