



Friends of Kutumb Ltd.

CONFLICT OF INTEREST POLICY

INCLUDING

RELATED PARTY TRANSACTIONS

Australian Business Number (ABN) 38 638 060 885
Office of Fair Trading, Queensland, (QLD) Charity Number CH3337
Australian Charities and Not-for-profits Commission (ACNC) Registered Charity



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Conflict of Interest Policy including Related Party Transactions

Table of Contents

PART A - INTRODUCTION

- 1 POLICY**
 - 1.1 Policy Statement
 - 1.2 Purpose
 - 1.3 Objective
 - 1.4 Breach of Policy
- 2 SCOPE**
- 3 ROLES AND RESPONSIBILITIES**
 - 3.1 Board
 - 3.2 Directors
- 4 DEFINITIONS**
 - 4.1 Conflict of Interest
 - 4.2 Related Party Transaction
- 5 REFERENCES AND REVIEW**
 - 5.1 Organisational Policies
 - 5.2 Legislation
 - 5.3 Development Resources
 - 5.4 Administration of this Document

PART B - PROCEDURES

- 6 DISCLOSURE**
 - 6.1 Identification and Disclosure
 - 6.2 Register of Interests
 - 6.3 Confidentiality of Disclosures
- 7 ACTION REQUIRED TO MANAGE CONFLICTS OF INTEREST**
 - 7.1 Conflicts of Interest of Board Members
 - 7.2 Considerations regarding Actions to Take
- 8 APPENDICES**
 - 8.1 APPENDIX 1: Conflict of Interest Disclosure including Related Party Transactions
 - 8.2 APPENDIX 2: Register of Interests including Related Party Transactions

Conflict of Interest Policy including Related Party Transactions

PART A - INTRODUCTION

1 POLICY

1.1 Policy Statement

Friends of Kutumb Ltd. (the charity), ensures that ethical, legal, financial or other conflicts of interest be avoided and that any such conflicts (where they do arise) do not conflict with the obligations to *Friends of Kutumb Ltd.*

Conflicts of interest are common, and they do not need to present a problem to the charity as long as they are openly and effectively managed.

1.2 Purpose

The purpose of this policy is to help board members of *Friends of Kutumb Ltd.* to effectively identify, disclose and manage any actual, potential or perceived conflicts of interest in order to protect the integrity of *Friends of Kutumb Ltd.* and manage risk.

1.3 Objective

The *Friends of Kutumb Ltd.* directors (called the 'board' in this policy) aims to ensure that board members are aware of their obligation to disclose any conflicts of interest that they may have, including related party transactions, and to comply with this policy to ensure they effectively manage those conflicts of interest as representatives of *Friends of Kutumb Ltd.*

1.4 Breach of Policy

If the board has a reason to believe that a person subject to the policy has failed to comply with it, it will investigate the circumstances.

If it is found that this person has failed to disclose a conflict of interest, the board may take action against them. This may include seeking to terminate their relationship with the charity.

If a person suspects that a board member has failed to disclose a conflict of interest, they must notify the board or the person responsible for maintaining the register of interests.

If a breach of this policy is identified, it can be reported with reference to the charity's 'Complaints Handling Policy Including Whistleblower Protections'.

2 SCOPE

This policy applies to the board members of *Friends of Kutumb Ltd.*

3 ROLES AND RESPONSIBILITIES

3.1 Board

The board is responsible for:

- establishing a system for identifying, disclosing and managing conflicts of interest across the charity
- monitoring compliance with this policy, and

- reviewing this policy on an annual basis to ensure that the policy is operating effectively.

The charity must ensure that its board members are aware of the ACNC governance standards, particularly governance standard 5, and that they disclose any actual or perceived material conflicts of interests as required by governance standard 5.

3.2 Directors

Individual directors are required to:

- avoid conflicts of interest where possible
- identify and disclose any conflicts of interest
- carefully manage any conflicts of interest, and
- follow this policy and respond to any breaches.

4 DEFINITIONS

4.1 Conflict of Interest

A conflict of interest occurs when a person's personal interests conflict with their responsibility to act in the best interests of the charity.

Personal interests include direct interests, as well as those of family, friends, or other organisations a person may be involved with or have an interest in (for example, as a shareholder).

It also includes a conflict between a board member's duty to *Friends of Kutumb Ltd.* and another duty that the board member has (for example, to another charity). A conflict of interest may be actual, potential or perceived and may be financial or non-financial.

These situations present the risk that a person will make a decision based on, or affected by, these influences, rather than in the best interests of the charity. Therefore these situations must be managed accordingly.

NOTE: Within this policy, the terms 'conflict' and 'interest' include the concept of 'related party transactions'.

4.2 Related Party Transaction

Related party transactions are those between the charity and 'related parties'. These can be people or organisations, such as:

- those with a significant influence over the charity's strategy and finances (including board members or executive officers, rather than operational managers), and close members of their families (such as a parent, partner, sibling, or child), and
- organisations with a significant influence over the charity (for example, an organisation that appoints one of the members of the board of the charity).

A related party transaction is defined by the Australian Accounting Standards Board (AASB 124) as a transfer of resources, services or obligations between a charity and a related party regardless of whether a price is charged.

These situations present the risk that a person will make a decision based on, or affected by, the relationship, rather than in the best interests of the charity. Therefore these situations must be managed accordingly.

5 REFERENCES AND REVIEW

5.1 Organisational Policies

Other organisational policies, as listed in the Board Charter Policy Framework, are supported by, or expand upon, aspects of this policy.

5.2 Legislation

Relevant legislation includes:

- [Australian Charities and Not-for-profits Commission Act 2012](#) (Cth)

5.3 Development Resources

This policy has been developed with reference to:

- ACNC
<https://www.acnc.gov.au/tools/topic-guides/conflict-interest>
<https://www.acnc.gov.au/tools/templates/conflict-interest-policy>

5.4 Administration of this Document

This document will be made available to the public through the charity's website and will be reviewed every two years, as per the Board Calendar.

For questions about this policy, contact the board or the secretary by email, phone or in person.

PART B - PROCEDURES

6 DISCLOSURE

6.1 Identification and Disclosure

Once an actual, potential or perceived conflict of interest is identified, it must be raised at a board meeting and a *Conflict of Interest Disclosure Form* (Appendix A) is to be completed. The conflict and board response will be recorded in the minutes and entered into *Friends of Kutumb Ltd.*'s register of interests (Appendix B),

Where board members share a conflict, the board should refer to ACNC Governance Standard 5 to ensure that proper disclosure occurs.

6.2 Register of Interests

The register of interests must be maintained by the secretary. The register must record information related to a conflict of interest (including the nature and extent of the conflict of interest and any steps taken to address it). The *Conflict of Interest Disclosure Form* is to be stored with the minutes for the relevant meeting.

6.3 Confidentiality of Disclosures

All board members and appropriate regulatory authorities (such as ACNC) will have access to the information disclosed through the register of interests.

7 ACTION REQUIRED TO MANAGE CONFLICTS OF INTEREST

7.1 Conflicts of Interest of Board Members

Once the conflict of interest has been appropriately disclosed, the board (excluding the board member who has made the disclosure, as well as any other conflicted board member) must decide whether or not those conflicted board members should:

- vote on the matter (this is a minimum),
- participate in any debate, or
- be present in the room during the debate and the voting.

In exceptional circumstances, such as where a conflict is very significant or likely to prevent a board member from regularly participating in discussions, it may be worth the board considering if it is appropriate for the person conflicted to resign from the board.

7.2 Considerations regarding Actions to Take

In deciding what approach to take, the board will consider:

- whether the conflict needs to be avoided or simply documented
- whether the conflict will realistically impair the disclosing person's capacity to impartially participate in decision-making
- alternative options to avoid the conflict
- the charity's objects and resources, and
- the possibility of creating an appearance of improper conduct that might impair confidence in, or the reputation of, the charity.

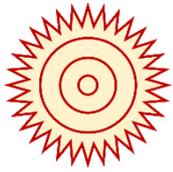
The approval of any action requires the agreement of at least a majority of the board (excluding any conflicted board member/s) who are present and voting at the meeting.

The action and result of the voting will be recorded in the minutes of the meeting and in the register of interests.

8 APPENDICES

8.1 APPENDIX 1: Conflict of Interest Disclosure including Related Party Transactions

8.2 APPENDIX 2: Register of Interests including Related Party Transactions



Conflict of Interest Disclosure including Related Party Transactions

This form acts as a checklist and is to be used by the chairperson of the board of *Friends of Kutumb Ltd.* each meeting to record conflicts of interest identified by board members including related party transactions.

Completed forms should be stored with the minutes of each meeting and separately in the form of a register.

Conflict of Interest

Date of meeting: _____

Name of board member: _____

Issue of conflict: _____

Related Party Transaction

Name of related party: _____

Relationship to member: _____

Type of transaction: _____

Reasons: _____

Economic value: _____

Method of determining price: _____

(e.g. an additional quote)

Board Decision (on how to deal with this conflict)

Decision: _____

Signed: _____

Name, Position: _____ Date: _____



Friends of Kutumb Ltd.

Brisbane, Australia

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ABN: 38 638 060 885
QLD Charity No.: CH3337

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Register of Interests including Related Party Transactions

Appendix 2

#	Name of Director	Description of Interest For related party transactions, include name and relationship of related party, type of transaction, reasons, economic value of transaction and method of determining price eg additional quote.	Has the board been notified?	Date of disclosure	Steps taken by board for dealing with the conflict	Board member actions to address the conflict
1						
2						
3						
4						
5						
6						