

English Chess Federation

Conflict of Interest Policy

This policy applies to Board members and to all positions designated by the Board.

Board Members have a fiduciary duty to act in the best interests of the ECF, and in accordance with the ECF's governing documents. Staff and volunteers have similar obligations. Conflicts of interests may arise where an individual's personal or close family interests and/or loyalties conflict with those of the ECF.

Where they arise, such conflicts may create problems. They can:

- Inhibit free discussion;
- Result in decisions or actions that are not in the interests of the ECF; and
- Risk the impression that the ECF has acted improperly.

The aim of this policy is to protect both the organisation and the individuals involved from any appearance of impropriety.

Types of Conflict of Interest

Like other persons who owe a fiduciary duty, Board members should seek to avoid putting themselves in a position where there is a conflict (actual or potential) between their personal interests and their duties to the ECF. They should not allow any conflict of interest to arise which might interfere with the exercise of their independent judgement. Conflicts of interest may arise from:

- **Financial interest:** a person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a) An ownership or investment interest in any chess-related entity with which ECF has a transaction or arrangement,
 - b) A compensation arrangement with ECF or with any entity or individual with which ECF has a transaction or arrangement, or

- c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ECF is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favours that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists, in accordance with this policy.

- **Conflict of loyalty:** where an individual owes a duty of loyalty to another organisation or entity that may compromise their commitment to the ECF

The declaration of interests

Accordingly, we are asking Board Members and all positions designated by the Board to declare their interests, and any gifts or hospitality received in connection with their role in the ECF. A declaration of interests form is provided for this purpose, listing the types of interest you should declare.

To be effective, the declaration of interests needs to be updated at least annually, and also within thirty days when any changes occur.

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 ECF Company Secretary for confidential guidance. Interests will be recorded on the ECF's Register of Interests, which will be maintained by the ECF Company Secretary. The Register will be accessible by the ECF website, subject only to statutory requirements.

Data Protection

The information provided will be processed in accordance with data protection principles as set out in the Data Protection Act 1998. Data will be processed only to ensure Board members and all positions designated by the Board act in the best interests of the ECF. The information provided will not be used for any other purpose.

What to do if you face a conflict of interest

If you are a user of the ECF's services, you should not be involved in decisions that directly affect the service that you receive. You should declare your interest at the earliest opportunity and withdraw from any subsequent discussion. The same applies if you face a conflict for any other reason. You may, however,

participate in discussions from which you may indirectly benefit, for example where the benefits are universal to all users, or where your benefit is minimal.

If you fail to declare an interest that is known to the ECF Company Secretary and/or the Chair of the Board, the Company Secretary will declare that interest.

Decisions taken where a board member or member of staff has an interest

In the event of the Board having to decide upon a question in which a Board Member or a position designated by the Board has an interest, all decisions will be made by simple majority vote. A quorum must be present for the discussion and decision; interested parties will not be counted when deciding whether the meeting is quorate.

Interested board members may not vote on matters affecting their own interests. They must absent themselves from the discussion.

All decisions under a conflict of interest will be recorded by the ECF 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.

A *de minimis* exemption applies to contracts less than £50 in value. Random checks against the register of interest will be made on the award of contracts below this value. If the cumulative value of a series of small contracts exceeds £100, a Board Member will operate the policy used for individual contracts over that sum. The *de minimis* exemption does not apply to contracts of employment or honoraria with the ECF.

Independent external moderation will be used where conflicts cannot be resolved through an independent arbitration service.

Managing contracts

If you have a conflict of interest, you must not be involved in managing or monitoring a contract in which you have an interest. Monitoring arrangements for such contracts will include provisions for an independent challenge of bills and invoices, and termination of the contract if the relationship is unsatisfactory.