Comprehensive Conflict of Interest and Related Party Transactions Policy

Organization: Hartlebury Parish Hall Management Committee
Charity Status: Registered Charity Number 523151
Regulatory Standards: Charity Commission CC29 & Statement of Recommended Practice (SORP)

Core Policy Document

1. Purpose of the Policy

The management committee (the Trustees) of Hartlebury Parish Hall is committed to ensuring the charity is operated exclusively for public benefit. All financial and operational dealings must be transparent, robust, and free from personal or private interest. This policy protects both the charity and the individuals involved from any appearance of impropriety, financial mismanagement, or undeclared conflicts of interest.

2. Definitions of "Related Parties" and "Transactions"

Related Parties

A Related Party includes any individual or entity whose relationship with Hartlebury Parish Hall might inhibit the charity from independently pursuing its own separate interests. This encompasses:

- **The Trustees:** Any current member of the management committee or governing board.
- **Key Management Personnel:** Any senior staff member, booking secretary, or officer holding significant financial or operational responsibility.
- **Close Family Members:** Spouses, domestic partners, parents, children, siblings, and grandchildren of any Trustee or Key Management Personnel.
- **Connected Entities:** Any business, partnership, trade union, or charity where a Trustee (or their close family member) holds a controlling interest, serves as a director, or acts as a senior manager.

Related Party Transactions

A Related Party Transaction is any transfer of resources, services, or obligations between Hartlebury Parish Hall and a Related Party, regardless of whether a monetary price is charged. Examples include:

- **Contracts for Services:** Hiring a Trustee’s family member or business to perform hall maintenance, plumbing, catering, or bar staffing.
- **Purchases/Sales:** Buying equipment, cleaning supplies, or event furnishings from a company owned by a Trustee.
- **Hire of Facilities:** A Trustee or their close family member hiring the Main Hall or Lounge at a discounted rate not available to the general public.
- **Financial Benefits:** Giving any form of unapproved loan, grant, or honorarium to a connected individual.

3. Mandatory Procedures & Controls

Declaration of Interests

Every Trustee must declare any affiliations in the event of a related party transaction.

Procedure for Reviewing Potential Transactions
If Hartlebury Parish Hall intends to enter into a business contract or agreement that involves a Related Party, the following procedural sequence must be executed:

1. **Declare and Recuse:** The connected Trustee must declare their interest at the earliest possible stage and immediately recuse themselves from all committee discussions, evaluations, and voting rounds concerning the transaction.
2. **Demonstrate Value for Money:** The remaining, unconflicted Trustees must obtain independent, comparative quotes or market rates (e.g., standard pricing for local trade services or competing local venue hire rates) to prove the transaction is in the absolute best financial interest of the charity.
3. **Validate via Minimum Quorum:** The transaction can only be approved if a quorum of unconflicted Trustees votes in favour of it. The conflicted individual cannot vote or attempt to influence the decision.
4. **Minute the Decision:** The official minutes of the meeting must record the declaration of interest, the exit of the conflicted Trustee from the room, the comparative evidence reviewed, and the final voting outcome.

4. Specific Prohibitions & Hall Hire Rules

- **No Unauthorised Remuneration:** As a matter of foundational charity law, no Trustee of Hartlebury Parish Hall shall receive any salary, payment, or private financial benefit for serving as a Trustee.
- **Standard Rates for Hall Bookings:** If a Related Party wishes to book the Main Hall, Lounge, or Committee Room for a private function (such as a family party, wedding, or private interest group), they must pay the *Standard Scale of Hire Charges* published by the hall. Preferential or heavily discounted rates shall not be extended to Related Parties unless it falls under an explicit, pre-approved community policy applied equally to all local parish residents.
- **Reimbursement of expenses.**In accordance with Section 9 of The Charities SORP (FRS102), reimbursement of trustees for purchases they have personally and properly made on behalf of the charity are not counted as trustee expenses and are accounted for as part of the charity's general expenditure.

5. Year-End Accounting & Public Disclosure

- **Nominal Ledger Review:** Prior to signing off the annual financial returns, the Treasurer or Independent Examiner will cross-reference *Related Parties* against the nominal ledger to catch any unrecorded transactions.
- **Statutory Accounting Disclosures:** In accordance with the Charity SORP, Hartlebury Parish Hall's annual accounts must explicitly disclose the name of the related party, a description of the transaction, its financial value, and any outstanding year-end balances. If no related party transactions occurred during the financial year, the accounts must explicitly state this.

6. Policy Review Cycle

This policy will be formally reviewed by the Hartlebury Parish Hall Management Committee every **two years** to ensure alignment with any updated regulatory directives issued by the Charity Commission.
Date of Policy: August 2026