**Conflicts of Interest Policy**

A policy governing conflicts of interests is one of the most important policy a non-profit board can adopt. To have the most impact, the policy should be in writing, and the board and staff should review the policy regularly.

***What should a conflicts of interest policy include?***

A policy on conflicts of interest should:

* Require those with a conflict (or who think they may have a conflict) to disclose the conflict/potential conflict, and
* Prohibit interested board members from voting on any matter in which there is a conflict.

Beyond including those two basic directives, each non-profit needs to determine how the board will manage the conflict.

Keep in mind that the both the NPO Code of Conduct and SARS PBO regulations require NPOs to manage conflict of interest to ensure that individual do not self-profit from funds meant to benefic the public.

***Good practice measures***

* Often people are unaware that their activities or personal interests are in conflict with the best interests of the organisation so a goal for many organisations is to simply raise awareness, encourage disclosure and discussion of anything that MAY be a conflict, and constantly encourage a “culture of honesty.”
* Conflicts can be nuanced and have more to do with a “duality of interests” than a financial conflict. Here's an example of a conflict policy that explicitly acknowledges how the non-profit will address duality of interests.
* Many non-profits make it a regular practice to take time at a board meeting at least once a year to discuss the types of hypothetical situations that could result in a conflict of interest, and then discuss how the board would manage that potential conflict, role-playing, so that when a real conflict arises the board will be ready to handle it with more ease.
* Minutes of board meetings should reflect when a board member discloses that s/he has a conflict of interests and how the conflict was managed, such as that there was a discussion on the matter without the board member in the room, and that a vote was taken but that the “interested” board member abstained (board members with a conflict are “interested” – board members without a conflict are “disinterested”).
* Many non-profits circulate a questionnaire each year to find out whether any board member (or staff member) has a conflict of interest. Typically the questionnaire asks board and staff members to disclose existing conflicts and reminds them to disclose any that may crop up in the future.