



AIA
Cleveland

Conflict of Interest Policy

Adopted February 12, 2016

Article I: Purpose

AIA Cleveland, A Chapter of The American Institute of Architects (AIA CLE), is a nonprofit, tax-exempt corporation organized under the laws of the State of Ohio and eligible for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code. The purpose of this Conflict of Interest Policy is to protect the interest of AIA CLE when it is contemplating entering into a transaction or arrangement, or taking an action that might benefit the Financial or Professional/Personal interest of a Leader (as defined below) of AIA CLE. The policy also informs the Leaders about what constitutes a Conflict of Interest, assists them in identifying and disclosing actual and potential conflicts, and helps them to avoid conflicts of interest where necessary.

Article II: Definitions

Compensation: Includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Conflicts of Interest: May be either Financial or Professional/Personal in nature. A conflict exists when a Leader or his/her immediate family member's Financial or Professional/Personal Interest could directly and significantly affect or give the appearance of affecting their ability to be objective and to exercise independent judgment in protecting the interests of AIA CLE.

Financial Interest: The Leader or his/her Immediate Family has, directly or indirectly, through business or other close personal relationship:

- a. An ownership or investment interest in any entity with which AIA CLE has a transaction or arrangement; or
- b. A Compensation arrangement with AIA CLE or with any entity or individual with which AIA CLE has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or Compensation arrangement with, any entity or individual with which AIA CLE is negotiating a transaction or arrangement.

Immediate Family: Spouse, dependent children, and other persons living in the same household.

Interested Person: Any director, officer, member of a committee or staff member with powers delegated by the AIA CLE Board, who has a Conflict of Interest, as defined above, is an interested person.



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Leader: An officer, director,

Professional/Personal Interest: The Leader or his/her Immediate Family holds a position, paid or unpaid, as director, officer, partner, trustee, or any other significant decision-making position with an entity that competes or takes public positions contrary to those of AIA CLE.

A Financial or Professional/Personal Interest is not necessarily a Conflict of Interest. Under Article III, Section 2, a person who has a Financial or Professional/Personal Interest may have a Conflict of Interest only if the AIA CLE Board decides that a Conflict of Interest exists.

Article III: Procedures

A. Duty to Disclose

1. In connection with any actual or potential Conflict of Interest, an interested person must disclose the existence of the Financial or Professional/Personal interest, and be given the opportunity to disclose all material facts to AIA CLE. Any such disclosure shall be in writing to the Executive Committee for an initial finding of whether a Conflict of Interest exists.

B. Determining Whether a Conflict of Interest Exists

1. The Executive Committee shall make an initial finding as to whether a Conflict of Interest exists. The Executive Committee shall report initial findings of any actual, apparent or potential Conflicts of Interest to the Board. If the interested person disagrees with the finding, he/she may present the matter to the Board of Directors. After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board meeting while the determination of whether a Conflict of Interest exists and whether or not the conflict should be waived is discussed and voted upon by the remaining Board.

C. Procedure for Addressing the Conflict of Interest

1. An interested person may make a presentation at the Board of Director's meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on how to address the Conflict of Interest.
2. The presiding officer or chair of the Board shall, if appropriate appoint a disinterested person or committee to investigate alternatives to the situation.
3. After exercising due diligence, the Board shall determine whether AIA CLE can obtain with reasonable efforts a more advantageous transaction, arrangement, or representation from a person or entity that would not give rise to an actual, potential or apparent Conflict of Interest.



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4. If a more advantageous transaction, arrangement or representation is not reasonably possible under circumstances not producing a Conflict of Interest, the Board shall determine by a majority vote of the disinterested Board members whether the transaction or arrangement is in AIA CLE's best interest, for its own benefit, and whether it is fair and reasonable.
5. Violations of the Conflict of Interest Policy
 - a. If the Board has reasonable cause to believe a member has failed to disclose actual or potential conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or potential Conflict of Interest, it shall take appropriate disciplinary and corrective action.

Article IV: Record of Proceedings

The minutes of the Board, Executive Committee and all committees with Board-delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have an actual or potential Conflict of Interest, the nature of the interest, any action taken to determine whether a Conflict of Interest was present, and the governing board's or committee's decision as to whether a Conflict of Interest in fact existed; and
- B. The names of the persons who were present for discussions and votes relating to the proceedings, the content of discussion, including any alternatives, and a record of any votes taken in connection with the proceedings.

Article V: Compensation

- A. A voting member of the Board who receives Compensation, directly or indirectly, from AIA CLE for services is precluded from voting on matters pertaining to that member's Compensation.
- B. A voting member of any committee whose jurisdiction includes Compensation matters who receives Compensation, directly or indirectly, from AIA CLE for services is precluded from voting on matters pertaining to that member's Compensation.



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- C. No voting member of the Board or any committee whose jurisdiction includes Compensation matters and who receives Compensation, directly or indirectly, from AIA CLE, either individually or collectively, is prohibited from providing information to any committee regarding Compensation.

Article VI: Annual Statements

- A. Each Leader with Board-delegated powers shall annually sign a statement which affirms such person:
 - B. Has received a copy of the Conflict of Interest Policy;
 - C. Has read and understands the policy;
 - D. Has agreed to comply with the policy; and
 - E. Understands AIA CLE is a non-profit corporation and, in order to maintain federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII: Periodic Reviews

- A. To ensure that AIA CLE operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Executive Committee or its designee. The periodic reviews shall, at a minimum, include the following subjects:
 - 1. Whether Compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
 - 2. Whether partnerships, joint ventures, and arrangements with management organizations conform to AIA CLE's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further legitimate purposes, and do not result in inurement or impermissible private benefit.

Article VIII: Use of Experts

- A. When conducting the periodic reviews as provided for in Article VII, AIA CLE Board of Directors or Executive Committee may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring that periodic reviews are conducted.



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Article IX: Other Conflicts of Interest

- A. Each principal officer, director and member of a committee with Board-delegated powers has fiduciary duties and other responsibilities to the AIA CLE. Each such individual is subject to such duties and responsibilities, whether they arise from federal, state or other law, from AIA CLE's Bylaws or Rules of the Board, from Board-approved policies or other actions of the Board, or from other sources. This policy shall apply to any situations in which any Leader with Board-delegated powers has an actual or apparent conflict between his/her Financial or Professional/Personal Interests and his/her fiduciary duties or other responsibilities to AIA CLE. All such actual or apparent Conflicts of Interest shall be disclosed to the AIA CLE Executive Committee, who shall make an initial finding and report to the Board and ensure that they are considered and resolved in a fair and expeditious manner.

