



# ILLINOIS

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## USGBC - Illinois CHAPTER CONFLICT OF INTEREST POLICY

### INTENT

This policy is designed to ensure that all officers, directors, committee members and other persons serving in a leadership capacity of, for, or on behalf of the U.S. Green Building Council ("Leaders") and its Chapters or Organizing Groups exercise good judgment in dealing with conflicts that could undermine the best interests of the Council.

### POLICY

Leaders must avoid and minimize activities and situations which actually, potentially or apparently conflict with the Chapter or Organizing Group's interests or interfere with the leaders' duty to serve the Chapter or Organizing Group with undivided loyalty ("conflicts"). Conflicts include:

- (1) having a direct financial or close personal interest in a company, service or product that could be affected (in a positive or negative manner) by a decision of a board, committee or other Chapter or Organizing Group governing body on which the Leader serves,
- (2) serving as a partner, director, officer or trustee of another entity that has an interest in a transaction with the Chapter or Organizing Group,
- (3) revealing or misusing confidential information,
- (4) accepting or offering substantial gifts, excessive entertainment, favors or payments which may reasonably be construed to constitute undue or otherwise improper influence,
- (5) breaching any fiduciary duty owed to the Chapter or Organizing Group,
- (6) participating in any private inurement transactions, which include transactions where the Chapter or Organizing Group's resources are transferred to an individual solely by virtue of the individual's relationship with the Chapter or Organizing Group and without regard to accomplishing the Chapter or Organizing Group's purposes,
- (7) exploiting opportunities for personal or private benefit that could otherwise benefit the Chapter or Organizing Group,
- (8) taking direct action on behalf of the Chapter or Organizing Group that may result in material personal or private benefit or that may result in a material adverse impact to a personal or private competitor, and (9) competing with the Chapter or Organizing Group.

Leaders shall stand in a fiduciary relation to the Chapter or Organizing Group and their fiduciary responsibilities are to perform their duties, including their duties as members of a committee, in good faith, in a manner reasonably believed to be in the best interests of the corporation and with such care,

including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Conflicts are not inherently improper. However, Leaders must be conscious of conflicts and act with candor and care in dealing with such situations.

## **PRACTICE AND PROCEDURE**

### **A. Disclosure.**

Leaders must disclose all conflicts to the Steering Committee leader or her/his designee (a) at each annual meeting of the Steering Committee (if not previously disclosed), and (b) at any other time immediately following discovery of a conflict. Disclosures must be written and must include sufficient detail so as to allow a complete and objective assessment of the conflict.

Leaders must disclose all conflicts of interest to the entire Steering Committee at each annual meeting of the Steering Committee (if not previously disclosed), and (b) at any other time immediately following discovery of a conflict.

The Steering Committee leader must forward a copy of all signed conflict of interest statements to the (a) Chair of the USGBC's Chapter Steering Committee, and (b) to the Council's President and CEO.

### **B. Conduct.**

After a Leader discloses a conflict, she/he must abstain from making motions, voting, executing agreements or taking any other similar direct action on behalf of the Chapter or Organizing Group on matters which directly or predominantly involve the matter of conflict.

Example 1: A Leader serves on a committee addressing indoor air quality standards for the LEED Green Building Rating System and also on the Organizing Group's steering committee. The Leader, in addition to her affiliation with the Organizing Group, is employed by a company that manufactures a product that is designed to improve indoor air quality. Recognizing the potential for a conflict, the Leader discloses her employment and agrees to conduct her activities in accordance with this policy. She should be encouraged to continue serving on the committee and offering her unique insights into indoor air quality standards, whether or not such insights benefit her employer or adversely affect her employer's competitors. However, she should abstain from voting on indoor air quality standards in the committee. She should also abstain from voting on indoor air quality standards in the Board. She should not abstain from voting on matters that do not directly or predominantly involve air quality standards, such as the complete LEED Green Building Rating System.

Example 2: The Chapter oversees a grant that is intended to stimulate environmentally advanced architectural practices. As part of this oversight, the Board is tasked with awarding a portion of the grant funds to a qualified architect to develop model architectural practices. The Board believes that a Leader serving on the Chapter's Board of Directors is the most qualified candidate for the position. Recognizing that its award of grant funds to the Leader is not an actual conflict unless the Leader is provided payment in excess of the value provided. The staff should research a reasonable, fair market value for the work to be performed by the Leader. The Board should then use this research to establish the amount of grant funds to be awarded to the Leader. Upon notification of the award, the Leader should disclose her interest in these funds to the Chapter Chair and thereafter abstain from making motions, voting, executing agreements or

taking any other similar direct action on behalf of the Chapter on matters which directly or predominantly involve the grant or any of the Leader's activities that are funded by the grant.

Example 3: A mid-western developer contacts the Board in search of an environmental consultant for her project. Based on the nature of experience sought by the developer, the Board believes that one or more Leaders or members of the Board may be qualified to perform the work. Because of concerns that members will perceive a conflict if the developer is only given the name of a Leader, the Board broadcasts the opportunity to all members by posting the solicitation on the Chapter's website. A Leader responds to the solicitation and subsequently enters into a consulting contract with the developer. Immediately after entering into the contract, the Leader should disclose this relationship to the Chapter or Chair.

**C. Review.**

If, after disclosing a conflict, a Leader believes that she/he should be able to continue making motions, voting, executing agreements or taking any other similar direct action on behalf of the Chapter or Organizing Group on matters which directly or predominantly involve the matter of conflict, without undermining the best interests of the Chapter or Organizing Group, the Leader may submit a written request to the Board of Directors to permit such conduct. The Board of Directors must conduct a disinterested review of the request but has no obligation to grant it.

**D. Documentation.**

All conflict disclosures and actions taken by the Board of Directors in connection with such disclosures must be noted for record in the minutes of the then-current meeting of the Board of Directors. The Board of Directors may summarize and catalog conflict situations from time to time for reference purposes.

**E. Availability.**

Copies of this policy are available to all Leaders. As new Leaders are created, they shall be provided copies of this policy.

**F. Disciplinary Action**

If the USGBC Staff, Chapter Steering Committee, or Board members receive complaint of a conflict of interest that has not been appropriately disclosed and handled at the Chapter or Organizing Group level, the group's Board Liaison will be asked to speak with the group's steering committee leader to resolve the issue. If the complaint continues, the issue will be written up and forwarded to the USGBC's Chapter Steering Committee to determine if organizational guidelines have been breached and if communications from the USGBC Chapter Steering Committee Chair can resolve the issue. The third level of action is to forward the complaint to the USGBC's Board Governance Committee for review and action.

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SIGNED

DATE

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PRINTED NAME

COMMITTEE