

**CONFLICT OF INTEREST POLICY
FOR
ILLINOIS INSTITUTE FOR
CONTINUING LEGAL EDUCATION**

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CONFLICT OF INTEREST POLICY

Article I Purpose of Policy

The purpose of the Conflict of Interest Policy is to assist in protecting the tax-exempt status of Illinois Institute for Continuing Legal Education (“IICLE”) regarding new or existing transactions or arrangements that might benefit the private interest of an officer, employee or director of IICLE or might result in a possible excess benefit transaction “within the meaning of the Internal Revenue Code and the regulations thereunder”. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to non-profit and charitable organizations.

Article II Definitions

1. **Interested Person.** Any director, principal, officer or member of a committee or employee with authority delegated by the governing board who has a direct or indirect financial interest, as defined below, is an interested person.
2. **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 entity with which IICLE has a transaction or arrangement,
 - (b) A compensation arrangement with IICLE or with any entity or individual with which IICLE has a transaction or arrangement, or
 - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which IICLE is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors 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 appropriate governing board or committee decides, per the terms of this policy, that a conflict of interest exists.
3. **Conflict of Interest.** A conflict of interest may arise when a person has an existing or potential financial interest or any other interest that impairs, or might appear to impair, his or her independence or objectivity in the discharge of responsibilities and duties to IICLE.

Article III Duty of Loyalty

Any director or principal officer owes a duty of loyalty to IICLE, which requires all board members and officers to act solely in the interest of IICLE rather than in their own personal interest, the interest of other board members or the interest of others. Board members and officers must have an undivided allegiance to IICLE and its mission and may not use their position as board members or officers or information they have about IICLE or IICLE's assets, in a manner that allows them to secure a financial or any other benefit for themselves, their relatives, or another board member (family or business). Accordingly, no director or officer may use his or her position at IICLE for personal gain or to benefit another at the expense of IICLE, its mission or its reputation.

Article IV Duty of Care

Every board member and officer must discharge his or her duties in good faith with a degree of care that an ordinarily prudent person in a like position would exercise under similar circumstances. This requires using common sense, being diligent and attentive to IICLE's needs and making thoughtful decisions in the best interest of IICLE. No director or officer may take personal advantage of a business opportunity that is offered to IICLE unless the board of directors of IICLE first determines not to pursue such opportunity. Under the duty of care, the board provides oversight and decision following disclosure of a conflict of interest.

Article V Procedures

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all materials facts, and after any discussion with the interested person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. For each interest disclosed, the board will determine whether to take no actions; or insure full disclosure to the board of directors and other individuals covered by this policy; or ask the person to recuse himself or herself from participation in related discussions or decisions within IICLE; or ask the person to resign from his or her position or, if the person refuses to resign, become subject to possible removal in accordance with the board's removal procedures.

3. **Violations of the Conflict of Interest Policy.**

(a) If the governing board or committee has reasonable cause to believe a board member or officer has failed to disclose an actual or possible conflict of interest, it shall inform

the board member or officer of the basis for such belief and afford the board member or officer an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of such individual and making such further investigation as may be warranted by the circumstances, the board determines that the board member or officer has, in fact, failed to disclose a direct or indirect financial or other actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

Article VI Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain.

(a) The names of the board members and officers who disclose or otherwise were found to have a actual or possible conflict of interest, the nature of the conflict of 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.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article VII Gifts, Other Relationships and Benefits

Board members or officers or any of their relatives shall not directly or indirectly:

(a) Accept any gift, entertainment, services, loans or promises of future benefits from any person who might personally benefit or whose company, organization, or employees might benefit or appear to benefit because of the board member's or officer's connection with IICLE, unless the fact of such gifts, entertainment, services or loans are disclosed to the board. This does not apply to gifts or similar entertainment of nominal value.

(b) Utilize their positions for personal, professional, political or monetary gain by acting individually on behalf of any group, organization or business to which they have allegiance.

Article VIII Annual Disclosure Statement

Promptly following the adoption of this policy and thereafter not less frequently than annually, each board member and officer shall acknowledge that they have received a copy of the Conflict of Interest Policy, have read and understand the policy, agree to comply with the policy and

understand IICLE is charitable and, in order to maintain its federal tax exemption, must engage primarily in activities that accomplish one or more of its tax exempt purposes. This statement shall further include any existing or other material conflicts of interest.

**Article IX
Periodic Reviews**

To ensure IICLE operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic review period shall, at a minimum, include a review of whether partnerships, joint ventures and arrangements with management organizations conform to IICLE's written policies, are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article X
Confidentiality**

Each board member and officer must protect the confidential and proprietary information of IICLE and must not use confidential information for his or her personal benefit or use such confidential information or his or her position as a board member or officer to the detriment of IICLE. Confidential information is defined as information obtained through the board member's or officer's position that has not become public information.

Date: _____

Sign: _____

Print: _____