



The American Institute of Architects
Conflict of Interest Policy
Revised December 2022
(Board of Directors/Committees with Board-Delegated Powers)

PURPOSE

The American Institute of Architects (AIA) is a not-for-profit corporation organized and existing under the laws of the State of New York for the purposes of conducting operations and activities as an organization eligible for tax-exempt status under Section 501(c)(6) of the Internal Revenue Code.

This Conflict of Interest Policy (Policy) is intended to help ensure that when actual or potential conflicts of interest arise, AIA has a process in place under which the affected individual will advise the governing body – whether the Board of Directors (Board) or AIA councils or committees with Board-delegated powers (Board Committee) – about all the relevant facts concerning the situation. This Policy is intended to supplement but not replace any applicable federal, state or District of Columbia laws governing conflict of interests.

DEFINITIONS

Interested Person

Any director, officer, or member of a Board committee who has a direct or indirect Financial Interest as defined below, is an interested person.

Financial and Other Interests

A person has Financial Interest if the person has, directly or indirectly, through business, investment, family, or other close personal relationship:

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

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

Financial Interest is not necessarily a conflict of interest. Under this Policy, a person who has Financial Interest may have a conflict of interest only if the Board or Board Committee decides that a conflict of interest exists.



PROCEDURES

Duty to Disclose

In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial or Other Interest and be given the opportunity to disclose all material facts to the Board or Board Committee considering the proposed transaction or arrangement.

Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall recuse themselves from the Board or Board Committee meeting at which the determination of the conflict of interest occurs.

PROCEDURES FOR ADDRESSING THE CONFLICT OF INTEREST

An Interested Person may make a presentation to the Board or Board Committee, but must recuse themselves from the remainder of the discussion.

The presiding officer of the Board or Board Committee may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

The Board or Board Committee shall determine whether AIA can obtain a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not possible under circumstances which do not create a conflict of interest, the Board or Board Committee shall determine whether the transaction is in AIA's best interest, and decide as to whether to enter into the transaction.

Each matter involving a potential conflict of interest considered by a committee or member group other than by the Board or Board Committee shall be promptly reported to the AIA General Counsel, who shall ensure that appropriate procedures are followed to resolve each such matter. The AIA General Counsel shall in turn report on each such matter to the Board, which shall have the authority to reverse, in whole or in part, the findings and actions of such committee, and to order such further action as it may deem appropriate.

VIOLATIONS OF THE CONFLICT OF INTEREST POLICY

If the Board or Board Committee has reasonable cause to believe its member has failed to disclose actual or possible conflicts of interest under this Policy, it shall inform the member of the basis for such belief and afford such individual an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Board Committee determines the individual has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.



RECORDS OF PROCEEDINGS

The minutes of the Board and Board Committees shall record:

- The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board's or Board Committee's decision as to whether a conflict of interest in fact existed; and
- 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.

COMPENSATION

A voting member of the Board or Board Committee who receives compensation, directly or indirectly, from AIA for services, is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AIA for services, is precluded from voting on matters pertaining to that member's compensation.

ANNUAL STATEMENTS

Members of the Board and Board Committees or any officer or member of a committee with Board-delegated powers, shall execute an annual statement which affirms such person:

- Has received a copy of this-Policy;
- Has read and understands this Policy;
- Has agreed to comply with this Policy; and
- Understands the AIA is a not-for-profit corporation and must engage primarily in activities consistent with its tax-exempt purposes.

PERIODIC REVIEWS

To ensure AIA operates in a manner consistent with tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to AIA'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.



USE OF OUTSIDE EXPERTS

When conducting Periodic Reviews as provided for herein, AIA may use outside advisors.

OTHER CONFLICTS OF INTEREST

Each member of the Board or a Board Committee has fiduciary duties and other responsibilities to AIA as a function of federal or state law, AIA's Bylaws or Rules of the Board, Board-approved policies, or other actions of the Board. This policy shall also apply to any situations in which any member of the Board or Board Committee has an actual or apparent conflict between such member's private interests and such member's fiduciary duties or other responsibilities to AIA. All such actual or apparent conflicts of interest shall be disclosed to the AIA General Counsel, who shall refer such matters to the appropriate AIA officers and ensure that they are considered and resolved in a fair and expeditious manner.



ACKNOWLEDGEMENT AND DISCLOSURE FORM

I have read and understand the AIA’s Conflict of Interest Policy set forth above, and agree to comply fully with its terms and conditions at all times during my service as an officer, director or representative of the AIA.

I understand AIA is a not-for-profit corporation and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

If at any time following the submission of this form, I become aware of any actual or potential conflicts of interest, or if the information provided below becomes inaccurate or incomplete, I will promptly notify the AIA General Counsel in writing.

Disclosure of Actual or Potential Conflicts of Interest:

Signature: _____

Printed Name: _____

Date: _____