

*Adopted April 13, 2020*



CONFLICT OF INTEREST POLICY  
FOR THE BOARD OF DIRECTORS AND OFFICERS  
OF THE  
LEAGUE OF WOMEN VOTERS ILLINOIS &  
THE LEAGUE OF WOMEN VOTERS ILLINOIS EDUCATION FUND

Effective as of April 13, 2020

## CONFLICT OF INTEREST POLICY

Section 1     Purpose: The purpose of the conflict of interest policy is to protect the Corporations' interests when either of them are contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of either of the Corporations or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable corporations.

Section 2     Policy: Anyone making decisions on behalf of either of the Corporations should always act based on the best interests of the organization, and no individual associated with either of the Corporations should use their position for personal benefit, for the benefit of friends or relatives, or to further any outside interests or personal agenda. This standard applies to all transactions and decisions, whether or not covered by the detailed policies and procedures below.

Section 3     Definitions

(A)     An interested person may be a director, trustee officer, or member of a committee of either Corporation.

(B)     A potential conflict of interest exists whenever the personal, professional or financial interest of an interested person is opposed to that of the organization, or when such an interest or any conflicting fiduciary duty might influence the interested person's actions and judgment on behalf of either Corporation. A potential conflict also exists when there is an appearance that an interested person's actions may be influenced by a competing interest or duty.

(C)     A conflict of interest exists whenever an interested person's competing interest or fiduciary duty is substantial enough that the interested person cannot reasonably be expected to exercise independent judgment and take action in the best interest of either Corporation.

(D)     Conflicts of interest most frequently arise in (but are in no way limited to) the context of:

- decisions about an interested person's compensation (as a contractor or employee);
- decisions about transactions with entities in which an interested person holds an ownership interest;
- decisions about actions taken by either of the Corporations that may affect, directly or indirectly, an

- organization where the interested person is an unpaid volunteer, officer or director; and
- decisions about transactions with an entity by which an interested person is employed.

Conflicts (or the appearance of conflicts) may also arise when either of the Corporations are contemplating a transaction with a close relative or domestic partner of an interested person, or any entity in which such a related person has an ownership interest or which employs such a person.

Conflicts of interest will generally not be considered to arise when the potential benefit to the interested person is tenuous or remote, such as an interested person with investments in a mutual fund which holds a small amount of stock in a particular company. In addition, the fact that an interested person is also a director, trustee, officer, member or volunteer of a not-for-profit organization that obtains or seeks funds from institutions or individuals from which either of the Corporations also obtains or seeks funds shall not by itself be deemed to be a conflict of interest if there are otherwise no indications that the interested person has a conflict of interest.

(E) The Corporations are the League of Women Voters of Illinois (LWVIL) and the League of Women Voters Illinois Education Fund (LWVILEF).

#### Section 4 Implementation Procedure

- 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 Board-delegated powers 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, he or she shall leave the Board or committee meeting while the determination of a conflict of interest *is* discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.
- Procedures for Addressing the Conflict of Interest.* An interested person may make a presentation at the Board or committee meeting, but after the presentation, they shall leave the meeting during the discussion of, and the

vote on, the transaction or arrangement involving the possible conflict of interest.

The chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board or committee shall determine whether the organization can obtain with reasonable efforts 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 reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in either Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- D. *Violations of the Conflicts-of-Interest Policy.* If the Board or committee has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the board or committee determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action and, if necessary, disciplinary action.

Section 5      Disclosure

- A.      The conflict of interest policy will become effective on the date that it is adopted by the Board, and will supersede all prior LWVIL/LWVILEF policies dealing with the same subject. The Board may amend the conflict of interest policy from time to time as it deems appropriate.
- B.      A copy of the conflict of interest policy will be distributed to all directors, officers and trustees at the beginning of their term. The directors, officers and trustees will submit an executed copy of the "Conflict of Interest Compliance Agreement" that is attached hereto.
- C.      The Executive Committee shall review the disclosure statements and shall report on their review to the LWVIL/LWVILEF boards.

- D. In the event that there is a material change in the information given in an individual member's disclosure statement, they shall report the change promptly to the LWVIL/LWVILEF President/Chair; provided however if there is a material change in the information given in the President/Chair's disclosure statement, they should notify the change promptly to the other members of the Executive Committee.

Section 6 Periodic Reviews: To help ensure the Corporations avoid private inurement, impermissible private benefit, and excess benefit transactions, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include (i) whether compensation arrangements and benefits are reasonable; and (ii) whether partnerships, joint ventures, and arrangements with management corporations conform to the Corporations' written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

Section 7 Use of Outside Experts: When conducting the periodic reviews as provided for in Section 6, the Corporations may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that compensation is reasonable and that periodic reviews are conducted.

**LEAGUE OF WOMEN VOTERS OF ILLINOIS  
LEAGUE OF WOMEN VOTERS ILLINOIS EDUCATION FUND**

**Conflict of Interest Disclosure**

Please certify below that you either have no actual or possible conflict of interest to report, or describe below any relationships, transactions, positions you hold (volunteer or otherwise), or circumstances that you believe could contribute to an actual or possible conflict of interest between the organization and your personal interests, financial or otherwise:

\_\_\_\_ I have no conflict of interest to report.

\_\_\_\_ I have the following actual or possible conflict(s) of interest to report.

1. Please specify below any actual transactions you are aware of between the organization and any entity or person with which you have a business, investment, or family relationship. (Please attach a supplemental statement if you have additional actual or possible conflicts of interest to disclose.)

2. For the purposes of determining possible future conflicts of interest, please also specify: (i) other nonprofit and for-profit boards on which you and/or your spouse/domestic partner sit, (ii) any for-profit businesses for which you or an immediate family member/domestic partner are an officer, or a majority shareholder, (iii) any nonprofit organizations for which you, an immediate family member or your spouse/domestic partner are an officer, and (iv) the name of your employer and any businesses you or a family member own. (Please attach a supplemental statement if you have additional actual or possible conflicts of interest to disclose.)

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

I understand that the organization may not engage in transactions that provide impermissible benefits to individuals or entities.

I have read and understand the LWVIL/LWVILEF Conflict of Interest Policy and agree to be bound to it. I will promptly inform the LWVIL/LWVILEF President/Chair of any material change that develops in the information given in this statement.

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Signature \_\_\_\_\_

Date \_\_\_\_\_

*Adopted April 13, 2020*