

**CONFLICT OF INTEREST POLICY**  
**FOR *[INSERT NAME OF LOCAL ASSOCIATION OR BENEFIT FUND]***  
**OFFICIALS AND EMPLOYEES**

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*[INSERT NAME OF LOCAL ASSOCIATION OR BENEFIT FUND]* (hereinafter referred to as the “Organization”) officials have a fiduciary obligation to act in the best interests of the Organization. Organization employees have an obligation to carry out their organizational responsibilities in a manner that advances the interests of the Organization, and to take no action in the course of their employment or otherwise that could be detrimental to those interests. The purpose of this Conflict of Interest Policy for Organization officials and employees (“CI Policy”) is to provide guidance to the Organization’s officials and employees in complying with their fiduciary and employment obligations.

**I. DEFINITIONS**

As used in the CI Policy, the following terms have the meanings indicated:

- A. The term “Organization official” means a member of the applicable governance (*i.e.*, a trustee of the Organization), ***[IF APPLICABLE, INSERT MEMBER OF ANY APPLICABLE COMMITTEE]*** and any other person designated by the Organization’s governance to represent the Organization. The term does not mean an employee of, or a consultant retained by the Organization.
- B. The term “Organization employee” means a regular, probationary, part-time, or temporary employee of the Organization. The term does not mean the Organization official.
- C. The term “immediate family” of the Organization official or of an Organization employee means his or her parent, spouse or spousal equivalent, child, stepparent, stepchild, grandparent, grandchild, sibling, mother-or father-in-law, sister-or brother-in-law, or daughter-or son-in-law.
- D. The term “directly or indirectly” means an action taken by the Organization official or the Organization employee in his or her own name (*i.e.* directly), or through a member of the immediate family or a business associate of the Organization official or an Organization employee (*i.e.* indirectly).
- E. The term “participate in an Organization decision” means the authority to approve, disapprove, recommend, or otherwise influence the position taken by the Organization.

- F. The term “Conflict of Interest Officer” (“CI Officer”) means the person who is responsible for the implementation of the CI Policy.

## **II. STATEMENT OF PRINCIPLE**

No Organization official and no Organization employee shall, directly or indirectly, have any interest or relationship, take any action or engage in any transaction, or incur any obligation which is in conflict with, or gives the appearance of a conflict with, the proper and faithful performance of his or her organizational responsibilities.

## **III. PROHIBITED ACTIVITIES**

The activities that are prohibited by the Statement of Principle set forth in Section II include, but are not limited to, the following:

- A. No Organization official or Organization employee shall, without the advance written approval of the CI Officer, have a direct or indirect financial or personal interest in or relationship with any business, firm, person, or entity that does or seeks to do business with the Organization. This prohibition shall not apply to investments in a business, firm, or other entity through the purchase of securities that are traded on a registered national securities exchange, or utilizing any services that the business, firm, person, or entity makes available to the general public in the normal course of business. Additionally, this prohibition shall not apply to the sponsoring labor organization official’s or employee’s participation in any Organization member benefit program to which the sponsoring labor organization official or employee is eligible to take part by virtue of their status as a sponsoring labor organization member or employee.
- B. No Organization official or Organization employee shall receive any compensation, gift, gratuity, loan or other thing of value from any business, firm, person, or other entity which does or seeks to do business with the Organization, or which has financial or other interests that may be affected by the performance or nonperformance of the Organization official’s or Organization employee’s organizational responsibilities. The “compensation, gift, gratuity, loan, or any other thing of value” does not include an item or items received during the Organization’s applicable year with an aggregate value of \$250 or less, or a loan that is available to the general public on similar terms. The prohibition in this Section III (B) shall not apply if the Organization official or Organization employee receives the item in question in the performance his or her organizational responsibilities (*i.e.* business dinner or function).

- C. No Organization official or Organization employee shall (1) except in the performance of his or her organizational responsibilities or in response to a legal mandate, disclose any information obtained by reason of his or her position that is not otherwise available to the general membership of the sponsoring labor organization, and that could be used to the detriment of the Organization; or (2) use or permit others to use any information obtained by reason of his or her position that is not otherwise available to the general membership of the sponsoring labor organization to directly or indirectly further the Organization official's or Organization employee's financial or personal interest.
- D. No Organization official or Organization employee shall, without the advance written approval of the CI Officer, directly or indirectly sell goods or services to the Organization. This prohibition shall not apply to the payment of stipend, or travel expenses to the Organization official or Organization employee for carrying out his or her organizational responsibilities.
- E. No Organization official or Organization employee shall accept any other position or assignment which would conflict with his or her fiduciary obligation to act in a manner that advances the best interests of the Organization, or interfere with the Organization official's or Organization employee's ability to properly carry out his or her organizational responsibilities.
- F. No Organization official or Organization employee shall use or permit others to use his or her position with the Organization to create the impression that the Organization endorses or has endorsed a product, service or program when that is not in fact the case, or to otherwise directly or indirectly further the Organization official's or Organization employee's financial or personal interest.

#### **IV. IMPLEMENTATION PROCEDURE**

- A. The Organization's **[INSERT NAME OF APPLICABLE OFFICIAL]** shall serve as the CI Officer, and shall in that capacity be responsible for the implementation of the CI Policy. The CI Officer shall monitor the implementation of the CI Policy and, recommend to the Organization's governance such modifications in the Policy as he or she may from time to time deem appropriate (see, Section VI. A).
- B. (1) If the Organization official or Organization employee believes that he or she may be engaged or about to become engaged in an activity that is prohibited by the CI Policy, he or she shall consult with the CI Officer. The Organization official or Organization

employee and the CI Officer shall attempt to deal with the matter informally. If they are unable to do so, the CI Officer shall submit to the Organization official or Organization employee, as may be applicable, a written opinion indicating whether the activity in question is prohibited by the CI Policy, and, if so, what should be done to correct the situation.

(2) Applicable only to Organization employees: **[IF APPLICABLE, THIS SECTION MAY BE MODIFIED BY THE LOCAL ASSOCIATION OR BENEFIT FUND]** If the Organization employee disagrees, in whole or in part, with the conclusions of the CI Officer, he or she may appeal to the Organization's **[INSERT APPLICABLE COMMITTEE]** (hereinafter referred to as the "Appeals Committee") by filing a written notice of appeal with the Organization's Appeals Committee within ten (10) calendar days after receiving the opinion of the CI Officer. The Organization's Appeals Committee shall decide the appeal as expeditiously as possible, and the resulting decision of the Organization's Appeals Committee shall be final and binding, subject to whatever contractual rights the Organization employee may have to challenge the final decision, including, without limitation, his or her right to challenge said decision through the grievance procedure in a collective bargaining agreement with the sponsoring labor organization. If the Organization employee files a timely appeal, he or she need not comply with the opinion of the CI Officer pending the outcome of the appeal. If the Organization employee does not file a timely appeal, he or she shall comply with the opinion of the CI Officer.

C. Applicable only to Organization officials: **[THIS SECTION MAY BE MODIFIED BY THE LOCAL ASSOCIATION OR BENEFIT FUND]** If the Organization official disagrees, in whole or in part, with the conclusions of the CI Officer, he or she may appeal to the Organization's Appeals Committee by filing a written notice of appeal to the Organization's Appeals Committee within ten (10) calendar days after receiving the opinion of the CI Officer. Thereafter, the Organization's Appeals Committee shall act on the appeal as expeditiously as possible. If the Organization official files a timely appeal, he or she need not comply with the opinion of the CI Officer pending the outcome of the appeal. If the Organization official does not file a timely appeal, he or she shall comply with the opinion of the CI Officer.

D. (1) If a member or employee of the sponsoring labor organization believes that an Organization official or Organization employee is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, the member or employee may file a

written complaint with the CI Officer. The complainant shall identify himself or herself to the CI Officer, but the CI Officer shall, if requested to do so by the complainant, treat the complaint as anonymous and not reveal the complainant's name.

(2) Upon receiving a complaint, the CI Officer shall consult with the complainant and, as may be applicable, the Organization official or Organization employee in question. Based upon the information received from the complainant and the Organization official, or Organization employee and/or other relevant information, the CI Officer shall decide whether the Organization official or Organization employee is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, and, if so, what should be done to correct the situation. The CI Officer shall submit to the Organization official or Organization employee, as may be applicable, and to the complainant a written opinion setting forth his or her conclusions.

(3) Applicable only to Organization employees: **[IF APPLICABLE, THIS SECTION MAY BE MODIFIED BY THE LOCAL ASSOCIATION OR BENEFIT FUND]** If the Organization employee disagrees, in whole or in part, with the conclusions of the CI Officer, he or she may appeal to the Organization's Appeals Committee by filing a written notice of appeal with the Organization's Appeals Committee within ten (10) calendar days after receiving the opinion of the CI Officer. The Organization's Appeals Committee shall decide the appeal as expeditiously as possible, and the resulting decision of the Appeals Committee shall be final and binding, subject to whatever contractual rights the Organization employee may have to challenge the final decision, including, without limitation, his or her right to challenge said decision through the grievance procedure in a collective bargaining agreement with sponsoring labor organization. If the Organization employee files a timely appeal, he or she need not comply with the opinion of the CI Officer pending the outcome of the appeal. If the Organization employee does not file a timely appeal, he or she shall comply with the opinion of the CI Officer.

(4) Applicable only to Organization officials: **[THIS SECTION MAY BE MODIFIED BY THE LOCAL ASSOCIATION OR BENEFIT FUND]** If the Organization official disagrees, in whole or in part, with the conclusions of the CI Officer, he or she may appeal to the Organization's Appeals Committee by filing a written notice of appeal with the Organization's Appeals Committee within ten (10) calendar days after receiving the opinion of the CI Officer. Thereafter, the Organization's Appeals Committee shall act on the appeal as expeditiously as possible. If the Organization official files

a timely appeal, he or she need not comply with the opinion of the CI Officer pending the outcome of the appeal. If the Organization official does not file a timely appeal, he or she shall comply with the opinion of the CI Officer.

- D. In implementing the CI Policy, the CI Officer and the Appeals Committee shall consider all relevant factors, including the specific organizational responsibilities of the Organization official or Organization employee and the nature of the allegedly prohibited activity, and shall interpret and apply the CI Policy in a manner that furthers its intended purpose.

**V. MISCELLANEOUS**

- A. Nothing in the CI Policy shall be interpreted or applied to deprive the Organization official or Organization employee of any rights that he or she may have under the Organization’s governing documents, policies, a contract with the sponsoring labor Organization, statute, or as an elected leader of a national or state affiliate of the sponsoring labor organization. To the extent that the CI Policy is inconsistent with any such right, the Organization’s governing documents, policies, a contract with the sponsoring labor organization, statutory right or right as an elected leader of a national or state affiliate of the sponsoring labor organization shall take precedence.
- B. If a question arises as to whether the CI officer has engaged, may be engaged, or is about to become engaged in an activity that is prohibited by the CI Policy, the matter shall be dealt with by the remaining members of the Organization’s Appeals Committee.
- C. All information and documents involved in the implementation of the CI Policy shall be treated as confidential, and the CI Officer shall make such information and documents available to others only on an “as needed” basis. To the extent relevant, all privileges, including the attorney/client and attorney work product privileges, shall apply to information and documents involved in the implementation of the CI Policy, including any and all CI complaints and investigations thereof.

**VI. EFFECTIVE DATE AND AMENDMENT; DISTRIBUTION**

- A. The CI Policy shall be made effective as of \_\_\_\_\_, 20\_\_\_\_ and shall supersede all prior conflict of interest policies of the Organization dealing with the same subject or other policy dealing with any provision expressly covered by this policy. The Organization’s governance, may amend, from time to time as it

deems appropriate, those provisions of the CI Policy pertaining to Organization officials. The Organization's governance may amend, from time to time as it deems appropriate, those provisions of the CI Policy pertaining to Organization employees.

- B. The CI Policy shall be posted on the Organization's Web site, and a copy of the Policy shall be distributed to all Organization officials and Organization employees.

Effective: \_\_\_\_\_, 20\_\_\_\_