



IFMATM

International Facility Management Association

Empowering Facility Professionals Worldwide

Component Board Policy

Adopted: 24 July 2015

Conflict of Interest

Description: This policy describes the conditions within which a director may or may not provide goods and services to the Component. It is intended to clarify the conditions that may represent a conflict of interest, and define the permitted exceptions.

Purpose: Component recognizes the inherent potential for conflict of interest when the same individual is simultaneously a director and a paid provider of goods and services to the Component. Our Component policy precludes directors from providing goods and services to it on a fee basis, except as provided herein. This policy does not at any time preclude directors from providing goods and services on a voluntary, unpaid basis.

Governing Authorities: Component Constitution and Bylaws

Scope: Only on a rare and exceptional basis, a director may perform as a paid provider to the Component when the goods and services she or he offers are exceptional and distinct from those available from outside, independent sources.

The President is responsible for determining and recommending to the Chairman any possible exceptions to this policy. The President will present the recommendation to the Board for consideration and approval. The Board approval must meet Component requirements for majority of a quorum that is needed to approve any other action.

Procedure: Should the President recommend any exceptions to this Board Conflict of Interest Policy, the following policy will govern and apply to the exception and the process for Board consideration and approval.

In the event the President present to the Board a director to perform as a paid provider (providing exceptional and distinct goods or services), the following policy governing directors' serving as providers will be applied in accordance with the Component's intent to maintain director independence and protect organizational function.

1. Disclosure

Anytime a director offers a good or service to the Component, she or he shall disclose any interest that she or he or a member of his or her family (see definition following) has in that good or service to the entire board of directors. "Family" means spouse, child, in-law,



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grandparent, aunt, uncle, or dependent, whether by blood, marriage or equivalent functional relationship (e.g., one with whom one stands in the relation of parent to child, etc., even if the relationship is not based on biology or legal status), and regardless of age. "Interest" includes, but is not limited to, financial interest, interest as a partner, shareholder, owner, proprietor, investor, lender, or joint venture. In particular, the director shall disclose in writing to Board of Directors what good or service she or he is providing, what the cost or fee for that good or service is, and how much the director has been, is being, or will be paid, to provide the good or service. The terms, conditions and prices on which the good or service is offered shall be reduced to writing and that writing shall be filed with the President and Secretary and shall be available for inspection and copying by any director.

2. Fair market value

No director shall accept as a fee, payment or compensation; nor shall the Component offer or pay; any amount as compensation for a director's goods or services an amount which is in excess of the fair market value of the good or service offered. The "fair market value" shall be determined by objective standards. In general, it means the price which a willing purchaser is willing to pay a willing seller, where neither is under any duty or constraint to complete the transaction. The "fair market value" of a good or service is determined objectively by comparing the director's fee with the fees, rates, charges or prices paid to independent providers of the same or as nearly-the-same-as-possible good or service. Regardless of the price, the Component shall not purchase, pay for or contract for, goods or services from a director that are not at least as good as the same goods or services obtainable on the open market or from non-director providers.

3. Disinterested approval of the contract

Any contract executed between the Component and a director, shall be approved by the Board. The interested director will make a reasonable effort to not use any confidential or proprietary information that is not available to all interested bidders, contractors or providers of the good or service in question in preparing or obtaining the contract from the Component.

4. Penalties and remedies

Any director who violates any of the terms or conditions of this policy may have his or her contract with the Component rescinded; may be barred from future contracts with the Component; may be required to pay back any fees or profits received or earned and may be assessed attorneys' fees and other costs, if collection efforts become necessary; may



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be removed from the board; and/or may be declared to be ineligible either permanently or for some definite length of time from again serving on the board or in any other capacity in the Component. The board may designate a committee or other neutral party(ies) such as an arbitrator to hear the initial case against a director and determine or recommend a course of action. No director shall have any action taken against him or her without notice of the charge, opportunity to be heard, the affirmative vote of a majority of the members of the board of directors then in office; and a right to one level of appeal. If the director decides to initiate an appeal, the appeal would be submitted in writing to the IFMA Headquarters Chairman and CEO who would then advance such a request on to the IFMA Ethics Committee.

5. Documentation

All actions required by this policy to be taken either by the interested director, the board, its designee(s) or staff, shall be reduced to writing and that writing shall be filed with the President and/or Secretary of the Component. The documents shall be kept for at least three years after being made.

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Governance

Description: This policy describes the elements of governance responsibilities of the Board of Directors. Governance refers to the decision-making units of the Component and the relative powers, authorities, and responsibilities that each possesses. Effective governance depends on the free flow of accurate and timely information as well as transparency of actions throughout all levels of the Component.

Purpose: The policy is needed to help Board Members understand their governance responsibilities and how these activities benefit the Component.

Governing Authority: The Board shall abide by the limitations on its authority established by its Articles of Incorporation, Constitution and Bylaws.

Scope: This policy is focused on the specific governance responsibilities assigned to the Board of Directors. It draws on governance principles that also impact the actions of other members and staff.

Process:

The Board of Directors holds the ultimate authority for the Association. They have responsibility for establishing broad corporate policies, setting strategic direction, financial integrity, and overseeing management, which is responsible for the day-to-day operations of THE Component.

The Board's governance responsibility can be divided into three broad oversight categories. The first is Leadership which contains four sub-elements. These elements describe the nominating and selection process for the Board members, the Strategic Planning process and outcomes, and the process for establishing collaborations.

The second category is Operational Oversight. This category's sub-elements are detailed policies that are focused on operational aspects of the Association.

The third category is Cultural Oversight. Every action, decision, and communication of a Board member must comply with a set of cultural standards.



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In addition to the above three broad categories, there are underlying documents (Constitution, Bylaws and the Standards of Business Conduct) that define the basis of the Component Governance.

Compliance testing for certain critical elements is appropriate governance stewardship by the Board of Directors. This “foundation” element of the Governance Model is called the Balanced Scorecard. The scorecard is periodically evaluated to measure the governance responsibilities of the Board and the Component as an enterprise.

The Board has also committed to key behaviors when meeting and deliberating:

- Stay focused on an outward vision
- Encourage a good diversity in viewpoints
- Maintain a bias towards the strategic leadership view
- Take time to assure collective decision making processes
- Communicate results and actions by speaking with one voice

The Board will enforce upon itself whatever discipline is needed to govern with excellence, particularly regarding matters such as attendance, preparation, policy-making principles, respect of roles, and ensuring continuance of governance capability.

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Joint Ventures

Description: This policy requires that the association evaluate its participation in joint venture arrangements under federal tax law and take steps to safeguard the Component's exempt status with respect to such arrangements.

Purpose: This policy applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

Governing Authorities: Board of Directors

Scope: Conflicts, exceptions or departures from this policy should be reported to the Board of Directors and IFMA Headquarters.

1. Joint ventures or similar arrangements with taxable entities

For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to:

- (1) Whether the Component controls the venture or arrangement;
- (2) The legal structure of the venture or arrangement; or
- (3) Whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes.

A venture or arrangement is disregarded if it meets both of the following conditions:



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- (a) 95% or more of the venture's or arrangement's income for its tax year ending within the association's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and
- (b) the primary purpose of the Component's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

2. Safeguards to ensure exempt status protection

The Component will:

- (a) Negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the association's exempt status is protected; and
- (b) Take steps to safeguard the Component's exempt status with respect to the venture or arrangement. Some examples of safeguards include:
 - (i) control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the association;
 - (ii) requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
 - (iii) that the venture or arrangement not engage in activities that would jeopardize the association's exemption; and
 - (iv) that all contracts entered into with the organization be on terms that are arm's length or more favorable to the association.

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Document Retention and Destruction

Description: This Document Retention and Destruction Policy establishes the rules for retention of paper or electronic documents and terms of retention for records.

Purpose: This policy identifies the record retention responsibilities of headquarters staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Component's documents and records.

Governing Authorities: Board of Directors

Scope: Conflicts, flagrant exceptions or departures from this stated policy should be reported to the Board of Directors and IFMA Headquarters.

1. Rules

The Component's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules:

- A. Paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human Resources, Legal or Administrative staffs/departments or their equivalents;
- B. All other paper documents will be destroyed after three years;
- C. All other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and
- D. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.

2. Terms for retention

A. Retain permanently:

- Governance records – Charter and amendments, Bylaws, other organizational documents, governing board and board committee minutes.
- Tax records – Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits.
- Intellectual property records – Copyright and trademark registrations and samples of protected works.
- Financial records – Audited financial statements, attorney contingent liability letters.



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B. Retain for ten years:

- Pension and benefit records -- Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records.
- Government relations records – State and federal lobbying and political contribution reports and supporting records.

C. Retain for three years:

- Employee/employment records – Employee names, addresses, social security numbers, dates of birth, INS Form I-9s, resume/application materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current employees and independent contractors and for three years after departure of each individual).
- Lease, insurance, and contract/license records – Software license agreements; vendor, hotel, and service agreements; independent contractor agreements; employment agreements; consultant agreements; and all other agreements (retain during the term of the agreement and for three years after the termination, expiration or non-renewal of each agreement).

D. Retain for one year:

- All other electronic records, documents and files – Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information.

3. Exceptions

Exceptions to these rules and terms for retention may be granted only by the Component's Board of Directors and/or IFMA Headquarters.

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Whistleblower Policy

Description: A wide variety of federal and state laws protect those who call attention to violations, help with enforcement proceedings, or refuse to obey unlawful directions. These are generally referred to as Whistleblowers.

Purpose: This policy encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the association; specifies that the association will protect the person from retaliation and identifies where such information can be reported.

Governing Authorities: Board of Directors

Scope: Conflicts, exceptions or departures from this stated Whistleblower policy should be reported to the Board of Directors and IFMA Headquarters.

1. Encouragement of reporting

The Component encourages complaints, reports or inquiries about illegal practices or serious violations of the association's policies, including illegal or improper conduct by the association itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Component has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the association's human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

2. Protection from retaliation

The Component prohibits retaliation by or on behalf of the association against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Component reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.



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3. Where to report

Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports or inquiries. They should be directed to the Chairman of the Board of Directors or to IFMA Headquarters. If any of those persons are implicated in the complaint, report or inquiry, it should be directed to the Immediate Past Chair of the association. A prompt, discreet, and objective review or investigation will be conducted. Staff or volunteers must recognize that the Component may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously, nor report the result to the initiating volunteer or staff.

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Antitrust Compliance Policy

Description: This policy is designed to minimize the risk of Component violating United States antitrust laws.

Purpose: The policy is to comply strictly with all applicable trade regulations and antitrust laws.

Governing Authorities: The Membership, Board of Directors and Executive Committee shall abide by the limitations on its authority established by its Articles of Incorporation, Constitution and Bylaws.

Scope: Any activity by the Component or Component related actions by Component staff, officers, directors, committees, task forces, members or agents, which would violate these regulations and laws, are unequivocally contrary to Association policy and will not be countenanced by the Component.

Content: Implementation of the antitrust compliance policy of the Component shall include, but shall not be limited to the following:

- a.. Membership, Board of Directors, and Executive Committee meetings shall be conducted pursuant to agenda items; and minutes shall promptly be distributed to attendees.
- b. All Component activities and/or discussion shall be avoided which might be construed as tending to:
 1. Raise, lower, or stabilize prices
 2. Regulate the provisions of services or their costs
 3. Allocate markets
 4. Encourage boycotts
 5. Foster unfair trade practices
 6. Assist in promoting monopolization; and/or
 7. In any way violate applicable trade regulations and anti-trust laws
- c. It is imperative that the Component's directors, officers, staff and members focus on avoiding any discussion that may have unintended implications. In the event that any questions or concerns arise during a Component meeting or other activity, immediately cease any discussion or activity.

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Conflict of Interest – Statement of Disclosure

The Component board of directors has adopted a standard statement of disclosure that officials and staff are asked to file each year. This statement of disclosure does not prohibit potential conflicts of interest arising from various positions within IFMA, the Component and the facility management community. Instead, it simply requires that potential conflicts be disclosed and that on those occasions when the conflict could affect individuals' judgment in carrying out the duties of their elected or appointed positions, they refrain from participating in the discussion or vote.

The following statement is required of all elected officials, board members, appointed committee members/taskforce members and staff of the Component. This statement is to be completed and signed, and returned to the executive assistant to the Component Secretary and IFMA Headquarters, within 30 days of taking one of the positions listed herein. If you answer "YES" to any question, please explain as fully as possible.

While serving as an elected official, board member, committee member, taskforce member or employee of IFMA:

1. Do you hold any position or office, which might conflict with the interests of the association or which might impair your independence of judgment in the exercise of your duties?
2. Do you serve as a member of the board of directors (local, national, international) of any of the association's member companies or related organizations (i.e., SAME, BOMA, ASID, AIA, CoreNet Global, OSCRE, etc.)?

YES NO



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	YES	NO
3. Do you receive, directly or indirectly, any commission or compensation from the business transactions of any entity which competes or has business relationships with IFMA headquarters or the Component?	_____	_____
4. Are you an officer or employee of a proprietorship, partnership or company which provides services to IFMA Headquarters or the Component?	_____	_____
5. In the past year, have you been offered or received as a gift, any product, service or entertainment, valued at or exceeding \$100, or any other personal favor from a current or potential member, service provider or customer, or any other person who has business dealings with IFMA Headquarters or the Component?	_____	_____
6. Do you have any personal interest or investment, which conflicts with the interests of the Association and which could impair your independence of judgment in the exercise of your Association duties?	_____	_____
7. Have you used your Association title, position or office in any activity which lends the appearance of endorsement to an outside organization, product, service or cause?	_____	_____
8. Does your spouse or any other member of your household receive income from supplying goods or services to IFMA Headquarters, the Component or members?	_____	_____
9. Is there any other potential conflict of interest that should be on record before discussion, decisions or votes on related issues commence?	_____	_____

If you answered "YES" to any question, please explain below, identifying business entities, positions held, etc., as appropriate.



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I hereby certify that, to the best of my knowledge, this is a full and complete disclosure of any conflict or potential conflict of interest I may have relating to my elected, appointed, or employment position at the International Facility Management Association.

Date: _____

Signature: _____

Print Name: _____

Effective for the period of: _____ to _____.