

BAC CONFLICT OF INTEREST TASK GROUP

Revised Conflict of Interest Policy

Adopted by the BAC Board of Directors on 21 February 2008

This revision of the Final Draft Policy, which was developed by the Conflict of Interest Task Group, was reviewed by the Board-appointed focus group for consistency with the model Conflict of Interest Policy promulgated by the Internal Revenue Service (IRS) for nonprofit corporations, and to address issues raised by the Board with respect to two further issues: protections for “whistle-blowers” and regular reports to the Board on the effects of the Policy. Provisions regarding a proposed Appeals Committee, in Part G, were incorporated into this revised draft.

The focus group confirmed the recommendation of the COI Task Group that there should be a single school-wide conflict of interest policy document, adopted as a binding policy by the Board, to apply to all members of the BAC community. In addition, the entire policy will be restated in the faculty and staff handbooks, and Part F (faculty-student relations) will be restated in the student handbook.

A. Preamble; goals of the policy

This conflict of interest policy is intended to alert members of the BAC community to the types of situations involving divided loyalties that can arise in an academic setting, to provide guidelines for appropriate behavior, and to create a responsible and transparent method for dealing with potential conflicts.

The policy has the following goals:

- 1) To provide clear guidelines of behavior for all the various stakeholders of the BAC, in all their different roles, without unduly limiting the overlaps and complexities of roles and structures that are a key source of the school’s strength.
- 2) To ensure that all stakeholders in the school – including affiliated organizations, funders, accreditors, and the general public – retain confidence that the organization is making decisions in a fair and open manner.
- 3) To ensure that covered individuals within the school do not take advantage, purposefully or inadvertently, of positions of responsibility and trust for personal gain, either financial or professional.
- 4) To provide guidance should a student, teacher, administrator, or other stakeholder in the college be put in a situation where he or she feels there are conflicting interests. The policy provides guidelines on how a potential conflict

should be disclosed, and on any subsequent actions (including, where necessary, recusing oneself from making a decision).

B. Potential conflicts covered by the policy

The policy is triggered whenever a covered individual has a direct or indirect financial, professional, or other interest in a matter that comes before the individual for consideration. The policy identifies three different categories of conflict situations, which are described in more detail in parts D through F:

- Financial self-dealing (see part D)
- Professional/academic honors and recognition (see Part E)
- Faculty-student relations (see Part F)

If the policy is triggered, the actions that shall be taken by a covered individual (disclosure of the conflict, and in most cases recusal from decision-making) are described in part G.

C. Persons and organizations to whom the policy applies

1) Covered individuals: The policy applies to all of the following members of the BAC community:

- Overseers
- Directors
- Members of committees with Board-delegated powers
- Officers
- Staff
- Faculty, whether full-time, part-time, or volunteer
- Students

2) Covered individuals' family members: The policy applies to the family members of covered individuals, including but not limited to spouses and civil partners, parents, siblings, and children. The policy may also apply to other relatives and to persons with whom a covered individual is closely involved, publicly or privately, if appropriate to the specific situation as judged by a reasonable observer on a case-by-case basis.

3) Affiliated organizations and persons: The policy applies to any firm or other organization with which a covered individual is affiliated, and to colleagues at these organizations. The term “affiliated” shall primarily apply to for-profit organizations that may derive financial or professional benefit from the association with the covered individual, and where the covered individual is employed or holds an ownership or investment interest. All references in the

policy to the BAC also apply to any organization that is owned or controlled by the BAC.

D. Potential conflicts regarding financial self-dealing

The policy applies:

- Whenever a covered individual (or a family member, or an affiliated organization or person) holds any current ownership or investment interest in an entity with which the BAC has a financial transaction or arrangement (such as a contract, lease, grant, loan, etc.).
- Whenever there exists any compensation agreement between a covered individual (or a family member, or an affiliated person) and the BAC, or any entity or individual with which the BAC has a financial transaction or arrangement. “Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- Whenever a covered individual (or a family member, or an affiliated organization or person) holds any potential ownership or investment interest in, or any compensation arrangement with, any entity or individual with which the BAC is negotiating a financial transaction or arrangement.

E. Potential conflicts regarding professional/academic honors and recognition

The policy would apply to decisions that cover the following types of situations at the BAC, when they affect a covered individual (or a family member, or an affiliated organization or person):

- opportunities for gain in matters related to job promotion and duration (such as publications, awards, honorary memberships and degrees, and other marks of professional accomplishment).
- activities related to the career advancement of a covered individual (or a family member, or an affiliated organization or person).

F. Potential conflicts and concerns regarding faculty-student relations

The BAC’s unique structure, with a large number of faculty who also practice, and with the student requirements for Practice Component credits, is an important asset for the school. This part of the policy is not meant to hamper opportunities for students to find stimulating and rewarding employment, or to discourage talented practitioners from teaching at the BAC. At the same time, the school’s

structure can give rise to a range of potential conflict of interest situations and related concerns that would not typically arise at other schools. The purpose of this part of the policy is to outline a code of behavior for both faculty and students, ensuring that students are treated fairly and professionally in both academic and work settings, and ensuring that both the reality and the perception of fairness govern all such situations.

1) Students in academic roles. The following policies apply to faculty-student relations in academic settings.

- A faculty member shall disclose to the assigning faculty member when asked to evaluate the portfolio of a student whom he/she is currently teaching or has recently taught, or who is or has recently been employed at the same firm as the faculty member. Wherever possible, the faculty member shall then be recused, unless the assigning faculty member determines that there is a shortage of qualified faculty to perform the evaluations.
- When a faculty member is part of a committee voting for student awards or scholarships, he/she should disclose to the other committee members upon recognizing the candidacy of a student whom he/she is currently teaching or has recently taught, or who is or has recently been employed at the same firm as the faculty member. The other committee members will then decide whether, and to what extent, the faculty member needs to be recused.
- All assignments to students should be primarily motivated by the educational value to the students, rather than by the advancement of the faculty member's own professional or academic career. Whenever student efforts have contributed to professional or academic work by the faculty member, appropriate credit shall be given to the students in all cases.

2) Students in practice. The following policies apply to faculty-student relations in practice settings.

- When a student is currently employed by a firm with which a faculty member is affiliated, the student typically should not enroll in a course taught by that faculty member, unless the coordinating program director has reviewed the situation and deemed that there would be no actual or perceived conflict of interest. Approvals will normally be granted whenever the course is required or has a large enrollment.
- Whenever possible, a faculty member should not evaluate the Practice Component work of a student who is employed at a firm with which the faculty member is affiliated, unless the coordinating program director has reviewed the situation and deemed that there would be no actual or perceived conflict of interest.

- Whenever possible, a faculty member should not serve as the thesis or degree project advisor or representative for a student who is employed at a firm with which the faculty member is affiliated, unless the coordinating program director has reviewed the situation and deemed that there would be no actual or perceived conflict of interest.
- Although a faculty member, or a firm with which the faculty member is affiliated, may hire a student whom that faculty member has previously taught, there shall be no offer of employment made until after grades have been submitted for the course which the student was taking.
- Students working for a firm with which any overseer, director, or faculty member is affiliated shall be paid in accordance with applicable law (including minimum wage and overtime requirements), and they shall receive appropriate credit for the work they have performed as part of the firm in professional publications and elsewhere.
- A faculty member may engage a student to participate in preparing a competition entry for a limited period of time. All students shall receive appropriate credit for their work, and they shall receive an appropriate share of any stipend or prize money that is awarded.

G. Procedures to address potential conflicts: disclosure and recusal

When a potential conflict of interest situation arises, either actual or perceived, a covered individual shall take some or all of the following actions:

- disclosure;
- recusal from voting or other decision-making (while allowing some measure of participation in discussion); or
- total recusal from discussion and decision-making.

1) Disclosure: When a material conflict of interest situation arises, either actual or perceived, the covered individual shall always be required to disclose his or her interest in the situation and be given the opportunity to disclose all material facts. The disclosure shall be made to the decision-making body, or to the immediate supervisor and the next most immediate superior, or as otherwise specifically stated in the Policy.

- Overseers: the disclosure should be made to the full Board of Overseers.
- Directors and officers: the disclosure should be made to the full Board of Directors.

- Members of a Board-appointed committee, task group, or other panel: the disclosure should be made to all members of the panel and to the chair of the Board of Directors.
- Staff: the disclosure should be made to the immediate supervisor and the chief financial officer. If the immediate supervisor would be the chief financial officer, disclosure shall also be made to the Executive Vice President and the President. If the immediate supervisor(s) would be the Executive Vice President and/or the President, disclosure shall also be made to the chair of the Board of Directors.
- Faculty: the disclosure should be made to the coordinating program director and the Provost. A coordinating program director shall make the disclosure to the Provost and the President. If the immediate supervisor(s) would be the Provost and/or the President, disclosure shall also be made to the chair of the Board of Directors.
- Student: the disclosure should be made to the coordinating program director. If the coordinating program director is directly involved, disclosure should be made to the Provost.

2) Recusal: In all situations regarding a financial interest (Part D) or professional / academic honors and recognition (Part E), the covered individual shall be required to recuse him or herself from voting or from taking any other decision-making action. With respect to discussions that may precede the decision, the decision-maker may, at its sole discretion, allow the covered individual to make a presentation of material facts, but not to advocate a result. After the presentation, the individual shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the potential conflict of interest.

3) Annual statements: Each director, officer, senior staff person, and coordinating program director shall file an annual disclosure statement, in such form as the Board may require from time to time. At a minimum, the statement shall affirm that such person has received a copy of the Policy, has read and understands the Policy, has agreed to comply with the Policy, and understands that the BAC is charitable 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.

H. Enforcement and Appeals

The Policy involves the creation of a new BAC Appeals Committee to review conflict of interest decisions. The Committee will also keep records of decisions, to provide guidance and consistency for future decisions.

1) Complaints / Whistleblower Protections. Any failure by a member of the BAC community to make a disclosure required under the policy, and any

improper participation in a decision-making process, should be referred to the person or panel identified in Part G(1) relative to the individual. If a person is uncomfortable or not satisfied with such a referral, her or she should contact either a member of the Appeals Committee (see H(3) below) or the Chair of the Board of Overseers. All complaints will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

- Anyone filing a complaint concerning a violation or suspected violation of the Policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Policy. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
- Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
- No director, officer, staff, faculty, or student who in good faith reports a violation or suspected violation of the Policy shall suffer harassment, retaliation, or adverse employment consequence. A person who retaliates against someone who has reported a violation or suspected violation in good faith is subject to disciplinary proceedings.

2) Violations. If the person or panel charged with investigating a complaint has reasonable cause to believe that the covered individual has failed to disclose actual or potential conflicts of interest, it shall inform the individual of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the person or panel determines the individual has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

3) Appeals. An individual may appeal a conflict of interest decision to the BAC's Appeals Committee. The Committee shall comprise at least three and no more than five members, including the Provost, the President, and the chief financial officer. An affirmative vote of the majority of the Committee shall be required to resolve an appeal. Any conflict of interest decision involving any member of the Committee, or of the Board of Directors or the Overseers, shall be reviewed and decided by the Executive Committee of the Board of Directors.

4) Record-keeping and Reporting. Records of all conflict of interest decisions involving a violation or alleged violation of the Policy shall be filed with the Board (in the case of decisions affecting an Overseer, Director, Officer, or member of a Board-appointed committee) or with the President and the Provost (in the case of decisions affecting staff and faculty). Records of all decisions shall

also be filed with the BAC's Appeals Committee, so that they become part of the School's public record.

On a regular basis, the President shall consult with senior staff and the Provost shall consult with the coordinating program directors, and each shall then report to the Board on a regular basis, but no less than annually, regarding the frequency and types of conflict of interest issues that have arisen under the Policy, along with any comments and/or recommendations they may make as to the effectiveness of the Policy.