

American Society for Engineering Education

Conflict of Interest Policy



Article 1

Purpose

The purpose of the conflict of interest policy is to protect the interest of the ASEE Company (ASEE) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, a board and committee member with powers, or an employee of ASEE. Upon election, appointment, or employment, each person shall execute a Conflict of Interest Statement. All employees of ASEE shall annually thereafter execute a Conflict of Interest Statement and file it with ASEE. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Article II

Definitions

1. Interested Person

Any officer, member of ASEE, committee member, or employee of ASEE, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has financial interest if the person has, directly or indirectly, through business, investment or family:

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

Compensation includes direct and indirect remuneration as well as gifts or favors valued at \$50.00 or greater. Family includes father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughters, stepbrother, stepsister, half brother, or half sister.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must immediately disclose the existence and nature of his or her financial interest to ASEE.

Failure to report a conflict of interest can result in corrective action including but not limited to removal from office, committee or termination of employment.

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A financial interest is not necessarily a conflict of interest. Under Article III, Section 2; a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict exists.

2. Determining whether a Conflict of Interest Exists

- a. After disclosure of the financial interest and all material facts, and after discussion with the interested person, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board, or authorized committee, shall decide if a conflict of interest exists.
- b. ASEE in concert with an authorized committee will review matters involving potential or actual conflict of interest concerning employees.
- c. All other committee matters concerning disclosure of financial interest will be reviewed and shall report the findings on, or resolution of those potential conflicts to the Executive Committee.

3. Procedures for Addressing the Conflict of interest

- a. An interested person may make a presentation at the board or committee meeting, but after such presentation, she/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in a conflict of interest.
- b. The authorized committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the board or committee shall determine whether ASEE can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested persons whether the transaction or arrangement is in ASEE's best interest and for its own benefit and whether the transaction is fair and reasonable to ASEE and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflict of Interest Policy

- a. If the board or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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Article IV

Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall contain –

- a. The names of the persons who disclosed or who 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 committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussion 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 therewith.

Article V

Compensation Committees

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

Article VI

Annual Statements

Each officer, board member and committee member and employee of ASEE shall annually sign a statement, which documents that such person –

- a. Has received a copy of the conflicts of interest policy,
- b. has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that ASEE is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- e. Has/has not received any direct or indirect remuneration including gifts or favors from any entity that ASEE has or is negotiating a transaction or arrangement.

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Article VII

Periodic Reviews

To ensure that ASEE operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects.

- a. Whether compensation arrangements and benefits are reasonable and the result of arm's length bargaining.
- b. Whether acquisitions of services result in inurement or impermissible private benefit.
- c. Whether partnership and joint venture arrangements, and arrangements with other organizations, conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further ASEE's charitable purposes and do not result in inurement or impermissible private benefit.
- d. Whether agreements with providers, employees, and third party payers further ASEE's charitable purposes and do not result in inurement or impermissible private benefit.
- e. The finance committee and executive committee are responsible for continually monitoring transactions in order to assist in carrying out the periodic reviews.

Article VIII

Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, ASEE may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for insuring that periodic reviews are conducted.

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Article IX Conflict of Interest Disclosure Statement

You should read carefully the three statements below. Circle the letter in front of either paragraph A, B, or C and answer D depending upon your personal circumstances and print your name in the space provided. Date and sign this document and return it to ASEE at _____. By signing, you are affirming that you have read and understand the policy, and have agreed to comply with the policy.

- A. I, _____, declare that, to the best of my knowledge, I am not involved in any activity that is in conflict with my service to, or employment with, ASEE, its Board, committees, or any related activities. I agree to scrupulously avoid future conflicts – potential or real – between my personal and/or financial interests and that of ASEE. In the event such a conflict of interest does develop, it shall be my responsibility to report immediately the details of said conflict to ASEE.
- B. I, _____, as an officer, committee chairman, or committee member, declare that, based upon my present circumstances, a conflict of interest – potential or real – does exist between ASEE and myself. The nature of this conflict of interest is described in detail in the accompanying written explanation. I understand that, in the event ASEE, its Board, or committee engage in a discussion or deliberation of any issue relative to this personal and/or financial interest, I shall immediately announce this conflict of interest to that body and the President of ASEE, and refrain from debating and voting on said issue.
- C. I, _____, as an employee of ASEE, declare that, based upon my present circumstances, a conflict of interest – potential or real – does exist between ASEE and myself. The nature of this conflict of interest is described in detail in the accompanying written explanation. I understand that, as a result of this conflict of interest relative to my personal and/or financial matters, I shall refrain from any participation in any ASEE related activities relative to said conflict which may directly or indirectly be of benefit to me or my family.
- D. I _____ have _____ have not received compensation including any gifts or favors from any entity or person that I am aware has had or is negotiating a transaction or arrangement with ASEE. I have listed any such items and their approximate value.

Signature

Date

Work Address

City

State

Zip