

## **FAS Policy on Conflicts of Interest and Commitment For Center Executive Directors and Local Development Officers**

### **I. Introduction: Harvard's Approach to Managing Potential Conflicts**

Both faculty and staff of Harvard University often interact in their private capacities with industry, government, community groups, professional organizations, and other non-Harvard entities during their service to or employment with Harvard. This is often true for the administrative directors of the academic centers, and is especially true for those administrators who support or manage the development and fundraising function within their units. While these interactions typically reflect favorably on the individual and Harvard, it is essential to avoid situations where these relationships could compromise or appear to compromise important academic values or the University's reputation or business decisions. To assure Harvard's many constituents and supporters, as well as the general public, of the integrity of its academic, research, and business endeavors, the University has long-standing policies directing its senior officials and administrative professional staff to act in a manner consistent with their responsibilities to the University and to avoid circumstances where their financial or other personal ties to outside organizations could present an actual or potential conflict of interest, or could discredit Harvard's good name and reputation. The policy that applies to administrative professional staff is the Harvard University Staff Conflict of Interest and Commitment Policy (the "Staff Conflicts Policy")<sup>1</sup>. The policy detailed below is meant to augment the Staff Conflicts Policy by imposing more specific obligations and requiring a formal process for disclosure and review.

### **II. Application of the Policy**

This FAS Policy on Conflicts of Interest and Commitment For Center Executive Directors and Local Development Officers (the "Policy") applies to:

- (i) administrative Executive Directors, Deputy Directors, and Associate Directors for all FAS International, Area Studies, and Research Centers, Institutes, Initiatives, and Museums ("Center Executive Directors"); and
- (ii) any FAS unit-based staff managing or performing development and/or fundraising work on behalf of their specific unit ("Local Development Officers").

Please note that all staff to whom this Policy applies also are subject to the more general Staff Conflicts Policy cited above.

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<sup>1</sup>[http://harvie.harvard.edu/Policies\\_Contracts/Staff\\_Personnel\\_Manual/General\\_Employment\\_Policies/Conflicts\\_Of\\_Interest\\_or\\_Commitment](http://harvie.harvard.edu/Policies_Contracts/Staff_Personnel_Manual/General_Employment_Policies/Conflicts_Of_Interest_or_Commitment)

### III. The Policy

#### Conflicts of Interest

Each Center Executive Director and Local Development Officer shall at all times act in a manner consistent with his or her responsibilities to the University and shall exercise due care to avoid situations that create conflicts between his or her private interests and those of the University. A “Conflict of Interest” arises when a Center Executive Director or Local Development Officer, his or her Family Member,<sup>2</sup> or an entity with which the Center Executive Director or Local Development Officer and/or his or her Family Member is Associated<sup>3</sup>:

- (i) has an existing or potential financial or other external interest that impairs or might reasonably appear to impair his or her independence of judgment in the discharge of his or her responsibilities to the University, or that could subject the University to criticism, embarrassment, or litigation; or
- (ii) may receive a material financial or other benefit from the use or disclosure of non-public information pertaining to the University.

In addition, when a Center Executive Director or Local Development Officer accepts personal gifts<sup>4</sup> from individuals or organizations that do business or seek to do business with Harvard, or that seek other forms of association or benefits from Harvard, this situation could raise a question as to whether the Center Executive Director’s or Local

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<sup>2</sup> “Family Member” means a person living in the same household as a Center Executive Director or Local Development Officer who is also his or her spouse, domestic partner, parent, sibling, child, or other relative. Because Center Executive Directors and Local Development Officers must affirmatively make inquiry and include the interests of Family Members in their Disclosure Statements, it is appropriate to limit this definition so that the disclosure obligation relates to people whose interests are close and readily ascertainable, in that they share the same household. However, if a Center Executive Director or Local Development Officer learns of a potential conflict situation involving a relative who does not meet the definition of Family Member, the Center Executive Director or Local Development Officer should disclose this conflict situation like any other under this Policy. For example, an emancipated child no longer living at home or the spouse of that child is not a “Family Member” for purposes of this Policy; however, a Center Executive Director or Local Development Officer should disclose any activity of such child or spouse that could give rise to a conflict promptly upon learning of it.

<sup>3</sup> “Associated” means the following type of relationship to a trust, partnership, corporation, association, or other organization or enterprise:

- (i) when the Center Executive Director or Local Development Officer is a director, trustee, officer, employee, or partner of such an entity; or
- (ii) when the Center Executive Director or Local Development Officer has a financial interest that represents 5% or more of the entity’s ownership or assets (or, in the case of a publicly held corporation, 1% or more of the corporation’s outstanding capital stock), or
- (iii) when the Center Executive Director or Local Development Officer otherwise has the ability to materially influence the governance or other decision-making of such an entity.

<sup>4</sup> A “gift” is any transfer of an item of value (including a trip, personal belongings, or special concessions in connection with personal business) for less than fair market value, including a personal discount. Business dinners or other business outings are not considered “gifts,” unless the business component is not significant or the social component does not comport with the overall professional standard of avoiding actual or apparent conflicts of interest.

Development Officer's decisions are made with the University's best interests foremost in mind. Therefore, to prevent any question of bias or favoritism, Center Executive Directors and Local Development Officers may not accept personal gifts from such individuals or organizations, unless they meet the following criteria or unless they are disclosed and approved in accordance with this Policy:

- (i) the gift does not exceed \$75 in value; or
- (ii) the gift is part of a broad-based promotion on the part of the giver involving standardized, non-significant gifts to persons holding particular positions.

In resolving a situation where a personal gift was accepted that falls outside the above criteria, in accordance with Section IV below, the relevant FAS Divisional Dean's Office may require the gift to be made available to employees in general, to be put to charitable use, or if neither solution is possible or prudent, to be returned.

Whenever possible, personal gifts that fall outside the above criteria, and other potential Conflicts of Interest, must be disclosed and approved *before* the interested Center Executive Director or Local Development Officer participates in any way in the matter to which the conflict relates. Other practical implementation aspects of the disclosure and resolution of potential Conflicts of Interest are discussed in further detail in Section IV below.

#### Conflicts of Commitment / Outside Activities

While Center Executive Directors and Local Development Officers often are able to make beneficial contributions of their time and talents to non-Harvard endeavors, they should be mindful that undertaking Outside Activities (as defined below) could interfere with their primary obligations and commitments to the University. This aspect of the Policy involves conflicts of commitment. "Outside Activities" means: (i) any employment or consulting arrangement with entities other than the University; (ii) any self-employment; (iii) any participation as a partner in a business partnership; (iv) leadership participation in professional, community, or charitable activities; (v) service on any board (for-profit, non-profit, advisory, honorary, or otherwise); and (vi) any other form of commitment to an entity other than the University that could reasonably be expected to interfere with the individual's primary obligation and commitment to the University. Outside Activities may be either compensated or uncompensated.

Although Outside Activities generally will be allowed, Center Executive Directors and Local Development Officers shall make all efforts to ensure that Outside Activities do not materially interfere with their primary obligations and commitments to the University.

With respect to the disclosure of Outside Activities, Center Executive Directors and Local Development Officers shall be sensitive to situations that may reasonably appear to present a conflict of commitment and shall err on the side of disclosure. In the following

situations, prior disclosure and written approval is required before a Center Executive Director or Local Development Officer may participate in the Outside Activity:

- (i) If the Center Executive Director or Local Development Officer reasonably expects to earn compensation totaling \$2500 or more from one or more Outside Activities, in the aggregate, per annum, including reimbursement for non-Harvard related travel; and
- (ii) Any service on any board – for-profit, non-profit, advisory, honorary, or otherwise.

#### **IV. Practical Implementation of This Policy**

##### **1. Disclosure Responsibilities**

###### **a. Center Executive Directors and Local Development Officers**

Under this Policy, each Center Executive Director and Local Development Officer is required to provide the FAS Conflict of Interest Officer<sup>5</sup> and the person to whom they directly report with:

- when initially hired, and annually thereafter, a completed Acknowledgement and Disclosure Statement, using the form attached hereto; (which affirms that he or she has reviewed the policy and is in compliance and disclosing activities as requested) and
- on an ongoing basis, as soon as he or she becomes aware of them, notice of each potential Conflict of Interest and each Outside Activity that is required to be disclosed, or that is otherwise prudent to disclose, under this Policy.

###### **b. FAS Academic Divisions**

The FAS academic divisions, in collaboration with FAS HR, will be responsible for:

- disseminating this Policy and Disclosure Statement forms to newly appointed or hired Center Executive Directors and Local Development Officers;
- disseminating this Policy and Disclosure Statement forms annually, in July and August, to all Center Executive Directors and Local Development Officers;
- notifying the FAS Conflict of Interest Officer of initial and annual dissemination; and

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<sup>5</sup> [https://files.vpr.harvard.edu/files/vpr-documents/files/fcoi\\_school\\_contact\\_list\\_2015.pdf](https://files.vpr.harvard.edu/files/vpr-documents/files/fcoi_school_contact_list_2015.pdf)

- ensuring required participants submit their Disclosure Statements.

### **c. FAS Conflict of Interest Officer**

The FAS Conflict of Interest Officer will be responsible for:

- collecting signed Disclosure Statements;
- identifying potential conflicts; and
- facilitating the conflict resolution process as outlined in Section IV.2 below.

## **2. Conflict Resolution**

With the involvement and input of the Center Executive Director or Local Development Officer, the FAS Conflict of Interest Officer shall determine what steps will be taken to avoid or manage a Conflict of Interest or conflict of commitment occasioned by an Outside Activity. The FAS Conflict of Interest Officer may consult with the Divisional Office, the relevant Faculty Director, the Office of the General Counsel, and/or the Provost's Office for assistance in resolving the matter. Examples of steps that might be taken in a particular situation include the individual's recusal from decisions affecting the conflicting entity, abstention from an activity, modification of an activity, and/or monitoring of an activity by the FAS Divisional Dean's Office and/or the Faculty Director.

## **3. Confidentiality**

Information disclosed by a Center Executive Director or Local Development Officer under this Policy (a) will not be shared except with individuals authorized to participate in the resolution of Conflicts of Interest and conflicts of commitment occasioned by Outside Activities and (b) will not be used except in such resolution activities.

## Appendix A

### Examples of Situations that May Lead to Conflicts of Interest or Conflicts of Commitment:

In order to facilitate the identification and disclosure of potential conflicts, this Appendix contains examples of situations that may give rise to conflicts. These examples are not an exhaustive set, but are intended as illustrations of the activities that may fall under the Policy. Each actual situation will depend on its specific facts. Anyone who has questions about how this Policy applies to a particular situation should seek advice from their Divisional office or FAS Human Resources.

***EXAMPLE 1:** A Center Executive Director is working with a potential donor of a major gift to the center. Through the course of their conversations the donor discloses that she is on the admissions board for a private school that the Center Executive Director's son is applying to. In addition, she informs the Center Executive Director that her daughter will be applying to Harvard next year.*

***EXAMPLE 2:** A Local Development Officer for a large international center also has a small executive coaching business. At a fundraising dinner with high level business executives, she is asked by prospects if she knows any strong executive coaches that their companies could retain to provide coaching and leadership development to their senior executives.*

***EXAMPLE 3:** A Museum Director is asked to undertake the chairmanship of a capital campaign for a charity that he is highly invested in. This responsibility will require numerous time commitments, some occurring during regular business hours.*

***EXAMPLE 4:** A Local Development Officer at an international center has a large family owned travel agency in her home country. She has been asked to organize a large delegation of Harvard Faculty to the country in part because of her expertise living and working in the region. She thinks it would be easier to work through her family travel agency to manage logistics while traveling in country.*