



*Administrative Policy*

## **Conflict of Interest: Commission Employees**

*Effective Date: April 1, 2017*

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#### **I. Purpose**

The Middle States Commission on Higher Education (MSCHE or the Commission) seeks to ensure that the personal or professional obligations or interests of all employees do not interfere with their ability to conduct their duties in a fair and impartial manner. The purpose of this policy and procedures is to define those areas that the Commission considers an actual or potential conflict of interest.

#### **II. Statement of Policy**

The Commission is committed to maintaining the integrity and credibility of the accreditation process. To assure confidence in the fairness and impartiality of its decision-making process, the Commission seeks to avoid circumstances that may lead to allegations of undue influence in the accreditation process, such as relationships that might bias the actions, deliberations, or decisions of the Commission; conflicts that would impair the judgment of a decision-maker; and circumstances that may interfere with an individual's capacity to make objective, detached decisions. The Commission also seeks to assure that opinions are free of self-interest and personal bias.

This policy applies to all individuals who are employed by the Commission.

Upon employment and annually thereafter, Commission employees are asked to disclose any potential conflicts of interest by completing the attached *Conflict of Interest Disclosure Statement*. Once a conflict is identified, the Commission employee will not be assigned to work on matters relating to the potential conflict. The Commission relies on the personal and professional integrity of individuals to decline any assignment in which an actual or potential conflict of interest exists.

Commission employees must exercise their best efforts to comply with this policy. However, failure to comply with this policy does not invalidate Commission actions nor constitute grounds for liability of the individual Commission employee, unless applicable law so requires. If an

unanticipated actual conflict of interest develops, the employee should immediately report the conflict and withdraw at that point. The president of the Commission may, at his or her discretion, bring the matter to the Executive Committee for specific waivers or other consideration.

Commission employees may not serve as a participating “voting” member of any team charged with the accreditation review of an institution. Nor may the employee serve as a peer evaluator for any institution to which the employee serves as liaison, but staff may accompany such teams and review documents.

Commission employees are not permitted to accept honorary degrees or other honors or awards from member or candidate institutions in the Middle States region during the period of their active service for the Commission.

Commission employees may not serve as voting members of a governing body of a MSCHE member institution.

Except in exceptional circumstances and subject to the approval of the Commission’s president or the approval of the Executive Committee for the president, Commission employees are not permitted to participate as a representative of the Middle States Commission on Higher Education in ceremonial occasions at Middle States accredited, candidate, or applicant institutions.

### **III. Conflicts of Interest**

The Commission holds the following circumstances to represent actual or potential conflicts of interest. The Commission expects Commission employees to disclose the conflict and decline an assignment if any of the following conditions exist.

- The individual or his or her immediate family member is an applicant or enrolled student, or an alumnus or alumna of the institution, or has been awarded an honorary degree by the institution. For purposes of this policy, an "immediate family member" is a spouse, partner, child, or other dependent. This includes any other family members living in the individual’s household.
- The individual has been employed by the institution within the past five years.
- The individual has been a candidate for employment at the institution within the past two years. If an employee is a candidate for a position with an institution for which he or she is the designated liaison, the employee must immediately relinquish responsibility for that institution to another employee, in consultation with the staff member responsible for institutional assignments.
- The individual has an immediate family member who is an employee, board member, candidate for employment at the institution. For purposes of this policy, an "immediate family member" is a spouse, partner, child, or other dependent. This includes any other family members living in the individual’s household.

- The individual has a personal, business, consultative, or other interest in or relationship with the institution, or with its affiliates, partners, or other constituents or interested parties.
- The individual has served as a consultant on matters related to or resulting from MSCHE accreditation activities within one year.
- The individual has a material interest in a particular accreditation outcome based on a significant business or other fiduciary agreement (excluding routine articulation or similar inter-institutional agreements).
- The individual or his or her immediate family member holds shares of stock (excluding shares held indirectly through mutual funds, insurance policies, or blind trusts) in an applicant, candidate, or accredited institution, or their respective parent company or affiliated entity. For purposes of this policy, an "immediate family member" is a spouse, partner, child, or other dependent. This includes any other family members living in the individual's household.
- In the individual's or the Commission's judgment, there is any other circumstance that could be perceived as a conflict of interest.

#### **IV. Assignment of Staff Liaisons to Member Institutions**

The Commission shall take measures to assure that no Commission employee will be assigned as staff liaison to an institution with which the individual has a conflict or appearance of a conflict. If a conflict arises after an assignment is made, the Commission will reassign the institution to a different employee.

In making assignments, the president of the Commission also will consider the status at an institution of close personal friends or family members and the holding of privileged information not available to others involved in the evaluation process. For example, the son-in-law of the Commission employee is the accountant for the institution.

#### **V. Financial Conflicts**

Restrictions regarding insider trading of the stock of publicly held companies apply to Commission employees, as they do for any other representative of the Commission. No person who has non-public information about any issuer of securities of a public company, including without limitation because of Commission matters (including without limitation proposed or final actions about applicant, candidate, or accredited institutions), may personally or on behalf of others buy or sell any security of such issuer, disclose or use such information until it is public or use it for personal gain or the gain of others, or for any other purpose that would be or appear to be inappropriate use of such information.

#### **VI. Consulting**

Commission employees may not serve as consultants, adjunct, or faculty members to accredited or candidate institutions. Employees may serve as a consultant to *non-member* or *non-candidate* institutions or organizations on their own time (i.e., vacation, evening, or weekend time). Any professional consulting arrangement, private consulting, or other employment arrangements

between employees and outside organizations or institutions may be made only with the approval of the employee's supervisor and president of the Commission. For the president, such arrangements must be approved by the Executive Committee.

## **VI. Conflict of Interest Procedures for Commission Employees**

Each Commission employee shall submit a completed conflict of interest disclosure statement upon employment. Each Commission employee shall update the conflict of interest disclosure statement annually, and when a relevant change in circumstances occurs.

Senior management employees may also be subject to the *Mid-Atlantic Region Commission on Higher Education Conflict of Interest Policy for Corporate Actions*. A senior management employee for purposes of that policy includes the president, chief operating officer, treasurer and chief financial officer of the Commission and any other any person who, regardless of title, has substantial influence over the decisions of the Commission or the management, administration, or operation of the organization. That policy defines a "financial interest" and addresses the corporation's conflicts of interest policy required for tax exempt nonprofit charitable corporations.

## **VII. Violations of the Conflict of Interest Policy**

If the Commission or committee has reasonable cause to believe that an employee has failed to disclose actual or possible conflicts of interest, the president shall take appropriate disciplinary and corrective action.

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Related Documents: *Conflict of Interest: Commission Representatives; Conflict of Interest for MSCHE Commissioners Serving on the Middle States Association (MSA) Board of Trustees; Mid-Atlantic Region Commission on Higher Education Conflict of Interest Policy for Corporate Actions*

Federal Regulations: 34 CFR Part §602.15(a)(6) – clear and effective controls against conflicts of interest...

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## Conflict of Interest Disclosure Statement Commission Employees

In accord with the Commission’s policy *Conflict of Interest: Commission Employees*, please **read carefully the disclosure statement below** and, to the best of your judgment, **disclose any conflicts or potential conflicts of interest at the bottom, and sign and return the form to the Commission office**. The Commission will use the information provided to assign staff liaisons to member institutions and to determine who participates in discussions or decisions concerning institutions. If, in your opinion, you are not involved in any situations or circumstances which would be considered conflicts or potential conflicts of interest, simply write “None” on the form. You will be asked to update this information annually.

I have read and fully understand the attached *Conflict of Interest: Commission Employees* policy.

To the best of my knowledge, I have disclosed below all situations and circumstances which may be considered conflicts of interest or potential conflicts of interest. Also, during my service to the Commission, I will voluntarily disclose any situation or circumstance which may, in my judgment, be considered a conflict or potential conflict of interest as it arises.

*List the institutions with which you have a conflict of interest as defined in this policy. Attach separate sheet(s), if necessary:*

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Please Print Name \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_