

The Econometric Society

The Econometric Society–Conflict of Interest Policy

ARTICLE I PURPOSE

The purpose of this Conflict of Interest Policy (the “COI Policy”) is to protect the interests of the Econometric Society (the “Society”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a person who is part of the Society Leadership (as defined below), or might result in a possible Excess Benefit Transaction (as defined below). This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

The IRS recommends that tax-exempt organizations adopt a conflict of interest policy that addresses direct financial conflicts. Another type of potential conflict that could arise is a positional conflict. Both financial and positional conflicts are covered by this policy.

ARTICLE II CERTAIN DEFINITIONS

“Excess Benefit Transaction” means any transaction in which an economic benefit is provided by an applicable tax-exempt organization directly or indirectly to or for the use of any disqualified person if the value of the economic benefit provided exceeds the value of the consideration (including the performance of services) received for providing such benefit. For purposes of the preceding sentence, an economic benefit shall not be treated as consideration for the performance of services unless such organization clearly indicated its intent to so treat such benefit.

“Family Member” means a spouse, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of an Interested Person (as defined below).

“Financial Interest” means a person who has, directly or indirectly, through business, investment, or family:

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

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

“Interested Person” means any person who is part of the Society Leadership and has a direct or indirect Financial Interest or Positional Interest.

“Positional Interest” means a person who has, through business or family relationships, or through service on another board or as editor of another journal:

- a. Loyalty to another entity that has interests related to the Society’s interests;
- b. The potential to use confidential or privileged information about the Society in a way that would divert opportunities, including prestige, away from the Society; or
- c. Loyalty to an individual or entity which has an interest in a lawsuit, contract dispute, or other matter which is or might become adverse to the Society’s interest.

The Society Leadership and administrators may serve on the boards of other organizations or as editors of other journals whose interests might conflict with the interests of the Society. In some cases, these organizations may engage in transactions or arrangements with the Society, may have competing interests with the Society, or both.

Financial and Positional Interests are not necessarily actual conflicts of interest. Under Article III, a person who has a Financial Interest or Positional Interest may have a conflict of interest only if the Council or appropriate committee with Council-delegated powers decides that a conflict of interest exists.

“Society Leadership” means any person in the Society holding the position of an Officer, Council member, or Editor, Co-Editor, Associate Editor or Data Editor of the Society’s journals and monograph series or any person serving on any committee of the Society.

ARTICLE III **PROCEDURES**

3.1 Duty to Disclose

(a) Financial Interests: In connection with any actual or potential conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts regarding the potential conflict of interest to the Council and/or members of the committee considering the proposed transaction or arrangement.

(b) Positional Interests: Because overlaps in board and editorial positions generally benefits both the Society and other organizations, there is ordinarily no conflict of interest arising from mere membership on another organization’s governing or editorial board. Therefore, once a person who is part of the Society Leadership has disclosed his or her membership on another governing or editorial board that has interests related to the Society’s (whether that disclosure occurs upon his or her election or appointment to the Society Leadership, or upon his or her joining the board of another organization or accepting appointment as an editor of another journal that poses potential conflicts of interest), he or she does not have to subsequently disclose each instance in which a potential conflict arises from that board membership or editorial position. However, if he or she believes there is an actual conflict arising from a specific transaction or arrangement that the Society Leadership is contemplating, he or she should again disclose that conflict when the transaction or arrangement is under consideration.

3.2 Determining Whether a Conflict of Interest Exists

After disclosure of the Financial or Positional Interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the Council or committee meeting, as applicable, while the potential conflict of interest is discussed and voted upon. The remaining Council or committee members shall decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest

(a) An Interested Person may make a presentation at the Council or relevant committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the potential conflict of interest.

(b) If appropriate, the chairperson of the Council or relevant committee shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Council or relevant committee shall determine whether the Society can obtain with reasonable efforts a more advantageous transaction or arrangement 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 possible under circumstances not producing a conflict of interest, the Council or relevant committee shall determine by a majority vote of the disinterested members of the Council or relevant committee whether the transaction or arrangement is in the Society's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Council or relevant committee shall make its decision as to whether to enter into the transaction or arrangement.

3.4 Confidentiality

Each member of the Council or member of a relevant committee shall not disclose confidential information acquired in connection with disclosures of conflicts of interest or potential conflicts, which might be adverse to the interests of the Society. Furthermore, each member of the Council or member of a relevant committee shall not disclose or use information relating to the business of the Society for their personal profit or advantage or the personal profit or advantage of their Family Member(s).

[3.5 Special Conflict of Interest Policy Relevant to Editors, Co-Editors, Associate Editors and Data Editors

Any Editor, Co-Editor, Associate Editor, or Data Editor of the Society's journals and monograph series will not handle papers of their current colleagues, their thesis advisors, their active co-authors, and students for whom they were the main advisor. In addition, they will not handle the paper of any person they advised in a less formal way if the paper is either submitted within two (2) years of the person's graduation or contains work from the time the person was a student. Finally, they will not have access to the referee reports or names of referees for papers written by authors with whom they have any of the conflict issues described in this paragraph.

For the purposes of this special conflict of interest policy, a person is a "colleague" of an Editor, Co-Editor, Associate Editor, or Data Editor if he or she is (a) a member of the same permanent department (even if he or she has other part time positions), or (b) a member of a different department at the same university, or (c) a member of a department the Editor, Co-Editor, Associate Editor, or Data Editor is visiting, except that cases (b) and (c) exclude people with whom the Editor, Co-Editor, Associate Editor, or Data Editor has no collegial interaction. Students advised "in a less central way" include those for whom the Editor, Co-Editor, Associate Editor, or Data Editor wrote a letter of recommendation.]

3.6 Violations of the Conflicts of Interest Policy

(a) If the Council or relevant committee has reasonable cause to believe a person has failed to disclose actual or potential 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 person's response and after making further investigation as warranted by the circumstances, the Council or committee determines the person has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV **RECORDS OF PROCEEDINGS**

The minutes of the Council and relevant committees with Council-delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a Financial or Positional Interest in connection with an actual or potential conflict of interest, the nature of the Financial or Positional Interest, any action taken to determine whether a conflict of interest was present, and the Council's or committee's decision as to whether a conflict of interest in fact existed; and (b) The names of the persons who were present for discussions 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 with the proceedings.

ARTICLE V **COMPENSATION**

(a) A member of the Council who receives compensation, directly or indirectly, from the Society for services is precluded from voting on matters pertaining to that member's compensation.

(b) A member with voting rights on any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Society for services is precluded from voting on matters pertaining to that member's compensation.

(c) No member with voting rights on the Council or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Society, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI **ANNUAL STATEMENTS**

The individuals comprising Society Leadership shall annually sign a statement which affirms that such person:

- (a) has received a copy of the COI Policy;
- (b) has read and understands the COI Policy;
- (c) has agreed to comply with the COI Policy;
- (d) understands that the Society is a non-profit 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; and
- (e) includes a statement disclosing the person's Financial and/or Positional Interests and family relationships that could give rise to conflicts of interest, if any.

ARTICLE VII
PERIODIC REVIEWS

To ensure the Society operates in a manner consistent with its exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The frequency of such periodic reviews shall be determined by the Council. The periodic reviews shall, at a minimum, include the following subjects:

(a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining; and

(b) whether any partnerships, joint ventures, and arrangements with management organizations conform to the Society's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in private inurement, impermissible private benefit or in an Excess Benefit Transaction.

ARTICLE VIII
USE OF OUTSIDE EXPERTS

When conducting a periodic review as provided for in Article VII, the Society may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Council of its responsibility for ensuring that periodic reviews are properly conducted.

Exhibit A

Examples of Potential Conflicts of Interest

1. A Council member, committee member, Editor, Co-Editor, Associate Editor, or Data Editor, is also an editor or co-editor of another journal of economics.
2. A Council member, committee member, Editor, Co-Editor, Associate Editor, or Data Editor, is also an employee of or consults for the U.S. government.
3. A member of the Council or a member of a committee is a (paid) Editor, CoEditor, Associate Editor, or Data Editor of a Society journal. Such a conflict can be managed by not appointing such a person to a compensation committee, and not permitting such person to participate in decisions that present a conflict.
4. A Council member or a committee member is nominated for a different office in the Society.
5. A Council member or a committee member or their Family Member(s) serves as a paid referee for a Society journal. This involves “insubstantial” remuneration and is not reportable unless the amount received combined with other receipts from the Society exceeds \$2,000 per year.
6. A Council member has an ownership position in an electronic manuscript management program used by the Society.
7. A Council member is on the Board of TIAA or CREF, the pension funds for Society employees.
8. A Council member also is a member of the board or an officer of another society or organization, which might compete for the services of an editor.
9. A Council member should not sit on a committee that decides the compensation of an Editor or Co-Editor who also sits on a committee that decides on compensation for the Council’s member.
10. Children of staff in the Cowles Foundation office work in the summer or on college breaks as clerical assistants.
11. A Council member is involved with library purchase decisions of his or her full-time employer, which might subscribe to Society journals.

Exhibit B

[The Econometric Society - Professional Code of Conduct]

The Econometric Society (the “Society”) holds that principles of professional conduct should guide all members of the Society, including, but not limited to, Officers, Council members, Editors, Co-Editors, Associate Editors and Data Editors of the Society’s journals and monograph series and those serving on committees of the Society (collectively, the “Society Leadership”), Fellows and general members (the foregoing, together with the Society Leadership, the “Members”). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Society’s Rules and Procedures dated October 28, 2024 (as it may be amended, modified or supplemented from time to time, the “Rules and Procedures”).

The ability of the Society to meet its Founding Purpose (as defined below) rests on its reputation, which depends on the reputation of the Society’s Members. All Members of the Society are expected to abide by this Professional Code of Conduct (the “Professional Code of Conduct”) and the Society’s Conflict of Interest Policy (the “COI Policy,” and, together with the Professional Code of Conduct, the “Code of Conduct”) to the extent applicable, with Fellows and the Society Leadership members holding themselves to a heightened standard of conduct in their respective individual practice and professional capacity. Any Member of the Society who violates the Code of Conduct, to the extent applicable, may be subject to sanctions, including, but not limited to, as applicable, revocation of Fellow status, removal from all positions then held within Society and inability to renew membership, pursuant to the Society’s Amended and Restated By-Laws dated October 28, 2024 (as it may be amended, modified or supplemented from time to time, the “By-Laws”) and Rules and Procedures.

The Society’s founding purpose of “the advancement of economic theory in its relation to statistics and mathematics” (the “Founding Purpose”) requires intellectual and professional integrity. Integrity demands honesty, care, and transparency in conducting and presenting research; disinterested assessment of ideas; acknowledgment of limits of expertise; and disclosure of real and perceived conflicts of interest.

The Society encourages the “freedom of economic discussion.” This goal requires an environment where all can freely participate and where each idea is considered on its own merits. All Members of the Society have a professional obligation to conduct civil and respectful discourse in all forums, including those that allow confidential or anonymous participation. The Society seeks to create a professional environment with equal opportunity and fair treatment for all Members and colleagues at the Society, regardless of age, sex, gender identity and expression, race, ethnicity, national origin, religion, sexual orientation, disability, health condition, marital status, parental status, genetic information, political affiliation, professional status, or personal connections.

The Members of the Society shall treat other individuals in professional encounters with respect and shall adhere to their employers’ codes of conduct or ethics and policies. Any form of

discrimination¹, harassment² or bullying³, including retaliation in any manner against a person who brings an alleged discrimination, harassment or bullying to the Society's attention or otherwise assists in the investigation thereto, violates the principles of equal opportunity and fair treatment, and as such constitutes an unacceptable conduct and a violation of the Professional Code of Conduct. Such unacceptable conduct shall include, but is not limited to:

1. Solicitation of emotional or physical intimacy despite expressions or indications that it is unwelcome.
2. Solicitation of emotional or physical intimacy accompanied by real or implied threat of personal or professional harm.
3. Intentionally intimidating, threatening, harassing, or abusive actions or remarks (both spoken and in other media).
4. Prejudicial actions or comments that undermine the principles of equal opportunity, fair treatment, or free academic exchange.
5. Deliberate intimidation, stalking, or following.
6. Harassing photography or recording.
7. Sustained or aggressive disruption of talks or other activities that undermine free academic exchange.
8. Physical assault (including unwelcome touching or groping).
9. Real or implied threat of physical harm.

Appropriate principles of professional conduct also apply in the context of research and publication activities. Members of the Society are also expected to adhere to their employers' codes of conduct or ethics and policies that pertain to research. The following list of appropriate forms of conduct is unquestionably not exhaustive but illustrates some key principles:

1. Research should be conducted and reported with objectivity, accuracy, and high standards of quality.
2. Data, research methods and choices, and proofs should be discussed clearly in disseminated work and reasonable private requests for clarification and assistance should be engaged with in appropriate ways.
3. Prior and contemporaneous contributions of other researchers should be clearly acknowledged. In publications, presentations, and teaching, quoted material from another person's written work, published or unpublished, should be explicitly identified and credited.

¹ Discrimination means prejudicial treatment of individuals or groups of people based on their age, sex, gender identity and expression, race, ethnicity, color, national origin, religion, sexual orientation, disability, health condition, marital status, parental status, genetic information, veteran status, political affiliation, professional status, personal connections, or any other characteristic protected by applicable laws.

² Harassment includes both sexual harassment and other types of harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that creates an intimidating, hostile, or offensive environment or is otherwise prohibited by applicable laws. Other types of harassment include, but are not limited to, any verbal or physical conduct directed at individuals or groups of people because of their age, sex, gender identity and expression, race, ethnicity, color, national origin, religion, sexual orientation, disability, health condition, marital status, parental status, genetic information, veteran status, political affiliation, professional status or personal connections that creates an intimidating, hostile, or offensive environment.

³ Bullying means unwelcome, aggressive behavior involving the use of influence, threat, intimidation, or coercion to dominate others in the professional environment.

4. If significant errors in publication or presentation of data or other work are discovered, these should be corrected as promptly as possible via a correction, retraction, or erratum.
5. Researchers should take responsibility and credit only for work they have actually performed and to which they have contributed. They should ensure that authorship and other publication credits are based on the scientific contributions of the individuals involved, regardless of their professional status.
6. In their roles as referees, researchers should review submissions carefully, confidentially, and without prejudice. Confidential submitted material should be kept confidential unless its release is allowed by the authors. Potential conflicts of interest should be construed broadly and discussed with the editor or conference organizer upon receipt of a request to review, and such editor or organizer should be informed of prior reviews of the same work. Referees should not use their advanced access to unpublished research for their own purposes. For example, they should not undermine the original authors by rejecting the paper and then pursue the research idea on their own. Nor should they delay providing feedback to the advantage of their own competing work. Referees should not reveal their identities to authors and should inform Editors if inadvertent revelation occurs.

The Society Leadership members have an individual responsibility for their own conduct, and a collective responsibility to promote professional conduct. These responsibilities include developing institutional arrangements and a professional environment that promote free expression. These responsibilities also include supporting participation and advancement in the disciplines represented in the Society by individuals from all backgrounds, including particularly those that have been historically underrepresented.

Any appointed or elected person in the Society who violates the Code of Conduct may be subject to sanctions including removal pursuant to the Society's By-Laws and according to the process described in the Society's Rules and Procedures.