

AED Code of Business Ethics

Consistent with its mission to increase access to learning, transfer skills and technology, and support institutional development, the Academy has established a standard of the highest professional ability, personal integrity, and cultural sensitivity for all its staff and consultants.

The AED Code of Ethics is designed to serve as a set of ethical and legal principles to provide guidance regarding decisions and judgments that AED's staff and consultants are constantly being asked to make. It represents the principles upon which AED was established and that continue to govern its operations. When further clarification is needed, staff should consult the AED Group Director and/or Center Director, and subsequently, as required, the appropriate person listed below:

- Administrative and Contractual Matters: Chief Management Officer or Chief Financial Officer; and
- Academy's General Policies and Procedures: Chief Operating Officer or President.

Conflicts of Interest

All AED employees must maintain independence and objectivity with a sense of fairness, ethics, and personal integrity in all matters and should avoid doing anything which is either illegal or unethical. AED staff must refrain from participating, or giving the appearance of participating, in any activity that compromises their ability to render fair, impartial judgments on behalf of AED's clients as well as in the development of new business opportunities. As a nonprofit organization in the United States, AED staff and consultants are also duty bound by U.S. government regulations concerning individual and organizational conflicts of interest.¹ In addition, AED's Code of Ethics expands this definition of conflicts of interest to include specific guidelines about hiring and supervising donor agency staff and family members.

Organizational Conflicts of Interest

All AED staff should be aware of how to handle Organizational Conflicts of Interest (OCI) in a straight-forward, transparent way. OCI rules are designed to keep companies from exercising unfair advantage through their privileged knowledge or access to information. Rules vary by country and donor, though AED's policy on OCI is in accordance with U.S. government regulations. OCI rules are designed to keep companies from exercising unfair advantage through their privileged knowledge or access to information. There are three types of OCI:

- **Design/Implement:** when a firm designs an initiative and subsequently wants to be bid on the implementation of the same program.
- **Evaluate/Implement:** similarly, evaluating a project and then wanting to bid on it.

¹ Staff should consult the following documents outlining U.S. government guidelines: [*Organizational Conflict of Interest*](#) (USAID Contract Information Bulletin 99-17, August 17, 1999); and "[*Legal and Policy Considerations When Involving Partners and Customers on Strategic Objective Teams and Other Consultations*](#)," (USAID ADS Series 200).

- **Audit/Implement:** when a firm audits another firm's activity or project and then later wants to be involved in the implementation of its successor project.

In general, a company is forbidden to bid on a procurement if their prior design or evaluation activity would lead *"directly, predictably, and without delay"* to a procurement. Staffs who have questions about the potential for an OCI should consult with their Center and Group Directors, as well as with the Chief Operating Officer who provides guidance to staff about potential OCI in line with AED's Code of Ethics and appropriate U.S. federal guidelines.

Hiring and Procurement

Government or Donor Agency Employees

In most cases, the Academy discourages the employment of U.S. government direct-hire or other donor agency employees until they have been separated from that agency for a period of not less than 1 year. Additionally, it is the Project Director's responsibility to explore and adhere to any conflict of interest rules the government direct hire personnel may be subject to.

Donor agency employees who have served as principal Project Directors or Contracts Administrators for AED projects may not be hired until they have been separated from the agency for 1 year or with the prior review and approval of the COO or President.

This policy is strictly enforced for those individuals who serve as the donor agency's principal point of contact, or who are otherwise directly involved with supervising a particular grant, contract, or subcontract with the Academy. In extraordinary circumstances, donor agency personnel may be considered for employment with the prior approval of the President if they: 1) have had no direct contact or supervisory responsibility for a grant or contract with AED for the previous year; and 2) will not be employed on an AED contract or grant with the same office or department. AED staff should ensure that its subcontractors adhere to these same hiring guidelines with respect to projects related to AED.

There are two exclusions to the policy stated above. First, individuals working as Contract employees, either for a private firm or as a personal services contractor (PSC) to a donor agency, may be named at any time to long-term appointments at AED. Second, former donor agency personnel may be hired for short-term consulting assignments at any time, but may not be used to represent the Academy or develop new business opportunities with their former office or department for a 1-year period after leaving the donor agency. Even in these instances, the specific context of employment must be reviewed by the Group Director and the COO to determine that there is no conflict of interest.

Hiring of Spouses of Donor Agency Employees

Because of conflict of interest issues, the Academy forbids the hiring of the spouses, partners or other immediate family members of those individuals who serve as the donor agency's principal point of contact, or who are otherwise directly involved in the awarding, supervision or close out of a grant, contract, or subcontract with the Academy. With the prior approval of Human Resources, AED may hire the spouses, partners or other immediate family members of donor agency personnel who have no direct contact or supervisory responsibility for awards with or to AED.

Hiring of Spouses and the Immediate Family of Academy Staff

Recognizing that many spouses, partners and immediate family members of Academy staff have professional expertise appropriate to its work, AED staff may consider and hire such persons for appropriate short- and long-term assignments. However, current AED staff cannot be employed in the same work unit as their spouse, partner, or immediate family member; they cannot be involved in their recruitment, selection, supervision, or evaluation; nor can they authorize payment for their services. Any such relationship must be brought to the attention of Human Resources before the person is hired.

AED Staff with Spouses and/or Immediate Family Members Working for Donor Agencies

Occasionally the spouses, partners and/or immediate family members of AED staff work for donor agencies providing assistance to the Academy. All AED staff should be sensitive to the potential conflict of interest such a situation could represent. No Academy staff person in such a situation is expected to provide, nor should be asked to provide, any information from his or her relative regarding current AED grants and contracts or potential business opportunities with that donor agency. Any Academy staff persons who are inadvertently put into a potential conflict of interest should immediately report this to their supervisor and excuse themselves from any further involvement pending resolution of the issue.

Solicitation of Proprietary Information

Academy staff are occasionally put into a position of handling or processing proprietary information from a donor agency. For example, the Academy has a contract to implement the USAID Development Information Services (DIS), including the USAID Library, which contains some proprietary information not generally available to non-USAID employees. Academy staff working on such projects are to maintain the strict confidentiality of this information. Other AED staff are forbidden to try to obtain from their AED colleagues at DIS, for example, any information not freely available to the public.

Vendors and Service Providers

Academy staff are cautioned against the direct use of vendors and service providers that employ their spouses and/or members of their immediate family (including relatives by marriage). While the Academy may use such vendors and service providers (after a competitive bidding process, where applicable), the following steps should be taken to avoid even the appearance of impropriety. First, AED staff should immediately bring the situation to the attention of their supervisor and the Chief Management Officer, before their consideration as a potential bidder for the award of a contract or purchase of a commodity. The CFO and/or the COO may determine that such a vendor or service provider is ineligible for Academy contracts or services. Second, the affected staff member may not be involved in the selection process, in supervising the delivery of goods or services, or in approving or disbursing payments.

Representation

The Academy's continued growth and ability to serve depend largely upon the staff's ability to represent the organization. First and foremost, AED staff can best represent the Academy by ensuring that its projects are of the highest quality. Second, the Academy encourages its staff to participate in appropriate professional societies, seminars, and conferences related to their area

of expertise and the programs they work on. Third, AED relies on its staff to discuss and follow up new business opportunities with prospective clients.

AED staff should ensure, however, that such activities are not undertaken at the expense of existing program activities, have the approval of the appropriate Group Director and Officer-in-Charge, have been discussed with COO and are charged to the correct development account previously approved by the Group Director and the COO. To a large extent, the follow-up action necessary to develop new business opportunities relies heavily on the ability and willingness of the Academy's staff to put in extra hours. Expenses and staff time for development cannot be charged directly to government contracts.

In representing the Academy, staff should keep the following guidelines in mind and consult regularly with the COO, and the appropriate Group Director or the President for further guidance, as required.

New Business Development

AED staff can best represent the Academy by maintaining professional working relationships with host country and donor agency officials and by ensuring that the project's activities creatively meet their intended purpose, are carried out on schedule within the agreed-upon budget, and develop the capacity of the Academy's local counterparts to continue the project after AED's assistance is completed.

In addition, the Academy welcomes and fully supports the participation of interested staff in identifying and developing new program initiatives, provided that this does not interfere with or represent a conflict of interest with the staff member's current project responsibilities. The Academy recognizes that identifying development opportunities naturally occurs during the course of normal, day-to-day project activities without the intentional investment of additional time by staff.

Opportunities that require more intensive commitment of time by AED staff should be discussed, in advance, with the appropriate Group Director (with the consent of the project director and Officer-in-Charge) to determine the most appropriate manner in which to undertake and finance the investment of staff time and associated miscellaneous expenses required to pursue the opportunity.

Inducement to Clients or Donor Agencies

In accordance with U.S. federal regulations and accepted good business practices, no Academy employee is authorized to offer, or give the impression of offering, an inducement (monetary or otherwise) to any current or potential client or donor agency official for the purpose of obtaining proprietary information or influencing their judgments on future grant or contract awards. No offer or suggestion to provide employment or consultancies will be made to such an official. In addition, AED will not, and employees or consultants of AED shall not, offer or make any payment, or even suggest a bribe be paid to obtain a contract or "favor" from a potential client. Engaging, or seeming to engage, in such activities will result in disciplinary action and/or termination of the employee. AED staff should immediately report any evidence of such activities to the COO or President.

Similarly, Academy employees are prohibited from paying, or offering to pay, any fees or commissions to consultants or other AED staff to obtain proprietary information or to otherwise assist in any inappropriate manner in obtaining a contract or grant award. AED staff should immediately report any evidence of such activities to the COO or President. Any such act will result in immediate termination from Academy employment. Any instances in which an employee is approached or asked to pay a bribe must be reported immediately to the COO or President.

Entertainment

As a not for profit organization, the Academy keeps entertainment costs at a very modest level, and encourages all staff to consult with their Center or Group director for guidance about the appropriateness of a particular activity. Moreover, in line with applicable federal regulations, no entertainment expenses are allowable under any grant, contract, or overhead/development account. Such costs must be charged to AED's unrestricted income, requiring the approval of a corporate officer with a representational account before such charges are incurred.

The Academy considers some forms of entertainment to be inappropriate charges, even from unrestricted income. Unlike commercial firms, AED does not reimburse elaborate entertainment costs such as games fees (for example, golf, tennis), nightclub cover charges, excess gratuities, or more than nominal gifts for visitors. Examples of entertainment expenses AED will reimburse include but are not limited to food, beverages, banquets, room rentals, ceremonials, transportation, and other similar expenses. AED staff are cautioned, however, about meeting a U.S. government official for meals or beverages - federal employees are not allowed to have their meals or beverages paid for.

Not included as entertainment are the costs of meetings and conferences when the primary purpose is either to disseminate technical information or to conduct the general administration of the organization or a project. Such expenses are allowable according to standard accounting practices and government regulations, either directly to the project or indirectly to AED, depending on the nature and purpose of the meeting. Food, refreshments, speaker's fees and room rental costs are also allowable for an approved official function, meeting or conference that involves a number of people and has a pre-established agenda. Such meeting and conference costs will be reimbursable when accompanied by a receipt and a written explanation of the following:

- purpose of meeting,
- why meeting was held during a meal time,
- who was in attendance-- names, titles (if applicable), and
- outcome of meeting

Business lunches - defined here as a business meeting without a pre-established agenda -are not allowable charges to contracts or grants but are nevertheless reimbursable to corporate officers under their pre-established representational account. If such expense is claimed while the staff member is traveling using project or overhead funds, the portion of that person's meal must be deducted from the traveler's fixed M&I allowance.

Staff should consult the COO for guidance on the allowability and propriety of any potential "entertainment expense" before that expense is incurred or it may not be reimbursed.

Travel and Transportation

In general, the travel and transportation costs of donor agency and U.S./foreign government officials, including taxi fares, may not be paid unless they are part of AED's contractual responsibilities under a current project. Common sense dictates, however, that occasions may arise when transportation or transportation expenses are provided to such officials, for example, giving an official a "ride" in a private or rented vehicle, or paying for a taxi fare when a group is traveling together (and there are no additional charges for the extra passengers). In such cases, however, AED staff should ensure that their actions are not misconstrued as an inducement to that official.

Gifts

Except for gifts of nominal cost-- less than \$50 in fair market value-- or meals and social invitations that are in keeping with good business ethics and do not obligate the recipient or the employee, it is in conflict with the Academy's interests for any employee or member of his or her immediate family to accept, give, or offer commissions, gifts, payments, services, loans, or promises of future employment to anyone in connection with his or her Academy assignment.

Lobbying and Advocacy

As citizens of the United States or other countries, employees are free to and are encouraged to fully meet their individual civic and political responsibilities, except, however, for participation in any activities that constitute (or could be construed as) lobbying any government to amend and/or add new regulations or laws specifically favoring the Academy.

There is a delicate line between involvement in national politics and advocating the development of national policies. "Technical" issues can often become political issues. Bilingual education, for example, has political as well as technical implications in many countries. For an Academy employee to take a strong public stand on such an issue may be perceived as a political rather than a technical statement. Although it is difficult to establish any clear guidelines in such cases, the Academy believes that its central purpose is to provide advice and counsel, not to make national policy or to become involved in controversial public debate. This is particularly important for AED staff stationed or working in developing countries.

Only personnel authorized by AED to conduct lobbying activities within the IRS guidelines for 501(c)(3) organizations shall participate in any such activities. All time and costs shall be strictly accounted for and properly segregated.

Contracting, Subcontracting, and Procurement

The Academy believes that its interest and the interests of its clients are best served by fair and open competition in contracting, subcontracting, and procurement. Employees should consult applicable federal guidelines on soliciting competitive bids when procuring goods and services on any U.S. government-funded contracts. For interpretation of these guidelines or specific advice on contracting, subcontracting, and procurement, employees should consult with AED's Vice President for Contracts/Grants Management.

The Academy's Vice President for Contracts/Grants Management conducts training for all Contracts/Grants Management personnel in a variety of federal regulations regarding

procurement, including The Truth in Negotiations Act of 1962, Certified Cost or Pricing Data (FAR 15.802), Officials Not To Benefit, Gratuities, Certificate of Independent Price Determination, Duplication of Cost, Contingent Fee Representation & Agreement, Covenant Against Contingent Fees, Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions, Privacy Act, Privacy Act Notification, Anti-Kickback Procedures, Post Employment Conflict of Interest, and other appropriate federal and agency-specific clauses.

Additional training is provided for those program managers who have responsibilities regarding hiring, procuring goods and services, and appointing consultants. The representations and certifications required in federal cost proposals are completed by an official of the Academy fully conversant with both the regulations and the Academy's conduct in preparing the offer. Those individuals determined to be procurement officials on behalf of the Academy are familiar with procurement integrity regulations and are required to complete the procurement integrity certification for individuals. The Vice President for Bids and Proposals and/or his or her designee are responsible for completing the organizational procurement integrity certification as required in cost proposals for federal funding.

Fairness in Subcontracting

The extent of an institution's involvement in and level of effort on a particular project should be clearly stated in the subcontract agreement signed with the Academy. AED staff should endeavor to ensure that: 1) the level of effort and role specified for the subcontractor is adhered to; 2) the subcontractor's name is mentioned on appropriate project reports, publications, and other public documents; 3) proprietary information received from the subcontractor is kept confidential; and 4) resumes of subcontractor staff and consultants are not used without the subcontractor's permission.

Advance Spending

Employees are not authorized to commit to or to incur expenditures without a valid, signed contract.

Affirmative Action

In accordance with the Academy's Affirmative Action Policy, AED encourages the use of small, woman, minority-, and HubZone-owned firms, organizations, and vendors for subcontracts and purchase of goods and services (including travel and supplies). Likewise, the Academy encourages the use of historically black colleges and universities (HBCUs) and predominantly Hispanic colleges and universities (HACUs) for subcontracting with AED and for placing foreign students.

Obeying Local Laws and Traditions

It is the Academy's policy to fully comply with national laws, regulations, and accepted good business practices of the United States and/or the host country in which the employee is working. Staff should inform themselves about and follow local regulations regarding criminal codes, use of controlled substances, currency transactions, use of firearms, and other relevant issues.

An infraction of laws and regulations in the country of an employee's assignment may be cause for dismissal of the employee.

Plagiarism and Misconduct in Research

Misconduct in research means any practices that seriously deviate from those commonly accepted by the academic and scientific communities in pursuing and publishing research and reporting on program activities. These practices include falsifying or fabricating data or results, plagiarism, and any similar practices. It does not include honest errors or differences in interpreting data or research results. Similarly, in producing, creating, or writing AED documents, staff may not use or incorporate content from other documents without crediting the source and/or obtaining permission, as appropriate.

AED expects that all employees will adhere to the highest standards of conduct in this area as they carry out research and report on research and project activities, and has appointed the Executive Vice President (EVP) as our responsible corporate officer for ensuring the integrity of our research activities. In that role, the EVP is in charge of investigating any allegations of research misconduct, considering procedures for AED to establish to facilitate research reviews, and in guiding any institutional actions in response. Any alleged or suspected misconduct in research should be reported directly to the Center Director and the EVP, along with supporting documentation. They will also notify the employee's supervisor and Group Director. These individuals will determine whether there is a firm basis for pursuing an inquiry into the matter.

If it is decided that the allegation has no merit, the matter will be dropped. A memorandum summarizing the incident will be drafted by the Center Director for the record, and a copy given to the subject.

If the allegation has validity, the EVP, with support from the Center Director, will conduct an inquiry. A committee consisting of three persons will be charged with investigating the matter. If they determine that no misconduct has been committed, the matter will be closed and any records sealed. All efforts will be taken to ensure that the reputations of all persons involved are protected.

If the committee decides that the employee is guilty of misconduct in research, the EVP, in consultation with the Center Director and the committee, will determine an appropriate sanction.

Outside Interests and Employment

Regular executive staff and officers have a full-time responsibility to the Academy. They may not engage in activities that might interfere with the discharging of their responsibility or in transactions that reasonably might affect the judgments they make on behalf of the Academy.

Disclosure of Information

All staff members are expected to exercise the utmost discretion in regard to all matters of official business. They may not communicate any information known to them by reason of their position that has not been made public, except as may be necessary in the course of their duties or by authorization of the President. Nor shall they at any time use such information to their private advantage. These obligations do not cease upon separation from the Academy. No

employee shall disclose information about Academy proposals or bids to anyone outside AED without the permission of the Officer-in-Charge, Program Group Director, the COO, or the President.

Speaking Engagements and Articles for Publication

Staff members are encouraged to undertake speaking engagements and to write articles appropriate to their fields of interest, provided the time for preparation and delivery does not interfere with their responsibilities to the Academy. Staff may keep any honoraria they are awarded for such work outside of working hours.

Serving on Advisory Boards of Directors

AED employees are encouraged to become professionally involved with other institutions through their participation in advisory boards, boards of directors, and other activities. Staff members should consult with the COO and President, however, before committing to undertake such activities to ensure that they do not conflict with other projects and interests of the Academy.

Fees and Other Payments

Non-Academy related director's fees, honoraria for speeches, fees for jury duty, radio and TV appearances, author's royalties and payments for published articles or article reviews, and travel reimbursements may be accepted, provided these payments do not represent activities that interfere with the staff member's responsibilities to the Academy. No salary or consulting fee, however, may be accepted by regular staff members of the Academy for services rendered to other organizations or persons during regular business hours, except on behalf of the Academy. AED staff are advised to bring any questions they may have on this policy to the attention of the COO or the President for clarification before accepting a fee or other payment.

Teaching Stipends

AED staff are encouraged to remain current in their respective technical fields through such activities as teaching courses. Staff may keep honoraria and modest fees for teaching such courses outside of working hours, as long as these activities do not interfere with the staff member's responsibilities to the Academy. AED staff should seek the guidance of their Center and Group Director prior to committing to the teaching assignment to clarify any potential concerns about the assignment.

Outside Employment

No Academy employee at the executive level (Grade 5 and above) working at least 50% for the Academy shall seek employment with a client representative who is directly involved in oversight or collaboration with Academy activities. Nor shall any employee conduct business on behalf of the Academy that is intended to be prejudicial against the Academy's best interests.

However, the Academy recognizes that certain employees, including executive staff, must seek additional employment outside AED to supplement their incomes to meet their financial obligations. Academy staff may undertake such activities provided: 1) they do not interfere with the staff member's responsibilities to AED; and 2) in the case of executive-level staff working at

least 50% for the Academy, the professional services to be provided are not similar to the work they perform as AED employees. AED staff should seek the guidance of the COO and/or President to clarify any questions they may have on this policy.