

**ALA Executive Board
Fall 2017 Meeting**

TO: ALA Executive Board

RE: ALA Executive Board Members and Outside Professional and Business Activities

FROM: Susan Hildreth, Treasurer
Julius C. Jefferson Jr., Executive Board Member
Lessa Kanani'opua Pelayo-Lozada, Executive Board Member

Action Requested:

Discussion

Date: 13 October 2017

Background:

During their meeting at the 2017 ALA Annual Conference, members of the ALA Executive Board discussed a range of questions related to the intersection of individual business or professional interests and Board responsibilities. A working group of Board members was appointed to develop a framework for further exploration and to craft some additional guidelines to supplement ALA's current Conflict of Interest policy.

ALA Executive Board Members and Outside Professional and Business Activities

ALA Executive Board members bring a high level of professional experience and engagement to their Board service. In general, Board members are encouraged to continue participation in professional activities, both within the Association and externally. Involvement in other professional and business activities brings with it, however, the risk of conflict with the interests of the American Library Association.

All ALA Board members are asked to sign annually a conflict of interest statement: *Conflict of Interest: A Statement of Policy for ALA and ALA-APA Executive Board Members* (attached). In addition, legal orientation provided to incoming ALA leadership provides background on the fiduciary responsibilities of Board members, including the duties of care, loyalty and obedience. The Conflict of Interest Statement, together with a basic understanding of a Board's fiduciary responsibilities and legally-defined duties provide a framework within which to understand potential conflicts between personal and Association interests.

The duty of care requires a Board member to act with "ordinary and reasonable care" in exercising their duties. The duty of loyalty requires a Board member to place the Association first while making decisions that affect the Association. In other words, the Board member may not place personal business, financial or professional interests above the interests of the Association. The duty of obedience requires Board members to act in accordance with the bylaws and other policies that govern the Association, as well as any applicable laws or regulations. Within this framework, most questions are resolved. (See Jeffrey S. Tenenbaum, "Legal Duties of Association Board Members," https://www.asaecenter.org/resources/articles/an_plus/2015/december/legal-duties-of-association-board-members)

What does not exist – and reasonably cannot, given the wide range of potential circumstances, is a set of highly specific rules for the application of these principles. For that reason, associations and their leadership often rely on a set of questions that association leaders can use to help themselves think through a specific issue. When these questions provide insufficient guidance, Board members should consult with the ALA Executive Director to determine if a conflict of interest reasonably exists.

Primary Questions:

We all wear many hats and have many responsibilities and personas, so the overall question becomes "How does my role as an ALA Executive Board member or officer overlap with other roles that I may fill?" The following questions and accompanying scenarios are designed to guide consideration of potential conflicts.

- Would I have been asked to do this or to participate in this activity if I were not an ALA Executive Board member?
 - If you are not being asked to participate in your role as an ALA Executive Board member or officer, can you articulate or clarify the role in which you are being asked to participate?

- Can you clearly articulate the role in which you are being asked?
 - Can you clearly articulate how you maintain separation between your roles?
- In participating in this activity, is there any conflict of interest created between this activity and the primary goals and activities of ALA?
 - Scenario A: ALA Publishing provides a major revenue stream for the Association; however, they are not the only publisher of library content. Executive Board members have been asked by non-ALA publishers to provide blurbs for upcoming publications; in return, they may receive a complimentary copy of the book. Is there a conflict of interest?
 - Is the book blurb attributed to you in your capacity as an ALA Executive Board member or officer – or is it attributed to you in another capacity, e.g., a faculty member in a library education program?
 - Even if you do not list your role as an ALA Executive Board member, will ALA members still be likely to perceive this as an “endorsement” by an ALA Executive Board member?
 - Does your “endorsement” of this non-ALA product impact ALA’s revenue?
 - Scenario B: A non-ALA publisher asks an ALA Executive Board member or officer, during their term in office, to write a book, for which they will receive compensation. Is there a conflict of interest?
 - Is the subject matter or the material used related to your role as an Executive Board member?
 - Does this create competition with ALA’s own publishing business and values?
 - How might this reflect or impact your position on the ALA Executive Board?
- Is participation in the proposed activity consistent with the mission and goals of ALA?
 - While this may be subjective, it is useful to consider the fiduciary responsibility of a Board member to act prudently and in the best interests of the association. While this is often assumed to relate to the financial assets of the organization, it also relates to another major asset: the good name of the organization.
 - A question to be asked, then, is “Will this activity harm the good name of the Association in the eyes of members, external allies and the public?”
- Is participation in this activity likely to result in a conflict of commitment between ALA and another organization?
 - Scenario A: If an ALA Executive Board member was also serving as an Executive Board member of a similar professional organization (e.g., ULC, ARL, COSLA), there could be conflicting priorities and allegiances.
 - It is worth reviewing the conflict of interest statement. A Board member with a conflict of interest is obligated to announce the conflict to the Board. The Board may then request that the Board member remove himself/herself from a particular discussion or decision process.

- ALA Executive Board members come from across many professional environments, including consulting and for-profit businesses. While this brings important diversity of experience and skills to the Board, it also may raise additional questions. In particular, the issue of clarifying your role in a given situation is very important.
 - If you use your ALA title in conjunction with your normal business activity, is it likely to be seen as an ALA “endorsement” of your product or services?
 - How do you clearly signal which hat you are wearing?
- There are situations in which the Association pays a small stipend to a member/volunteer for some ongoing service. Generally speaking, it is not good practice for a Board member to be paid by the Association while s/he is on the Board; nevertheless, it is a situation that Boards are often called upon to address.
 - Scenario A: ALA or an ALA Division pays a modest stipend to a member for a long-term service position. Following an open application process, the chosen candidate is an individual who is also a member of the ALA or ALA Division Board. What are the options?
 - The individual may choose to decline the position.
 - The individual may accept the position, but without stipend during his/her term on the Board.
 - The individual may resign from the Board and accept the position with stipend.
 - Scenario B: An ALA or ALA Division Board member works as a consultant to libraries and library groups, prior to serving on the Board. Following election to the Board, the Board member or officer is invited to provide training to various libraries or library organizations? Can they accept compensation?
 - Are they speaking about ALA or on behalf of ALA? In this case, the Board member should redirect any compensation to an appropriate ALA fund.
 - Are they speaking in their personal, business or professional capacity? If so, they may accept compensation, but must clarify in a manner clear to participants and observers that they are not speaking on behalf of the Association. An ALA title should not be used in marketing personal professional or business services.

13 October 2017

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