	LEVEL 2 INSTITUTE POLICY: CEO authors and approves and the PMI board monitors	No.:
		Date Approved: 01-01-2002
		Rev No.: 1
POLICY TITLE:	Conflict of Interest	Rev Date: 10-02-02
		Page: 1 of 5
RESPONSIBILITY OF:	William G. Scarborough, General Counsel	
PREPARED BY: Standards, Legal	APPROVED BY: Chief Executive Officer Executive Group	

I. POLICY STATEMENT:

This policy and procedure addresses how the Project Management Institute (PMI®) will minimize risk to PMI and to individuals by establishing a mechanism to recognize and respond to conflicts of interest, potential conflicts of interest and apparent conflicts of interest of individuals (PMI members, non-members, and staff members) in the day-to-day business of PMI. It should be noted that apparent conflicts of interest are as problematic as actual conflicts of interest and must be resolved just as quickly.

Volunteers (PMI members and non-members) and staff members must conduct themselves with unconflicted loyalty to the interests of PMI and its members. This accountability supersedes any conflicting loyalty, such as loyalty to other advocacy or interest groups, membership on other boards, and professional responsibility to an employer. It also supersedes the personal interests of any volunteer (PMI member and non-member) or staff member. Further, no individual shall use their position or knowledge gained from participation, in a manner that conflicts with the interest of PMI or any of its components. Nothing in the policy is intended to limit staff's day-to-day responsibility as set forth in the PMI Employment Guide, job descriptions or other policies governing staff conduct nor is it intended to effect the responsibility of the Chief Executive Officer over the conduct of staff in performing any duty regarding the Institute.


II. PURPOSE:

Volunteers (PMI members and non-members) and staff members, from time to time, will be involved in PMI activities that are related (directly or indirectly) to their business and financial interests. It is not necessarily in PMI's best interest to prohibit all participation by individuals with a conflict of interest, potential conflicts of interest or perceived conflicts of interest because in many cases those individuals may be the most knowledgeable people available for a particular activity. In many cases, knowledge of the conflict of interest can be managed to mitigate the risk to PMI and the individual.

This policy and procedure identifies those actions required by PMI members, non-members, and staff members (as defined in Section V of this policy) who are participating in any PMI sponsored Group and those in charge of PMI sponsored Groups to minimize and control conflicts of interest and perceived conflicts of interest. Thus, PMI desires to establish a clear, reasonable and fair standard for conflicts of interest applicable to PMI member and non-member volunteers and staff for such matters.

III. DESIRED RESULTS/OBJECTIVES:

1. PMI members, non-members, and staff members will have a clear understanding of PMI's need to minimize and control conflicts of interest and perceived conflicts of interest.

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		Rev No.: 1
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		Page: 2 of 5
RESPONSIBILITY OF:	William G. Scarborough, General Counsel	
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2. PMI members, non-members, and staff members will understand what action they need to take to participate in PMI sponsored Groups.
3. Those in charge of PMI sponsored Groups and PMI Managers and above will understand their responsibilities and actions required to implement this policy and procedure.
4. The public will have confidence in PMI's integrity and in the products and services PMI delivers.
5. Minimize the opportunity for individuals to use their participation (resulting position or information) on PMI Groups to influence organizational activities or decisions or take advantage of forthcoming activities or decisions that are not public information.
6. The PMI Confidentiality Policy and PMI Conflict of Interest Policy will minimize the potential for confidential, sensitive and proprietary information or data to be compromised. Further, the two policies working together will minimize the risk of PMI members, non-members, and staff members being accused of inappropriate activity or the appearance of inappropriate activity.


IV. DEFINITIONS:

"Conflict of interest" is defined as a transaction in which, because the individual is, either directly or indirectly, a party to the transaction or possible beneficiary of the transaction, there is or may be a conflict between the individual's obligations to PMI and the individual's personal or business interests. There is an implied duty of loyalty that commands that individuals be faithful to an organization's best interests and not use their organizational position or knowledge to advance a personal agenda at the organization's expense.

Conflicts of interest may result from corporate or company, personal, and family business interests and relationships that may involve or relate to PMI in any way.

Examples of Conflicts of Interest: These may include but are not limited to:

1. An individual, PMI member or non-member or staff has a financial interest in a company that would benefit from the output of the group they are working on.
2. An individual, PMI member or non-member, who works for a project management consulting company, participates in the development of a standard that specifies how companies should do some aspect of project management.
3. An individual, PMI member or non-member, who works for a company conducting PMP® Exam preparation training courses, participates in a PMP Exam item writing session.
4. An individual, PMI member or non-member, who is an officer, director or in a position of responsibility in another PM organization.
5. An individual, PMI member or non-member, who is on an awards committee looks at a recommendation for a company that competes with the company they work for.

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6. An individual's close relative or friend would benefit from the output of the group they are working on.

"PMI Group" is defined as all PMI sponsored activities, including but not limited to project teams, groups, member advisory groups, Board committees or other committees or groups formed by the Institute.

"Group Leader" means the individual who is responsible for the operation of the PMI Group, as established in the applicable, PMI governing document, charter, job description or other delegation of authority by the appropriate PMI authority.

V. PERSONS AFFECTED:

PMI members, non-members and staff members working on PMI sponsored Groups are bound by this Policy, including but not limited to: Board Committees (as defined in Governance Policy 3.6), Member Advisory Groups (MAG), Project Action Teams (PATs), Awards Committees, Editorial Boards, Standards Program project teams, Certification Department item writing sessions, Research Groups and open working sessions.

VI. DISSEMINATION:

Internal: Staff


External: Volunteer members and public at large

VII. RESPONSIBILITIES:

Participation on a PMI Group constitutes acceptance of the terms of this Policy and its requirements. Unless otherwise specified, at least once a year or at the beginning of participation on any PMI Group, participating individuals will complete the PMI Conflict of Interest Questionnaire and Ethics Certification. Individuals joining a second, and each subsequent, group will not need to fill out another questionnaire if the prior one is still current and participation in an additional PMI Group does not require the disclosure of additional information. However, the individual will instead complete the information release portion of the questionnaire. The information release portion of the form provides subsequent sponsors the name of the group the individual was participating on when they filled out their questionnaire and will allow the Group Leader to access the questionnaire from the Legal Department's files.


VIII. PROCEDURES:

1. Authority: The PMI governing documents, the PMI member and PMP Code of Ethics and the PMI Member Standards of Conduct, require individuals to abide by the bylaws, policies, rules, requirements, and procedures of PMI, and will not knowingly engage or assist in

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POLICY TITLE:	Conflict of Interest	Rev Date: 10-02-02
		Page: 4 of 5
RESPONSIBILITY OF:	William G. Scarborough, General Counsel	
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activities intended to compromise the integrity, reputation, property, and/or legal rights of the Institute.

2. **Disclosure:** Individuals, accountable under this policy, must identify those situations where they have a conflict of interest or where a reasonable person might conclude that they had a conflict of interest in the activity in which they are participating or about to participate, using the PMI Conflict of Interest Questionnaire and Ethics Certification. It is recognized that because of the nature of some PMI Groups all participating individuals may not know at the outset that they have a conflict of interest. It is incumbent on each individual to notify the group leader or PMI Headquarters sponsor as soon as an individual learns that they have a conflict of interest with the activity of the group they are participating on.
3. **Disclosure Review:**
 - The conflict of interest questionnaire, to be completed by the individual participating on a PMI Group, will be reviewed by the responsible Group Leader for his/her knowledge and understanding and then forwarded to the PMI Headquarters staff member who is responsible for the group, or in the case of a Board sponsored group, to the PMI Chair.
 - The PMI Chair will review the conflict of interest questionnaires of all PMI Board Members and members of Board Committees and bring conflicts of interest and possible conflicts of interest to the attention of the PMI General Counsel for resolution.
 - The PMI staff member or the PMI Chair, as the case may be, will review the questionnaires, bring conflicts of interest and possible conflicts of interest to the attention of the PMI General Counsel for resolution.
 - PMI HQ Directors will review the conflict of interest questionnaires of their assigned PMI Managers and other subordinate sponsors, and bring conflicts of interest and possible conflicts of interest to the attention of the PMI General Counsel for resolution.
 - The Chief Operating Officer will review the conflict of interest questionnaires of PMI HQ Directors, and bring conflicts of interest and possible conflicts of interest to the attention of the PMI General Counsel for resolution.
 - The Chief Executive Officer will review the conflict of interest questionnaires of the Chief Operating Officer and the General Counsel and resolve any conflicts of interest and possible conflicts of interest.
 - The Headquarters Executive Committee will review the Conflict of Interest Questionnaire of the Chief Executive Officer and resolve any conflicts or interest and possible conflicts of interest.
4. **Possible Remedies:** Remedial action for disclosed conflicts or possible conflicts of interest may include but are not limited to the following.
 - Recusal from any decision developed by the group.
 - Recusal from the part of the process where a conflict exists, such as not reviewing a competitor's award submittal.
 - Replacement on the group.
 - Participation as a subject matter expert but not in discussions or deliberations.

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		Page: 5 of 5
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5. Policy Usage: Care must be used to avoid overuse or misuse of this policy. The Institute requires integrity to function properly but over-use of the requirement to complete the Conflict of Interest Questionnaire may discourage participation by otherwise qualified volunteers and result in volunteers perceiving they are being harassed.
6. Forms: All individual, PMI members, non-members, and staff members participating in HQ sponsored groups will complete and sign the PMI Conflict of Interest Questionnaire and Ethics Certification form. The Board of Directors Chief Executive Officer, staff managers and Headquarters Directors (for programs they are responsible for), other Group Leaders of PMI Groups are authorized to use the attached form for groups they sponsor. It is anticipated that the standard form attached will apply in most cases, however, if a leader believes that modification would serve the interests of PMI to make their group more productive the form may be tailored with the explicit concurrence of the PMI General Counsel or the designated representative from the PMI Legal Department.
7. Record Retention: The PMI Headquarters group sponsor or other reviewer, after completing their review, will forward the questionnaires to the PMI Legal Department for retention in accordance with PMI's Records Retention Policy. The Legal Department will retain the questionnaires during the life of the group and the questionnaires will be archived when the group is disbanded.
8. Violations: Apparent violations of this policy, including but not limited to the failure to make adequate and full disclosure, will be forwarded to the appropriate individual as described in PMI's Policy on Complaint, Dispute, and Grievance Resolution and may be further referred to the Ethics Review Committee under PMI's Member Ethics Case Procedures.

IX. RELATED POLICIES, SUPPORTING DOCUMENTATION AND/OR APPENDICES:

PMI Headquarters Policy on Confidentiality and Confidentiality Agreement Form; PMI Conflict of Interest Policy and PMI Conflict of Interest Questionnaire & Ethics Certification Form; PMI Policy on Complaint, Dispute, and Grievance Resolution; PMI's Record Retention Policy; PMI's Member Ethics Case Procedures; PMP Code of Ethics; PMI Member Standards of Conduct; PMI Legal Department's List of Companies with whom PMI has contracts; and PMI Employment Guide.

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