

10/8/2018

## PROCEDURES FOR THE NOMINATING COMMITTEE

1. The charge of the Nominating Committee is to come up with a slate of two Vice-Presidential candidates and a backup candidate; six Director nominees; and three to five nominees for the Fellow.
2. The Nominating Committee for year N will be selected at the June N-1 meeting of the AFA Board. The Committee typically consists of ten members appointed by the AFA Board, plus the Vice-President (ex officio) and the President-Elect. (The Bylaws require it to include the President Elect and at least five other members.) The President-Elect shall serve as the Committee Chair.

Note: In addition to the VP and President-Elect, the Committee will typically also include one or two other highly distinguished individuals (such as Fellows or former Presidents) as well as other excellent senior and mid-level scholars.

3. Shortly after the June Board meeting, the President-Elect contacts the newly selected members to ask them if they are willing to serve on the Committee. The invitation notes that this is an important job that requires a commitment to participate in electronic meetings, an in-person meeting at the annual AFA meetings, and background research. The President-Elect informs the Committee of its responsibilities, which include identifying candidates for the Vice-President, the Directors, and Fellows.

The President-Elect emphasizes that the Committee will strictly adhere to the Nominating Committee Conflict of Interest Policy (provided at the end of this document), which will be described in the email. Adherence to the Policy is a precondition for participation in the Committee's deliberations.

The President-Elect details the criteria for each position.

- Fellow: An honorific position based on cumulative research contribution to the field of financial economics. The President-Elect attends the AFA Fellows Dinner and collects nominations by the existing Fellows. These nominees will be presented to the Nominating Committee, who may recommend up to five nominees as Fellows. The final selection is made by a vote of the current fellows.
- Vice-President: A position that requires a very distinguished research record as well as leadership and organizational capabilities. Prior service to the AFA (such as previous Board service) is considered. Membership is also considered. Previous Presidents and Fellows are not eligible for this position.
- Director: A position for well-respected members of the profession who are willing to devote time to the AFA. Membership in the AFA is also considered. Previous Presidents and Fellows are not eligible for election.

The President-Elect also communicates that the Committee should explicitly consider the following criteria as part of its deliberations:

- Professional Conduct and Ethics: AFA Directors, Officers, and Fellows have a responsibility to model and promote high standards of behavior throughout the profession. As such, their reputation and prior conduct in professional settings should be considered (bearing in mind that the AFA does not attempt to independently adjudicate or investigate claims apart from those involving past interactions with the AFA itself). Directors and Officers have an additional obligation to serve the membership, and their capacity and willingness to do so should be evaluated.
- Institutional, Intellectual, Geographic and Demographic Diversity: Without sacrificing quality, the committee should consider the diversity of the candidates proposed, both in terms of the current cross-section and the time series. To do so, members of the committee should spend significant time up front to develop a broad and diverse list of names for consideration.
- AFA membership: Officers, Directors, and Fellows, in accordance with the Bylaws, must be members of the AFA. Nominees whose membership may have lapsed should be advised to reactivate their membership prior to accepting their nomination.

The President-Elect encourages new members of the Committee to research names they think would be appropriate, and indicates that a spreadsheet of potential candidates will follow. The President-Elect emphasizes that all communications and deliberations are confidential.

4. In a subsequent communication or communications, the President-Elect includes:
  - i. A reminder of the Committee's Conflict of Interest Policy and the importance of confidentiality.
  - ii. Spreadsheets of possible candidates and relevant information such as information about past service, and possibly research or other metrics. Spreadsheets are only for guidance.
  - iii. Specifically, the President-Elect shares with the Committee:
    - A list of the Nominating Committee members
    - A list of previous nominees for President, Vice-President, Directors, and Fellows who either were or were not elected
    - A list of previous nominees who chose not to seek election
    - The current slate of candidates (in the upcoming election).
5. When the results of the AFA election are known, the President-Elect alerts the Committee as to which candidates were elected and those that were not.
6. The President-Elect solicits nominations from each Committee member in a method that is determined by the President-Elect. (For example, members could be asked to provide up to four nominations for Vice-President; six nominations for Board; and three to five nominations for Fellow.)
7. The AFA Assistant compiles for the President-Elect a spreadsheet of the nominations, along with relevant information such as their institution, previous AFA service (i.e. committees, board), Google scholar link, whether they are an AFA member, and so forth. The list is then circulated to the committee and reviewed to ensure sufficient demographic diversity.

8. Either to gather preliminary information or to cull down the set of candidates, the President-Elect may ask the Committee to undertake a preliminary vote to form shortlists of candidates (or tentative short lists). For example, this shortlist could include four to six VP candidates, twelve to sixteen candidates for Director and up to four to six candidates for fellow. The President-Elect may provide the Committee with background information on candidates. Ineligible candidates are excluded.

The President-Elect asks Committee members not to vote on nominees from their own Institution, nor recent co-authors of theirs, to avoid conflicts of interest. If any member has questions about conflicts of interest, they should consult with the Chair. The President-Elect is free to fine-tune the voting mechanism to account for any COI as appropriate, in a fashion transparent to the Committee.<sup>1</sup>

The President-Elect performs some basic due diligence on short-listed candidates, which might include talking to the former AFA President that overlapped with the candidate when he or she served on the Board.

9. If short-lists are formed for the positions, the President-Elect notifies members of the Committee and asks about conflicts of interest with respect to the possible nominees as detailed in the Policy.
10. The Committee is convened during the morning of the final day of the AFA meeting (at which point the Chair has moved on to the office of AFA President).

The format includes the following:

- i. The President emphasizes the importance of confidentiality.
  - ii. The President reviews the Conflict of Interest Policy. The President reminds Committee members that although all relevant information is fine for discussions (even if provided by a member with a conflict of interest), possible conflicts of interest should be clearly self-identified.
  - iii. The criteria for each position are reviewed.
  - iv. The President may choose to hold votes and to finalize decisions at the meeting.
  - v. If further discussion or due diligence is warranted, the President may schedule additional future meetings.
11. The President shall conduct additional meetings as required to finalize decisions no later than the June meeting of the Executive Committee.
  12. The President then presents to the Executive Committee the proposed slate of two Vice-President nominees plus a backup, six Director nominees, and three to five Fellow nominees. If questions from

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<sup>1</sup> Examples of possible voting mechanisms:

Modified Borda Rule: All Committee voting members (strictly) rank all the nominees for VP (neither the President-Elect nor Vice-President vote). The President-Elect then adds up all the ranks for each nominee and divides by the number of Committee members voting). This generates an average score for each nominee. The nominees with the lowest scores are the short list.

Approval Voting: Committee members vote for positively for a subset of candidates. Each candidate receives a score equal to the fraction of eligible voters who approved.

the Executive Committee arise, the option remains for the Nominating Committee to reconvene to address them.

13. In July, the President invites the candidates to stand for election. *No candidate is told who the other candidates are, and all nominees are to remain confidential until the ballot becomes public.*

#### Conflict of Interest Policy for the Nominating Committee

1. No member of the Nominating Committee is eligible for nomination for any of the positions considered by the Committee.
2. Committee members will not vote on current or frequent coauthors, their dissertation chair, family, and those with whom they have an on-going financial relationship.
3. If a Committee member perceives that he or she has a conflict of interest for any other reason, the member should report this to the Chair, and recuse himself/herself from voting on the relevant candidate. If the member is unsure, the member should report to the Chair. The Chair may seek the advice of the Ethics Committee.