

FINANCIAL MANAGEMENT ASSOCIATION CODE OF PROFESSIONAL CONDUCT AND ETHICS

1. Preamble

Established in 1970, the Financial Management Association International (FMA) is a global leader in developing and disseminating knowledge about financial economics and financial decision making. To help achieve the goals of our organization, this document sets forth a Code of Professional Conduct and Ethics for financial economists. This code is not exhaustive, but instead provides a set of principles and examples to guide the actions of financial economists. In addition to adhering to the code in their own behavior, financial economists should work to promote and instill these values throughout the profession.

The FMA also has a Meeting Code of Conduct, which provides more specific details regarding appropriate conduct at FMA meetings. The FMA Board of Directors and Ethics Committee are responsible for maintaining and enforcing such conduct but does not have jurisdiction on conduct outside of FMA meetings. The purpose of this Code of Professional Conduct and Ethics is to provide guidance to FMA members on best practice behaviors more broadly, including research, recommendation letters, refereeing, hiring, and communications; it also enables other bodies (e.g. universities) to enforce them if they so choose. For example, a university may choose to hold a faculty member accountable for a violation of the FMA Code of Professional Conduct and Ethics.

Financial economists should be guided by the creation and dissemination of knowledge. This involves the accurate representation of their work, other financial economists' work, and other financial economists' suitability for a position, both publicly and privately.

2. Representations

(a) In research, teaching, practice, service, communications, or public websites, financial economists should accurately represent their position, rank, affiliation, area of expertise, and degree of expertise. This includes, but is not limited to the following:

- (1) Assistant and Associate Professors should not list their job title as "Professor of Finance."
- (2) Non-tenure track faculty, such as Clinical, Adjunct, or Practice Professors, should include the qualifier in their title.
- (3) Visiting professors should not present their temporary affiliation as their primary one, such as when quoted in the media, when submitting to journals, on conference nametags, and on the title page of conference presentations.

(b) In communications including but not limited to press interviews, talks, and expert witness testimony, financial economists should work to distinguish their personal views from any claims about the profession's generally accepted views (based on widely accepted scientific evidence).

(c) Financial economists should only give recommendations based on their direct knowledge. This includes, but is not limited to, tenure letters, PhD reference letters, or recommendations for doctoral workshops. For example, senior financial economists should not give recommendations for PhD students they do not know, because a junior colleague who advises the student has asked them to.

3. Research Integrity

(a) Financial economists should fully attribute any results, methodologies, or data taken from other papers.

(b) Financial economists should search for and cite closely related work. They should not present their work as being the first to address a particular research question without first verifying this.

(c) Financial economists should not fabricate or falsify data.

(d) Financial economists should not discard, winsorize, or discretize data without proper disclosure and should provide a scientific reason for such actions.

(e) Empirical researchers should be honest and transparent in reporting their methods and results, being mindful of the biases that arise from “p-hacking.”

4. Professional Integrity

(a) Financial economists should ensure they accurately convey information in all professional settings. This includes, but is not limited to, the following:

(1) Not making up job offers, either for yourself or a candidate you wish to hire.

(2) Not commenting on an issue on which you are uninformed, such a candidate’s teaching ability or service record.

(3) Not misrepresenting the suitability of a candidate for a position or award.

(4) Not misrepresenting the criteria for a position or award.

(5) Not misreporting information collected in surveys, such as salaries and research support in benchmarking surveys, the number of hours of teaching (or teaching on a specific issue) in surveys to determine business school rankings, or the amount of time spent on research or teaching in faculty time allocation surveys.

5. Public Communications

(a) Financial economists should strive to clearly and accurately communicate the findings of their research, including (where appropriate) any limitations.

(b) Financial economists should not make anonymous criticisms or allegations against other financial economists, for example on anonymous websites. Science evolves through critical debate, but such criticisms should be in the open to prevent unsubstantiated allegations and to make the critic's potential motives transparent.

(c) Financial economists should not make public criticisms of other financial economists that they cannot substantiate. This includes, but is not limited to, accusing someone of copying their paper, falsifying data, or teaching incorrect material.

(d) Financial economists should not publicly discuss their findings of research, for example in interviews with journalists or talks to companies, without making the research public.

6. Co-Authorships

(a) Financial economists should only list themselves as coauthors of a paper if they have made a substantial contribution to it. If a financial economist is no longer able to make a substantial contribution to the paper, and they should offer to remove themselves from the paper.

(b) Financial economists should not unduly impede co-authors' work. This includes, but is not limited to, ceasing to work on a paper without removing themselves, and vetoing coauthors from submitting the paper to journals without a scientific reason.

(c) Authors should not list anyone as a coauthor of a paper without explicit agreement from the person.

7. Acknowledgements

(a) The acknowledgements of a paper should be used to convey gratitude for comments, rather than to give the impression that someone has read the paper or suggest or avoid potential referees. Authors should not thank someone in the acknowledgements of a paper unless they have provided meaningful input, and they should thank anyone who has provided meaningful input.

(b) Authors should not thank someone as the referee of their paper without explicit consent. In particular, authors should not guess who the referee(s) are and thank them.

(c) The acknowledgements of a paper should convey sources of financial support and highlight any potential conflicts of interest.

8. Conflicts of Interest

(a) Conflicts of interest arise when financial economists' personal or financial interests prevent them from performing their professional work in an unbiased manner. In research, teaching, practice, and service, financial economists should be alert to situations that might cause a conflict of interest or the appearance of a conflict, and they should take appropriate action to prevent a conflict of interest or disclose it to appropriate parties. Examples follow below:

- (1) Financial conflicts of interest arise when financial economists receive financial support or have a consulting, employment or financial relationship with parties that would be affected by the results of their research. In such cases, the relationship should be disclosed on the title page of the research. In particular, if financial economists are paid to conduct the research (rather than simply receiving “financial support” to cover expenses such as travel and research assistants), this should be made explicit.
- (2) Personal conflicts of interest arise when financial economists have personal relationships, advisor-advisee relationships, past coauthorships, or professional or personal disagreements, that would affect their objectivity in reviewing another financial economist’s manuscript, body of work, or suitability for a position. In such cases, the relationship should be disclosed in the recommendation.
- (3) Financial economists should not use or otherwise seek to gain from information or material received in a confidential context (e.g., knowledge obtained from reviewing a manuscript or serving on a proposal review panel), unless they have authorization to do so or until that information is otherwise made publicly available.
- (4) Financial economists should not unduly influence decision makers in situations where they have a conflict. For example, financial economists should not lobby journal editors to accept or solicit papers by colleagues, former advisees, or family members, or lobby organizers of doctoral workshops to accept their student (outside of formal recommendation letters). If financial economists are the decision maker, they should recuse themselves from the decision if they have a conflict.
- (5) Financial economists’ decisions, such as accepting a paper, flying out a job market candidate, or inviting a seminar speaker, should not be influenced by the possibility of having a favor returned later.