

EMPLOYEE AND CONTRACTOR ETHICAL CONDUCT, CONFLICT OF INTEREST AND COMMITMENT

I. Purpose

It is the policy of the Board of Trustees of the University of Arkansas to ensure that employees of the University of Arkansas System and persons or entities contracting with the Board conduct their activities in an ethical manner and in accordance with applicable law, regulations, and University policies.

II. General Principles

A conflict of interest exists when financial, fiduciary, personal or other outside interest of a University employee could improperly influence or reasonably appear to improperly influence that employee's performance of duties, responsibilities, or professional role. Proper disclosure of reportable interests and activities, in accordance with applicable policies at each campus, division or unit, is necessary to identify and manage potential conflicts of interest and to ensure public trust in University decisions and contracting. Employees of the UA System shall not use or attempt to use their positions to secure special privileges for themselves, their families, or any enterprise in which they or an immediate family member hold any financial interest.<sup>1</sup>

A conflict of commitment exists when a University employee's time and effort given to outside activities and interests interferes or competes with that individual's obligations and responsibilities to the University. External activities must not substantially interfere with University duties or assignments.

III. Conflict of Interest Policies

Each campus, division and unit of the University, and the UA System Office shall establish conflict of interest policies applicable to their respective employees and to persons or entities contracting with the University through the campus, division, unit, or the System Office.<sup>2</sup>

The policies shall ensure adequate and timely disclosure of actual and potential conflicts of interest and commitment, and a method for resolving such conflicts, and shall be coordinated with campus policies to implement Board of Trustees Policy 450.1 regarding outside employment.

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<sup>1</sup> For purposes of Section IV. of this policy, "immediate family member" means the employee's spouse, parents, siblings, children and grandparents, per Ark. Code Ann. 19-11-701. For purposes of disclosure and management of conflict of interest generally, see Board of Trustees Policy 410.1.

<sup>2</sup> Conflicts of interest pertaining to patents, copyrights, inventions, and university research are addressed more specifically in Board Policy 210.1.

Among other things, the policies shall specifically ensure that employees in purchasing, billing, collections, financial aid offices, and any other offices otherwise engaged in contracting for expenditure or receipt of funds shall not: (a) accept gifts or gratuities from persons or entities soliciting, contracting with, or otherwise engaged in business with the University, and (b) shall not participate in any matter pertaining to a contract or subcontract, or potential contract or subcontract, with the employee, with an immediate family member of the employee, or with a business in which the employee acts as a manager, officer, director or partner, in which the employee holds a financial interest, or is seeking prospective employment.

The policies shall also require that any conflict of interest-related requirements of federal research sponsors are met. Further, the campus policies shall ensure adequate disclosure and assessment of affiliations, gifts, and contracts involving foreign sources, including notification to the Office of the General Counsel of any suspected or actual violations of such policies that are established for this purpose. The term “foreign sources” includes a foreign government, a legal entity created solely under the laws of a foreign state, an individual who is not a citizen or national of the United States, and an agent for any of the foregoing. Examples of foreign activities subject to disclosure include, but are not limited to, research funded by a foreign entity, paid or unpaid service to a foreign entity, scientific collaborations with foreign persons/entities in connection with federally funded research, and participation in any foreign government talent recruitment program.

The President shall further ensure that the policies adopted appropriately notify employees and persons or entities contracting with the University of this conflict-of-interest policy and policies adopted pursuant to it, provisions of the Ethics in Public Contracting Law and other applicable laws and rules dealing with conflict of interest and ethical conduct of public employees and contractors.

#### IV. Employment Prohibited Without Review and Approval

- A. The University shall not, without approval by the President or the President’s designee for system employment, or the Chancellor<sup>3</sup> or Chancellor’s designee for campus, division or unit employment, hire the following persons:
1. members of the Arkansas General Assembly during their term of office,
  2. constitutional officers during their term of office,
  3. former members of the Arkansas General Assembly in any job created or enhanced by legislation in the two-year period immediately preceding the end of that person’s term of office,

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<sup>3</sup> As used herein, “chancellor” shall include the chief executive officers for other units that are part of the University of Arkansas System.

4. former constitutional officers in any job created or enhanced by legislation in the two-year period immediately preceding the end of that person's term of office, and
5. immediate family members of members of the General Assembly, constitutional officers, and state boards and commissions.

B. The Chancellor shall consult with the President prior to approving the hiring of persons in categories 1 through 5 above.

V. Contracts and Grants Prohibited Without Review and Approval

A. The University shall not, without approval by the President or the President's designee<sup>4</sup> for systemwide contracts, or the Chancellor or Chancellor's designee for campus, division or unit contracts, enter into, extend, amend, or renew a contract with, or award a discretionary grant to, current or former:

1. members of the Arkansas General Assembly,
2. constitutional officers,
3. state board or commission members, or
4. state employees,
5. the immediate family member, including the spouse, of any of 1 through 4, or
6. any entity in which any person designated in 1 through 5 holds any position of control or holds any ownership interest of ten percent (10%) or greater.

B. The Chancellor or other appropriate University official shall consult with the President prior to approving a contract with a current or former member of the Arkansas General Assembly, their immediate family member, or any entity in which such person holds any position of control or holds any ownership interest of ten percent (10%) or greater.

VI. Delegation of Authority to President

The Board delegates to the President the authority to implement this policy through Systemwide policies to ensure appropriate disclosure and reporting to coordinate with applicable laws and regulations. The President may exempt certain contractors, employees or classes of contractors and employees from the provisions of this policy. The President may also expand upon the provisions of this policy to accomplish its objectives.

September 9, 2022 (Revised)  
September 18, 1998

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<sup>4</sup> All designations under this policy shall be in writing.