

## **UA SYSTEM CAMMACK CAMPUS POLICY ON CONFLICTS OF INTEREST AND COMMITMENT AND OUTSIDE EMPLOYMENT**

### **Purpose**

The purpose of this policy is to establish procedures for the disclosure and management of actual and potential conflicts of interest and commitment and for requesting approval of outside employment for compensation of certain staff members, employees, and contractors of the University of Arkansas System Office consistent with Board of Trustees Policies 330.1 and 450.1. Board Policy 330.1 requires each campus, division, unit, and the UA System Office to establish conflict of interest policies applicable to their respective persons or entities contracting with the University.

### **Policy Statement**

In accordance with Board Policy 330.1, UA System Office employees 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,<sup>1</sup> 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<sup>2</sup> 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. Further, consistent with Board Policy 330.1, the University shall not, without approval by the President or the President's Designee, enter into a contract with a current or former employee, their immediate family member, or an entity owned or controlled by the employee. Additionally, the policy requires timely disclosure of actual and potential conflicts of interest and commitment and the establishment of a method for resolving such conflicts.

In accordance with Board Policy 450.1, the University recognizes that while exempt<sup>3</sup> full-time staff members and senior administrators are obligated to devote their working time and efforts primarily to University activities, it may be advantageous to all parties that such employees engage in a limited amount of outside employment which will affirmatively contribute to their professional advancement or correlate usefully with their University work. Under the policy, written approval from an employee's supervisor is required before outside employment.

### **Conflicts of Interest and Commitment**

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 is necessary to identify and manage potential conflicts of interest

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<sup>1</sup> Employees generally are encouraged to familiarize themselves with the gift rules issued by the Arkansas Ethics Commission, available at <http://www.arkansasethics.com/>.

<sup>2</sup> For purposes of this policy, "immediate family member" means the employee's spouse, parents, siblings, children and grandparents, per Ark. Code Ann. 19-11-701.

<sup>3</sup> Exempt under the Fair Labor Standards Act.

and to ensure public trust in University decisions and contracting. Employees of the UA System Office 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.

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

### **Procedure for Disclosure and Resolution of Conflicts of Interest or Commitment<sup>4</sup>**

Situations that have the appearance of, potential for, or involve actual conflicts of interest or commitment must be reported, in writing, to the employee's immediate supervisor. The employee's written disclosure, as entered on the Conflict of Interest or Commitment Disclosure Statement form in Workday, should be made prior to any arrangements, whether verbal or written, being agreed upon concerning the potential conflict. Modification to existing arrangements should be reported as they occur. In addition, continuing arrangements should be reported annually as previously specified. In disclosing these situations, the disclosing employee shall indicate all steps that will be taken to avoid or minimize any conflict of interest. After consulting with the employee concerning whether an actual or potential conflict of interest exists, the supervisor shall provide the employee with a written decision and any remedial action that must be taken within five working days after such consultation. Remedial steps may include a conflict management plan.

Employees may appeal the decision to the next level supervisor. Conflicts that are determined to be of a serious nature due to their potential for adverse impact on the UA System shall be reported by the supervisor or superior to the President, or the President's designee. The decision of the President or the President's designee as to the resolution of any conflict shall be final.

### **Procedure for Approval of Outside Employment for Compensation**

In accordance with Board Policy 450.1, full-time, exempt UA System Office employees shall seek prior approval from their supervisor to engage in outside employment for compensation by submitting an Outside Employment Request Form in Workday.

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<sup>4</sup> In addition to this disclosure process applicable to all employees, UA System employees are reminded of disclosure requirements pertaining to certain employees under Ark. Code Ann. § 21-8-701(a)(4), as interpreted by the Arkansas Ethics Commission (statement of financial interest), Ark. Code Ann. §§ 21-8-201 - 21-8-204 and UA Systemwide Policies and Procedures 440.10 (reporting extra income), Ark. Code Ann. § 19-11-706 (benefits from state contracts), and Ark. Code Ann § 19-11-717 (benefits from contracts involving patents, copyrights or other proprietary information).