

UAM OPERATING PROCEDURE 455.1

Re: Conflict of Interest

March 11, 2014

Revised: February 24, 2020

Purpose

This procedure is intended to establish guidelines required for completing the annual dissemination and collection of the Conflict of Interest Disclosure forms in accordance with the University's Conflict of Interest Policy included herein as Appendix A.

Policy Notification

The Office of Human Resources will notify the campus community, via email, each year of the requirement to read and sign the Conflict of Interest Policy. Campus notifications should occur at least three times during the month of February. Policy requirements and forms will also be posted on the Department of Human Resources' website.

Employee Responsibility

- A. On an annual basis, all full-time faculty and staff will be required to read the University's Conflict of Interest Policy and submit a completed statement of disclosure/non-disclosure to the department head/budget unit head no later than March 15 of each calendar year.
- B. All new or re-hired full-time faculty and staff will be required to read the Conflict of Interest Policy and submit the signed statement of disclosure/non-disclosure with the Employee New/Re-hire Documents within two weeks of employment. Statements of disclosure will be routed by the Office of Human Resources to the appropriate department/budget unit head for review and action. It will be the responsibility of the department/budget unit head or designee to process the disclosure/non-disclosure forms within five days of receipt as outlined in the Conflict of Interest Policy.

Faculty or staff hired/re-hired during January and February of each year will not be required to complete a new disclosure/non-disclosure statement during the first year reporting period.

- C. All part-time non-benefit eligible employees (not including student workers and Graduate Assistants) will be required to sign a disclosure/non-disclosure form at the beginning of each fall semester. The signed forms should be submitted to the department/budget unit heads for approval and submittal to the Office of Human Resources by September 10 of each year.

Supervisor Responsibility

- A. Supervisors, Department Chairs and Deans are responsible for ensuring all employees (full-time and part-time) read the Conflict of Interest Policy and submit to the department a signed disclosure/non-disclosure statement by the appropriate deadline each year.
- B. Upon receipt of the completed disclosure/non-disclosure statement the supervisor, department chair or dean will review the submitted document and process as follows:
 - 1. Conflict of Interest (non-disclosure) Statements will be sent directly to the Office of Human Resources. Supervisors will be responsible for reporting to the Vice Chancellor a listing of all non-disclosure statements received.
 - 2. Conflict of Interest Disclosure Statements are to be discussed with the faculty/staff member for potential conflict and provide a statement of required corrective action (if applicable) within five days of receipt.
 - 3. Supervisors will send the disclosure statement and a copy of the written statement to the Vice Chancellor for review and approval. If determined by the Vice Chancellor to warrant further review or clarification, the statement of disclosure and the supervisor's written statement will be provided to the Chancellor for consideration and possible review by the Conflict of Interest Committee.
- C. All completed disclosure/non-disclosure forms must be submitted to the Office of Human Resources by March 31 of each year.

Reporting Requirements

Each department/budget unit head is responsible for submitting required disclosure/non-disclosure statements to the Office of Human Resources within the timeframes outlined in these procedures.

The Office of Human Resources will be responsible for tracking the receipt of the disclosure/non-disclosure statements for each employee. Tracking will include whether the employee identified a potential conflict of interest and if the disclosure was approved in accordance with the Conflict of Interest Policy.

The Office of Human Resources will provide each Vice Chancellor a report by April 30 and September 30 of each calendar year, of all employees who did not comply with the provisions of the Conflict of Interest Policy. It will be the responsibility of the Vice Chancellor to determine the appropriate Administrative Sanctions which may result from the employee's willful failure to comply with the provisions of the Conflict of Interest Policy.

Administrative Sanctions shall be applied consistently and without regard to any protected classes which may be considered discriminatory in nature. Any act of retaliation resulting from an employee's disclosure of a potential conflict of interest or request for appeal shall be

prohibited and will be addressed in accordance with the University's Discrimination Policy.

Conflict of Interest disclosure/non-disclosure statements will be maintained in the employee's personnel file.

Conflict of Interest Policy

Purpose

It is the policy of the University of Arkansas at Monticello to ensure that all University employees perform the functions of their positions in an ethical manner and that employees of the University abide by applicable law and policies governing ethical conduct and contracting. UA Board of Trustees (BOT) Policies 330.1 and 450.1 require each campus to establish policies and procedures governing conflicts of interest and outside activity.

The purpose of the Conflict of Interest (COI) Policy is to define and provide guidelines for the management of potential conflicts of interest on the part of employees at the University of Arkansas at Monticello ("UAM"). The term "employees" includes all faculty and staff.

While the COI Policy is intended to manage conflicts of interest at UAM, it should be noted that rules and regulations outside this document also govern conflicts of interest, including, but not limited to, University of Arkansas Board of Trustees Policies 330.1 ("Employee and Contractor Conflict of Interest") and 450.1 ("Outside Employment of Faculty and Administrative Staff Members for Compensation"). A non-exclusive list of laws and regulations and University of Arkansas at Monticello policies pertaining to conflict of interest and outside activities may be found in Appendix C. When considering whether any activity constitutes a conflict of interest, employees should be aware of such rules and regulations.

Conflicts of Interest – Generally

Conflicts of interest are situations in which University employees may have the opportunity to influence University administrative, business, or academic decisions in ways that could lead to personal gain, give improper advantage to self or others, or interfere with the preservation, generation, or public dissemination of knowledge.

Conflicts of interest are not necessarily unwarranted, unethical, or illegal. Furthermore, conflicts of interest are not always avoidable. The failure to disclose situations that have the potential for or involve actual conflicts of interest, however, may be unethical and/or illegal.

A conflict of interest depends on the situation and not on the character or actions of an individual.

General Duty and Policy: Disclosure

Because the complexity and diversity of personal relationships is extensive, and the perception of conflict of interest may vary from one individual to another, the most effective means to address conflicts of interest is to establish a system under which employees disclose and obtain evaluation of potential conflicts. Thus, University employees shall disclose any potential conflict that is or may be material.

Definitions

- **Immediate Family** is defined to include an employee's (a) spouse, and (b) dependent children.
- A **conflict of interest** is "material" if there is a substantial likelihood that a reasonable person would believe that the conflict has the potential to compromise the objectivity of the employee.

Contracting with Employees & Family Members

University of Arkansas Board of Trustees Policy 330.1 provides that the University shall not, without approval of the Chancellor, enter into a contract with a current or former state employee or a direct family member, including spouse, of any current or former state employee, or a company owned or controlled by the employee or family member. Procedures exist to seek approval in limited circumstances when such a purchase is in the best interests of the institution and when the relevant University employee does not participate in the purchasing decision. Likewise, Ark. Code Ann. § 19-11-705 prohibits any employee from participating directly or indirectly in any contract or solicitation where, to the employee's knowledge, the employee or an immediate family member has a financial interest, or where the entity being negotiated with has an arrangement with the employee concerning prospective employment.

Attendance at Vendor Sponsored Events

Employees of the University shall not attend any event, function, conference or other activity for which their expenses or costs (including items such as transportation, lodging, and food) are paid or provided, in whole or in part, by a vendor doing business with the University, or actively seeking business with the University, under circumstances whereby it would be a conflict of interest, or create an appearance of impropriety, for the

employee to attend the event, function, conference, or other activity. In determining the propriety of attending any event, function, conference, or other activity under this policy, the following factors shall be considered:

1. The identity of the employee and the nature of that person's responsibility for dealing with the vendor, including whether he or she has primary responsibility for the selection of the vendor and supervision of the vendor's activities on behalf of the University.
2. The nature and value of the benefits that are to be provided by the vendor.
3. Whether the vendor is currently seeking, or will in the near future be seeking, an initial contractual relationship or a renewal of its contractual relationship with the University.
4. Whether an issue currently exists with regard to a vendor's services to the University where it might be perceived that the vendor's actions are an attempt to influence a determination on that issue.

The prohibitions set forth in this policy shall also apply to members of the employee's family or other individuals receiving such benefit from a vendor due to their relationship with the employee.

Individual employees receiving an invitation from a University vendor or from a vendor actively seeking to do business with the University for any benefit described in this policy shall review the circumstances of the invitation with their supervisor prior to acceptance of any invitation.

It is not the intent of this policy to prohibit the receipt of gifts of nominal value or occasional meals paid for by a vendor. It is also not the intent of this policy to prohibit the receipt of benefits from a vendor when the acceptance of such benefits would not create a conflict of interest or an appearance of impropriety. It is the purpose of this policy to avoid accepting anything offered with the appearance, intent, or effect of influencing the exercise of an employee's professional judgment or would cause the relationship with a vendor to appear to be other than "arms length."

Financial interests and outside employment

Statement of Financial Interest

Pursuant to Ark. Code Ann. § 21-8-701(a)(4), as interpreted by the Arkansas Ethics Commission,¹ the Chancellor, the Provost, Vice Chancellors, deans, assistant deans, chairs, assistant chairs, and directors, as persons in charge of departments or divisions within the University, responsible for the supervision of employees and the administration of department budgets, must file a Statement of Financial Interest with the Arkansas Secretary of State by January 31 of each year. Forms and guidance are available from the Arkansas Ethics Commission at arkansasethics.com/forms.

Reporting Extra Income

Pursuant to Ark. Code Ann. §§ 21-8-201 - 21-8-204 and University-wide Administrative Memorandum 404.10, on or before January 31 of each year, all salaried employees of the University on full-time regular nine-month or twelve-month appointments are required to file with the President a statement reflecting income in excess of \$500 earned from a single source during the past calendar year as wages or salary or as fees or payment for professional or consultant services rendered to any public agency of the State other than the salary the person receives on a regular salary basis. Each such individual source from which income exceeds \$500 must be reported. If the cumulative total exceeds \$500, but income from no single source exceeds \$500, no report needs to be filed. This includes payment for adjunct teaching at another campus or unit of the University or services rendered to another state agency. A copy of the reporting form is distributed each year via email by the office of finance and administration.

Part-Time Employees

Part-time employees are subject to conflict of interest requirements, especially if they participate in sponsored activities. These instances should be discussed with individual department or unit heads.

Students

Special care should be exercised in the involvement of students in the valuation of commercial products or research supported by industrial sponsors, and such activities should be evaluated with attention to avoidance of detrimental effects on the student's academic program.

General Disclosure Procedures

It is the responsibility of each individual covered under this policy to disclose annually to University officials any potential conflicts of interest, as defined in this policy, by submitting a fully completed Disclosure of Potential Conflict of Interest form to appropriate University administrators. In addition, each individual must, within thirty (30) days of discovering or acquiring (e.g., through marriage, purchase or inheritance, etc.) a new potential conflict of interest, submit an updated Disclosure of Potential Conflict of Interest form.

Disclosure forms must also be completed by all new employees within the first two weeks of employment.

All employees shall receive an annual notice regarding this policy and a link to the location of the University's conflict of interest disclosure forms on the University web site. The forms shall be available throughout the year for employees who need to disclose any change in circumstances as those changes occur.

Employees are responsible for disclosing potential conflicts of interest that would reasonably appear to be affected by or to affect their University duties. However, it is the responsibility of the University, not the discloser, to determine if the disclosed interest could significantly affect the performance of University responsibilities and to require the management, reduction, or elimination of the conflict.

Review of Disclosures

Situations that have the appearance of, potential for or involve actual conflicts of interest must be reported, in writing, to the employee's immediate supervisor. Employee's written disclosure, as entered on the Disclosure of Potential Conflict of Interest form, should be made prior to any arrangements, whether verbal or written, are agreed upon concerning the potential conflict. Modification to existing arrangements should be reported as they occur. In addition, continuing arrangements should be reported on an annual basis as previously specified. In disclosing these situations, the disclosing person 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 (5) working days after such consultation. Employees may appeal the decision to the next level supervisor or to the Conflict of Interest Committee.

Conflicts that are determined to be of a serious nature due to their potential for adverse impact on UAM shall be reported by the supervisor to the Chancellor or the Chancellor's designated official. The Chancellor or designee will refer such serious conflicts to the UAM Conflict of Interest Committee to review the situation and make recommendations within twenty working days.

The decision of the Chancellor or Chancellor's official designee as to the resolution of any conflict shall be final.

Records Requests and Exemptions

To facilitate the public disclosure of records regarding conflict of interest and outside employment, employees shall be asked to identify, at the time of disclosure, any specific information which they have a good faith belief should be considered exempt from public disclosure under the Arkansas Freedom of Information Act or other applicable law because the information falls within a specific, established exemption to disclosure. For example, under Ark. Code Ann. § 25-19-105(b)(12), personnel records are not required to be publicly disclosed under the FOIA if their disclosure would constitute a "clearly unwarranted invasion of personal privacy." Likewise, under Ark. Code Ann. § 25-19-105(b)(9)(A), records are not required to be released "which, if disclosed, would give advantage to competitors or bidders."

Employees claiming that portions of their disclosed information are not subject to public release must include a detailed statement of explanation regarding why the specific information is exempt under the law. Blanket claims of exemption or submissions which do not identify specific information and a rationale for exemption will be returned to the employee for clarification and may delay approval of the disclosures. Note that federal regulations specifically require that significant financial conflicts of interest related to certain funded research projects must be made publicly accessible, upon request. Accessible information must include the individual's name, position on the research project, name of the entity in which the SFI is held, the nature of the financial interest, and the dollar value (within a numeric range), or a statement that the interest cannot be readily valued.

Specific information which employees claim is exempt from public disclosure will be reviewed by University officials and a determination made on whether the information is exempt prior to such disclosure. In the event an employee disagrees with the University's determination on the exempt status of records under the Arkansas FOIA, the employee may request an Attorney General's opinion on the matter, consistent with Ark. Code Ann. § 25-19-105(c)(3)(B).

In signing their disclosure forms, employees acknowledge that all non-exempt information may be publicly released upon request.

Conflict of Interest Committee

A Conflict of Interest Committee shall be formed as a subcommittee of the Human Relations Committee, which is appointed by the Chancellor. The Committee shall meet as needed in order to act in a timely fashion. The Conflict of Interest Committee shall review disclosures for possible conflict that are referred to the Committee by the Chancellor or the Chancellor's designee or brought before the Committee pursuant to an appeal, and shall advise appropriate officials as to an appropriate resolution. The Committee shall also be charged with policy review and revisions.

Administrative Sanctions

Failure to disclose conflicts of interest in an appropriate and timely manner, or failure to comply with procedures to resolve conflicts of interest as recommended by the Conflict of Interest Committee, may result in administrative sanctions as determined by the appropriate Vice Chancellor with advice from the appropriate Dean or other administrative officials and the Conflict of Interest Committee. Administrative action may include oral admonishment, written reprimand, reassignment, disqualification from submitting proposals for research support to Federal Agencies or other sponsors, demotion, suspension, or separation. Any sanctions may be appealed to the Chancellor or Chancellor's designee, whose determination shall be final.

Maintenance of Records

All conflict disclosures and records of actions taken by UAM with respect to each conflict shall be maintained for at least three (3) years from the date the disclosure form is filed or the date of any document resolving the conflict, whichever is later. The file will be maintained in the UAM Department of Human Resources.

**Disclosure of Potential Conflict of Interest and Commitment
University of Arkansas at Monticello**

It is the campus policy of the University of Arkansas at Monticello (UAM) that its officers, faculty, staff and others acting on its behalf have the obligation to avoid ethical, legal, financial and other conflicts of interest with their obligations to the University or its welfare. In adherence to the institution's policy, please complete the following statement to disclose any relationships or activities which might give rise to conflicts, or the appearance thereof, with your duties, responsibilities or obligations to UAM.

All faculty, classified and non-classified staff are required to complete this form on or before March 15 each year, or as requested by the University.

I have read the campus policy on conflict of interest and commitment, and I disclose the attached explanation of the nature of each potential conflict of interest or appearance thereof in compliance with that policy.

I have read the campus policy on conflict of interest and commitment, and I have no conflicts of interest to disclose.

Note: The information disclosed to the University may be subject to public disclosure. To request that specific information be reviewed to determine if it is exempt, attach all of the information required by UAM's conflict of interest policy.

In signing this disclosure, the employee acknowledges that all information not determined to be exempt may be released by the University upon public request, without further notice.

Signed _____ Date _____

Name (print or type) _____

Title or Position _____

Department or Unit _____

Administrative Review

No conflict exists Conflict exists – corrective action statement attached

Department Chair or Unit Head

Date

*If no conflict exists, this form is complete and should be submitted to Department of Human Resources. If a conflict exists, complete remainder of form.

Conflict exists – Corrective action statement approved Conflict exists – further review required

Dean or Unit Head Supervisor

Date

Conflict exists– Corrective action statement attached
 Referred to Conflict of Interest Committee for further review

Executive Council Member

Date

Related Laws and Policies

The following is a non-exclusive list of laws and regulations and University of Arkansas at Monticello policies pertaining to conflicts of interest and outside activities.

Code of Federal Regulations

42 CFR Part 50, Subpart F	Promoting Objectivity in Research (Revised Financial Conflict of Interest Regulation)
42 CFR Part 94	Responsible Prospective Contractors

Arkansas Code

6-63-307; 19-4-1604	Concurrent Employment with Other Agencies or Institutions of Higher Education
19-11-701 - 19-11-714	Ethics
19-11-716	Participation in Business Incubators
19-11-717	State-supported Institutions of Higher Education (Patents, Copyrights and other Proprietary Information)
21-8-201 - 21-8-204	Extra Income Reporting
21-8-701	Statement of Financial Interests

Arkansas Ethics Commission

Rules on Gifts	Available at www.arkansasethics.com
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Board of Trustees Policies

210.1 – 210.2	Patent and Copyright; Copyright and Distance Learning
410.1	Nepotism
330.1	Employee and Contractor Conflict of Interest
340.1	Related Entities
450.1	Outside Employment
465.1	Political Activity

University-wide Administrative Memoranda

404.10	Reporting of Income from Public Agencies
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UAM Operating Procedures

355.1	Concurrent Employment
410.5	Extra Compensation Policy