

Finance and Administration
Arkansas State University

Date Prepared: January 17, 2006

Code of Ethics

The ASU Department of Finance and Administration's (F&A) Code of Ethics (Code) is the written document that supports the culture of ethical and efficient service to the faculty, staff and students, as well as the citizens of Arkansas provided by this department. The Code describes the behavior expected of employees that perform these services.

F&A – Code of Ethics

F&A employees must comply with all applicable laws and regulations. F&A will not condone employee conduct that either violates, or has the appearance of violating, the law, including the ethical provisions. This includes receiving payments for illegal acts, indirect contributions, rebates, or bribery.

If an employee is uncertain about the application or interpretation of any legal or procedural requirement, the employee should ask for guidance from his or her immediate supervisor.

Conflicts of Interest

F&A employees must perform their duties in an ethical manner. Employees must not use their position or knowledge gained from their position for private or personal advantage. **Arkansas Code Annotated (ACA) §21-8-304** lists certain activities that are ethically prohibited activities for state employees and officials. If an employee becomes involved in a situation that could be considered a prohibited activity, the employee should immediately communicate all the facts to his or her immediate supervisor. **ACA §21-8-304** prohibits the following activities:

- No state employee shall use or attempt to use his or her official position to secure special privileges or exemption for himself or herself or his or her spouse, child, parents, or other persons standing in the first degree of relationship, or for those with whom he or she has a substantial financial relationship that is not available to others except as may be otherwise provided by law.
- No state employee shall accept employment or engage in any public or professional activity while serving as a public official which he or she might reasonably expect would require or induce him or her to disclose any information acquired by him or her by reason of his or her official position which is declared by law or regulation to be confidential; and
- No state employee shall disclose any such information gained by reason of his or her position, nor shall he or she otherwise use such information for his or her personal gain or benefit.

Outside Activities, Employment, and Directorships

F&A employees should avoid acquiring any business interest, engaging in outside employment or participating in any activity outside ASU that would conflict with his or her official duties.

Relationships with Clients and Suppliers

Employees must adhere to the employee conflict of interest statement in **ACA §19-11-705** in their relationships with clients and suppliers to avoid any conflict of interest. **ACA §19-11-705** has the following provisions:

- It shall be a breach of ethical standards for any employee to participate directly or indirectly in any proceeding or application, in any request for ruling or other determination, in any claim or controversy, or in any other particular matter pertaining to any contract or subcontract, and any solicitation or proposal therefore, in which to the employee's knowledge:
 1. The employee or any member of the employee's immediate family has a financial interest;
 2. A business or organization has a financial interest, in which business or organization the employee, or any member of the employee's immediate family, has a financial interest; or
 3. Any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is a party.
- Direct or Indirect participation shall include, but not be limited to, involvement through decision, approval, disapproval, recommendation, preparation of any part of a procurement request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

In addition, any employee who has or obtains any benefit from a state contract with a business in which the employee has a financial interest shall make a disclosure to the Director of Finance and Administration in accordance with **ACA §19-11-706** and the Rules and Regulations for Implementing **Governor's Executive Order 98-04**. If the employee has questions concerning these laws or procedure, he or she must discuss it with their immediate supervisor and the ASU Director of Procurement.

Gifts, Entertainment, and Favors

Employees must not accept entertainment, gifts, personal favors or preferential treatment that could influence, or appear to influence, their decisions in performing their job functions. Specific procurement law addressing kickbacks and gratuities is codified in **ACA §19-11-707** and included in **Chapter 11, Subchapter 7 "Ethics" of the Procurement Law and Regulations** promulgated by the Office of State Procurement. Refer to Rules and Gifts issued by the Arkansas Ethics Commission for detailed rules on gifts at http://arkansasethics.com/rules/Rules_on_Gifts.doc.

Kickbacks and Prohibited Commissions

F&A employees must not receive kickbacks, prohibited commissions or other prohibited payments from third parties. Violations of this rule will result in imposition of penalties provided by law. Specific procurement law addressing kickbacks and commissions is codified in **ACA §19-11-707 and ACA §19-11-708** and included in **Chapter 11, Subchapter 7 “Ethics” of the Procurement Law and Regulations** promulgated by the Office of State Procurement.

Organization Funds and Other Assets

Employees who have access to University funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in The F&A Financial Management Guide or other explanatory materials, or both. If an employee has knowledge of fraud or waste of public assets, the employee should immediately advise his or her immediate supervisor. Personal use of University funds or assets is strictly forbidden. If the immediate supervisor is involved in the fraud or waste, the employee should report the issue directly to the Internal Audit Department.

Organization Records and Communications

The F&A books and records must reflect accurate and timely recording of all business transactions. Full disclosure of assets, liabilities, receipts and disbursements must be made. Employees must not make or engage in any false record or communication whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements; and
- False advertising, deceptive marketing practices, or other misleading representations.

Dealing with outside People and Organizations

Employees must not use their position or affiliation with ASU when communicating regarding matters not involving ASU business. Employees must not use organization identification, stationary, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve ASU business, employees must not speak for ASU on any topic, unless they are certain that the views they express are those of ASU management, and that it is ASU management’s desire that such views be expressed publicly.

When dealing with anyone outside ASU, including public officials, employees must take care not to compromise the integrity or damage the reputation of ASU or any other entity.

Prompt Communications

Employees of F&A shall respond promptly and accurately to all requests for information and complaints regardless of the source.

Privacy and Confidentiality

When handling financial and personal information about customers or others with whom F&A has dealings, observe the following principles:

1. Collect, use, and retain only personal information necessary for ASU business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information;
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information; and
3. Limit internal access to personal information to those with a legitimate business reason to have the information. Use personal information only for the legitimate business purpose for which it was obtained. Release of any information to persons not involved with the stated business purpose should be made by management in response to a Freedom of Information Act request.

Reporting Suspected Fraud

F&A employees have a responsibility to report occurrences of ethical violations, fraud, waste, or abuse of ASU resources that can be verified through investigation. F&A employees shall be protected against any form of retaliation, including discharge, for reporting, in good faith, occurrences of ethical violations, fraud, waste or abuse of ASU resources as stated in the Arkansas Whistleblower Act (**ACA §21-1-601-609**). Investigations to substantiate reported allegations will be conducted in a confidential manner.

Allegations of ethical violations or fraud may be reported to the ASU System Operations Area of Internal Audit by telephone (870-972-3593). A complainant may also choose to report fraud, waste or abuse by completing a Complaint Form obtained at the following web site http://www.asusystem.edu/internalaudit/report_issue.php. Complaint forms can be mailed directly to the Internal Audit office at the following address:

Arkansas State University
Vice President for ASU System Operations
Internal Audit Office
PO Box 958
State University, Arkansas 72467-0958

My signature on this document indicates that I have read and fully understand the prohibited activities and my responsibilities to ASU as listed in this code of ethics.

Printed Name

Date

Signature

Office

Arkansas State University
F&A – Code of Ethics
Annual Acknowledgment Statement

My supervisor/manager and I have reviewed and discussed the F&A – Code of Ethics. I understand that my signature on this document indicates that I have read and fully understand the prohibited activities and my professional ethical conduct responsibilities as an employee of the Finance and Administration Division of Arkansas State University as described in the F&A Code of Ethics.

Employee Printed Name

Signature

Date

Supervisor/Manager
Printed Name

Signature

Date

Department

Note to Supervisor/Manager: The review and discussion of F&A – Code of Ethics is an annual requirement. This signed document shall be submitted to ASU Human Resources along with the employee’s annual performance evaluation.