

STANDARDS OF CONDUCT AND CONFLICT OF INTEREST  
OF THE BOARD OF TRUSTEES  
OF ARKANSAS STATE UNIVERSITY

The Board of Trustees of Arkansas State University is declared by statute to be a body politic and corporate. Members of the Board must perform their responsibilities in accordance with high standards of integrity, avoid conflicts of interest, and disclose those which occur. This policy establishes standards of conduct for members of the Board in addition to those established by applicable statutes or policies of the Board. This policy is to assure that members of the Board act in accordance with these standards and that conflicts of interest which occur are appropriately disclosed and resolved.

I. General Standards of Conduct for Trustees

A. A Trustee shall discharge his/her duties as a member of the Board as follows:

1. In good faith;
2. With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
3. In a manner the Trustee reasonably believes to be in the best interest of the University.

B. In discharging his/her duties, a Trustee is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

1. One or more officers or employees of the University whom the Trustee reasonably believes to be reliable and competent in the matters presented;
2. Legal counsel, public accountants, the Arkansas Attorney General, or other persons as to matters that the Trustee reasonably believes are within the person's professional, official, or expert competence.

C. A Trustee is not acting in good faith if the Trustee has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection B unwarranted.

## II. Trustee Conflict of Interest.

- A. A conflict of interest transaction is a transaction with the University in which a Trustee has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the Trustee if either of the following is true:
1. The transaction was fair to the University at the time it was entered into;
  2. The material facts of the transaction and the Trustee's interest were disclosed or known to the Board and the Board authorized, approved, or ratified the transaction
- B. For the purposes of this policy, a Trustee has an indirect interest in a transaction if 1) another entity in which the Trustee has a material interest or in which the Trustee is a general partner is a party to the transaction or 2) another entity of which the Trustee is a director, officer, or Trustee is a party to the transaction. A Trustee shall also be deemed to have an indirect interest in a transaction if any member of his/her immediate family is a party to the transaction, or has a material interest in another entity which is a party to the transaction or is a director, officer, or Trustee of another entity which is a party to the transaction.
- C. For purposes of subsection A.2 a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Board of Trustees, who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by less than a majority of the entire Board.
- D. A Trustee must always abstain from voting or influencing transactions where a conflict of interest exists. A Trustee having knowledge of a conflict of interest shall disclose it to the Board Chair within a reasonable time after becoming aware of the conflict of interest. A Trustee having a conflict of interest shall not vote or otherwise take any action with the respect to the matter as to which a conflict of interest exists.

## III. Disclosure

- A. Members of the Board shall annually submit a Statement of Financial Interest to the Arkansas Secretary of State on or before January 31 of each year as required by law. Such disclosure shall be deemed a public record and subject to the Arkansas Freedom of Information Act.
- B. Each Trustee shall also submit annually a Conflict of Interest Disclosure Form to the Executive Secretary to the Board. Such disclosure shall be deemed a public record and subject to the Arkansas Freedom of Information Act.

IV. Prohibited Activities

- A. A Trustee shall not use or attempt to use his or her position to secure special privileges or exemptions for himself, herself or others.
- B. A Trustee shall not disclose 1) confidential information acquired by him or her in the course of a member's official duties; 2) discussions and deliberations of the Board conducted in executive session; or 3) use such information to further his or her personal interest.

## Board of Trustees of Arkansas State University

### Conflict of Interest Disclosure Form

I have received a copy of the Bylaws of the Board of Trustees of Arkansas State University.

I have read and understand Standards of Conduct and Conflict of Interest of the Board of Trustees of Arkansas State University.

Except as disclosed herein, to the best of my knowledge and belief neither I, nor a member of my immediate family, nor any entity in which I hold a material interest, has entered into any transaction with Arkansas State University. Further, except as disclosed herein, no member of my immediate family is employed by Arkansas State University.

This statement is made:

- a. Without exception \_\_\_\_\_; or
- b. Except as described in the attached statement \_\_\_\_\_.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_