

UNIVERSITY OF CENTRAL ARKANSAS
BOARD POLICY

Policy Number: 201

Subject: Standards of Conduct and Conflict of Interest

Date Adopted: 02/05 Revised: 08/11

1. General

The Board of Trustees of the University,

University Board of
Trustees under other statutes or

These standards must be used
The duty of each trustee must be
a duty of the board,
and to err on the side of caution in

2. General Standards of Conduct

- a. A trustee shall discharge his/her duties as a member of the board in the overall best interests of the university. In performing his/her duties, a trustee should always act in good faith and with the care an ordinarily prudent person in the same or similar position would exercise under similar circumstances.
- b. In making decisions, a trustee is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by:
 - i. Officers or employees of the university whom the trustee reasonably believes to be reliable and competent in the matters presented;

- ii. Legal counsel, public accountants, the Arkansas Attorney General, or other persons as to matters that the trustee reasonably believes are within the 'person 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 (a) warranted.

3. Conflicts of Interest

- a. A "conflict of interest transaction" is a transaction with ~~the~~iversity in which a trustee has a direct or indirect interest.
- b. A trustee has a direct interest in a transaction, if the trustee, or a member of ~~the~~ trustee immediate family, will derive an economic benefit. A trustee ~~has~~indirect interest in a transaction if (i) another entity in which the trustee has a material interest or in which

- a. Members of the board shall annually submit a statement to the secretary of the board on or before January 31 of each year, disclosing whether the trustee, his or her immediate family member, or any entity in which he or she holds any position of control or holds any ownership interest of 10% or greater, has entered into any contract with the university or whether an immediate family member of the trustee is employed by the university.
- b. For purposes of this policy, "contract" shall mean any agreement entered into by and between the university and a trustee or entity in which he or she holds any position of control or holds any ownership interest of 10% or greater pursuant to which the university agrees to purchase or lease tangible personal property, real property, or services, or any agreement for the disposal of commodities and services, including, but not limited to, awards and notices of awards, contracts of a fixed price, cost, or incentive type, contracts providing for the issuance of job or task orders, leases, lease purchase agreements, letter contracts, purchase orders, professional or consultant services contracts, and supplemental agreements with respect to any of these categories. Contracts shall also include grants. Further, for purposes of this policy, "immediate family member" shall mean a trustee's spouse, children of the trustee or his/spouse, and brothers, sisters, or parents of the trustees or his/ her spouse.
- c. As a part of such annual disclosure, each trustee shall acknowledge, but not