

**ARKANSAS DEPARTMENT OF EDUCATION  
RULES AND REGULATIONS GOVERNING ETHICAL GUIDELINES AND  
PROHIBITIONS FOR EDUCATIONAL ADMINISTRATORS, EMPLOYEES,  
BOARD MEMBERS AND OTHER PARTIES**

July 11, 2005

**1.00 REGULATORY AUTHORITY**

- 1.01 These rules and regulations shall be known as the Arkansas Department of Education Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members and other parties.
- 1.02 These rules are enacted pursuant to the Arkansas State Board of Education's authority under Ark. Code Ann. §§ 6-11-105, 6-24-101 et. Seq. and Act 1381 of the 85<sup>th</sup> Arkansas General Assembly.

**2.00 PURPOSE**

- 2.01 The purpose of these rules is to set forth certain ethical guidelines and prohibitions for educational administrators, employees, board members and other parties which involve contracts, transactions or agreements with Arkansas public school districts, charter schools, educational cooperatives or any publicly supported entity having supervision over public educational entities excluding institutions of higher education.

**3.00 DEFINITIONS**

Unless otherwise specifically stated herein, the term:

- 3.01 "Administrator" means any superintendent, assistant superintendent or his/her equivalent, school district treasurer, business manager, or other individual responsible for entity-wide purchasing. *The determining factor for being considered an "administrator" for the purposes of these regulations and compliance with Act 1599 of 2001 is the actual or implied authority of an individual to make purchases on behalf of the entire organization. This definition excludes many building principals (whose purchasing authority is often limited to their own school), but could include athletic directors or others. Classified employees serving in food services, business/accounting or other capacities may also be considered "administrators" under Act 1599 when they exercise autonomous system-wide purchasing authority.*
- 3.02 "Board" means local school boards or other governing bodies of public educational entities;

- 3.03 “Board Member” means any board member, director, or other member of a governing body of a public educational entity;
- 3.04 “Board of Education” means the State Board of Education;
- 3.05 “Commissioner” means the Commissioner of the Arkansas Department of Education or his or her designee.
- 3.06 “Commodities” means all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and services, other than personal and professional services, purchased for or on behalf of a public educational entity;
- 3.07 “Contract” means any transaction or agreement for the purchase, lease, transfer, or use of real property or personal property and personal or professional services, including but not limited to, motor vehicles, equipment, commodities, materials, services, computers or other electronics, construction, capital improvements, deposits, and investments;
- 3.08 “Contract disclosure form” means the form herein incorporated and attached to these rules and regulations as Appendix Form E;
- 3.09 “Day” means a working day in which the Arkansas Department of Education is open to transact official governmental business;
- 3.10 “Department” means the Arkansas Department of Education;
- 3.11 “Directly” or “directly interested” means receiving compensation or other benefits personally or to a business or other entity in which the individual has a financial interest. *See 3.16 “Financial interest.” A direct interest exists even when a management position or ownership interest is merely “on paper,” and is not dependent on the exercise of actual authority or the receipt of actual financial benefits from a business or entity;*
- 3.12 “Emergency purchase” means purchases mandated by unforeseen and unavoidable circumstances in which human life, health, or public property is in immediate jeopardy; and the expenditure is necessary to preserve life, health, or public property;
- 3.13 “Employee” means a full-time or part-time employee of a public educational entity;
- 3.14 “Employment contract” Means an agreement or contract between an employer and an employee in which the terms and conditions of the employment are provided.

3.15 “Family” or “family members” means:

- (A) An individual’s spouse;
- (B) Children of the individual or the individual’s spouse;
- (C) The spouse of a child of the individual or the spouse of a child of the individual’s spouse;
- (D) Parents of the individual or the spouse;
- (E) Brothers and sisters of the individual or the spouse;
- (F) Anyone living or residing in the same residence or household with the individual or the spouse; or
- (G) Anyone acting or serving as an agent of the individual or the spouse.

3.16 “Financial interest” in a business or other entity means:

- (A) Ownership of more than a five percent (5) interest; or
- (B) Holding a position as an officer, director, trustee, partner, or other top level management; or
- (C) Being an employee, agent, independent contractor, or other arrangement where the individual’s compensation is based in whole or in part on transactions with the public educational entity; or
- (D) Financial interest does not mean the ownership of stock or other equity holdings in any publicly held company. or
- (E) Financial interest does not mean clerical or other similar hourly compensated employees.

3.17 “Gratuity” means a payment, loan, subscription, advance, deposit of money, travel, services or anything having a present market value of one hundred dollars (\$100) or more, unless consideration of substantially equal or greater value is received;

3.18 “Indirectly” or “indirectly interested” means receiving compensation or other benefits personally, to a family member, or to a business or other entity in which the individual or a family member has a financial interest;

3.19 “Initially employed” means:

- (A) Employed in either an interim or permanent position for the first time or following a severance in employment with the school district; or
- (B) A change in the terms and conditions of an existing contract, excluding:

- (i) Any renewal of a teacher contract under Ark. Code Ann. § 7-17-1506; or
  - (ii) Renewal of a non-certified employee's contract that is required by law.
  - (iii) Movement of an employee on the salary schedule which does not require board action.
- 3. 20 "Public educational entity" means Arkansas public school districts, charter schools, educational cooperatives, or any publicly-supported entity having supervision over public educational entities. Public educational entity does not include institutions of higher education.
- 3.21 "Written resolution" means the form herein incorporated and attached to these rules and regulations as Appendix Form F.

#### **4.00 GENERAL PROHIBITION**

- 4.01 No board member, administrator, or employee of a public educational entity shall knowingly use or attempt to use his/her official position to secure unwarranted privileges or exemptions for himself/herself or others.
- 4.02 No board member, administrator, or employee of a public educational entity shall accept employment, contract, or engage in any professional activities for which a reasonable person might be expected in exchange to disclose confidential information acquired by the board member, administrator or employee by reason of his/her official position with the public educational entity.
- 4.03 No board member, administrator, or employee shall knowingly disclose any confidential information gained by reason of his/her position or use such confidential information for his/her personal gain or benefit.

#### **5.00 TECHNOLOGY PROHIBITION**

- 5.01 All transactions are prohibited involving the purchase, lease, acquisition or other use of computers, software, copiers or other electronic devices from family members of an employee responsible for establishing specifications or approving purchases of such equipment for the public educational entity which unless approved according to the public disclosure requirements regarding contracts with employees of a public educational entity which have a direct interest in such contracts as provided for in Section 12.00 of these rules and regulations.

## **6.00 GENERAL ETHICAL STANDARDS FOR NON-EMPLOYEES**

- 6.01 No person shall attempt by any effort to influence any public educational entity board member, administrator, or employee to knowingly violate any provisions of these rules.
- 6.02 Any person attempting to influence a public educational entity board member, administrator, or employee to knowingly violate the provisions of these rules may be subject to the criminal penalties provided for in Act 1599 of 2001 and the Arkansas criminal code.

## **7.00 EMPLOYMENT RESTRICTIONS OF ADMINISTRATORS**

- 7.01 Unless the Commissioner of the Arkansas Department of Education provides written approval otherwise, administrators are prohibited from being or becoming the employee, agent or independent contractor of any party contracting with the public educational entity they serve while serving as an administrator for that public educational entity.
- 7.02 Unless the Commissioner of the Arkansas Department of Education provides written approval otherwise, administrators are prohibited from engaging in selling or attempting to sell commodities or services to the public educational entity which employs him/her as an administrator for one (1) year following the termination of his/her employment as an administrator for the public educational entity.

## **8.00 GRATUITIES AND KICKBACKS**

- 8.01 No person may offer, give or agree to give any board member, administrator, or employee of a public educational entity a gratuity or an offer of employment in connection with any contract or transaction with a public educational entity.
- 8.02 No board member, administrator, or employee may solicit, demand, accept, or agree to accept from another person or entity a gratuity or an offer of employment in connection with any contract or transaction with a public educational entity.
- 8.03 No person may induce the award of a contract or transaction with a public educational entity by offering any payment, gratuity, or offer of employment to be made by or on behalf of a person or entity directly or indirectly interested in the contract or transaction with a public educational entity.

## **9.00 EMERGENCY PURCHASE**

- 9.01 Any emergency purchases or contracts with a public educational entity shall be exempt from the prohibitions of these rules.

- 9.02 Emergency purchases shall be only those contracts for the preservation of life, health or public property and shall not be used to substantially improve the condition of an asset of the public educational entity, the board member, administrator or employee of the public educational entity prior to the emergency.
- 9.03 Each public educational entity shall maintain records and copies of all documentation relating to and supporting a determination that the transaction qualifies as an emergency purchase for three (3) years from the date of the emergency purchase.
- 9.04 Any person attempting to use emergency purchase to avoid the intent of these rules and regulations shall be guilty of violating these rules and shall be subject to the penalties provided for in Section 17.00 of these rules.

## **10.00 BOARD MEMBERS**

### **General Contracts**

- 10.01 Board members and family members of board members may not contract with the public educational entity the board member serves except as allowed by Act 1599 of 2001 and these rules.
- 10.02 In unusual and limited circumstances, family members of a board member may contract with the public educational entity the board member serves after submitting complete and full disclosure of all relevant facts in a contract disclosure form (Form E) at an open meeting and a majority of the board members determine that the contract is in the best interest of the public educational entity and approves a written resolution (Form F) explaining the unusual circumstances necessitating and justifying the contract and explaining the restrictions and limitations of the contract.
- 10.03 In unusual and limited circumstances, board members may contract with the public educational entity they serve after submitting complete and full disclosure of all relevant facts in a contract disclosure form (Form E) in an open scheduled meeting of the board and a majority of the board determines that the contract is in the best interests of the public educational entity and approves a written resolution (Form F) explaining the unusual circumstances necessitating and justifying the contract and explaining the restrictions and limitations of the contract.
- 10.04 No board member may participate in the discussion or vote on a contract in which they have a direct or indirect interest and the board member shall leave the board meeting room until the discussion and vote on the issue or contract is concluded.

- 10.05 If a contract with a board member or board member's family member totals \$5,000 or more, the superintendent of the public educational entity or chief administrator shall seek independent review and approval of the contract from the Commissioner of the Department in the following manner:
- a. The written resolution (Form F) along with the contract disclosure form (Form E) shall be fully and accurately completed and shall be forwarded to the Commissioner by certified mail to the address listed on the contract disclosure form (Form E) provided by the Department of Education.
  - b. The Commissioner or his designee shall review the contract information and either approve or disapprove the contract or request additional information and/or time by responding to the public educational entity within the initial ten (10) day time period of receipt of the resolution.
  - c. If approved, the Commissioner shall issue an approval letter stating all relevant facts and circumstances considered and establish any restrictions or limitations pertaining to the contract.
  - d. In no event shall a contract be approved by the Commissioner for a time period greater than two (2) years.
  - e. No contract shall be valid until written approval has been issued by the Commissioner of the Department or the Commissioner fails to respond to a request for independent review and approval within the time period of ten (10) days of receipt of a resolution or at a later time specified by the Commissioner if the Commissioner requests additional data or time in order to respond to the request for independent review.

#### Employment Contracts with Family Members

- 10.06 A board member's family member may not be initially employed by the public educational entity the member serves during the member's tenure of service on the local board for compensation in excess of five thousand dollars (\$5,000) unless the Commissioner of the Department of Education issues a letter of exemption and approves the employment contract based on unusual and limited circumstances.
- (a) The determination of unusual and limited circumstances shall be at the sole discretion of the Commissioner of the Department of Education and may be further defined by rule of the State Board of Education.
  - (b) The Commissioner of the Department of Education's approval of an employment contract may include restrictions and limitations that are by this subsection incorporated as terms or conditions of the contract.

- (c) No employment contract that is prohibited under this section is valid or enforceable by any party to the employment contract until approved in writing by the Commissioner of the Department of Education.
  - (d) In order to make a determination regarding a request for an exemption of the prohibition of a Board Member's family member being employed by a public school district, the Commissioner may request additional information to facilitate a review of the documentation. Items requested may include but are not limited to:
    - ❖ Position Title
    - ❖ Date Position Posted
    - ❖ Place(s) Position Posted
    - ❖ Number of Applications Received
    - ❖ Number of Applicants Interviewed
    - ❖ Date of Interviews
    - ❖ Name of Person Recommended
    - ❖ Salary to be Paid to Applicant Recommended
    - ❖ Length of Contract Offered
    - ❖ The unusual circumstances requiring the hiring of the person
    - ❖ The limited circumstances requiring the hiring of a Board Member's family member
    - ❖ Specific experience or training that makes the applicant the most desirable candidate
- 10.07 A family member of a school board member who was employed by the public educational entity during the school year immediately preceding the election of the board member may continue employment with the public educational entity under the same terms and conditions of the previously executed contract and any renewal of the contract under Ark. Code Ann. § 6-17-1506.
- 10.08 Subject to the local board's written policy, a qualified family member of a board member may be employed as a substitute teacher, substitute cafeteria worker or substitute bus driver for a period of time not to exceed a total of thirty (30) days per fiscal year for the public educational entity served by the board member.
- 10.09 Excluding any renewal of a contract under Ark. Code Ann. § 6-17-1506, any change in the terms or conditions of an employment contract, a promotion, or a change in employment status for a family member of a school board member employed by a public educational entity that will result in an increase in compensation of more than two thousand five hundred dollars (\$2,500) must be approved in writing by the Commissioner of the Department of Education before any change in the terms or conditions of the employment contract or promotion or changes in employment status are effective, valid or enforceable.



- (a) The determination of unusual and limited circumstances shall be at the sole discretion of the Commissioner of the Department of Education and may be further defined by rule of the State Board of Education.
- (b) The Commissioner of the Department of Education's approval of an employment contract may include restrictions and limitations that are by this subsection incorporated as terms or conditions of the contract.
- (c) No employment contract that is prohibited under this section is valid or enforceable by any party to the employment contract until approved in writing by the Commissioner of the Department of Education.
- (d) In order to make a determination regarding a request for an exemption of the prohibition of a Board Member's family member being employed by a public school district, the Commissioner may request additional information to facilitate a review of the documentation. Items requested may include but are not limited to:
  - ❖ Position Title
  - ❖ Date Position Posted
  - ❖ Place(s) Position Posted
  - ❖ Number of Applications Received
  - ❖ Number of Applicants Interviewed
  - ❖ Date of Interviews
  - ❖ Name of Person Recommended
  - ❖ Salary to be Paid to Applicant Recommended
  - ❖ Length of Contract Offered
  - ❖ The unusual circumstances requiring the hiring of the person
  - ❖ The limited circumstances requiring the hiring of a Board Member's family member
  - ❖ Specific experience or training that makes the applicant the most desirable candidate

10.10 If an employment contract with a board member's family member totals \$5,000 or more and the local board of the public educational entity or chief administrator wish to seek independent review and approval of the contract from the Commissioner of the Department, they should do so in the following manner:

- a. The written resolution (Form F) along with the contract disclosure form (Form E) shall be fully and accurately completed and shall be forwarded to the Commissioner by certified mail to the address listed on the contract disclosure form (Form E) provided by the Department of Education.
- b. The Commissioner or his designee shall review the contract information and either approve or disapprove the contract or request additional

information and/or time by responding to the public educational entity within the initial ten (10) day time period of receipt of the resolution.

- c. If approved, the Commissioner shall issue an approval letter stating all relevant facts and circumstances considered and establish any restrictions or limitations pertaining to the contract.
- d. In no event shall a contract be approved by Commissioner for a time period greater than two (2) years.
- e. No contract shall be valid until written approval has been issued by the Commissioner of the Department or the Commissioner fails to respond to a request for independent review and approval within the time period of ten (10) days of receipt of a resolution or at a later time specified by the Commissioner if the Commissioner requests additional data or time in order to respond to the request for independent review.

## **11.00 ADMINISTRATORS**

- 11.01 Administrators shall not contract with the public educational entity which employs him/her.
- 11.02 Administrators may not contract with any public educational entity except as allowed for by Act 1599 of 2001 and these rules.
- 11.03 Administrator family members may not contract with the public educational entity that employs the administrator except as allowed for by Act 1599 of 2001 and these rules.
- 11.04 Beginning July 1, 2002 no member of an administrator's immediate family or former spouse may be initially employed as a dispersing officer of the public educational entity where the administrator is employed unless the Division of Legislative Audit has submitted a written report on its review of the internal controls, including the segregation of duties of the public educational entity, to the Commissioner of the Department and after review of the report, the Commissioner issues written approval of the initial hiring of the administrator's family member or former spouse as a dispersing officer of the public educational entity.
- 11.05 In unusual and limited circumstances, an administrator may contract with a public educational entity other than the entity employing him/her or an administrator's family member may contract with the public educational entity employing the administrator but only after:

- a. The administrator makes full and complete disclosure of all relevant facts, circumstances, interests and relations associated with the contract to the board of the public educational entity at a scheduled open meeting; and
- b. The board determines that the contract with the administrator's family member is in the best interest of the public educational entity; and
- c. A majority of the board adopts a written resolution (Form F) approving the contract and the resolution specifies all relevant facts and circumstances and states the unusual and limited circumstances justifying and necessitating the contract and sets forth any restrictions and limitations on the contract; and
- d. The board forwards the written resolution (Form F) and the contract disclosure form (Form E) with all relevant facts to the Commissioner of the Department pursuant to the procedures set forth in Section 11.06 of these rules.

11.06 When the board of a public educational entity approves any contract with the family member of an administrator employed at that public educational entity and the board has complied with the requirements of Section 11.05 of these rules, the entity shall then seek independent review and approval of such contract from the Director in the following manner:

- a. A written resolution (Form F) of approval along with the contract disclosure form (Form E) shall be forwarded to the Commissioner by certified mail to the address listed on the contract disclosure forms (Form E) by the Department; and
- b. The Commissioner or his designee shall review the written resolution (Form F) and contract disclosure form (Form E) and either approve or disapprove the contract or request additional data and/or time by responding to the public educational entity within the initial ten (10) days of receipt of the resolution; and
- c. If the contract is approved, the Commissioner shall issue an approval letter stating all relevant facts and circumstances considered and shall state any restrictions or limitations pertaining to the contract.
- d. In no event shall a contract be approved by the Commissioner for a time period greater than two (2) years.

- e. No contract shall be valid until written approval has been issued by the Commissioner or the Commissioner fails to respond to a request for independent review and approval within the time period of ten (10) days of receipt of the resolution or a later specified time period if additional data or time is required by the Commissioner for an independent review.
- 11.07 The Department and public educational entity shall maintain a record and copy of all documentation relating to any contracts between a family member of an administrator and a public educational entity that employs the family member of an administrator.
- 11.08 For purposes of these rules and regulations, the term "contract" does not apply to employment contracts issued to an administrator of a public educational entity for administrative or other duties such as, but not limited to, teaching, bus driving, sponsorship of clubs or activities and officiating school-sponsored athletic activities.
- 11.09 Administrators are not prohibited from receiving compensation for conducting seminars or making presentations to public educational entities other than the public educational entity employing them.
- 11.10 Any administrator that knowingly furnishes false information or knowingly fails to fully disclose all relevant information as required by Act 1599 of 2001 or these rules and regulations is in violation of these rules and regulations and shall be subject to the sanctions and penalties provided for in Section 17.00 of these rules and regulations.

## **12.00 EMPLOYEES**

- 12.01 Employees are prohibited from contracting with the public educational entity which employs them except as allowed for by Act 1599 of 2001 and these rules.
- 12.02 In unusual and limited circumstances, employees may contract with the public educational entity which employs them after submitting complete and full disclosure of all relevant facts in a contract disclosure form (Form E) in an open scheduled meeting of the board and a majority of the board determines that the contract is in the best interest of the public educational entity and approves a written resolution (Form F) explaining the unusual circumstances necessitating and justifying the contract and explaining the restrictions and limitations of the contract.
- 12.03 If a contract with an employee totals \$5,000 or more, the superintendent of the public educational entity shall seek independent review and approval of the contract from the Commissioner of the Department in the following manner:

- a. The written resolution (Form F) along with the contract disclosure form (Form E) shall be fully and accurately completed and shall be forwarded to the Commissioner by certified mail to the address listed on the contract disclosure form (Form E).
- b. The Commissioner or his designee shall review the contract information and either approve or disapprove the contract or request additional information and/or time by responding to the public educational entity within the initial ten (10) day time period of receipt of the written resolution (Form F).
- c. If approved, the Commissioner shall issue an approval letter stating all relevant facts and circumstances considered and establish any restrictions or limitations pertaining to the contract.
- d. In no event shall a contract be approved by the Commissioner for a time period greater than two (2) years.
- e. No contract shall be valid until written approval has been issued by the Commissioner of the Department or the Commissioner fails to respond to a request for independent review and approval of the resolution within the time period of ten (10) days of receipt of the resolution or a later time period specified by the Commissioner if additional data or time is requested to review the resolution.

### **13.00 EXEMPTION**

- 13.01 For purposes of these rules and regulations, the term "contract" does not mean "employment contracts" issued to public educational entity employees for the performance of teaching or other related duties including, but not limited to, bus driving, substitute teaching, sponsorship of clubs or activities, or working at school sponsored events.
- 13.02 "Employment contracts" issued to public educational entity employees are exempt from the requirements of these rules and regulations; regardless of the relation of that employee to a board member, administrator, or other employee, as long as the contract between the public educational entity and the employee is solely for the performance of teaching or other related duties including, but not limited to, bus driving, substitute teaching, sponsorship of clubs or activities, or working at school sponsored events.
- 13.03 Any administrator or employee knowingly attempting to avoid the requirements of these rules and regulations with regard to contracting with a public educational entity by falsely claiming an "employment contract" as described in Section 13.01

and 13.02 shall be subject to the sanctions and penalties provided for in Section 17.00 of these rules.

#### **14.00 EDUCATIONAL AWARDS, RECOGNITIONS AND GIFTS**

Public educational administrators or employees of public educational entities are not prohibited from receiving monetary or other awards, grants or benefits based upon exceptional skills or exemplary contributions to education as allowed for by Ark. Code Ann. § 21-8-101 et seq. and Act 1599 of 2001.

#### **15.00 REGISTRATION, TRAVEL, CONVENTIONS AND SEMINARS**

- 15.01 Board members, administrators and employees of a public educational entity are prohibited from receiving any payment or reimbursement from a vendor for any registration, travel, lodging, food, entertainment or other expenses not directly associated with an educational interest or business interest of the public educational entity.
- 15.02 Board members, administrators and employees of a public educational entity are prohibited from receiving any trip or attending any convention or seminar which is paid for by a vendor when the purpose for the trip or attendance at the convention or seminar is not directly associated to an educational interest or business interest of the public educational entity.
- 15.03 Board members, administrators and employees of a public educational entity are prohibited from receiving any gift or award from any public educational entity except as allowed for by Arkansas law.
- 15.04 All public educational entities shall maintain a record and copy for at least three (3) years of all documentation relating to payments or reimbursements made by a vendor on behalf of a board member, administrator or employee for travel, lodging, food, registration, entertainment, or other expenses when the payments or reimbursements total \$300.00 or more per fiscal year per individual board member, administrator, or employee.
- 15.05 Any board member, administrator or employee of a public educational entity that violates any provisions of these rules may be subject to the penalties and sanctions provided for in Section 17.00 of the rules.

## **16.00 FILING STATEMENT OF FINANCIAL INTEREST (FORM I)**

- 16.01 Every board member, superintendent, or director of a public school or educational cooperative shall timely file a financial statement of interest (Form I) as required by Ark. Code Ann. § 21-8-701 and Act 1599 of 2001.
- 16.02 Any public educational entity employee, administrator or board member required to file a financial statement of interest (Form I) as required under Arkansas law who fails to file said financial statement of interest (Form I) shall be in violation of the provisions of these rules and regulations and may be subject to the sanctions and penalties provided for in Section 17.00 of these rules.

## **17.00 ADMINISTRATIVE SANCTIONS AND PENALTIES**

- 17.01 The Department may consider and review any alleged violations of the provisions of these rules or the provisions of Act 1599 of 2001.
- 17.02 If the Commissioner or his designee determines that there is adequate evidence of a violation of these rules, the Commissioner may refer the allegations and evidence to the Board of Education for administrative review.
- 17.03 Upon State Board of Education approval of the request for administrative review of any alleged violations of these rules, the State Board of Education shall issue a thirty (30) day written notice to all parties of an administrative hearing to determine if any person has knowingly violated any provisions of these rules and regulations or provisions of Act 1599 of 2001 governed by these rules.
- 17.04 After giving reasonable notice thereof and conducting an administrative hearing whereby the State Board of Education considered the presentation of evidence by all parties, the State Board of Education upon determining that an administrator or employee knowingly violated provisions of Act 1599 of 2001 or provisions of these rules may administer any of the following administrative remedies:
  - (1) Issue a letter of reprimand; and/or
  - (2) Suspend or revoke an administrator or teacher's license for a specified or permanent time period; and/or
  - (3) Issue a letter of recommendation to a local board of a public educational entity recommending the local board take administrative action as provided for pursuant to Act 1599 of 2001; and/or

- (4) Require the Commissioner of the Department to request that the appropriate prosecuting attorney review the contract to determine whether there has been criminal violation of any provisions of Act 1599 of 2001; and/or
- (5) Any other administrative remedies allowed the State Board of Education pursuant to Arkansas law.

17.05 Upon a final administrative decision by the State Board of Education, a party may seek an appeal of the administrative decision pursuant to the Arkansas Administrative Procedures Act. Ark. Code Ann. § 25-15-201 et seq.

## **18.00 OTHER LAWS OR REGULATIONS**

Nothing in these rules and regulations alters or diminishes any other statutory or regulatory requirements regarding purchasing, contracting, bidding, disposition of property, or other contracts or transactions with public educational entities.

## **19.00 FORM PROCEDURES AND REQUIREMENTS**

- 19.01 For purposes of these rules the following attached Forms A - I are herein incorporated into these rules as Appendix Forms A - I and supporting documents.
- 19.02 A public educational entity shall use Forms A - I when such form is specifically required by any section of these rules.
- 19.03 A public educational entity seeking independent review and approval from the Commissioner shall submit a separate contract disclosure form (Form E) and written resolution (Form F) of approval for each contract involving a different party or entity.



## NOTIFICATION LETTER

(Date)

**A**

Dear Employee:

A.C.A. § 6-24-101 requires full open disclosure and approval before a school district employee may sell, lease, provide services, or enter into other transactions with the school district where he/she is employed.

A.C.A. § 6-24-101 does not apply to reimbursements paid for proper work-related expenses. However, in the case of hiring family members of administrators and/or board members, the district must meet all requirements set forth in A.C.A. § 6-24-101 and Act 1381 of 2005.

A.C.A. § 6-24-101 applies when the school employee is financially interested in the transaction. Financially interested means ownership or more than 5% interest; holding a position of director, partner, or top level management; and/or the employee's compensation is based on the transaction with the district.

Therefore, employees of this district have an affirmative obligation under A.C.A. § 6-24-101 to disclose relationships with vendors before the district enters into the contract or before services are performed. Disclosure is to be made to the superintendent of the district. Forms for this purpose will be provided by the district.

Technology employees who establish specifications or approve technology purchases and their family members must disclose relationships and financial interest before the district may enter into technology transactions with the technology employee or a family member.

A.C.A. § 6-24-101 requires proper disclosure and approval of the transaction at an open board meeting. In certain instances, approval by the Commissioner of the Department of Education is required.

Therefore, every district employee will be required to disclose any potential vendor relationship by completing a disclosure form provided by the district. Failure to fully disclose could result in criminal felony charges being brought against the employee. A copy of A.C.A. § 6-24-101 is available in the central office if you wish to review the law. The Act may also be viewed at [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

Sincerely,

Superintendent

Please sign below to acknowledge receipt of this notification.

\_\_\_\_\_  
School Employee

\_\_\_\_\_  
Date

**BOARD MEMBERS**  
**GENERAL DISCLOSURE STATEMENT**

**B**

If you have a financial interest in potential transactions with the district where you serve or you have a family member with a financial interest in a potential transaction with the district where you serve, then you have an affirmative obligation under A.C.A. § 6-24-101 and Act 1381 of 2005 to disclose the potential transactions before the district enters into a contract and/or services are performed.

Disclosures must be made by completing the form below. The form must be completed and submitted to the superintendent's office by\_\_\_\_\_.

A.C.A. § 6-24-101 and Act 1381 of 2005 require full, open disclosure and approval before a board member or a member of a board member's family may sell, lease, provide services, or enter into transactions with the district where they serve.

Ignoring this requirement or knowingly failing to comply with the provisions of A.C.A. § 6-24-101 and Act 1381 of 2005 could result in the filing of criminal felony charges.

**GENERAL DISCLOSURE**

Board Member: \_\_\_\_\_  
School District: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Work Telephone: \_\_\_\_\_

I am declaring a financial interest and/or relationship with the following vendor:

\_\_\_\_\_

State specific nature of your financial interest:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Relationships that need to be disclosed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Board Member Signature

\_\_\_\_\_  
Date Submitted

**ADMINISTRATORS**  
**GENERAL DISCLOSURE STATEMENT**

**C**

If you have a financial interest in a potential transaction with any public educational entity or you have a family member with a financial interest in a potential transaction with the district where you are employed, you have an affirmative obligation under A.C.A. § 6-24-101 and Act 1381 of 2005 to fully disclose the relationship and potential transactions before the district enters into a contract or before services are provided.

Disclosure must be made by completing the form below. The form must be completed and submitted to the superintendent's office by \_\_\_\_\_.

Ignoring this requirement or knowingly failing to comply with the provisions of A.C.A. § 6-24-101 could result in the filing of criminal felony charges.

A.C.A. § 6-24-101 requires full open disclosure and state approval before a school district administrator or a member of an administrator's family may sell, lease, provide services, or enter into transactions with the employing school district and/or before an administrator enters into a transaction with any public educational entity in Arkansas.

**GENERAL DISCLOSURE**

Administrator Name: \_\_\_\_\_  
School District: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Work Telephone: \_\_\_\_\_

I am declaring a financial interest and/or relationship with the following vendor:

\_\_\_\_\_

State specific nature of your financial interest:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Relationships that need to be disclosed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Administrator Signature

\_\_\_\_\_  
Date Submitted

**PRINCIPALS AND EMPLOYEES  
GENERAL DISCLOSURE STATEMENT**

**D**

If you have a financial interest in potential transactions with the district where you are employed, you have an affirmative obligation under A.C.A. § 6-24-101 and Act 1381 of 2005 to fully disclose the relationships and potential transactions before the district enters the contract or before services are performed.

Disclosure must be made by completing the form below. The form must be completed and submitted to the superintendent's office by \_\_\_\_\_.

Ignoring this requirement or knowingly failing to comply with the provisions of A.C.A. § 6-24-101 and Act 1381 of 2005 could result in the filing of criminal felony charges.

**GENERAL DISCLOSURE**

Employee Name: \_\_\_\_\_  
School District: \_\_\_\_\_  
Mailing Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Work Telephone: \_\_\_\_\_

I am declaring a financial interest and/or relationship with the following vendor:

\_\_\_\_\_

State specific nature of your financial interest:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Relationships that need to be disclosed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date Submitted

# CONTRACT DISCLOSURE FORM

Name of **Public Educational Entity**: \_\_\_\_\_

Name of **Person** Disclosing Transaction: \_\_\_\_\_

**Note:** Fully complete this form and return to the administration office.

**NO TRANSACTION OR SERVICE MAY BE RENDERED UNTIL THIS FORM HAS BEEN COMPLETED AND APPROVED.** A.C.A. § 6-24-101 and Act 1381 of 2005 require **FULL** and **COMPLETE DISCLOSURE** of transactions with public educational entities. **KNOWINGLY FAILING** to **FULLY DISCLOSE** pertinent information relating to a transaction could result in criminal felony charges.

I am a (an) ☐ **Board Member** ☐ **Administrator** ☐ **Employee** of the public educational entity.

Mailing Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Home Telephone: \_\_\_\_\_ Work Telephone: \_\_\_\_\_

**Nature of transaction** subject to disclosure and approval: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Estimated dollar amount of transactions with public educational entity for ENTIRE school year: \_\_\_\_\_

**Check ONE:**

- ☐ I have a financial interest in the transaction with the public educational entity.  
☐ A **family member** has a financial interest in the transaction with the public educational entity.  
☐ **BOTH a family member and I** have a financial interest in the transaction with the public educational entity.

**Nature of financial interest:** (State how you and/or family members are financially interested in the transaction):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Justification for Approval (State reason why **you believe** the transactions are in the **best interest of the public educational entity**: state the unusual circumstances involved.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

☐ Check here if Emergency Transaction as defined by Section 9 of A.C.A. § 6-24-101.

PLEASE ATTACH ANY OTHER ADDITIONAL INFORMATION OR DOCUMENTS YOU BELIEVE ARE NECESSARY FOR A FULL, COMPLETE, AND ACCURATE DISCLOSURE OF THE FACTS AND CIRCUMSTANCES OF THE TRANSACTIONS.

**SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

## CONTRACT DISCLOSURE FORM

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### FOR OFFICE USE ONLY:

Date completed form received by district: \_\_\_\_\_

\_\_\_\_\_  
School Official's Signature

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
FAX Number

**Local Board Action:**      ☐ **APPROVED**

☐ **DISAPPROVED**

Date PRESENTED to Board: \_\_\_\_\_ Board President's Signature: \_\_\_\_\_

Required to be presented to the Commissioner of the Department of Education for written approval: ☐ **YES**  
☐ **NO**

Written Adopted Resolution Attached: ☐ **YES**      ☐ **NO**

Required Additional Documentation: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date Certified to ADE: \_\_\_\_\_

Date Commissioner's Written Approval received by district: \_\_\_\_\_

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

Please return by certified mail to: Dr. T. Kenneth James, Commissioner  
Arkansas Dept. of Education  
#4 Capitol Mall, Room 304A  
Little Rock, AR 72201

**RESOLUTION**  
**A.C.A. § 6-24-101 and Act 1381 of 2005**

**F**

Whereas the \_\_\_\_\_ School District Board of Directors met in a (regular/special), open, and properly-called board meeting on (MM/DD/YY), in (location).

Whereas (Number) members were present, a quorum was declared by the chair.

Whereas the Board of Directors received a recommendation to adopt a resolution to enter into a contract with \_\_\_\_\_

Full disclosure of all relationships and interest as required by A.C.A. § 6-24-101 and Act 1381 of 2005 that are relevant to proposed contract:

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Specific facts and reasons for justifying the contract were:

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The unusual circumstances necessitating the contract were:

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---

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List of relevant data enclosed:

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Whereas \_\_\_\_\_ board member(s) having declared an interest in the proposed contract left the meeting prior to the discussion of the contract and did not return to the meeting room until the voting on the contract had been concluded.

Whereas the Board, after serious consideration, moved to approve the contract with \_\_\_\_\_

Whereas the contract was approved with the following restrictions and/or limitations:

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---

---

Whereas the period of the contract shall be from \_\_\_\_\_ to \_\_\_\_\_.

Therefore, due to the specific reasons cited above, it is hereby declared to be the intent of the \_\_\_\_\_ School District Board of Directors to award this contract to \_\_\_\_\_

As is required by A.C.A. § 6-24-101 and Act 1381 of 2005, the contract is contingent upon approval by the Commissioner of the Arkansas Department of Education, if required. If approval is denied, this contract approved by the Board would be null and void.

\_\_\_\_\_  
Superintendent

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**NOTICE**

Pursuant to Section 22 of A.C.A. § 6-24-101 and Act 1381 of 2005, the list set forth in Ark. Code Ann. § 21-8-701(a) of persons required to file a Statement of Financial Interest (“SFI”) was expanded to include two new categories of persons. The first such category is “[a]ll public and charter school superintendents” and the second is “[d]irectors of educational cooperatives.”

Attached hereto are copies of the current SFI form and instructions. In accordance with Ark. Code Ann. § 21-8-703, a school district public servant is required to file his or her SFI with the county clerk.

If you should have any questions concerning this matter, please feel free to contact the Ethics Commission at (501) 324-9600 or toll free at (800) 422-7773.



## INSTRUCTIONS FOR STATEMENT OF FINANCIAL INTEREST

## H

### INTRODUCTION/WHO MUST FILE

Ark. Code Ann. § 21-8-701(a) requires that the following persons file a written Statement of Financial Interest on an annual basis:

- A public official, as defined by Ark. Code Ann. § 21-8-402(16);
- A candidate for elective office;
- A municipal judge or city attorney, whether elected or appointed;
- Any agency head, department director, or division director of state government;
- Any public appointee to any state board or commission (who possesses regulatory authority or is authorized to receive or disburse state or federal funds);
- All persons who are elected members of a school board or who are candidates for a position on a school board;
- All public and charter school superintendents;
- All directors of educational cooperatives; and
- Any person appointed to a municipal, county or regional (i) planning board or commission, (ii) airport board or commission, (iii) water or sewer board or commission, (iv) utility board or commission, or (v) civil service commission.

The Arkansas Ethics Commission, which enforces this statute, has prepared these instructions, along with the office of the Secretary of State, whose office maintains the records, to assist persons required to file these statements. If you have any questions concerning the reporting requirements or how to fill out your Statement of Financial Interest, call or write either the **Arkansas Ethics Commission**, Post Office Box 1917, Little Rock, Arkansas 72203-1917, tel. (501) 324-9600 or the **Secretary of State, Elections Division**, State Capitol, Room 026, Little Rock, Arkansas 72201, tel. (501) 682-5070.

When preparing the Statement of Financial Interest, please **print or type the information**. You must also sign the Statement in Section 13 and your signature must be attested to before a Notary Public.

### TIME FOR FILING/PERIOD COVERED

Pursuant to Ark. Code Ann. § 21-8-701(c)(1)(A), a Statement of Financial Interest for the previous calendar year "shall be filed by January 31, of each year, except that a candidate for elective office shall file the Statement of Financial Interest within thirty (30) days after the deadline for filing for office." Moreover, an agency head, department director, or division director of state government and any public appointee to a state board or commission authorized or charged by law with the exercise of regulatory authority or authorized to receive or disburse state or federal funds shall file a Statement of Financial Interest for the previous calendar year within thirty (30) days after appointment or employment. Incumbent officeholders who filed a

Statement of Financial Interest for the previous calendar year by January 31 of the year in which an election is held are not required to file an additional Statement of Financial Interest upon becoming a candidate for reelection or election to another office during the year. Ark. Code Ann. § 21-8-701(c)(2). If a person required to file a Statement of Financial Interest leaves his or her office or position during a particular calendar year, he or she shall still be required to file a Statement of Financial Interest covering that part of the year which he or she held the office or position. Ark. Code Ann. § 21-8-701(c)(1)(B).

## **WHERE TO FILE**

Pursuant to Ark. Code Ann. § 21-8-703, the Statement of Financial Interest shall be filed as follows:

- (1) State or district public servants and candidates for state or district public office are required to file the statement with the Secretary of State;
- (2) County, township, or school district public servants and candidates for county, township, or school district public office are required to file the statement with the county clerks;
- (3) Municipal public servants and candidates for municipal office are required to file the statement with the city clerk or recorder;
- (4) Municipal judges and city attorneys are required to file the statement with the city clerk of the municipality within which they serve; and
- (5) Members of regional boards or commissions are required to file the statement with the county clerk of the county in which they reside.

## **SPECIFIC REPORTING INSTRUCTIONS**

### **SECTION 1 (Name and Address)**

Answer each of these questions or indicate "Not Applicable". List all names under which you and/or your spouse do business.

### **SECTION 2 (Reason for Filing)**

Check the box applicable to you and provide the office/position held or name of the board, commission or school district in the appropriate space.

### **SECTION 3 (Sources of Income)**

The term "gross income" is intended to be comprehensive. It refers to all income from whatever source derived, including but not limited to compensation for services, fees, commissions, and income derived from business interests. Report each employer and/or each other source of income from which you, your spouse, or any other person for the use or benefit

of you or your spouse receives gross income exceeding \$1,000 on an annual basis. Include your governmental income from the office or position which requires your filing of this form. You are required to use the gross amount received as income. Thus, you must compute your total income from any particular source without first deducting expenses.

You are not required to list the individual items of gross income that constitute a portion of the income of the business or profession from which you or your spouse derives income. (For example: Accountants, attorneys, farmers, contractors, etc. do not have to list their individual clients.) If more than one source/employer/entity compensated you during the past year, you are required to list each source of income greater than \$1,000. If you or your spouse received speaking honoraria, you must report, under the request for "source", the sponsor of each event for which a payment was made for your speech or appearance, as well as the date and dollar category ("more than \$1,000.00" or "more than \$12,500.00"). The term "honoraria", as used herein, means a payment of money or any thing of value for an appearance, speech, or article. NOTE: Food, lodging, and travel provided to a public servant in connection with an appearance would not constitute honoraria if the public servant is appearing in his or her official capacity and the appearance bears a relationship to the public servant's office or position. Section 10 of the Statement of Financial Interest addresses the reporting of payment for such food, lodging, and travel.

You must also provide a brief description of the nature of the services for which the income was received, as well as the name under which the income was received. For example:

<b>Source</b>	<b>Description</b>	<b>Amount</b>
State of Arkansas (address) John Doe	Executive Dir.	More than \$12,500.00
University of Arkansas (address) John M. Doe	Teaching	More than \$12,500.00
450 Main Street, Little Rock, Arkansas John M. Doe	Rent Income	More than \$12,500.00
Ark. Med. Society Annual Meeting (address) John Doe	Speaking fee Oct. 2, Little Rock	More than \$1,000.00
Star National Bank Star, Arkansas	Interest Income	More than \$1,000.00

John or Jane Doe

City of Mayberry (address) Jane Doe	Spouse income	More than \$12,500.00
Ark. Bar Association Annual Meeting (address) Jane Doe	Speaking Fee  Spouse, June 12 Hot Springs	More than \$1,000.00

#### Section 4 (Business or Holdings)

In this section, list the name of every business in which you, your spouse or any other person for the use or benefit of you or your spouse have an investment or holding. Stocks, bonds, stock options and other securities held by you or your spouse must be reported. Figures for these items, as well as all other holdings or accounts, should be based on fair market value at the end of the reporting period.

For **securities, stocks, or bonds**, you must disclose each security held in your portfolio which exceeds the \$1,000.00 threshold. If securities are held through an investment firm, the firm will normally provide periodic statements from which you may obtain the information required to be disclosed. If you own different types of securities issued by the same authority, such as U. S. Treasury obligations or bonds, it is not necessary to provide an itemized list of each security worth over \$1,000.00. Rather, you may simply report the aggregate value of the securities issued by the same authority and identify the type of securities.

In the case of **mutual funds or similar investments**, you need not disclose specific stocks held in a widely diversified investment trust or mutual fund as long as the holdings of the trust or fund are a matter of public record and you have no ability to exercise control over the specific holdings. If you have such control, you must disclose each holding exceeding the threshold level of \$1,000.00, whether or not you exercise the control. Otherwise, you may simply disclose the name, address, etc. of the authority through which your mutual fund is invested (e.g., IDS), the category of the fund and the category of the appropriate amount (e.g., "more than \$1,000.00").

In the case of **bank accounts**, if the total of interest bearing accounts (including certificates of deposit) deposited in a particular bank exceeds \$1,000.00, list each institution holding more than \$1,000.00. If no particular bank holds more than \$1,000.00, you need not report any bank accounts. All accounts at one institution, including those for your spouse, may be combined as one entry. Thus, for example, you may report a checking account, savings account, certificate of deposit, and IRA in Smith First National Bank of Arkansas by checking the gross total of the accounts (e.g., "more than \$1,000.00") and stating "Smith First National Bank of Arkansas" with its address. You need not list each account. If you are listed on an account purely for custodial reasons, and you do not assert any ownership rights to the assets in

the account (for example, if you are a joint tenant with an elderly relative), you need not list the account.

For any business interest, if you or your spouse has an interest in a proprietorship, partnership, or corporation that is actively engaged in a trade or business, you must disclose the name and address of each interest. It is not necessary to provide an itemized list of the assets of the business. For example, you need only categorize the total value of your interest (e.g., "more than \$12,500.00") and not items such as "office equipment." This includes each asset held in trust for you or your spouse which has a value greater than \$1,000.00. Holdings of a trust for which you or your spouse are merely an administrator and for which you have no beneficial interest need not be reported.

### **Section 5 (Office or Directorship)**

You must report your nongovernmental offices and directorships held by you or your spouse in any business, corporation, firm, or enterprise subject to the jurisdiction of a regulatory agency of this State, or any of its political subdivisions. For each such business, provide the name of the business, its address, the office or directorship held and the name of the person (either you or your spouse) who holds the office or directorship. A "regulatory agency", as defined by Ark. Code Ann. § 21-8-301(1), means any "state board, commission, department, or officer authorized by law to make rules or to adjudicate contested cases except those in the legislative or judicial branches."

### **Section 6 (Creditors)**

You must report the name and address of each creditor to whom the value of \$5,000.00 or more is personally owed and outstanding at the end of the reporting period. All information regarding a single creditor may be reported in a single entry. If you have more than one liability owed to the same creditor, add up the items of credit to determine if the \$5,000.00 threshold has been met. The identity of the creditor is the name of the person or organization to which the liability is owed (e.g., "Bob Smith, 1000 Elm Street, Little Rock, Arkansas" or "First Federal Bank of Little Rock, 111 Main, Little Rock, Arkansas").

You do not need to include debts owed to members of your family. You may also exclude loans made in the ordinary course of business by either a financial institution or a person who regularly and customarily extends credit. This exclusion applies to such items as a mortgage secured by real property which is your personal residence, credit extended to purchase personal items such as furniture or appliances, credit card debts, and car loans, provided the credit does not exceed the value of the item purchased.

Debts not incurred in the ordinary course of business include, but are not limited to, such items as legal judgments, judgment liens, money borrowed from individuals, other than family members, who are not normally in the business of lending money, and tax liens owed to any governmental agency.

## **Section 7 (Guarantor, Co-Maker)**

The law requires you to provide the name and address of each guarantor or co-maker, other than a member of your family, who has guaranteed a debt which is still outstanding. The \$5,000.00 threshold of Section 6 does not apply here. To the extent that you have a guarantor or co-maker of any of your outstanding debts, the guarantor or co-maker must be disclosed. There is no exception for debts incurred in the ordinary course of business. This requirement also includes debts arising, extended or refinanced after January 1, 1989.

This requirement extends to situations where you have co-signed a loan to assist another person in obtaining credit, unless the person is a member of your family.

## **Section 8 (Gifts)**

The law requires you to identify the source, date, description, and a reasonable estimate of the fair market value of each gift of more than one hundred dollars (\$100.00) received by you or your spouse during the reporting period or more than two hundred and fifty dollars (\$250.00) received by your dependent children during the reporting period. A gift is any "payment, entertainment, advance, services, or anything of value" unless consideration of equal or greater value has been given therefor. The value of an item shall be considered to be less than one hundred dollars (\$100) if the public servant reimburses the person from whom the item was received any amount over one hundred dollars (\$100) and the reimbursement occurs within ten (10) days from the date the item was received. All types of gifts must be reported. Items such as food, lodging, and travel are considered gifts unless they are received when you are appearing in your official capacity and the appearance bears a relationship to your office or position. [Note: The reporting of food, lodging, and travel received by a public servant who is appearing in his or her official capacity at an event which bears a relationship to his or her office or position is addressed in Section 10 below.]

A gift can be a tangible item, such as a watch, or an intangible item, such as a hunting or fishing trip. A gift does not include (1) informational material; (2) receiving food, lodging, or travel which bears a relationship to the public servant's office and when appearing in an official capacity; (3) gifts which are not used and returned to the donor within 30 days; (4) gifts from a family member listed in Ark. Code Ann. § 21-8-402(5)(B)(iv), unless the family member is acting as an agent for a person not covered by the exception; (5) campaign contributions; (6) devises or inheritances; (7) anything with a value of \$100 or less; (8) wedding presents and engagement gifts; (9) a monetary or other award presented to an employee of a public school district, the Arkansas School for the Blind, the Arkansas School for the Deaf, the Arkansas School for Mathematics and Science, a university, a college, a technical college, a technical institute, a comprehensive life-long learning center, or a community college in recognition of the employee's contribution to education; (10) tickets to charitable fundraising events held within this state by a non-profit organization which is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code; (11) a personalized award, plaque, or trophy with a value of one hundred fifty dollars (\$150) or less; (12) an item which appointed or elected members of a

specific governmental body purchase with their own personal funds and present to a fellow member of that governmental body in recognition of public service; (13) food or beverages provided at a conference scheduled event that is part of the program of the conference; (14) food or beverages provided in return for participation in a bona fide panel, seminar, speaking engagement at which the audience is a civic, social, or cultural organization or group; and (15) a monetary or other award publicly presented to an employee of state government in recognition of his or her contributions to the community and State of Arkansas when the presentation is made by the employee's supervisor or peers, individually or through a non-profit organization which is exempt from taxation under Section 501(c) of the Internal Revenue Code, and the employee's receipt of the award would not result in or create the appearance of the employee using his or her position for private gain, giving preferential treatment to any person, or losing independence or impartiality (This exception shall not apply to an award presented to an employee of state government by a person having economic interests which may be affected by the performance or nonperformance of the employee's duties or responsibilities.).

In reporting a gift, you must report the source, the date it was received, a reasonable estimate of its fair market value, and a brief description. In that regard, the Ethics Commission has issued opinions concerning the "fair market value" of such items as transportation on a private aircraft. A group of items received from the same source at the same time would be considered one gift and the separate values should be added together. As an example, if you receive a tie and tie clip (valued \$50.00) along with a pair of golf shoes (valued at \$75) from one donor, this should be reported and described in Section 8, as the receipt of a gift, "tie, tie clip and shoes." The value would be \$125.00. Similarly, food and beverages provided you in connection with lodging should be aggregated to ascertain if the threshold reporting level has been reached. If you are unsure if the value should be aggregated for purposes of reporting, you may wish to contact the Arkansas Ethics Commission for an opinion.

In accordance with Ark. Code Ann. § 21-8-804, certain designated officials are authorized to accept gifts, grants, and donations of money or property on behalf of the State of Arkansas, the Arkansas Senate, the Arkansas House of Representatives, and the Arkansas Supreme Court. In addition, the designated officials are authorized to accept donations of money for the purpose of hosting official swearing-in and inaugural events of the constitutional officers, Senate, House of Representatives, and Supreme Court justices, the official recognition event for the President Pro Tempore, and the official recognition event for the Speaker of the House. The public official accepting the gift, grant, or donation of money or property on behalf of an appropriate entity is not required to disclose same on his or her Statement of Financial Interest. Instead, public servants are required to report such gifts, grants, or donations of money or property to the Ethics Commission on a quarterly basis on a separate disclosure form prepared for such purposes.

## **Section 9 (Awards)**

If you are an employee of a public school district, the Arkansas School for the Blind, the Arkansas School for the Deaf, the Arkansas School for Mathematics and Science, a university, a college, a technical college, a technical institute, a comprehensive life-long learning center, or a

community college, the law requires you to disclose each monetary or other award which you have received in recognition of your contributions to education. The information disclosed with respect to each such award should include the source, date, description, and a reasonable estimate of the fair market value.

### **Section 10 (Nongovernmental Sources of Payment)**

Payments for food, lodging, or travel are not considered a gift in situations where a public servant is appearing in his or her official capacity and the appearance bears a relationship to the public servant's office or position. However, Section 10 requires that each nongovernmental source of payment of expenses for such food, lodging, or travel be listed when the expenses paid by that source exceed \$150.00. [Note: The reporting of money or things of value received when you are not appearing in an official capacity or the appearance does not bear a relationship to your office or position is addressed in Section 3 ("Sources of Income") or Section 8 ("Gifts).] In this regard, you must list the name and business address of the person or organization which has paid your expenses, the date and nature of the expenses unless such person or organization was compensated by the governmental body for which the public servant serves. Thus, you must disclose in this section, lodging or travel received in connection with such activities as speaking engagements, conferences, or fact finding events related to your official duties.

Section 10 requires the disclosure of each nongovernmental source of payment when the expenses paid in connection with a particular appearance exceed \$150.00. Thus, if one source provides lodging and food and the total amount paid exceeds \$150.00, that source must be reported in this section. You do not need to itemize the dollar value or provide an itemized accounting of the expenses provided. Also, as an example, you do not need to indicate whether the travel was on private or commercial carrier. You only need to provide the name of the organization providing the travel, its address, the date of the travel and the nature of the expenses, i.e. "travel to conference along with lodging."

The **organization** is the source of payment. It should be the name of the sponsor actually paying or providing the expenses. The **date of expenses** should be the inclusive dates of all travel provided. If the travel all occurred on one day, report that day. Otherwise, list the starting and ending dates of each trip provided (i.e., "May 1 - 5, 1997").

It is permissible to extend the duration of a trip at your own expense, accepting return travel from the sponsor. However, to avoid suggesting that travel was accepted for a longer period of time than was actually the case, you should indicate any time not spent at the sponsor's expense on either the line requesting the "date" or "nature" of expenses. For example, using the dates listed above, you could report "May 1 - 5, 1997. May 3 - 4 on personal business, expenses paid by me."

### **Section 11 (Direct Regulation of Business)**

The law requires you to list any business by whom you are employed if the business is



under direct regulation or subject to direct control by the governmental body which you serve. You must report the employment by listing the name of this business/employer and provide the governmental body which regulates or controls aspects of the business. Such a business relationship typically exists if your private employer is subject to any rules or regulations of a governmental body or if a governmental body adjudicates contested cases of fact involving your private employer. For example, if you work as a licensed dentist, the appropriate regulatory governing body may be the State Board of Dental Examiners.

Whether your business is under direct regulation or subject to direct control by a governing body is often a question of fact. If you are unsure, you should contact the Arkansas Ethics Commission or, if you know, the agency you suspect may regulate part or all of your activities.

## **Section 12 (Sales to Governmental Body)**

The law requires you to report certain business relationships with the government if a significant sale of goods or services occurs. Specifically, you must set out in detail the goods or services sold having a total annual value in excess of \$1,000.00 sold to the governmental body for which you serve or are employed and the compensation paid for each category of goods or services by you or any business in which you or your spouse is an officer, director, stockholder owning more than ten percent (10%) of the stock, owner, trustee, or partner.

## **Section 13 (Signature)**

Under the law, each person, required to file a Statement of Financial Interest must prepare the statement under penalty of false swearing and sign such form attesting to the truth and accuracy of the information set forth on the form. Ark. Code Ann. § 21-8-702. If a person who is required to file a Statement of Financial Interest is called to active duty in the armed forces of the United States, the statement may be completed by the spouse of the person. If the Statement of Financial Interest is completed by the spouse, under this exception, the spouse's signature shall be sufficient for the requirement of Ark. Code Ann. § 21-8-702.

REVISED 06/01

# STATEMENT OF FINANCIAL INTEREST

# I

State/District officials file with:

Secretary of State  
State Capitol, Room 026  
Little Rock, AR 72201  
Phone (501) 682-5070  
Fax (501) 682-3408

Calendar year covered \_\_\_\_\_

(Note: Filing covers the previous calendar year)

Arkansas Ethics Commission

For assistance in completing  
this form contact:

Post Office Box 1917  
Little Rock, AR 72203  
Phone (501) 324-9600  
Toll Free (800) 422-7773

Is this an amendment? ☐ Yes ☐ No

Please provide complete information. If the information requested in a particular section does not apply to you, indicate such by noting "**Not Applicable**" in that section. Do not leave any part of this form blank. If additional space is needed, you may attach the information to this document.

## SECTION 1- NAME AND ADDRESS

Name \_\_\_\_\_  
(Last) (First) (Middle)  
Address \_\_\_\_\_  
(Street or P.O. Box Number) (City) (State) (Zip Code)  
Phone \_\_\_\_\_  
Spouse's name \_\_\_\_\_  
(Last) (First) (Middle)

All names under which you and/or your spouse do business:

\_\_\_\_\_

## SECTION 2- REASON FOR FILING

- ☐ Public Official \_\_\_\_\_  
(office held)
- ☐ Candidate \_\_\_\_\_  
(office sought)
- ☐ Municipal Judge \_\_\_\_\_  
(name of municipality)
- ☐ City Attorney \_\_\_\_\_  
(name of city)
- ☐ State Government: Agency Head/Department Director/Division Director \_\_\_\_\_  
(name of agency/department/division)
- ☐ Public appointee to State Board or Commission \_\_\_\_\_  
(name of board/commission)
- ☐ School Board member \_\_\_\_\_  
(name of school district)
- ☐ Candidate for school board \_\_\_\_\_  
(name of school district)
- ☐ Public or Charter School Superintendent \_\_\_\_\_  
(name of school district/school)
- ☐ Director of Educational Cooperative \_\_\_\_\_  
(name of cooperative)
- ☐ Appointee to one of the following municipal, county or regional boards or commissions (list name of board or commission):
- ☐ Planning board or commission \_\_\_\_\_
- ☐ Airport board or commission \_\_\_\_\_
- ☐ Water or Sewer board or commission \_\_\_\_\_
- ☐ Utility board or commission \_\_\_\_\_
- ☐ Civil Service commission \_\_\_\_\_

The law provides for a maximum penalty of \$1,000 per violation and/or imprisonment for not more than one year for any person who knowingly or willfully fails to comply with the provisions of A.C.A. § 21-8-401 through § 21-8-804. This report constitutes a public record. This form has been approved by the Arkansas Ethics Commission.

### **SECTION 3- SOURCE OF INCOME**

List each employer and/or each other source of income from which you, your spouse, or any other person for the use or benefit of you or your spouse receives gross income amounting to more than \$1,000. (You are not required to disclose the individual items of income that constitute a portion of the gross income of the business or profession from which you or you spouse derives income. For example: accountants, attorneys, farmers, contractors, etc. do not have to list their individual clients.) If you receive gross income exceeding \$1,000 from at least one source, the answer N/A is not correct.

- a) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of employer or source of income)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received \_\_\_\_\_

- b) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of employer or source of income)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received \_\_\_\_\_

- c) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of employer or source of income)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received \_\_\_\_\_

- d) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of employer or source of income)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which income received)

Provide a brief description of the nature of the services for which the compensation was received \_\_\_\_\_

#### **SECTION 4- BUSINESS OR HOLDINGS**

List the name of every business in which you, your spouse or any other person for the use or benefit of you or your spouse have an investment or holding. Individual stock holdings should be disclosed. Figures should be based on fair market value at the end of the reporting period.

- a) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of corporation, firm or enterprise)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which investment held)

- b) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of corporation, firm or enterprise)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which investment held)

- c) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of corporation, firm or enterprise)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which investment held)

- d) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of corporation, firm or enterprise)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which investment held)

- e) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of corporation, firm or enterprise)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which investment held)

- f) Check appropriate box: ☐ More than \$1,000 ☐ More than \$12,500

\_\_\_\_\_  
(name of corporation, firm or enterprise)

\_\_\_\_\_  
(address)

\_\_\_\_\_  
(name under which investment held)

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## **SECTION 5- OFFICE OR DIRECTORSHIP**

List every office or directorship held by you or your spouse in any business, corporation, firm, or enterprise subject to jurisdiction of a regulatory agency of this State, or of any of its political subdivisions.

- a) \_\_\_\_\_  
(name of business, corporation, firm, or enterprise)  
\_\_\_\_\_  
(address)  
\_\_\_\_\_  
(office or directorship held)  
\_\_\_\_\_  
(name of office holder)
- b) \_\_\_\_\_  
(name of business, corporation, firm, or enterprise)  
\_\_\_\_\_  
(address)  
\_\_\_\_\_  
(office or directorship held)  
\_\_\_\_\_  
(name of office holder)

## **SECTION 6- CREDITORS**

List each creditor to whom the value of five thousand dollars (\$5,000) or more was personally owed or personally obligated and is still outstanding. (This does not include debts owed to members of your family or loans made in the ordinary course of business by either a financial institution or a person who regularly and customarily extends credit.)

- a) \_\_\_\_\_  
(name of creditor)  
\_\_\_\_\_  
(address of creditor)
- b) \_\_\_\_\_  
(name of creditor)  
\_\_\_\_\_  
(address of creditor)
- c) \_\_\_\_\_  
(name of creditor)  
\_\_\_\_\_  
(address of creditor)

## **SECTION 7- GUARANTOR OR CO-MAKER**

List each guarantor or co-maker who has guaranteed a debt of yours that is still outstanding. (This includes debt guarantors arising or extended and refinanced after Jan. 1, 1989. Members of your family who are your guarantors are not required to be disclosed.)

- a) \_\_\_\_\_  
(name)  
\_\_\_\_\_  
(address)
- b) \_\_\_\_\_  
(name)  
\_\_\_\_\_  
(address)

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## **SECTION 8- GIFTS**

List the source, date, description, and a reasonable estimate of the fair market value of each gift of more than \$100 received by you or your spouse and of each gift of more than \$250 received by your dependent children. The term “gift” is defined as “any payment, entertainment, advance, services, or anything of value unless consideration of equal or greater value has been given therefor.” There are a number of exceptions to the definition of “gift.” Those exceptions are set forth in the Instructions for Statement of Financial Interest prepared for use with this form. (Note: The value of an item shall be considered to be less than \$100 if the public servant reimburses the person from whom the item was received any amount over \$100 and the reimbursement occurs within ten (10) days from the date the item was received.)

a)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		
b)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		
c)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		
d)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		
e)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		
f)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		
g)			
	(description of gift)		
	(date)		(fair market value)
	(source of gift)		

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## **SECTION 9- AWARDS**

If you are an employee of a public school district, the Arkansas School for the Blind, the Arkansas School for the Deaf, the Arkansas School for Mathematics and Science, a university, a college, a technical college, a technical institute, a comprehensive life-long learning center, or a community college, the law requires you to disclose each monetary or other award which you have received in recognition of your contributions to education. The information disclosed with respect to each such award should include the source, date, description, and a reasonable estimate of the fair market value.

a)	_____	
	(description of award)	
	_____	_____
	(date)	(fair market value)
	_____	
	(source of award)	
b)	_____	
	(description of award)	
	_____	_____
	(date)	(fair market value)
	_____	
	(source of award)	
c)	_____	
	(description of award)	
	_____	_____
	(date)	(fair market value)
	_____	
	(source of award)	
d)	_____	
	(description of award)	
	_____	_____
	(date)	(fair market value)
	_____	
	(source of award)	

## **SECTION 10- NONGOVERNMENTAL SOURCES OF PAYMENT**

List each nongovernmental source of payment of your expenses for food, lodging, or travel which bears a relationship to your office when you appear in your official capacity when the expenses incurred exceed \$150.

a)	_____	
	(name of person or organization paying expense)	
	_____	
	(business address)	
	_____	
	(date of expense)	
	_____	
	(nature of expenditure)	
b)	_____	
	(name of person or organization paying expense)	
	_____	
	(address)	
	_____	
	(date of expense)	
	_____	
	(nature of expenditure)	

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## **SECTION 11- DIRECT REGULATION OF BUSINESS**

List any business which employs you and is under direct regulation or subject to direct control by the governmental body which you serve.

- a) \_\_\_\_\_  
(name of business)  
\_\_\_\_\_  
(governmental body which regulates or controls)
- b) \_\_\_\_\_  
(name of business)  
\_\_\_\_\_  
(governmental body which regulates or controls)
- c) \_\_\_\_\_  
(name of business)  
\_\_\_\_\_  
(governmental body which regulates or controls)
- d) \_\_\_\_\_  
(name of business)  
\_\_\_\_\_  
(governmental body which regulates or controls)

## **SECTION 12- SALES TO GOVERNMENTAL BODY**

List the goods or services sold to the governmental body for which you serve which have a total annual value in excess of \$1,000. List the compensation paid for each category of goods or services sold by you or any business in which you or your spouse is an officer, director, or stockholder owning more than 10% of the stock of the company.

- a) \_\_\_\_\_  
(goods or services)  
\_\_\_\_\_  
(governmental body to whom sold)  
\_\_\_\_\_  
(compensation paid)
- b) \_\_\_\_\_  
(goods or services)  
\_\_\_\_\_  
(governmental body to whom sold)  
\_\_\_\_\_  
(compensation paid)
- c) \_\_\_\_\_  
(goods or services)  
\_\_\_\_\_  
(governmental body to whom sold)  
\_\_\_\_\_  
(compensation paid)
- d) \_\_\_\_\_  
(goods or services)  
\_\_\_\_\_  
(governmental body to whom sold)  
\_\_\_\_\_  
(compensation paid)



### **SECTION 13- SIGNATURE**

I certify under penalty of false swearing that the above information is true and correct.

\_\_\_\_\_  
Signature

STATE OF ARKANSAS

} ss

COUNTY OF \_\_\_\_\_

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

(Legible Notary Seal)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Note: If faxed, notary seal must be legible (i.e., either stamped or raised and inked) and the original must follow within ten (10) days pursuant to Ark. Code Ann. § 21-8-703(b)(3).

### **IMPORTANT**

#### **Where to file:**

State or district candidates and public servants file with the Secretary of State.  
County, township, and school district candidates and public servants file with the county clerk.  
Municipal candidates and public servants file with the city clerk or recorder, as the case may be.  
Municipal judges and city attorneys file with the city clerk of the municipality in which they serve.  
Members of regional boards or commissions file with the county clerk of the county in which they reside.

#### **General Information:**

- \* The Statement of Financial Interest should be filed by January 31 of each year.
- \* The filing covers the previous calendar year.
- \* Candidates for elective office shall file the Statement of Financial Interest for the previous calendar year within thirty (30) days after the deadline for filing for office unless already filed by January 31.
- \* Agency heads, department directors, and division directors of state government shall file the Statement of Financial Interest within thirty (30) days of appointment or employment unless already filed by January 31.
- \* Appointees to state boards or commissions shall file the Statement of Financial Interest within thirty (30) days after appointment unless already filed by January 31.
- \* If a person is included in any category listed above for any part of a calendar year, that person shall file a Statement of Financial Interest covering that period of time regardless of whether they have left their office or position as of the date the statement is due.

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