



Policy Number: 1.4
Policy Title: Code of Ethics
Revision Date: May 9, 2022
Effective Date: October 16, 2018
Authority: DFA Office of Accounting [Financial Management Guide](#) R1-19-4-505 Internal Control and Ethics Requirement

PURPOSE

The Department of Finance and Administration (DFA) Code of Ethics (Code) is the written document that supports the culture of ethical and efficient service to the citizens of the State provided by this department. The Code describes the behavior expected of employees that perform these services.

APPLICABILITY

This policy applies to all DFA employees.

POLICY

DFA employees must comply with all applicable laws and regulations. DFA will not condone employee conduct that either violates, or has the appearance of violating, the law, including the ethical provisions. This includes receiving payments for illegal acts, indirect contributions, rebates, or bribery. If an employee is uncertain about the application or interpretation of any legal or procedural requirement, the employee should ask for guidance from his or her immediate supervisor.

CONFLICTS OF INTEREST

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

OUTSIDE ACTIVITIES, EMPLOYMENT, AND DIRECTORSHIPS

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

RELATIONSHIPS WITH CLIENTS AND SUPPLIERS

Employees must adhere to ACA §19-11-705 in their relationships with clients and suppliers to avoid any conflict of interest. In addition, any employee who has or obtains any benefit from a state contract with a business in which the employee has a financial interest shall make a disclosure to the Secretary of DFA in accordance with ACA §19-11-706 and the Rules and Regulations for Implementing Governor's Executive Order 98-04.



GIFTS, ENTERTAINMENT, AND FAVORS

Employees must not accept entertainment, gifts, personal favors or preferential treatment that could influence, or appear to influence, their decisions in performing their job functions. Specific procurement law addressing gratuities is codified in ACA §19-11-707 and included in Part 4 of the Procurement Law and Regulations promulgated by the Office of State Procurement.

Refer to *Rules and Gifts* issued by the Arkansas Ethics Commission for detailed rules on gifts at: <http://www.arkansasethics.com/wp-content/uploads/2019/12/FINAL-Rules-on-Gifts02.pdf>

KICKBACKS AND PROHIBITED COMMISSIONS

DFA employees must not receive kickbacks, prohibited commissions or other prohibited payments from third parties. Violations of this rule will result in imposition of the penalties provided by law. Specific procurement law addressing kickbacks and commissions is codified in ACA §19-11-707 and §19-11-708 and included in Part 4 of the Procurement Law and Regulations promulgated by the Office of State Procurement.

ORGANIZATION FUNDS AND OTHER ASSETS

Employees who have access to DFA funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in DFA's Financial Management Guide or other explanatory materials, or both. If an employee has knowledge of fraud or waste of public assets, the employee should immediately advise his or her immediate supervisor. Personal use of DFA funds or assets is strictly forbidden.

ORGANIZATION RECORDS AND COMMUNICATIONS

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

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

DEALING WITH OUTSIDE PEOPLE AND ORGANIZATIONS

Employees must not use their position or affiliation with DFA when communicating regarding matters not involving DFA business. Employees must not use organization identification, stationery, supplies, and equipment for personal or political matters. When communicating publicly on matters that involve DFA business, employees must not speak for DFA on any topic, unless they are certain that the views, they express are those of DFA management, and that it is DFA management's desire that such views be expressed publicly. When dealing with anyone outside DFA, including public officials, employees must take care not to compromise the integrity or damage the reputation of DFA or any other entity.

PROMPT COMMUNICATIONS

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



PRIVACY AND CONFIDENTIALITY

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

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

REPORTING SUSPECTED FRAUD

DFA employees have a responsibility to report occurrences of ethical violations, fraud, waste or abuse of DFA resources that can be verified through investigation. DFA employees shall be protected against any form of retaliation, including discharge, for reporting, in good faith, occurrences of ethical violations, fraud, waste or abuse of DFA resources as stated in the Arkansas Whistleblower Act (ACA §§21-1-601–609).

Investigations to substantiate reported allegations will be conducted in a confidential manner. Allegations of ethical violations or fraud may be reported to the Arkansas State Employees' Fraud, Waste, and Abuse Report Center (1-800-952-8248) or to the Department of Inspector General – Office of Internal Audit by telephone (1-501-682- 0370) or the Department of Finance and Administration – Office of Compliance (1-501- 682-5102).

A complainant may also choose to report fraud, waste, or abuse by completing a Code of Ethics Complaint form and emailing it to fraud@dfa.arkansas.gov. Complaint forms can be mailed directly to the following address:

Department of Finance and Administration
Office of Compliance
1515 West 7th Street, Ste. 101
Little Rock, AR 72201

DEPARTMENT CONTACT:

DFA, Office of Human Resources
1509 West 7th Street, Suite 300
Little Rock, AR 72201
Phone: 501-324-9065