

Oklahoma Baptist University

Code of Conduct and Anti-Fraud Policies

Introduction

This Code applies to each of Oklahoma Baptist University's trustees, officers and employees (referred to as "responsible persons"). Responsible persons are expected to conduct themselves with honesty and integrity. As responsible persons, we must ethically handle actual or apparent conflicts of interest between personal and professional relationships. Actions must comply with applicable laws, rules and regulations. This also includes the proper use of the University's resources including finances.

The following statements address frequently raised ethical concerns and should be read in conjunction with the University's other policies. A violation of the standards contained in these policies, or in such other relevant policies, may result in corrective action, including but not limited to, possible removal or dismissal.

Compliance With Laws

In fulfilling its mission, the University and every responsible person must obey and comply with applicable laws, rules and regulations. It is every responsible person's job to be aware of these laws and to comply with the legal requirements affecting all duties.

If there are any questions regarding compliance with applicable laws, please call the office of the Senior Vice President for Business Affairs immediately. The University also has available outside legal counsel for advice and assistance. However, every responsible person must remember that compliance with applicable laws and regulations is his/her responsibility.

Accounting For and Recording Transactions

The University's books, records, accounts and financial statements must be maintained in reasonable detail accurately depicting Oklahoma Baptist University's transactions and conforming to applicable legal and accounting standards giving effect to the University's system of internal controls. Unrecorded or "off the books" assets must never be maintained under any circumstances. The accurate and timely reporting of the University's financial statements requires all financial information to be recorded in the normal course of business, precisely and promptly. The University's systems for recording and reporting information should function properly and be subject to periodic and thorough evaluations.

This obligation applies to all reports or records, financial or otherwise, prepared for either internal or external purposes. While every responsible person may not always be familiar with specific accounting or other applicable procedures, he/she is responsible to make sure that every business record prepared by him/her, or under his/her direction, is accurate, complete and reliable. If any responsible person is uncertain regarding these matters, he/she should contact the office of the Senior Vice President for Business Affairs.

Casual notes, internal memoranda, email, faxes, other written communications and business records often become subject to public scrutiny. Exaggerations, derogatory remarks, guesswork or inappropriate characterizations that can be misunderstood or misconstrued should be avoided. Documents and records should always be retained or destroyed according to any internal document retention guidelines adopted by the University.

Responsible persons must not coerce, manipulate, mislead or improperly influence the University's auditors in the performance of an audit or review of the University's financial statements.

Assets

The University's assets must be safeguarded and used only for legitimate purposes. This obligation applies to all tangible property of Oklahoma Baptist University (for example, its physical facilities, office equipment, furniture and supplies) and all intangible property of the University (for example, computer software, trademarks and records). The University's confidential and proprietary information must also be safeguarded, as discussed in the section "Confidential Information."

Theft and Dishonesty Policy

Responsible persons are expected to safeguard and avoid misuse of the funds, records, tangible assets, intellectual property, and other property of the University. Responsible persons are also expected to conduct the business affairs of the University in a manner that complies with applicable state, federal and local laws.

Responsible persons are prohibited from engaging in any activity that may involve theft, misappropriation, or other misuse of University property, or violation of law, including but not limited to the following:

- theft or unauthorized use of the University's funds, equipment, supplies, and other tangible property, and data, software, and other intellectual property;
- misuse of the University's cash, credit cards, checks, and other financial instruments to purchase personal items or divert University funds to personal use or to unauthorized third parties;
- falsification of the University's time or payroll records, expense reimbursement reports, and other University forms, reports, and records;
- misappropriation of University data, trade secrets, logo, copyrighted material and other intellectual property for personal use or unauthorized use by third parties;
- conducting University business affairs in violation of local, state and federal laws; and
- intentional misstatements in University financial statements, tax or information returns, accreditation reports, institutional effectiveness reports, or any other financial

reports and records, including the intentional misstatement of the results of operations.

Responsible persons are encouraged to report immediately any known or suspected violation of the theft and dishonesty portions of this policy. In appropriate circumstances, Oklahoma Baptist University may report the matter to law enforcement authorities.

Conflicts of Interest

Responsible persons must adhere to Oklahoma Baptist University's Conflict of Interest and Anti-Fraud Policies for trustees, officers and employees.

Confidential Information

"Confidential information" refers to information that is not available to the public (or that someone would normally expect to be non-public). For example, confidential information includes:

- information marked as "Confidential," or with a similar marking;
- information deemed confidential under FERPA;
- information relating to hiring decisions, and to current, former and prospective employees;
- information relating to current, former and prospective trustees and other volunteers that has not been made public; and
- financial reports and data that have not been made public.

Responsible persons must use reasonable care to protect the confidentiality of all confidential information of the University, and must not disclose confidential information of the University to unauthorized persons, even subsequent to termination of their affiliation with the University. This means he/she should:

- be prudent and aware of where, when and how the University's matters are discussed;
- not leave confidential information unattended or in public view;
- not access confidential information unless he/she is specifically authorized to do so and the information is required in order to conduct University affairs;
- not disclose confidential information to other personnel of the University except on a legitimate "need to know" basis;
- not remove confidential information from the University's premises or make copies of any material containing confidential information, except as required to conduct the University's legitimate affairs;
- never use or disclose any University confidential information for personal gain or profit, or to the advantage of any other person; and
- contact the Office of the President for permission before disclosing University's confidential information to a third party.

Responsible persons should also contact the Office of the President for permission prior to requesting, accepting, using or disclosing confidential information from a third party. Acquiring confidential information, without adequate legal safeguards, can be improper and could expose the University to legal liability. In some circumstances, it may be necessary to enter into a written agreement with a third-party before obtaining confidential information. If such information is acquired, the responsible person must protect its confidentiality to the same degree as the University's confidential information, and must take care to observe the terms of any agreement under which the information has been acquired.

Gifts, Bribes and Kickbacks

Other than modest gifts (logo type gifts) given or received in the normal course of business (including travel or entertainment), responsible persons may not give gifts to, or receive gifts from, persons doing business with or seeking grants or other financial commitments from the University. Educational materials (books) received from publishers given in order to evaluate their value for the University's curricula are specifically exempted from this policy. Gifts offered to you from vendors or students other than those modest gifts identified above must be reported to the Office of the President.

Fair Dealing

Every responsible person should always respect the rights of, and deal fairly with, Oklahoma Baptist University and its employees, volunteers, and vendors. A responsible person should never inappropriately take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, innuendo or any other unfair-dealing practice.

Compliance Officer

The Organization's Compliance Officer is the Chairman of the Audit Committee of the Board of Trustees and is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. At his/her discretion, the Compliance Officer shall advise the President, Senior Vice President for Business Affairs and/or the Audit Committee. The Compliance Officer has direct access to the Audit Committee of the Board of Trustees and is required to report to the Audit Committee at least annually on compliance activity. The Audit Committee shall report to the Board of Trustees on issues it deems appropriate.

Accounting and Auditing Matters

The Audit Committee of the Board of Trustees shall address all accounting and auditing matters, including complaints and allegations as well as issues referred to the committee by management or auditors. The Compliance Officer shall immediately notify the Audit Committee of any such complaint or allegation and work with the committee until the matter is resolved.

Suspected Violations

The University maintains an open door policy and urges that responsible persons share questions,

concerns, suggestions or complaints with someone who can address them properly. In most cases, a responsible person's supervisor is in the best position to address an area of concern. If a responsible person is not comfortable speaking with his/her supervisor or is not satisfied with a supervisor's response, the responsible person is encouraged to speak with the Office of the President or anyone in management whom the responsible person is comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code to the University's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when a responsible person is not satisfied, or is not comfortable, with the University's open door policy, individuals should contact the Organization's Compliance Officer directly. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Reporting Violations

If a responsible person suspects with good cause that there is an ethical violation, whether before or after it has occurred, the responsible person must promptly report it to the President, Senior Vice President for Business Affairs or report it to his/her supervisor or senior management in accordance with such other relevant policies of the University as may be applicable. All reports to management will be reported to the Compliance Officer. Further, the responsible person may choose to report to the Compliance Officer of the Board of Trustees, Ray Cripps at 1-580-765-9835.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the policy. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false could result in disciplinary action.

Retaliation for reporting an ethical violation is prohibited. No responsible person who in good faith reports a violation of the policy shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This policy is intended to encourage and enable responsible persons and others to raise serious concerns within the University prior to seeking resolution outside the University.

Confidentiality

Violations, or in-good-faith suspected violations, may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations, or in-good-faith suspected violations, will be kept confidential to the extent possible consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation

or suspected violation within ten business days. All allegations will be reviewed/investigated and appropriate corrective action will be taken if warranted by the investigation.

Conclusion

Every responsible person is responsible for safeguarding and promoting Oklahoma Baptist University through ethical and principled leadership and action that is informed and directed by core values. This type of ethical and principled leadership is sometimes difficult. There will be times when situations will involve subtleties and complexities that lead to difficult choices. When in doubt, ask whether those actions and decisions would withstand objective scrutiny. If there is any doubt, it will often be helpful to seek guidance and advice from this policy and from other trustees and officers.

If there is uncertainty about a contemplated course of action or if there are questions about this policy, the issue should be raised with a supervisor or senior management. Further, a responsible person may choose to report to the Senior Vice President for Business Affairs by phoning 405-878-2004, the President at 405-878-2001 or the Compliance Officer at 1-580-765-9835.

Responsible persons are encouraged to report immediately any known or suspected violation of the code of conduct. Such reporting provides the University with the opportunity to evaluate the known or suspected conduct violation and to take action as necessary to protect the University's property, funds, and other interests.

Responsible persons who violate this policy may be subject to disciplinary action, dismissal or other corrective action in the discretion of Oklahoma Baptist University. Nothing contained in this policy shall be construed to alter the "at will" status of employment at Oklahoma Baptist University.