



PPSM-82: Conflict of Interest

Responsible Officer:	Vice President – Human Resources
Responsible Office:	HR - Human Resources
Issuance Date:	7/1/1996
Effective Date:	7/1/1996
Scope:	Professional & Support Staff, Managers & Senior Professionals, and Senior Management Group Members

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I. POLICY SUMMARY

The policy addresses activities by an employee that may be considered a conflict of interest.

II. DEFINITIONS

Exception to Policy: An action that exceeds what is allowable under current policy or that is not expressly provided for under policy. Any such action must be treated as an exception.

Executive Officer: The University President or Chancellor.

Top Business Officer: Executive Vice President–Business Operations for the Office of the President, Vice Chancellor for Administration, or the position responsible for the location’s financial reporting and payroll as designated by the Executive Officer.

III. POLICY TEXT

A. General

An employee shall not engage in any activities which create a conflict of interest between the employee's assigned functions and any other interest or obligation. Special policies and guidelines are contained in the [Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to](#)

[Conflict of Interest \(Business and Finance Bulletin G-39\)](#). Listed below are summaries of some of the important policies set forth in the Compendium. Questions or requests for further information should be directed to the Conflict of Interest Coordinator designated by the Chancellor.

B. Performance of University Duties

No one in the service of the University shall devote to private purposes any portion of time due the University nor shall any outside employment interfere with the performance of University duties.

C. Patents

Inventions by an employee are subject to the University patent policy. Each employee is required to sign an agreement to assign inventions and patents to The Regents, except those resulting from permissible consulting activities without use of University resources.

D. Gifts

An employee shall comply with the provisions of state and federal law and University policy governing the acceptance of gifts and gratuities. In addition, University officers and employees must avoid the appearance of favoritism in all of their dealings on behalf of the University. All University officers and employees are expected to act with integrity and good judgment and to recognize that the acceptance of personal gifts from those doing business or seeking to do business with the University, even when lawful, may give rise to legitimate concerns about favoritism depending on the circumstances. If a University officer or employee has any question regarding the propriety of a gift, disclosure of the gift or proposed gift should be made to supervisor or other appropriate University official for a determination of the proper course of action.

E. Financial Conflict of Interest

An employee may not make or participate in the making of a decision if there exists a financial conflict of interest. An employee who has been identified as a "designated official" in the University's Conflict of Interest Codes shall file financial disclosure statements each year.

F. Employee-Vendor Relationships

It is the policy of the University to separate the employee's University and private interest and to safeguard the University and employees from charges of favoritism in acquisition of goods and services. Goods or services shall not be purchased from an employee or near relative of the employee unless there is a specific determination that the goods or services are not available otherwise. University credit, purchasing power, and facilities shall be used for the purchase of goods and services that relate directly to University business and shall not be used to purchase material for individual or non-University activities.

G. Independent Consultants

Proposals from independent consultants shall include the name and University position of any employee who holds a position of director, officer, partner, trustee, manager, or employee in the consultant organization. Selection of the independent consultant shall be made only on the basis of qualifications, resources, experience, needs of the University, and cost to the University. An employee who participates in a decision to select a consulting firm in which the employee holds a position must consider the disqualification requirements of the Political Reform Act of 1974. University policy regarding employee-vendor relationships applies to services as an independent consultant.

IV. COMPLIANCE / RESPONSIBILITIES

A. Implementation of the Policy

The Vice President–Human Resources is the Responsible Officer for this policy and has the authority to implement the policy. The Responsible Officer may apply appropriate interpretations to clarify the policy provided that the interpretations do not result in substantive changes to the underlying policy. The Chancellor is authorized to establish and is responsible for local procedures necessary to implement the policy.

B. Revisions to the Policy

The President is the Policy Approver and has the authority to approve policy revisions upon recommendation by the Vice President–Human Resources.

The Vice President–Human Resources has the authority to initiate revisions to the policy, consistent with approval authorities and applicable *Bylaws* and *Standing Orders* of the Regents.

The Executive Vice President–Business Operations has the authority to ensure that policies are regularly reviewed, updated, and consistent with other governance policies.

C. Approval of Actions

Actions within this policy must be approved in accordance with local procedures. Chancellors and the Vice President–Human Resources are authorized to determine responsibilities and authorities at secondary administrative levels in order to establish local procedures necessary to implement this policy.

All actions applicable to PPSM-covered staff employees who are not Senior Management Group members that exceed this policy, or that are not expressly provided for under any policy, must be approved by the Vice President–Human Resources.

D. Compliance with the Policy

The following roles are designated at each location to implement compliance monitoring responsibility for this policy:

The Top Business Officer and/or the Executive Officer at each location will designate the local management office to be responsible for the ongoing reporting of policy compliance.

The Executive Officer is accountable for monitoring and enforcing compliance mechanisms and ensuring that monitoring procedures and reporting capabilities are established.

The Vice President–Human Resources is accountable for reviewing the administration of this policy. The Director–HR Compliance may periodically monitor compliance to this policy.

E. Noncompliance with the Policy

Noncompliance with the policy is handled in accordance with the Regents' [Guidelines for Corrective Actions Related to Compensation Practices](#) and [Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews](#), and [Personnel Policies for Staff Members 61, 62, 63, 64, 65, and 67](#) pertaining to disciplinary and separation matters.

V. PROCEDURES

The Responsible Officer may develop procedures or other supplementary information to support the implementation of this policy. Such supporting documentation does not require the approval of the President.

VI. RELATED INFORMATION

- [Business and Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies Guidelines, and Regulations Related to Conflict of Interest](#) (referenced in Section III.A. of this policy)
- [Guidelines for Corrective Actions Related to Compensation Practices](#) (referenced in Section IV.E. of this policy)
- [Guidelines for Resolution of Compensation and Personnel Issues Resulting from the Findings of Audits and Management Reviews](#) (referenced in Section IV.E. of this policy)
- [Personnel Policies for Staff Members 61, 62, 63, 64, 65, and 67](#) (referenced in Section IV.E. of this policy)

VII. FREQUENTLY ASKED QUESTIONS

Not applicable.

VIII. REVISION HISTORY

Reference to rescinded policy *Policy and Guidelines Regarding Acceptance of Gifts and Gratuities Under California's Political Reform Act* removed July 12, 2013.

This policy was reformatted into the standard University of California policy template effective July 1, 2012.

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As a result of the issuance of this policy, the following documents are rescinded as of the effective date of this policy and are no longer applicable:

- *Personnel Policies for Staff Members 82 (Conflict of Interest)*, dated July 1, 1996