



PPSM-82: Conflict of Interest

Responsible Officer:	VP - Human Resources
Responsible Office:	HR - Human Resources
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I. POLICY SUMMARY

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

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II. DEFINITIONS

Detailed information about common terms used within *Personnel Policies for Staff Members* can be found in [Personnel Policies for Staff Members 2 \(Definition of Terms\)](#) and [Personnel Policies for Staff Members 3 \(Types of Appointment\)](#).

III. POLICY STATEMENT

A. General

An employee must not engage in any activities that 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; nothing in this policy should be interpreted to alter or supersede those other policies and guidelines. 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 may devote to private purposes any portion of time due the University nor may 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. See the University's [Patent Policy](#).

D. Gifts

An employee must 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 or proposed gift or disclosure of the gift, inquiries should be made to the 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 a financial conflict of interest exists. See [Political Reform Act of 1974](#); [University Conflict of Interest Code](#). An employee who has been identified as a "designated official" in the University's Conflict of Interest Code must 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 must 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 must be used for the purchase of goods and services that relate directly to University business and must not be used to purchase material for individual or non-University activities. See [Business and Finance Bulletin BUS-43 \(Materiel Management\)](#).

G. Independent Consultants

Proposals from independent consultants must 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 must 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. See [Business and Finance Bulletin BUS-34 \(Securing the Services of Independent Consultants\)](#) and [Business and Finance Bulletin BUS-77 \(Independent Contractor Guidelines\)](#).

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

In accordance with [Personnel Policies for Staff Members 1 \(General Provisions\)](#), authorities and responsibilities delegated to the Chancellors in this policy are also delegated to the Executive Vice President–Chief Operating Officer, Vice President–Agriculture and Natural Resources, Principal Officers of the Regents, and the Lawrence Berkeley National Laboratory Director. Also in accordance with PPSM 1, the authorities granted in this policy may be redelegated except as otherwise indicated.

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–Chief Operating Officer 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 will periodically monitor compliance with 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. REQUIRED PROCEDURES

Not applicable.

VI. RELATED INFORMATION

- [Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to Conflict of Interest \(Business and Finance Bulletin G-39\)](#) (referenced in Section III.A of this policy)
- [Patent Policy](#) (referenced in Section III.C of this policy)
- [Political Reform Act of 1974](#) (referenced in Sections III.E and G of this policy)
- [Conflict of Interest Code](#) (referenced in Section III.E of this policy)
- [Business and Finance Bulletin BUS-43 \(Materiel Management\)](#) (referenced in Section III.F of this policy)
- [Business and Finance Bulletin BUS-34 \(Securing the Services of Independent Consultants\)](#) (referenced in Section III.G of this policy)
- [Business and Finance Bulletin BUS-77 \(Independent Contractor Guidelines\)](#) (referenced in Section III.G of this policy)
- [Personnel Policies for Staff Members 1 \(General Provisions\)](#) (referenced in Section IV.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

Technical revisions were made to this policy in February 2016, including updates to web and document links, office titles, updates to named employees, and typographical amendments.

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.

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

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