



CONFLICT OF INTEREST POLICY CSUSM CORPORATION EMPLOYEES & OTHER INTERESTED PARTIES

PURPOSE:

The purpose of this policy is to protect the integrity of CSUSM Corporation including, but not limited to, its information and services. This policy establishes guidelines to prevent persons having a financial interest in the business activities of CSUSM Corporation while employed by or conducting business on behalf of CSUSM Corporation.

SCOPE:

This policy applies to directors, managers, supervisors and employees who have significant exposure and/or decision-making authority. This policy also applies to any individual who has significant exposure and/or decision-making authority related to CSUSM Corporation's business activities. Such individuals may include, but are not limited to, employees of California State University San Marcos, and any other Corporation positions (Central Office or project) which have significant exposure and/or decision making authority to warrant regular monitoring of Conflict of Interest activities (herein referred to as "employees").

DEFINITIONS:

A Conflict of Interest is any situation in which an employee has an outside personal economic interest which has the potential of being in conflict with the best interest of CSUSM Corporation. This includes utilizing any information (not a matter of public record) for personal gain not contemplated by the terms of employment, whether the person is or is not employed by CSUSM Corporation at the time the gain is realized.

POLICY:

I. STANDARDS

- A. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision, which may result in a personal gain for that employee or a relative as a result of Corporation or University business activities.
- B. All employees are expected to conduct their personal and business matters so as to avoid actual, potential or apparent conflict between self-interests and the interests of the CSUSM Corporation and/or California State University San Marcos.
- C. The California Education Code has specific requirements for the employees of an auxiliary organization regarding conflict of interest. This policy addresses those requirements.
§89006 It is unlawful for any person to utilize any information, not a matter of public record, that is received by that person by reason of his or her employment by, or contractual relationship with, the trustees, the California State University, or an auxiliary organization of the California State University, for personal pecuniary gain, not contemplated by the terms of the employment or contract, regardless of whether the person is or is not so employed or under contract at the time the gain is realized.

II. DISCLOSURE

When any employee with significant exposure and/or decision-making authority, or any member of his or her immediate family, has a conflict of interest, that employee shall promptly report the conflict to the Executive Director. All persons to whom this policy applies are required to annually review this policy, including the applicable portion of the California Education Code, and to confirm that they do not have any conflicting financial interests by filling out the Conflict of Interest Declaration form. Employees of the Corporation are required to disclose the following:

- A. Interests in real property, which within the last two (2) years have been the subject of a lease or license with CSUSM Corporation for valuable consideration or have been otherwise made the subject of a contract with CSUSM Corporation for valuable consideration, or which in the future foreseeably may be so leased, licensed or otherwise made the subject of a contract with CSUSM Corporation.
- B. Interests in real property, investments and business positions in business entities, and income from sources located in whole or in part within two (2) miles of California State University San Marcos or within two (2) miles of any property owned or leased by CSUSM Corporation.
- C. Investments and business positions in any business entity, or income from any sources, which within the last two (2) years has contracted or in the future may foreseeably contract with CSUSM Corporation to provide supplies, materials (including books and periodicals), machinery, equipment, services or work of the type utilized by CSUSM Corporation.
- D. Investments and business positions in any business entity or income from any sources, which within the last two (2) years has contracted or in the future foreseeably may contract with CSUSM Corporation to perform construction work or to perform services in connection with such construction work or which, within the last two (2) years, has contracted or in the future foreseeably may contract as a subcontractor or supplier for such construction work or which, within the last two (2) years, has contracted or in the future foreseeably may contract with a service contractor to perform services in connection with such construction work pursuant to a separate contract with the service contractor.
- E. Changes occurring prior to their next complete declaration, if such changes either give rise to an actual or potential conflict of interest or eliminate a conflict previously disclosed.

III. PROCEDURE

- A. Any questions regarding a possible conflict of interest or outside work should be discussed with the immediate supervisor; department director; Director of Human Resources; or Executive Director.
- B. Failure to abide by these expectations or failure to disclose or discuss information related to potential conflict situations as outlined above may lead to disciplinary action up to and including dismissal.

IV. RESPONSIBILITIES

- A. Human Resources will provide Conflict of Interest forms to be completed by all regular employees during new employee orientation. Conflict of Interest forms are available on the CSUSM Corporation website or can be requested from the CSUSM Corporation Human Resources office.
- B. Supervisors shall annually distribute Conflict of Interest Statements to all employees who have purchasing signature authority or who influence the selection or purchase of goods and services used by CSUSM Corporation.

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- C. Supervisors are responsible for seeing that the statements are completed and returned to Human Resources in a timely manner.

V. CONFLICT RESOLUTION

The Executive Director will review all reported conflicts of interest and will issue a decision that defines what activities are permissible, not permissible, and any special conditions that must be met. The Executive Director will inform the Director of Human Resources of all reviews and decisions relative to conflict of interests.

In the event the conflict or potential conflict cannot be resolved by that person and the Executive Director, the disputed matter will be reviewed by the Executive Committee. In the absence of resolution, the Executive Committee will refer the matter to the Board of Directors, and the Board of Directors will review and take final action on the matter.

If the Executive Director has a conflict of interest with CSUSM Corporation business activities, he/she will disclose the circumstances to the Chair of the CSUSM Corporation Board of Directors.