



CALIFORNIA STATE UNIVERSITY, LONG BEACH

Subject: Conflict of Interest, Statement of Economic Interest Form 700 Filing Requirements, Limits on Gifts and Honoraria Payment, and Ethics Training	
Department: Human Resources Management	Reference No.:
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Web Links: Conflict of Interest Annual Filing HR 2009-05	Expiration Date:

I. Overview of the Political Reform Act

Under the Political Reform Act of 1974 (Government Code Sec. 81000 et seq., hereinafter referred to as "Act"), **no CSU employee** shall make, participate in making, or attempt to use his or her official position to influence a CSU decision in which he or she has a financial interest. Willful violation is a misdemeanor. The Act requires public officials to formally disclose assets and income which may be materially affected by their official actions. The Act (Government Code Sections 81000-91014) further imposes limits on gifts, if controlled by the employee, and prohibits honoraria payments received by designated employees of state agencies. The CSU is also required to adopt and implement a conflict-of-interest code, to designate required filers and ensure that those employees disclose any interests they may have on or before the statutory deadline.

II. What constitutes a financial interest?

An employee has a personal **financial interest** in a decision if the decision will have a material financial effect on the employee, a member of his or her immediate family, or on any one of the [five kinds of economic interests](#). (reference section II. A.2b of the web linked document.)

III. What constitutes a Conflict of Interest?

The Fair Political Practices Commission (FPPC), the agency assigned to administer and interpret the Political Reform Act, has provided an [eight-step analysis](#). (reference section II. A.3 of the web linked document) to determine when an employee has a **conflict of interest** that would require the employee to disqualify him or herself from the decision-making process.

IV. What are the rules on receipt of gifts and honoraria?

The CSU Code prohibits receipt of [honoraria](#) (reference section II.B.3 of the web linked document) in any amount and gifts over a \$420 (2009) in a calendar year (tied to the consumer price index) if the gift is controlled by the individual. When a gift to an employee is controlled by the campus and used for official business, there is no limit to the amount of the gift and the gift does not need to be reported on the employee's Form 700. In order for the gift to be controlled by the campus, the campus Agency Head (designated as the Associate Vice President of Human Resources Management), must have make the determination of which employee will use the gift.

The rules for limitations are summarized in a fact sheet:

http://www.calstate.edu/HRAdm/pdf2007/LimitationsFactSheet_07.pdf

The rules for Gift to an Agency are summarized at:

http://daf.csulb.edu/offices/bhr/hr_management/conflict/801/index.html

V. Which employees are required to file a Statement of Economic Interests, FPPC Form 700, e.g. in designated positions?

In addition to the above requirements that apply to all CSU employees, the CSU Conflict of Interest Code applies to specifically designated CSU employees who are considered most likely to make, participate in making, or influence decisions that could significantly affect personal economic interests. The campus' Conflict of Interest Filing Officer recommends those positions that should be included as a *designated position* using the prescribed criteria:

The *position makes, participates in, or influences decisions regarding:*

- A. *The physical master plan of the university.*
- B. *The total enrollment of the university.*



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- C. *The license, lease, purchase, or sale of real property of the university or for the university.*
- D. *Purchase of supplies, materials, commodities, machinery, equipment, services, or work for the university, school, department, or area.*
- E. *Entering into/amending construction contracts or service contracts in connection with construction contracts for the university.*
- F. *Investment of university funds.*

The list of designated positions may be modified once a year in April for Board of Trustees' action. Until a position is officially added or removed as a designated position, there is no requirement to have the incumbent employee file.

The list of CSULB positions designated as required to file a FPPC Form 700 is maintained by the Chancellor's Office: <http://www.calstate.edu/HrAdm/pdf2009/HR2009-05AttB.pdf>

VI. Who is our campus's Conflict of Interest Filing Officer?

The President has designated Beth Ryan, Director, Human Resources Service Group to serve as the campus's filing officer. Questions may be directed to her via email: bryan@csulb.edu or by phone at ext. 5-1741.

VII. What are the requirements for filing a Statement of Economic Interests, FPPC Form 700?

Incumbent employees in designated positions are required to file a public document with the campus filing officer when they first occupy a designated position, annually thereafter by April 1, and at the time the employee leaves the designated position. Newly designated positions are required to file in March the year after the position is added by the Board of Trustees.

Annual filing requirements will be communicated by the campus' Conflict of Interest Filing Officer to incumbent employees in designated positions each year during March. Newly designated position filers are typically notified in February. Newly appointed incumbents will be notified as the Conflict of Interest Filing Officer becomes aware of their appointments. Employees in designated positions who are separating their employment with the university should file during the clearance process prior to their last date of work.

VIII. How do I obtain a FPPC Form 700?

The campus' Conflict of Interest Filing Officer will notify employees regarding their specific filing requirements. However, the form may be found on line at the FPPC website: [Fair Political Practices Commission Home](http://www.fppc.ca.gov/index.html?id=36). The form is accessed directly at: <http://www.fppc.ca.gov/index.html?id=36>. Also, forms and information can found at the campus' [Conflict of Interest](#) Website.

IX. What schedules must be completed with the FPPC Form 700?

Depending on the degree of autonomy and or types of decisions made by the position through the discharge of official university business, one or multiple categories are assigned. These categories determine the Form 700 schedules that must be filed. The details are found at: <http://www.calstate.edu/HrAdm/pdf2009/HR2009-05AttA.pdf>

X. What is the consequence for failure to file?

The law provides for a \$10 per day fine for each day the Form 700 is late beyond April 1.

XI. What other requirements exist for designated positions?

It is required that incumbents complete a comprehensive CSU-delivered Ethics training six months after their appointment to the designated position, and every two years thereafter. Here is the web link to the training program: http://thesource.calstate.edu/conflict_of_interest_training.shtml

XII. What requirements apply to Principal Investigators?

Principal Investigators who receive grant or contract funding from non-governmental sources are required to file a Form 700U. This process is coordinated by the Office of University Research (ext. 5-5314); details may be found in the attached document: <http://www.calstate.edu/HrAdm/pdf2005/HR2005-38.pdf> or by contacting CSULB's Conflict of Interest Filing Officer.



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XIII. What other rules & requirements on conflict of interest or related topics are in effect?

Contracts with the CSU/Independent Contractors

The Public Contract Code contains [four rules](#) (reference section III.B of web linked document) that apply to employees and former employees regarding contracts with the CSU. For more information see:

- [HR Letter 2003-21](#) (.pdf), effective 01/01/04)

Using Confidential Information

It is unlawful under Education Code Sec. 89006 to utilize nonpublic information received by reason of CSU employment or a CSU contract for personal pecuniary gain.

Gifts of Public Funds/Using State Resources for Nonstate Purposes

[Gifts of public funds](#) (reference section IV.B of web linked document) are prohibited, as is using state resources (time, facilities, equipment or supplies) for nonstate purposes.

Salary as Compensation in Full

The law forbids payment of [extra compensation or bonuses](#) (reference section IV.C of web linked document) to a public employee after service has been rendered.

Additional Resources

- [CO Conflict of Interest Handbook](#) (.doc)
- [CSU Employment and Incompatible Activities HR Letter 2005-05](#) (.pdf)

FORMS: Form 700 Statement of Economic Interest
Form 700U Statement of Economic Interest for Principal Investigators
Form 801 Gifts to an Agency and Instructions
Gifts to an Agency Travel Form