



POLICIES AND PROCEDURES

CORPORATE POLICY

Subject: Conflict of Interest - Employees

Policy No.: 222

Orig Date: 10/17/2002

Last Revision Date: 10/17/2002

Revision:

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A. Purpose

The California Education Code has specific requirements for 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.

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 the Foundation's business activities.

This policy shall apply to all employees who have significant exposure and/or decision making authority to warrant regular monitoring of Conflict of Interest activities. While all reference herein is made to employees of the Foundation, this policy shall also apply to any individual (whether employed by Foundation or not) who has significant exposure and/or decision making authority related to Foundation business activities, to warrant regular monitoring of Conflict of Interest activities. Such individuals may include, but are not limited to employees of California State Polytechnic University, Pomona, independent contractors, subcontractors, consultants, etc.

B. Annual Statements

All management and other employees that have been designated as in positions of decision



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making authority related to Foundation business activities, are required to annually review the applicable portion of the California Education Code and attest that they do not have any conflicting financial interests.

C. Enforcement

If an employee, as defined in this policy, suspects that he/she has a conflict of interest with Foundation business activities, then he/she will immediately disclose the circumstances to the Foundation Executive Director and the Director of Human Resources. The Executive Director and Director of Human Resources will review all reported conflicts of interest. The Executive Director 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 Foundation's Finance/Investment Committee of all reviews and decisions relative to conflict of interests. An employee may appeal a conflict of interest review and decision to the Executive Committee of the Foundation Board of Directors. In the event that the conflict can not be resolved in a manner compliant with the California Education Code, the employee shall be subject to disciplinary action, up to and including discharge. If the Executive Director has a conflict of interest with Foundation business activities, he/she will disclose the circumstances to the Chair of the Foundation Board of Directors.