



# UC San Diego

## Policy & Procedure Manual

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### PERSONNEL – GENERAL

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Issuing Office: [Conflict of Interest](#)

## CONFLICT OF INTEREST

### I. REFERENCES AND RELATED POLICIES

- A. UC Business and Finance Bulletin G-39, Conflict of Interest Policy and Compendium of Specialized University Policies, Guidelines, and Regulations Related to Conflict of Interest (BUS-G39), February 24, 2010.

### II. OVERVIEW

The University has comprehensive and interrelated policies and guidelines that address the conduct of employees, their interactions with private industry, and conflict of interest. The policies work together to set high standards for employees, ensure the integrity of research results, and guide interactions of employees in their partnerships with industry and other university-related activities. These complementary policies and guidelines have, for example, been generally summarized in [BUS G-39](#).

Furthermore, the University has issued a [Statement of Ethical Values and Standards of Ethical Conduct](#) applicable to all members of the University community, including The Regents, Officers of The Regents, faculty and other academic personnel, staff, students, volunteers, contractors, agents and others associated with the University.

- I. \_\_\_\_\_ If, after reviewing these and/or other policies, procedures, guidelines, and regulations there is a question as to the proper course of action with regard to any conflict of interest issue, contact the [UCSDUC San Diego Conflict of Interest Coordinator](#).

A. \_\_\_\_\_

Consult this compendium in addition to this policy should the question of a possible conflict of interest arise.

B. \_\_\_\_\_

- C. \_\_\_\_\_ UCSD Policy and Procedure Manual (PPM)  
[523-9](#) \_\_\_\_\_ Employee-Vendor Policy

### II. PURPOSE

To establish procedures for the review of *Principal Investigator's Statements of Economic Interests*, and identification of designated University officials who are required to file *Statements of Economic Interests*. This policy also incorporates the Employee-Vendor policy as established in August, 1982.

After consulting these policies, guidelines and regulations, if questions have not been answered, consult the Conflict of Interest Coordinator, Ext. 6465.

### ~~III. POLICY~~

~~The University's overall policy on conflict of interest is that none of for clarification of the issue. To the extent that any of the policy summaries herein are ambiguous or inconsistent with the actual policies and/or laws cited, the actual laws and/or policies govern.~~

### III. POLICY

It is the policy of the University of California that its faculty, staff, managers or officials officers and employees shall not engage in any prohibited activities which that place them in a conflict of interest between their official activities duties and any other interest or obligation.

### IV. FINANCIAL CONFLICTS OF INTEREST

The California Political Reform Act of 1974 (Act) requires certain state and local government officials to publicly disclose their private economic interests on an official Statement of Economic Interests form and that all government (University) employees disqualify themselves from making, participating in or influencing decisions in which they have a personal financial interest.

The University of California has adopted a [Conflict of Interest Code](#), pursuant to the requirements of the Act. Any violation of the University's Conflict of Interest Code is deemed a violation of the Act. The Act places the responsibility upon the individual to be familiar with the requirements of the Act and with the University of California Conflict of Interest Code adopted in compliance with the Act.

#### A. Designated Employees

The University of California Conflict of Interest Code requires employees holding identified designated positions to disclose certain personal financial information. These employees are known as [Designated Employees](#), developed in response to the , requires that all University employees and officers. The University assigns disclosure categories to these positions, and indicates the types of economic interests (investments, interests in real property, and sources of income and gifts) that must be reported.

Designated Employees are employees who, based on their position at the University, have the authority to make decisions or participate in the making of decisions, which may foreseeably have a material effect on their personal financial interests. Employees in these University positions (Designated Officials) are prohibited from making, participating in or influencing University decisions when their personal financial interests may be affected by those decisions. Designated Officials must disqualify themselves from participating in a University decision when a financial conflict of interest is present. (See "All Employees" section, below.)

#### A. 1. Designated Officials

~~University employees and officers who are in positions which make decisions or participate in the making of decisions which may foreseeably have a material effect on their financial interest are Designated Officials. These positions are identified by the Fair Political Practices Commission.~~

~~B. The University of California's "" implements regulations of the California Fair Political Practices Commission. The Policy requires that a Principal Investigator must publicly disclose whether he or she has a financial interest in a private economic interests on an official [Statement of Economic Interests, Form 700](#) sponsor of a research project funded in whole or part through a contract, grant, or gift of \$250 or more from a non-governmental entity. The required disclosure is made using a Principal Investigator's [Statement of Economic Interests, Form 730-U](#), when a gift has been given and/or a proposal has been submitted to a non-governmental entity.~~

~~Accordingly, gifts or contracts/grants awarded to the University are reviewed according to~~

~~pre-determined principles and to other established policies guiding the conduct of sponsored research. An Independent Review Committee comprised of faculty with varied fields of expertise will apply these principles in their considerations to assure the Principal Investigator, the University community, and the public of the proper conduct of the review process. Failure to meet the following principles apply:~~

- ~~1. Traditional conflict of interest situations should continue to be avoided.~~
- ~~2. Research is appropriate to the University.~~
- ~~3. The teaching and research environment is open.~~
- ~~4. Freedom to publish and to disseminate research results is preserved.~~
- ~~5. Licensing agreements require thorough review.~~
- ~~6. University facilities and resources are used appropriately.~~

#### ~~IV. PROCEDURES~~

##### ~~A. All Employees~~

###### ~~1. Conflict of Interest~~

~~A conflict of interest occurs when an employee has a financial interest in a University decision. There is a financial interest if an employee state law requirements can reasonably foresee that the decision will have a material effect or result in late fees and other penalties:~~

- ~~a. Any business for profit or any real property, located in California, which has a direct or indirect worth over \$1,000.~~
- ~~b. Any source of income (other than loans made in the regular course of business by a commercial lender) totaling \$250 or more in value received or promised within 12 months before the decision is made.~~
- ~~c. Any business entity in which an employee is a director, officer, partner, trustee, employee, or holds any management position.~~

###### ~~2. Disqualification Requirements~~

- ~~a. If an employee determines that a financial conflict of interest does exist; in order to disqualify him/herself from making or participating in the making of a University decision, an employee must:~~
  - ~~1. Notify the Conflict of Interest Coordinator, the department head, and the immediate supervisor in writing, briefly stating the reasons for disqualification.~~
  - ~~2. The disqualification statement will be placed in the employee's personnel file and the supervisor will assign the matter to another employee.~~
  - ~~3. The disqualified employee A Designated Official must refrain from participating in any way in the decision or use employee status to influence any other person with respect to this matter.~~

##### ~~B. Designated Officials~~

~~Designated officials shall file required *Statements of Economic Interests* within time limits prescribed by law.~~

~~1.—Designated Officials must:~~

- ~~a.—file a financial disclosure statement Form 700 within 30 days of assuming office;~~
- ~~b.—Disqualify themselves from participating in decisions in which they have a personal financial interest;~~
- ~~c.—File an annual statement provided by the Office of the President; and~~
- ~~a. File a financial disclosure statement or within 30 days of leaving office.~~
  - ~~a.~~

~~2.—Staff and Academic Personnel Offices must:~~

- ~~a.—Notify the Conflict of Interest Coordinator of changes in personnel in When a Designated Official leaves one designated positions;~~
- ~~b.—Include information on the Conflict of Interest Code in job announcements for position and assumes another designated positions.~~
- ~~c.—Provide the “Political Reform Act Disqualification Requirements” pamphlet to all new career employees as well as to each career employee every other year; and~~
- ~~d.—Review all new classifications with the Conflict of Interest Coordinator to determine if the classifications are eligible for submittal to the Fair Political Practices Commission as designated positions.~~

~~3.—Conflict of Interest Coordinator must:~~

- ~~a.—Personnel Offices of designated positions on an annual basis.~~
- ~~b.—Notify and provide forms to designated officials to file on assuming or leaving office.~~
- ~~c.—Annually update Designated Officials list to submit to the Office of the President.~~
- ~~d.—Submit to the Office of the President new classifications (position descriptions) deemed appropriate to be presented to the Fair Political Practices Commission for consideration as designated positions.~~

~~**C. Principal Investigators**~~

~~Principal Investigators must disclose any financial interest in private sponsors of research. The term “financial interest” means:~~

- ~~1.—A direct or indirect investment in the sponsor worth more than \$1,000 (also known as “Equity (Ownership) Interest”), or if a Principal Investigator’s spouse or dependent child has a financial interest in the sponsor; or spouse, or dependent children own directly, indirectly or beneficially a 10 percent interest or greater in any business entity.~~
- ~~2.—A position as director, officer, partner, trustee, employee of or any other position of management in the sponsor, or~~

3. ~~Income from the sponsor (including consulting income) of \$250 or more in value, or \$50 if the income was a gift, received by or promised to the Principal Investigator within 12 months prior to the time an award is made.~~

~~D. Statement of Economic Interests, Exhibit A~~

~~1. Principal Investigator (PI)~~

~~a. Completes a *Principal Investigator's Statement of Economic Interests, Form 730-U*, obtained from the Office of Contract and Grant Administration or Development in the following situations:~~

- ~~1. Before final acceptance of a contract or grant proposal (\$250 or more) from a non-governmental entity; or~~
- ~~2. Before final acceptance of a gift from a non-governmental entity which is earmarked by the donor for a specific research project or a specific Principal Investigator; or~~
- ~~3. Before final acceptance of renewed contract or grant funding from a non-governmental entity; or~~
- ~~4. A contract or grant has expired; or~~
- ~~5. Gift funds have been completely expended.~~

~~b. Forwards completed *Principal Investigator's Statement of Economic Interests* to Office of Contract and Grant Administration along with contract or grant proposal, or to Development Office along with *Gift/Private Grant Acceptance Report*.~~

~~c. *Principal Investigator's Statement of Economic Interest* is not required if the donor is on the Exceptions List of Non-Governmental Sponsors of Research issued by the Vice President Academic Affairs. The exceptions list is on file at the Office of Contracts and Grants and the Gifts and Endowments Office.~~

~~2. Office of Contract and Grant Administration or Development~~

~~a. Sends *Statement of Economic Interests* to Principal Investigator before University, a contract, grant or gift is accepted.~~

~~b. Reviews returned *Statement of Economic Interests* for completeness.~~

~~c. Then forwards *Statement of Economic Interests* to Conflict of Interest Office with a copy of the proposal if a positive leaving office statement is received.~~

~~d. When grant/contract project is completed, requests *Statement of Economic Interests* from Principal Investigator.~~

~~3. Conflict of Interest Office~~

~~a. Reviews *Statement of Economic Interests* for completeness.~~

~~b. If answers to questions in section C and D are "No" (recorded as a "negativenot required. An assuming office statement"), maintains the~~

~~official public record of the *Statement of Economic Interests*.~~

~~b. If answers to any questions in section C and D are “Yes” (recorded as a “positive statement”), requests additional information from the Principal Investigator through a supplemental questionnaire or other inquiries. If a positive statement, any monies received under a contract, grant or gift may will not be expended until the Independent Review Committee and the Chancellor have formally reviewed and approved such acceptance. Such monies received prior to the above approval shall be retained by the Accounting Office in a Cash Received Undistributed or Interest Bearing account required if the new position has the same disclosure categories as the previous position.~~

~~c. Refers positive *Statement to* In addition, the Independent Review Committee on Conflict of Interest.~~

~~d. Advises Form 700 must be completed on an annual basis and filed with the General Counsel at the Office of Contract Administration and/or the Development Office of the outcome of the review.~~

~~e. Supplies updates of exception list to Gifts & Endowments and Contracts and Grants Offices.~~

~~4. Independent Review Committee on Conflict of Interest~~

~~a. Reviews the *Statement of Economic Interests* and accompanying documents, guided President by April 1<sup>st</sup> of the following practices and applying them as appropriate:~~

~~1. Assures adherence to relevant University policies, guidelines, and regulations.~~

~~2. Considers to the extent possible, the nature and extent of the year. The annual statement would disclose financial interests infor the relationship of previous calendar year. An annual statement is not required if the Principal Investigator to person assumed the sponsoring entity.~~

~~c. Gives special consideration to conditions of research agreements and the relationship office between the Principal Investigator and the sponsor October 1<sup>st</sup> and December 31<sup>st</sup>, and they filed an assuming office statement.~~

~~e.~~

~~d. All personnel who assume duties for a designated position in an interim or acting capacity must file assuming office statements within 30 days of beginning service in the interim or acting position. There are no exceptions to this requirement. They must also file a leaving office statement within 30 days of leaving the interim position unless permanently appointed to the position (it is not necessary to file a second assuming office statement if permanently appointed to the position).~~

**B. Senior Management Group**

All employees whose position is designated to be in the Senior Management Group, inclusive of Officers of the University per [Regents Standing Order 100.1](#) are required to disclose outside professional activities in accordance with the [Policy on Senior Management Group Outside Professional Activities](#)

~~3. Obtains additional information from the Principal Investigator when necessary.~~

~~b. Incorporates into the review the principles as determined by policy which are:~~

~~1. Traditional conflict of interest situations should continue to be~~

~~avoided.~~

~~In the conventional sense,~~ July 21, 2016. The disclosure is made on an annual basis.

### **C. All Employees**

The University of California Conflict of Interest Code prohibits all University employees from making, participating in or influencing University decisions when personal financial interests may be affected by those decisions. A University employee has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the employee or a member of his or her immediate family (immediate family means the spouse, registered domestic partner and dependent children) or on any of the employee's financial interests.

You may have a conflict of interest ~~refers to situations in which employees if your UC project or work assignment may have an effect on any of the opportunity to influence following seven~~ financial interests:

- ~~Personal Finances of You or Your Spouse, Or Immediate Family~~
- ~~Sources of Income to You or Your Spouse (receipt of \$500 or more in the University's business decisions prior 12 months.)~~
- ~~Businesses in ways that could lead to personal gain or give advantage to firms Which You or Your Immediate Family hold an Investment (\$2,000 or more investment)~~
- ~~Businesses in Which employees have an interest. Principal Investigators, like all You Serve As Director, Partner, Trustee & Employee Or Other Management Position~~
- ~~Real Property That You Own (\$2,000 or more investment)~~
- ~~Sources Who Have Given You or your Immediate Family Gifts~~
- ~~Someone with Whom You are Interviewing with for Prospective Employment~~

### **D. Acceptance of Gifts and Gratuities**

University of California employees shall comply with any applicable provisions of State and/or Federal ~~employees, law~~ relating to the acceptance of gifts and/or gratuities. All University 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 employee has any question regarding the propriety of a gift, disclosure of the gift or proposed gift, they should ask a supervisor or the UCSDUC San Diego Conflict of Interest Coordinator ~~continue to separate~~ for a determination of the proper course of action.

Designated Officials are prohibited from accepting gifts of more than a certain amount from a single source in a calendar year, if the gift must be reported on their Statement of Economic Interests Form 700, in accordance with their disclosure categories. The current threshold is \$460 and is adjusted annually. Note that there are several exceptions on what is defined as a gift. There is an outright prohibition on honoraria if the designated official must report it on their Statement of Economic Interest Form 700.

Employees who are not Designated Officials are not prohibited from receiving gifts of more than \$460, but they must disqualify themselves from making, participating in or influencing University decisions that would have a material financial effect on the source of the gift. They may not be subject to any disclosure requirements to place this disqualification on file.

## **V. CONFLICTS OF TIME OR COMMITMENT**

### **A. Conflict of Commitment and Outside Activities of Faculty Members**

In joining the University faculty, scholars accept as their own the University's responsibilities to advance and communicate knowledge. For purposes of advancement and promotion, the

performance of faculty members in fulfilling their University obligations is evaluated by grouping their activities into four interrelated categories: teaching, research and creative work activity, professional competence and activity, and University or University-related public service. Whether professional or non-professional, compensated or uncompensated, an outside activity that interferes with successful performance of the faculty member's University obligations represents a conflict of commitment. Teaching and research or creative work activities are clearly the primary activities of the faculty and receive the largest commitment of effort and energy.

Compensated outside professional activity may raise the appearance or the reality of a conflict of commitment to the faculty member's University obligations. Faculty members are required to adhere to the guidelines established in the [University Policy on Conflict of Commitment and Outside Activities of Faculty Members](#) to manage such activity.

## **B. Outside Professional Activities for Senior Management Group**

Participation in outside professional activities must be in accordance with the [Policy on Senior Management Group outside Professional Activities](#) ~~University and private interest~~, July 21, 2016.

All Senior Management Group employees who participate in outside professional activities, including Officers of the university, are subject to this policy. Outside professional activities include, but are not limited to, service on state or national commissions, government agencies and boards, committees or advisory groups to other universities, organizations established to further the interests of higher education, not for profit organization, and service on corporate boards of directors.

The immediate supervisor of a senior management employee is responsible for approving participation in outside professional activities in advance and in writing. The supervisor must keep this authorization on file.

Receipt of honoraria and travel reimbursement for expenses incurred in performing outside professional activities shall be in accordance with existing University policies and State law procedures, including, but not limited to:

1. [Business and Finance Bulletin BUS-34 - Outside Contractors](#)
2. [Business and Finance Bulletin G-28 - Travel](#)
3. [Accounting manual D-371.35 - Honoraria](#)

Accrued vacation shall be used when a senior management employee participates in compensated outside professional activities during regular business hours during the regular workweek.

Senior management members of staff must report to the Office of the President information relating to compensated and uncompensated participation on corporate boards.

## **VI. CONFLICT OF INTEREST IN THE PURCHASING OF GOODS AND SERVICES**

### **A. Purchasing of Goods and Services for the University**

- ~~2. Under [Business and Finance Bulletin BUS-43](#) (BUS-43) ~~Research is appropriate to the University~~~~

~~The research must be appropriate to the mission of the University, i.e., promising significant contributions to scholarship and knowledge and, when possible, providing appropriate opportunities for students. The suitability of the research should be judged according to the standards of the discipline and should be guided by the principles and policies of Regulation 4, Special~~

~~Services to Individuals and Organizations.~~

- ~~3.—The teaching and research environment is open  
The teaching and research environment should continue to promote the free exchange of ideas, information, and materials among students and faculty in all of their forums—classrooms, laboratories, meetings, and anywhere in the University. Selection of students for participation in the research project should not be inappropriately influenced by the interest of the sponsoring firm.~~

- ~~4.—Freedom to publish and to disseminate research results is preserved~~

~~Consistent with current University policies, there should be no limits placed on the freedom to publish, except for short periods of delay that permit a sponsor to comment or to permit filing of patent applications in coordination with University of California patent policies.~~

- ~~5.—Licensing agreements require thorough review~~

~~If the principal investigator has a financial interest in the sponsoring firm, justification for granting of an exclusive license to the sponsoring firm will require careful review to ensure that the best interests of the public and the University are served. This review should be coordinated with the Office of Contracts and Grant Administration for consideration in the negotiation of patent rights. If necessary, the Office of Contracts and Grants will contact the Patent Administrator for assistance.~~

- ~~6.—University facilities and resources are used appropriately~~

~~As is currently the policy, University resources—supplies, equipment, and facilities, as well as staff time—must not be used for the benefit of the firm without proper compensation~~

~~V. —Employee-Vendor Policy (see )~~

~~It is it is the policy of the University to separate an employee's University and private interests, and to safeguard the University and its employees against charges of favoritism in the purchase/acquisition of goods and services. No purchase University employees must disqualify themselves from participating in a University decision involving the purchasing of goods and services for the University if there exists a financial conflict of interest. No purchase, lease of goods, or contract for services shall be made from any employee or near relative thereof unless (husband, wife, mother, father, daughter, son, sister, brother, in-laws and step-relatives in the same relationships) who has an employee-vendor relationship unless there has been a specific determination by the Materiel Manager or designee that the goods or services are not available either from commercial sources or from the University's own facilities.~~

~~If an employee determines that a financial conflict of interest exists in making or participating in a University decision, he/she must submit a report to his or her department when making a proposal or learning that one has been made. The employee's department must determine if goods or services shall be purchased from any employee or near relative after there has been a specific determination that such goods or services are not available from either commercial sources or the University's/University's own facilities.~~

- ~~1. —An employee must submit a report to his/her department when making a proposal, or learning that one has been made, and when any of the following circumstances exists:~~

- ~~a. —The employee acting alone proposes for a consideration to rent or sell goods or~~

~~to provide services to the University.~~

- ~~b. The employee owns or controls more than 10% interest in any business which proposes for a consideration to rent or sell goods or to provide services to the University.~~
- ~~c. A near relative of the employee, acting alone or under the direct or indirect suggestion of the employee, proposes for a consideration to rent or sell goods or to provide services to the University.~~
- ~~d. A near relative of the employee owns or controls more than 10% interest in any business which proposes for a consideration to rent or sell goods or provide services to the University.~~

~~If the requesting department determines that the described goods and services are available from commercial sources or campus facilities, but Facilities. If due to unusual or extenuating circumstances, the department desires an exception to the [UCSDUC San Diego Employee-Vendor Policy](#) ~~Employee-Vendor Policy PPM 523-9~~, the department ~~then submits~~ must submit a request for exception to the Purchasing Division.~~

~~If an employee should have disqualified themselves, but participates in a decision, the University will take appropriate personnel action, which may include counseling, legal action and dismissal, depending on the facts of the case. Along with internal University administrative disciplinary actions, the State may levy penalties against individuals who do not comply with this provision.~~

## **B. Hiring Independent Consultants**

- ~~2. Under [Business and Finance Bulletin BUS-43 \(BUS-43\)](#) and state law, a University employee may not be retained as an independent contractor for purchase or lease of goods or contract for services. There may be an exception for an employee who has teaching or research responsibilities, or a student employee, provided that the Materiel Manager (or designee) has made a specific determination that the goods or services are not available either from commercial sources or from within the University (for Faculty consultation, see APM-664). A near relative of an employee (as defined in [Business and Finance Bulletin BUS-43 \(BUS-43\)](#)) ~~(BUS-43)~~ may only be retained as an independent contractor after a specific determination is made by Materiel Management that the services to be provided by the employee-vendor are not available from other commercial sources. In addition, the work to be performed cannot be the same, or similar to, the employee's assigned or implied University duties. If an employee-vendor relationship exists, the reporting requirements of [BUS-43](#) ~~Purchasing Division then reviews the departmental request and recommends to the Materiel Manager that an exception be granted where such request provides sufficient justification.~~~~
- ~~3. The request for exception is then approved or disapproved by the Materiel Manager.~~

***EXHIBIT A***

DRAFT FOR COMMENT

**SUPPLEMENT I**

**COMPENDIUM OF SPECIALIZED UNIVERSITY POLICIES  
GUIDELINES AND REGULATIONS RELATED TO CONFLICT OF INTEREST**

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8. Statement on Conflict of Interest \_\_\_\_\_  
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9. \_\_\_\_\_  
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10. \_\_\_\_\_  
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11. Policies on Appointment of Near Relatives \_\_\_\_\_  
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facilities) \_\_\_\_\_  
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17. Independent Consultants, Business and Finance Bulletin BUS-43 \_\_\_\_\_

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~~18. Internal Audit Code of Ethics~~

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DRAFT FOR COMMENT

~~1. Standing Order of The Regents of the University of California 103.1(b), Special Provisions Concerning Officers, Faculty Members, and Employees of the University-Service Obligations (January 22, 1971).~~

~~Summary: No portion of time due the University shall be devoted to private purposes and no outside employment shall interfere with performance of university duties.~~

~~2. University Regulation No. 3, Privileges and Duties of Members of the Faculty. Section 3a (February 15, 1935).~~

~~Summary: Faculty are assumed to devote full "working" time to the university. Service includes classroom teaching, conference with students, studying and writing, research, committee work, administration, and public service, with time devoted to each varying with, and dependent upon, involvement with each type of activity.~~

~~3. University Regulation No. 4, Special Services to Individuals and Organizations (June 23, 1958) and Principles Underlying Regulation No. 4 (June 23, 1958).~~

~~Summary: Faculty may render professional or scholarly services for compensation and may engage in the practice of their professions to maintain professional competency if such service does not interfere with university commitments and if it gives experience and knowledge of value to his teaching or research; is suitable research through which he may make worthy contributions to knowledge; or is appropriate public service. When consultants or outside services are such as to interfere with recognized university duties, they may be undertaken only on the basis of a leave of absence. University laboratories, bureaus, and facilities are not to be used for work of a purely commercial character except when it can be shown conclusively that satisfactory facilities for such services do not exist elsewhere.~~

~~4. University Regulation No. 5, Academic Freedom (June 15, 1944).~~

~~Summary: The function of the university is to train students in process whereby truth is to be made known. Its obligation is to see that conditions under which questions are examined are those which give play to intellect. To convert or make convert is alien and hostile to this dispassionate duty. When considering political, social, or sectarian movements, they are to be dissected and examined not taught and the conclusion left to the logic of the facts.~~

~~5. University Policy on Faculty Conduct and Administration of Discipline (June, 1974), including The Faculty Code of Conduct (May, 1974)~~

~~Summary: The policy includes in its statement on ethical principles that the professor "determines the amount and character of the work he does outside his institution with due regard to his paramount responsibilities with it." The policy also lists as one type of unacceptable conduct the "unauthorized use of university resources or facilities on a significant scale for personal, commercial, political, or religious purposes" and contains sanctions where abuse is demonstrated.~~

~~6. Policy on Outside Professional Activities of Faculty Members (April 13, 1979).~~

~~Summary: Amplifies previously issued policies on expected duties of a faculty member and clarifies expectations of performance of compensated or uncompensated outside professional activities which relate to a faculty member's academic specialty. Requires annual reports on such activities to departmental chairpersons.~~

~~7. Policy on Additional Compensation for Services as Faculty Consultant, Academic Personnel Manual Section 664 (October 1, 1981).~~

~~Summary: If not regularly engaged on the project concerned, a member of the faculty may, on occasion, receive additional compensation for consultant services on projects~~

~~conducted under the auspices of the university~~

**~~8. Statement on Conflict of Interest (issued by the President, October 5, 1967 and October 12, 1967).~~**

~~Summary: The statement recognizes the potential conflict of interest from sponsored research, consulting contracts, and staff involvement in the management of private companies and illustrates for guidance the kinds of situations which may give rise to conflicts of interest (excerpted from a 1964 joint statement of the American Council on Education and the American Association of University Professors).~~

**~~9. Instructions to Review and Appraisal Committees, Academic Personnel Manual Section 210 (June 21, 1977).~~**

~~Summary: The instructions state the "Superior intellectual attainment, as evidenced both in teaching and in research or other creative achievement, is an indispensable qualification for appointment or promotion to tenure positions." Creative work includes recognized artistic production in architectural or engineering design; professional competence; demonstrated distinction in the profession; and public service, service to the community, state, and nation.~~

**~~10. University Policy Regarding Patents (April 1, 1980).~~**

~~Summary: In order to equitably administer intellectual property, the discoveries and inventions of members of the faculties, employees, and others associated with the university are subject to the patent policy. The use of university facilities or services, particular assignments of duties, possible claims of a cooperating agency where research is supported from extramural funds, and other situations may give rise to a complex of interrelated equities or rights. Specific requirements of the policy are set forth, including No. 4, which states: "An agreement to assign inventions and patents to The Regents, except those resulting from permissible consulting activities without use of university facilities, shall be mandatory for all employees---" By letters of March 13, 1980, January 14, 1976, and July 14, 1976, and their attachments, President Saxon extended patent policy regulations to non-compensated researchers, certain visiting scholars and consultants, and graduate students.~~

**~~11. Policies on Appointment of Near Relatives, Academic Personnel Manual Section 520, revised 1971, and Staff Personnel Policy 211.26 (January 1, 1980).~~**

~~Summary: Appointment of near relatives in the same department is permitted, subject to reasonable safeguards against conflict of interest.~~

**~~12. Policy on Acceptance or Offering of Gifts and Gratuities by University Employees (February 6, 1980).~~**

~~Summary: No officer or employee should accept any gift or gratuity from any source which is offered or appears to be offered because of the university position held by the officer or employee. This document also prohibits offers of a gift or gratuity by university officers or employees and defines gifts and gratuities.~~

**~~13. Policies Applying to Campus Activities, Organizations, and Students (January 3, 1979).~~**

~~Summary: Included in this document is the policy that university facilities may be used only for university-related purposes or in furtherance of such purposes.~~

**~~14. Conflict of Interest Code (financial), approved by the Fair Political Practices Commission, January 26, 1978, with requirement of April 1, 1980, as the date for initial filing.~~**

~~Summary: The Code requires public filing of financial disclosure statements by designated officials and disqualification from governmental decision-making of any employee~~

~~who has a financial interest. Programmatic teaching and research decisions under the Code.~~

~~15. Policy Regarding Employee-Vendor Relationships (August 19, 1982).~~

~~Summary: Goods or services shall not be purchased from a university officer, employee, or near relative unless there is a specific determination that the goods or services are not available otherwise.~~

~~16. Materiel Management, Business and Finance Bulletin BUS-43 (October 22, 1979).~~

~~Part 2: Responsibility and Authority, Section X (p. 15a), Personal Purchases.~~

~~Summary: University credit, purchasing power, and facilities shall not be used to purchase goods or services for individuals or non-university activities. Organizations and activities closely allied to or officially associated with the university (such as a faculty club or an ASUC), with the approval of the chancellor, may be permitted to purchase materials that are not subject to federal tax through the campus Materiel Management Office.~~

~~Part 9: Employee-Vendor Relationships (pp. 35-37).~~

~~Summary: Determination-No purchase, lease of goods, or contract for service shall be made from any employee or near relative unless there has been a specific determination by the Materiel Manager or designee that goods or service are not available either from commercial sources or from the university's own facilities.~~

~~Inspection-The responsible administrative officer or representative whenever necessary to ensure an understanding of facts presented shall inspect the business premises and records of an employee-vendor or near relative-vendor from whom the university is considering acquiring goods or services.~~

~~Exceptions-Each responsible administrative officer is delegated authority, within constraints imposed by the Political Reform Act, for approving exceptions to policy when there are unusual or extenuating circumstances. This delegation may be redelegated to specific designees, but this authority may not be further redelegated.~~

~~Introduction (pg. 1) and Appendix B, Principles and Standards or Purchasing Practice Advocated by National Association of Purchasing Management, and Code of Ethics of National Association of Educational Buyers.~~

~~Summary: The University is committed to maintaining high standards of performance based upon fair, ethical and professional business practices. It, therefore, expects each Materiel Manager and anyone else authorized to make purchases to abide by the purchasing codes of conduct attached in Appendix B.~~

~~17. Independent Consultants, Business and Finance Bulletin BUS-43 (July 8, 1981).~~

~~Summary: shall be followed.~~

Proposals from independent consultants shall include the name and University position of any officer, faculty member, or other employee of the University who holds a position of director, officer, partner, trustee, manager, or employee in the consultant ~~organizations-organization.~~ Selection of the independent consultant shall be made on the basis of demonstrated qualifications, resources, experience, and needs of the University, and on cost to the University. ~~In the selection process,~~ Any officer or employee participating in the decision to engage the consultant must keep in mind adhere to the disqualification requirements for financial conflict of interest of the State of California Political Reform Act of 1974. ~~The university policy regarding employee-vendor relationships applies to services as an independent consultant. If an employee-vendor relationship exists, the reporting~~

~~requirements of Business and Finance Bulletin BUS-43 shall be followed. (NOTE: These provisions apply also to independent contractors.)~~

~~18. The Policy on Employee-Vendor Relationships and Business and Finance Bulletins 34 and 77 Ethical Professional Conduct: Internal Audit Code of Ethics~~

~~Summary: The University subscribes to the Code of Certified Internal Auditors, which subscribes to avoidance of any conflict of interest or manifestation of bribery.~~

~~should be consulted to determine the extent to which the University has control over certain aspects of the work or the work product of the consultant.~~

**VII. CONFLICT OF INTEREST IN THE USE OF UNIVERSITY PROPERTY AND FACILITIES**

**A. Personal Purchases and Use of University of California Police Rules and Regulations (March 1, 1974). Facilities and Equipment**

~~University credit purchasing power and facilities shall not be used to purchase goods and services for individuals or for non-University activities. For further information see [BUS 43 Part 3, Section J](#). University facilities may be used only for University-related purposes or in furtherance of such purposes. University employees may not use University materiel or property in the care and custody of the University for personal purposes, except with the approval of the Chancellor or Laboratory Director. See the Policy on [Management and Control of University Equipment BUS-29, Section M](#).~~

**B. Sale of Excess Material/Equipment to University Employees**

~~The University has specific limitations and requirements covering sales to employees and their near relatives of excess materials/equipment. Further information on this topic can be reviewed in the Policy on [Disposition of Excess Property and Transfer of University-Owned Property BUS 38](#).~~

**VIII. CONFLICT OF INTEREST IN RESEARCH**

~~Persons with principal responsibility for a research project (under State of California regulations), individuals who are the project director or principal investigator and any other person, regardless of title or position, who is responsible for the design, conduct, or reporting of research funded (under Public Health Services federal regulations) and the principal investigator, co-principal investigators, and any other person at the institution who is responsible for the design, conduct, or reporting of research or educational activities (for National Science Foundation projects) must disclose certain financial interests. The University of California [Policy on Disclosure of Financial Interest in Private Sponsors of Research, the Disclosure of Financial Interests & Management of Conflicts of Interest, Public Health Service Research Awards, and Disclosure of Financial Interests and Management of Conflicts of Interest, National Science Foundation Awards](#), establish standards and procedures to ensure that the design, conduct and reporting of sponsored research and educational activities will not be compromised by any conflicting financial interest on the part of the Principal Investigator or other applicable individuals by implementing a system for the disclosure, evaluation, and management, reduction, and/or elimination of potential conflicts of interest.~~

**IX. CONFLICT OF INTEREST IN INVENTIONS, PATENTS AND LICENSING**

**A. California Political Reform Act Disqualification Requirements Related to Licensing Decisions**

The California Political Reform Act (Act) prohibits University employees from participating in University decisions when personal financial interests may be affected by those decisions. The University has developed [Licensing Guidelines](#) to address some of the most common concerns regarding potential conflicts of interest in University licensing activity and shall be followed to implement the requirements of the Act. They are developed to clarify the roles of both inventors and University staff that license University inventions (Licensing Professionals) and to assist them in complying with the Act.

University inventors sometimes decide or Licensing Professionals sometimes ask University inventors to work closely with University licensing staff and candidate licensees and even to involve themselves in companies that are candidate licensees to help effectively commercialize University inventions. This is appropriate and represents a useful contribution, because the transfer of University technology to industry is in the public interest and is consistent with the University's mission. Any involvement of inventors, however, must be in Accordance with the Act, with University Licensing Guidelines, and based upon the education, research, and public service missions of the University.

Because both Licensing Professionals and inventors may have the opportunity to influence University licensing decisions in ways that could lead to personal gain or give advantage to companies in which they have a financial interest, Licensing Professionals and the inventors must be aware of and in compliance with the Act. Generally, Licensing Professionals and inventors are prohibited from making, participating in or influencing a University decision, including selection of licensees and other decisions made in the course of commercializing University research results, if they have a personal financial interest in the decision, unless certain specific actions are taken.

In order to comply with the Act, when a potential licensee is identified, the Technology Transfer Office will ask the Lead Inventor and any other inventors who wish to be involved in the license negotiations to fill out a financial disclosure form (the form will be provided to the potential licensee(s) by the Technology Transfer Office). If an inventor, his/her spouse or registered domestic partner or dependent child has a disqualifying personal financial interest in a decision concerning a candidate licensee of an invention, the inventor must refrain from participating in or influencing the decision. Under the Act, an exception may be granted so long as there is appropriate review by non-interested persons or persons/independent body ([Licensing Decision Review](#)).

## **X. CODES OF CONDUCT**

There are circumstances when consensual romantic or sexual relationships are of concern to UC San Diego. This may be true both in consensual relationships between peers and consensual relationships where there is a power differential between the two parties.

Further information on this topic can be reviewed in the Policies, [Policy and Procedure Manual \(PPM\) 200-11, Conflicts of Interest Arising Out of Consensual Relationships](#), [UC Academic](#)

[Personnel Manual \(APM\) 015, Faculty Code of Conduct and the University Policy on Sexual Violence and Sexual Harassment.](#)

## XI. PERSONNEL RELATED ACTIVITIES

BUS G-39 contains specific guidance on personnel related conflict of interest issues. These issues include:

1. [Personnel Policies for Staff Members, Policy 82 - Conflicts of Interest](#)
2. [Policy on Employment of Near Relatives, Academic Personnel Manual, Section 520 and](#)
3. [Personnel Policies for Staff Members, Policy 21 – Appointment, Section G. Near Relatives](#)
1. [Additional Compensation for Services as a Faculty Consultant, Academic Personnel Manual, Section 664](#)
- [Additional Compensation for Services as a Faculty Consultant, Academic Personnel Manual, Section 664](#)
4. [Additional Compensation for Services as a Faculty Consultant, Academic Personnel Manual, Section 664](#)

— <http://www.ucop.edu/academic-personnel-programs/files/apm/apm-025-07-01.pdf> Summary:  
— The regulations include the Law Enforcement Code of Ethics as an introduction and a section on Code of Conduct for University Police employees. Specifically, employees shall conduct their private and professional lives in such a manner as to avoid bringing discredit upon the department or upon themselves and, for example, shall not solicit or accept gratuities, use one's position to obtain privileges, or permit endorsement for advertising purposes based upon the employee's university position.

### 19. Policy on Disclosure of Financial Interest in Private Sponsors of Research (April 8, 1982).

— Summary: University Policy on Disclosure of Financial Interest in Private Sponsors of Research issued by President Saxon on April 9, 1982, and State regulations mandated by the Fair Political Practices Commission under the Political Reform Act (2 Cal. Admin. Code Section 18705) require that a principal investigator must disclose whether or not he has a direct or indirect financial interest in the sponsor of research which is funded in whole or in part: 1) through a contract or grant of \$250 or more with a non-governmental entity; or 2) by a gift from a non-governmental entity which is earmarked by the donor for a specific research project or a specific principal investigator, provided the amount of the gift, or the aggregate over a 12 month period, from the same donor is \$250 or more.

— When an interest by a principal investigator in the sponsor is disclosed, a campus committee must review whether or not the contract, grant or gift can be accepted.

5. [Policy on Conflict of Commitment and Outside Activities of Faculty Members, Academic Personnel Manual Section 025](#)