

**Date:** February 25, 2015 **Code:** HR 2015-06  
**To:** CSU Presidents **Reference:** HR 2015-02  
HR 2015-03  
HR 2015-04  
HR 2015-05  
**Subject:** 2015 Conflict of Interest Annual Filing

**Summary**

This HR letter provides campuses with the 2015 Conflict of Interest (COI) annual filing requirements for employees (including consultants) in designated positions, as well as those identified through the interim disclosure process. Annual forms must be filed by **April 1, 2015**.

Human Resources Management will host a webcast for COI Filing Officers on **March 6, 2015** from 10:00 a.m. to 12:00 noon to discuss the annual filing process, the ethics training requirement, and answer campus questions. Further information regarding registration for this meeting will be forwarded to each COI Filing Officer via e-mail.

**Action Item(s):**

Each campus COI Filing Officer must distribute Form 700 (Statement of Economic Interests) to employees (including consultants) in designated positions, including those individuals identified through the interim disclosure process. Notices should be sent out as soon as possible and no later than March 1, 2015 in order for employees to meet the **April 1, 2015** deadline, and ensure timely completion of required training.

This HR letter should be reviewed in its entirety by the campus COI Filing Officer and any campus designee responsible for COI annual filing.

**Affected Employees Groups(s)/Units:**

All employees (including select consultants) in designated positions in the COI code amended March 10, 2007 (See Attachment B), and those individuals identified through the interim disclosure process.

**Introduction**

The Political Reform Act, Government Sections 81000, et seq., requires California State University (CSU), as an agency, to adopt and promulgate conflict of interest (COI) codes. The CSU's COI code requires employees (including consultants) in designated positions to file a Statement of Economic Interests (Form 700) on an annual basis. In addition, consultants and employees identified under the interim disclosure process, referenced in Technical Letter HR 2010-01, are also required to file a Statement of Economic Interests (Form 700) on an annual basis. This memorandum serves as a reminder that the individuals specified above, must file annual Statements by **April 1, 2015**.

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**Distribution:** With Attachments:  
Conflict of Interest Filing Officers  
Without Attachments:  
Chancellor  
Presidents  
All Campus Vice Presidents  
AVPs/Deans, Faculty Affairs

Directors, Research and Sponsored Programs  
Human Resources Officers  
General Counsel

## **Code Update**

The Fair Political Practices Commission (FPPC) has not yet approved the CSU's COI Code amendment adopted by the Trustees at the July 2007 Board meeting. Our office is continuing to work with the FPPC to resolve outstanding issues and as a result, this year's filing will be based on campus designated position lists released on February 26, 2007, via HR 2007-03, Attachment B. Updates to the existing code is delayed pending FPPC approval. In addition to the campus designated position lists (as noted above), the filing will also include those positions identified through the interim disclosure process. This list should encompass interim designated positions (including assuming and leaving office positions) that were effective in calendar year 2014. Campuses will be notified by separate correspondence when CSU's code amendment is approved.

**Attachment A provides the CSU disclosure categories list.**

## **Annual Filing Reminder**

Conflict of Interest filing is a campus responsibility. The campus Conflict of Interest Filing Officer should distribute Form 700 (Statement of Economic Interests) to employees in designated positions, as well as those identified through the interim disclosure process, as soon as possible, and **no later than March 1, 2015** - 30 days before the filing is due. Please refer to [HR 2015-02](#) for additional and updated requirements for Filing Officers. These employees must submit completed forms to the campus Filing Officer by **April 1, 2015**. As a reminder, the Chancellor's Office does not need to be notified when the filing process is completed.

Employees in designated positions, as well as those identified through the interim disclosure process, that filed during the last quarter of 2014 (October 1, 2014 through December 31, 2014), are not required to file during the 2015 annual filing period. The next time they will be required to file will be during the 2016 annual filing period.

## **Principal Investigators**

There is no "annual" filing requirement for Principal Investigators (PIs); however, Title 2 regulations require PIs to file a form 700-U (Statement of Economic Interests for Principal Investigators) before the final acceptance of a contract, grant or gift for a research project from a non-governmental entity, and when funding for such a contract or grant is renewed. For additional information regarding Principal Investigators' filing requirements, refer to [HR 2015-05](#).

Principal Investigators must complete the ethics training within six (6) months of receiving the grant. Subsequent training is required at least once within each two calendar year period that the grant is in place.

## **Interim Disclosure Requirement**

As referenced in Technical Letter HR 2010-01, effective January 1, 2010, the Fair Political Practices Commission began requiring consultants and employees in newly created positions that make or participate in the making of decisions that may foreseeably have a material effect on any financial interest to file interim disclosure under Title 2, Section 18734. The interim disclosure requirement covers those positions that have not been incorporated into the CSU Conflict of Interest Code pending FPPC approval, and any subsequent position created by the campus to be added to the Code in a future update process. Under interim disclosure, consultants and employees hired into

applicable positions are required to file an initial statement within 30 days of assuming office, and must file annually in conjunction with the FPPC annual filing requirements. Consultants and employees should file under the proposed disclosure categories identified for the designated position.

In accordance with [HR 2015-04](#), campuses will now be required to submit to Systemwide HR their 2014 campus interim disclosure list until the new code is approved by FPPC. We are requesting this list be submitted by **April 1, 2015**. Consultants and employees in newly designated positions that filed interim disclosures during the last quarter of 2014 (October 1, 2014 through December 31, 2014), are not required to file during the 2015 annual filing period, however, these positions should be indicated on the list.

### **Annual Filing Documents**

The following information is included in your campus' Conflict of Interest Filing Officer's copy of this memo to assist in the annual filing process:

1. **CSU Disclosure Category Listing (Attachment A)** - Identifies seventeen (17) disclosure categories.
2. **Campus Designated Position List (Attachment B)** – Identifies the designated positions submitted during the 2007 filing process and represents the current CSU COI code.
3. **2014-2015 Statement of Economic Interests Form 700** - Form 700 (schedules and instructions). Filing Officers are required to review completed statements of economic interests ensuring that a completed individual disclosure statement is received, and that the date is indicated in the official date stamp box located in the upper right hand corner of Form 700. Copies of Form 700 can be reproduced locally for appropriate employees at your campus. Form 700 also can be accessed electronically via the internet at: <http://www.fppc.ca.gov>.
4. **Frequently Asked Questions: Form 700 Disclosure (rev. 1/2015)** – Provides a list of frequently asked questions that are often asked to FPPC by employees completing Form 700. Frequently asked questions regarding gift disclosure are also included.
5. **2014-2015 Form 700 Statement of Economic Interests Reference Pamphlet** - Provides information to assist employees in designated positions on how to complete their Form 700.
6. **Limitations and Restrictions on Gifts, Honoraria, Travel and Loans Fact Sheet** - This fact sheet was updated as of January 2015 and summarizes the major provisions concerning gifts, honoraria, travel and loans. The aggregate limitation on gifts, which is indexed for inflation every two years, is \$460 (2015-2016 limit) from a single source in a calendar year.
7. **2014-2015 Principal Investigator's Statement of Economic Interests Form 700-U and Instructions for Statement of Economic Interests for Principal Investigators** - Form 700-U should be made available to employees "with principal responsibility for a research project funded or supported, in whole or in part, by the contract or grant (or other funds earmarked by the donor for a specific research project, or for a specific researcher) from a non-governmental entity."

8. **Conflict of Interest Handbook** - This handbook prepared by the Office of General Counsel provides information on conflict statutes.

### **Ethics Training**

All employees in designated positions, as well as those that fall under the interim disclosure requirement, must complete the ethics training. The training is delivered online and is accessible wherever web access is available. It is delivered in an interactive format. Completion time is approximately 45 minutes, with testing embedded throughout content. A unique course link will be sent to each participant by SkillSoft, the vendor for this training.

Employees will be able to access the training by invitation only. The invitations will be prompted from the list of filers submitted by each campus and will be communicated electronically to individual e-mail accounts. COI Filing Officers are able to monitor completions through a learning management system. Reminders will be sent by SkillSoft to filers until training is complete.

It is the responsibility of campus COI Filing Officers to complete the following tasks in regards to the ethics training:

- Provide your campus SkillSoft administrator with the names of the individuals that are required to take the training, so that online training accounts may be established; and
- Send an e-mail notification to designated employees (including consultants), as well as those identified through the interim disclosure process, reminding them of their ethics training obligations under the Conflict of Interest code, and to watch for an e-mail from SkillSoft when the training is due.

Refer to [HR 2015-03](#) for additional filing officer responsibilities with regards to updated ethics training requirements.

Questions regarding ethics training should be directed to Robin Innes, Senior Manager, Systemwide Professional Development at (562) 951-4499 or [rinnes@calstate.edu](mailto:rinnes@calstate.edu).

### **Enforcement Considerations**

Employees are subject to a \$10 per day fine up to a maximum of \$100 for the late filing of a statement of economic interests Form 700 (Government Code Section 91013). In addition, the President/Chancellor may be notified of the late filers.

Employees who fail to file a Form 700, or who fail to disclose material interests may be subject to a personal penalty. Penalties include disciplinary action against the employee, as well as potential civil and criminal penalties. Violations of the Conflict of Interest Code are addressed in the Conflict of Interest Handbook, prepared by Office of General Counsel. This handbook is available at: <http://www.calstate.edu/gc/Docs/ConflictofInterestHandbook.pdf>. Campuses should work with their campus counsel to address any issues pertaining to code violations.