

Date: February 2, 2016 **Code:** HR 2016-02
To: Conflict of Interest Officers **Reference:** HR 2015-02
HR 2015-03
HR 2015-04
HR 2015-05
HR 2010-01
Subject: 2016 Conflict of Interest Annual Filing

Summary:

This HR letter provides campuses with the 2016 Conflict of Interest (COI) annual filing requirements for employees in designated positions, including those identified through the interim disclosure process, and select consultants hired through the procurement process. Annual forms must be filed by **April 1, 2016**.

Human Resources Management will host a webcast for COI Filing Officers on **February 24, 2016** from 2:00 p.m. to 4:00 p.m. to discuss the annual filing process, the ethics training requirement and answer campus questions. Further information regarding registration for this meeting will be forwarded via e-mail to each campus COI Filing Officer by Systemwide Human Resources. The Chancellor's Office (CO) systemwide offices for Procurement and Sponsored Programs Administration will forward this information to their respective groups.

Action Item(s):

Each campus COI Filing Officer and any campus designee responsible for COI annual filing must distribute Form 700 (Statement of Economic Interests) to employees in designated positions, including those individuals identified through the interim disclosure process and to select consultants. Notices should be sent out as soon as possible and no later than **March 1, 2016** in order for employees to meet the **April 1, 2016** 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 in designated positions, including those identified under the interim disclosure process to file a Statement of Economic Interests (Form 700) on an annual basis. In addition, select consultants hired through the procurement process are also required to file a Statement of Economic Interests (Form 700) on an annual basis. (See HR 2010-01). This memorandum serves as a reminder that the individuals specified above, must file annual Statements by **April 1, 2016**.

Distribution: Without Attachments:
CSU Chancellor
CSU Presidents
All Campus Vice Presidents
AVPs/Deans, Faculty Affairs

Directors, Research and Sponsored Programs
Directors, Procurement
Human Resources Officers
General Counsel

Code Update

The Fair Political Practices Commission (FPPC) last approved the CSU COI Code in 2007. Our office continues to work with the FPPC to arrive at a new CSU COI Code which will consist of an updated list of designated positions and disclosure categories. As a result, this year's filing will continue to be based on campus designated position lists and disclosure categories released on February 26, 2007, via HR 2007-03. (See Attachments A and B). 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 2015. Campuses will be notified by separate correspondence when CSU's code amendment is approved.

Annual Filing Reminder

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, 2016** - 30 days before the filing is due. Please refer to HR 2015-02 for additional and updated requirements for Filing Officers. Designated employees must submit completed forms to the campus Filing Officer by **April 1, 2016**. As a reminder, the Chancellor's Office does not need to be notified when the filing process is completed.

The campus should determine if any consultants hired through the procurement process are required to file a Form 700. (See HR 2010-01). Campuses should also designate the individual responsible for distributing, collecting and retaining the Form 700 for these select consultants.

Individuals who filed a Form 700 during the last quarter of 2015 (October 1, 2015 through December 31, 2015), are not required to file during the 2016 annual filing period. The next time they will be required to file will be during the 2017 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

In accordance with HR 2015-04, campuses are required to submit to Systemwide HR their 2015 campus interim disclosure list until the new code is approved by FPPC. (Use the list that was last updated for the remapping project and update as appropriate for the 2015 submittal.) We are requesting that this list be submitted by **April 1, 2016**.

Individuals who filed interim disclosures during the last quarter of 2015 (October 1, 2015 through December 31, 2015), are not required to file during the 2016 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. **2015-2016 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>. Refer to HR 2015-02 for additional information.
4. **Frequently Asked Questions: Form 700 Disclosure (rev. 12/2015)** – 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. **2015-2016 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. **2015-2016 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, including those that fall under the interim disclosure requirement and select principal investigators and consultants 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 SkillPort, 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 SkillPort 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 SkillPort 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 those identified through the interim disclosure process and select consultants, reminding them of their ethics training obligations under the Conflict of Interest code, and to watch for an e-mail from SkillPort 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, Director of Learning and Development, Systemwide Professional Development at (562) 951-4499 or rlnnes@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:

<https://csyou.calstate.edu/Divisions-Orgs/OGC/Pages/manuals.aspx>

Campuses should work with their campus counsel to address any issues pertaining to code violations.

Training

Human Resources Management will host a webcast for COI Filing Officers on **Wednesday, February 24, 2016**, from 2:00 p.m. to 4:00 p.m. 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.

General Information

Systemwide Human Resources will continue to operate in an advisory capacity and serve as a liaison between the Fair Political Practices Commission and the campuses. Questions should be directed to Lisa Boyd at (562) 951-4415.

This HR letter is also available on the CSYou Human Resources Management's Web page at:
<https://csyou.calstate.edu/Policies/HRPolicies/Forms/Default.aspx>.

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Attachments – COI Filing Officers only