

## 1.0 Definitions

### 1.1 “Conflict of Interest”

1.1.1 A “conflict of interest” exists when a Los Rios Community College District employee, in their role as a District/College employee, participates in a decision or transaction or provides services where the employee personally benefits from the decision, transaction, or services.

1.1.2 A “conflict of interest” also exists when a Los Rios Community College District employee, in their role as a District/College employee, participates in a decision or transaction or provides services where a member of the employee’s immediate family personally benefits from the decision, transaction, or services.

1.1.3 A benefit may either be financial or non-financial.

1.1.3.1 A financial benefit exists when an employee or a member of his or her immediate family receives a monetary benefit or his or her existing financial interests are materially affected by the decision, transaction, or services.

1.1.3.2 A non-financial benefit exists when an employee or a member of his or her immediate family receives a non-monetary benefit (for example, the employee or family member receives a grade, a service, an enrollment, priority enrollment, or special treatment) by the decision, transaction, or services.

1.1.4 Where the benefit received in the transaction is indirect and immaterial, a conflict of interest does not exist.

1.2 The immediate family of an employee is defined as: mother, father, grandparent, or grandchild of the employee or of the employee’s spouse or domestic partner; step-mother, step-father, spouse, domestic partner, son, mother-in-law, father-in law, son-in-law, step-son, daughter, daughter-in-law, step-daughter; brother, brother-in-law, sister, sister-in-law, aunt, or uncle of the employee; child of a domestic partner, sibling of a domestic partner; wife or husband of a domestic partner’s child; or any person living in the immediate household of the employee.

1.3 A District/College employee “participates in a decision” when the employee, in his or her role as a District/College employee, makes or participates in the making of a decision. A District/College employee “participates in a transaction” or “provides services” when the employee, in his or her role as a District/College employee, participates in, executes, processes, reviews, or approves a transaction or services.

1.4 “Financial interest” means a District/College employee’s investment in or position with business entities, interests in real property, sources of income, sources of gifts,

the personal finances of the employee, or the personal finances of a member of the immediate family of the employee.

## 2.0 Conflict of Interest Prohibited

2.1 A District/College employee shall not participate in a decision or transaction or provide services when they have a conflict of interest.

2.1.1 If it is unclear whether a conflict of interest exists, the determination shall be made by the General Counsel.

## 3.0 Purchasing Transactions

3.1 A District/College employee shall not participate in the preparation of specifications for the purchase of equipment or material, the selection of a vendor, or the selection of a contractor if such participation constitutes a conflict of interest.

3.2 A District/College employee who participates in the selection of a vendor shall sign the following conflict of interest disclaimer statement:

“This is to certify that the undersigned employee has no economic interests which may foreseeably be materially affected by having participated in the development of the specifications for equipment and/or material represented by this requisition.”

3.3 No purchase or lease of goods or contract for services shall be made from any District/College employee or a member of the immediate family of an employee unless there has been a specific determination in writing by the Director of General Services that the goods or services are not available from any other source.

## 4.0 Specific Employee and Immediate Family Transactions

4.1 A District/College employee shall not participate in a decision or transaction or provide services that will benefit the employee or a member of the immediate family of the employee in the following areas:

4.1.1 Student record transactions: Examples include, but are not limited to, grade changes, course enrollments, and providing permission numbers.

4.1.2 Financial transactions: Examples include, but are not limited to, payroll, fee payments, retail purchases (bookstore, cafeteria, etc.), and box office transactions.

4.1.3 Human resource transactions: Examples include, but are not limited to, hiring, discipline, termination, employee record changes, and absence report or timesheet processing.

- 4.1.4 Financial aid transactions: Examples include, but are not limited to, application, approval and disbursement for grants, loans, fee waivers, and scholarships.
- 4.1.5 Student services: Examples include, but are not limited to, counseling, CalWORKs, DSPS, EOP&S, and Child Development Centers.

## 5.0 Incompatible Activities

- 5.1 A District/College employee shall not engage in any employment, activity, or enterprise which is clearly inconsistent, incompatible, in conflict with, contrary to, or inimical to his or her duties as a District/College employee. Prohibited activities include, but are not limited to, the following:
  - 5.1.1 Using the prestige or influence of the District/College(s) for the employee's private gain or advantage or the private gain or advantage of another.
  - 5.1.2 Using District/College(s) time, facilities, equipment, or supplies for the employee's private gain or advantage or the private gain or advantage of another.
  - 5.1.3 Using, or having access to, confidential information available by virtue of District/College(s) employment for private gain or advantage or providing confidential information to persons to whom issuance of this information has not been authorized.
  - 5.1.4 Receiving or accepting money or any other consideration for the performance of his or her duties as a District/College employee from anyone other than the District.
  - 5.1.5 Performance of an act in other than his or her capacity as a District/College employee knowing that the act may later be subject, directly or indirectly, to the control, inspection, review, audit, or enforcement by the same employee.
  - 5.1.6 Receiving or accepting, directly or indirectly, any gift, including money, or any service, gratuity, favor, entertainment, hospitality, loan, or any other thing of value from anyone who is doing or is seeking to do business of any kind with the District/College(s) or whose activities are regulated or controlled by the District/College(s) under circumstances from which it reasonably could be substantiated that the gift was intended to influence the employee in his or her official duties or was intended as a reward for any official actions performed by the District/College employee.
  - 5.1.7 Subject to any other laws, rules, or regulations as pertain thereto, not devoting his or her full time, attention, and efforts to the

District/College(s) during his or her hours of duty as a District/College employee.

## 6.0 Student Loans [Higher Ed. Opportunity Act, Pub. Law No 110-315, § 493]

- 6.1 As it relates to student loans, the following prohibitions also apply to the District/College and its employees:
- 6.1.1 A District/College employee is prohibited from steering students to use one particular student loan lender over another or delaying the processing of a loan with one student loan lender over another lender. Students must select the student loan lender of their choice.
  - 6.1.2 A District/College employee shall not make the offer of private student loans to a student contingent upon a specific number of Title IV loans being offered to a student loan lender.
  - 6.1.3 A District/College employee shall not request or accept from any lender any assistance in calling students or working in the financial aid offices of the Colleges. Notwithstanding this prohibition, student loan lenders may provide professional development training and educational counseling materials as long as the materials identify the lender that assisted in preparing the materials and student loan lenders may provide staffing services on a short-term, non-recurring basis during emergencies or disasters.

## 7.0 Exceptions

- 7.1 Employees shall make every effort to avoid conflicts of interest or perceived or potential conflicts of interest. In the event an employee believes they may have a conflict of interest, they shall discuss that matter with their immediate supervisor. As appropriate, the immediate supervisor shall inform the Vice Presidents of Administration for College employees or a Director of Accounting Services for District Office employees.
- 7.2 There are certain decisions, transactions or services that may benefit an employee or a member of the immediate family of the employee where employees are required to participate due to their position in the District or due to the resources available. In those instances, prior to participating in the decision or transaction or rendering the services, the employees shall disclose any interest they have that may be benefited from the decision, transaction, or services in writing to the Vice President of Administrative Services for College employees or a Director of Accounting Services for District Office employees, and obtain their written approval. Additional controls, such as periodic review, shall be undertaken to prevent or detect irregularities.
- 7.3 The selection of educational materials by faculty in the context of a course they teach is not covered under this District Policy.

## 8.0 Additional Provisions for National Science Foundation (NSF) Grants

8.1 Prior to submitting any NSF grant application and annually during the term of any NSF grant, each “investigator” shall disclose to the Director of Accounting Services all significant financial interests of the investigator (including those of the investigator’s spouse and dependent children):

- 8.1.1 that would reasonably appear to be affected by the research or educational activities funded or proposed for funding by NSF; or
- 8.1.2 in entities whose financial interests would reasonably appear to be affected by such activities.

This disclosure must be updated as reportable significant financial interests are obtained.

8.2 The term “investigator” means the principal investigator, co-principal investigators/co-project directors, and any other person at the District/College who is responsible for the design, conduct, or reporting of research or educational activities funded or proposed for funding by NSF.

8.3 The term “significant financial interest” means anything of monetary value, including, but not limited to: salary or other payments for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options, or other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights).

8.3.1 The term “significant financial interests” does not include:

8.3.1.1 salary, royalties, or other remuneration from the Los Rios Community College District;

8.3.1.2 income from seminars, lectures, or teaching engagements sponsored by public or non-profit entities;

8.3.1.3 income from service on advisory committees or review panels for public or nonprofit entities;

8.3.1.4 an equity interest that, when aggregated for the investigator and the investigator’s spouse and dependent children, meets both of the following tests: does not exceed \$10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity; or

8.3.1.5 salary, royalties, or other payments that, when aggregated for the investigator and the investigator’s spouse and dependent children, are not expected to exceed \$10,000 during the twelve-month period.

- 8.4 Annually, The Director of Accounting Services shall review financial disclosures, determine whether a conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the District to manage, reduce or eliminate such conflict of interest. A conflict of interest exists when the reviewer(s) reasonably determines that a significant financial interest could directly and significantly affect the design, conduct, or reporting of NSF-funded research or educational activities. The Director of Accounting Services shall keep NSF's Office of the General Counsel appropriately informed if the District finds that it is unable to satisfactorily manage a conflict of interest.
- 8.5 Examples of conditions or restrictions that might be imposed to manage, reduce or eliminate conflicts of interest include, but are not limited to:
- 8.5.1 public disclosure of significant financial interests;
  - 8.5.2 monitoring of research by independent reviewers;
  - 8.5.3 modification of the research plan;
  - 8.5.4 disqualification from participation in the portion of the NSF-funded research that would be affected by significant financial interests;
  - 8.5.5 divestiture of significant financial interests; or
  - 8.5.6 severance of relationships that create conflicts.
- 8.6 If the Director of Accounting Services determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the Director of Accounting Services may allow the research to go forward without imposing such conditions or restrictions.
- 8.7 The District shall maintain records of all financial disclosures and of all actions taken to resolve conflicts of interest for at least three years beyond the termination or completion of the grant to which they relate, or until the resolution of any NSF action involving those records, whichever is longer.