Outside Employment Disclosure Requirements for MPP and Executive Employees

**Subject**

Procedure for implementing a CSU policy requiring MPP and executive employees to provide written disclosure statements of all outside employment endeavors.

**Statement of Policy**

Consistent with Title 5 of the California Code of Regulations and **HR 2016-06**, all full-time and part-time management and executive employees are required to disclose outside employment for the purposes of identification and to preclude any conflict of commitment and/or conflict of interest.

**Definitions**

**Conflict of Commitment**: In the context of this policy, a conflict of commitment is any outside work that creates a perceived or actual conflict with an employee's ability to perform normal CSU work assignments, maintain satisfactory performance, and meet his/her responsibilities to the CSU.

**Conflict of Interest**: The Political Reform Act prohibits an employee from making, participating in the making, or influencing a governmental decision in which the employee has a financial interest.

**Outside Employment**: Any employment not compensated through the CSU payroll, including CSU foundation and CSU auxiliary employment. Unpaid volunteer work does not apply to this policy.

**Reportable Employment/Income**: Any work for which a W-2 or 1099 is issued. Reportable income can come from a number of sources, including but not limited to one-time speeches/presentations, paid work for profit or non-profit entities, and paid service on a board of directors. Passive income (e.g., payments for services performed in the past, including royalties for writing, copyrighted work, research, and patented materials) is not reportable.

**Senior Management**: For the purposes of this policy, this term shall include Executives (Chancellor, Executive Vice Chancellors, Vice Chancellors, Presidents) and Vice Presidents.

**Procedure**

1. Staff appointed to MPP and/or Senior Management positions will be provided with a copy of **HR 2016-06** and will be required to submit a written report of any outside employment at the following times:
   - **At the time of hire or appointment** – Prospective MPP and Executive employees must disclose all current outside employment as a precondition of hire.
   - **Annually** – All MPP and Executive employees must submit an annual disclosure by June 30 of each year, reporting on outside employment held the previous calendar year (January 1 through December 31).
   - **Within 30 days of accepting outside employment** – Employees must advise their supervisor of the outside employment opportunity within 30 days of accepting any outside employment.
   - **Upon Request** – Employees shall provide any requested information within 10 days of an appropriate administrator’s request.
2. Review and approval of completed disclosure forms are completed by:
   - **MPP Employees**: review and approval completed by AVP, Staff Human Resources or designee.
   - **Senior Management Employees**: review and approval completed by the President or designee.
   - **Executive Employees**: review and approval completed by Chancellor or designee.

3. When applicable, an Independent Review Committee will be convened by the AVP, Staff Human Resources or designee to determine if a conflict of commitment or conflict of interest exists when the appropriate CSU administrator and the employee do not agree.

4. The Human Resources Service Center will retain all Outside Employment Disclosure forms in accordance with the CSU's Records Retention Policy, Section 1.17 (at least 4 years from the date of the document.

5. Completed MPP and Senior Management Outside Employment Disclosure forms shall be kept and maintained by the Human Resources Services Center in a separate file in a fashion that allows System-wide HR to efficiently access in the event of an audit. Outside Employment Disclosure forms for Executives are filed and maintained by the Chancellor's office.

### Independent Review Committee

The appropriate CSU administrator is responsible for determining if a work conflict exists, made in consideration of the employee's CSU work assignments and performance. If the employee does not agree that there is a conflict of commitment and/or conflict of interest, it should be noted on the outside employment disclosure form and escalated to the next level of review, which will involve an independent review committee.