



University Policy Statement

UPS 210.060

Nepotism & Conflict of Interest in Employment

California State University, Fullerton and its employees are committed to the principle of objective, fair and equitable treatment of all employees. Accordingly, it is crucial that the actions of university employees engender an atmosphere that is free of both actual and apparent conflicts of interest, which compromise this principle.

CSU Policy on Nepotism

According to the CSU policy on Nepotism: “The California State University seeks the most qualified candidates for faculty, administration and staff. There are no bars to the appointment of immediate family members in the same or different departments; however; no employee shall participate in any personnel matter which may directly affect the employment status of an immediate family member” (defined below). The full text of the California State University Nepotism Policy is available here - <https://cyou.calstate.edu/Policies/HRPolicies/HR2004-18.pdf>. Since conflicts of interest can occur among individuals who are not immediate family members, this policy clarifies those circumstances and sets forth the procedures.

Defining Conflict of Interest

The term “*conflict of interest*” indicates a difference between an individual's private (e.g. personal or financial) interests and their professional obligations such that a reasonable person might question whether an individual's actions or decisions are determined by considerations of personal or financial gain. Conflicts of interest can arise when a reasonable person could perceive that an employee with decision or recommendation making responsibilities regarding the employment status of another employee could not be objective. Conflicts of interest also arise between individuals involved in romantic or sexual relationships or between immediate family members. Immediate family members include individuals related by blood, adoption, marriage, or domestic partnership: partner, parent, child, sibling, first cousin, uncle, aunt, nephew, niece, spouse, brother- or sister- in - law; father- or mother-in-law, son- or daughter-in-law; step-parent, or step-child. In any of these instances, the employee with these responsibilities should contact the appropriate administrator to review.

Examples

Examples of conflict of interest include but are not limited to the following situations:

1. The university employs two related individuals and:
 - a. one of these individuals is responsible for or participates in making decisions or recommendations regarding the employment status of the other employee; or
 - b. there is a direct reporting line between them and the relationship between the individuals would make it difficult for the employee with the decision-making responsibility to be objective.
2. There is a business or financial relationship between two individuals and
 - a. one of these individuals is responsible for or participates in making decisions or recommendations regarding the employment status of the other employee; or
 - b. there is a direct reporting line between them and the financial or business relationship compromises or has the appearance of compromising an individual's judgment with regard to the other.

Policy Statement

Members of the CSUF community have an obligation to address both the substance and the appearance of conflicts of interest and, when they arise, to immediately disclose them, in writing, to the appropriate University representative and withdraw from debate, voting, or other decision-making processes where a conflict of interest exists or might arise.

No CSUF employee shall vote, make recommendations or in any way participate in decisions about any personnel process (e.g. personnel or hiring committee, administration of student evaluations, classroom visits) which may directly affect the selection, appointment, retention, tenure, compensation, promotion, termination, other employment status or interest of an individual with whom they have a conflict of interest.

The appropriate administrator (e.g., Dean, Vice-President) having primary responsibility for approval of employment-status decisions also has the responsibility for determining whether a conflict of interest exists.

1. The employee with the conflict of interest shall notify the appropriate administrator or an employee with a concern about a conflict of interest shall notify the appropriate administrator.
2. In consultation with Human Resources, Diversity and Inclusion (HRDI) the appropriate administrator shall determine if there is a conflict of interest.
3. If it is determined that there is a conflict of interest, the appropriate administrator shall develop a management plan in consultation with HRDI. The development of a management plan itself should not involve the participation of the related individuals.

4. The management plan either removes the individual with the decision-making responsibility from decision-making processes (this must be done for personnel matters) or describes how the reporting relationship will be managed to ensure objective, fair and equitable treatment of all employees. If the conflict of interest results from a hiring decision, then the hiring process itself shall be included in the management plan. If the plan calls for managing the reporting relationship, it will include:
 - Sound institutional reasons for creating or maintaining the reporting relationship between the two related individuals;
 - Provisions for
 - objective decision making;
 - maintaining an atmosphere of equity and fairness;
 - consistent treatment of employees; and
 - the effective and efficient operation of the unit(s) in which related individuals are employed.
5. The management plan shall be reviewed by the appropriate unit management and HRDI.
6. The management plan shall be submitted to HRDI.
7. HRDI shall review the proposed management plan and assess the plan's compliance with CSU and CSUF policies. HRDI may recommend modifications to the proposed management plan or return it to the administrator to revise.

If a conflict of interest in employment is occasional or irregular, it is recommended that the person with the decision-making responsibility write a letter excusing themselves from any employment-related decisions pertaining to the other individual. For example, a person with decision-making responsibility who serves on a Search Committee would excuse themselves from participating further in committee activities if a related individual (using the above definition) applied for the position.

Source: Faculty Affairs Committee

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