

**UNIVERSITY STUDENT UNION, INC.
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE**

HUMAN RESOURCES POLICY

SUBJECT: Business Ethics and Conduct

REFERENCES: University Student Union Regular and Student Assistant Employee Handbooks; Ethics 4 Everyone, The Handbook for Integrity-Based Business Practices, by Eric Harvey, Scott Airitam; *Management Antifraud Programs and Controls, Guidance to Help Prevent and Deter Fraud*, Excerpted from Statement on Auditing Standards No. 99, Considerations of Fraud in a Financial Statement Audit, Copyright, 2002 by American Institute of Certified Public Accountants, Inc., New York, NY

DEFINITIONS: For purposes of this policy, relatives include an employee's parent, child, spouse, brother or sister, or a step-parent, step-child, step-brother, or step-sister, or a significant other who is a co-inhabitant. Relatives also include any parent, child, brother, or sister of an employee's spouse.

For purposes of this policy, self-employment is considered outside employment.

POLICY: The University Student Union, Inc., (USU) and its employees must, at all times, comply with all applicable laws, regulations, approved policies and/or USU policies. The USU does not condone the activities of employees that obtain results through violations of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. The USU will not permit any activity that fails to stand the closest possible public scrutiny.

All business should be conducted in accordance with the standards required by law and USU policies. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contradiction with the laws, regulations, and policies governing the USU's operations.

Employees uncertain about the application or interpretation of any legal requirement or policy or who have knowledge regarding the improper acts of state agencies or employees should refer the matter to their department head, appropriate area manager Human Resources, and/or the Executive Director. In addition, employees may utilize the State Auditor's Whistleblower Hotline, without fear of retaliation, to report the improper acts of USU employees.

General Employee Conduct

The USU takes pride in our values of ***accountability, collaboration, communication, creativity, fun, integrity, learning, respect and service***, and expects its employees to apply these values to their work and workplace conduct.

All employees are expected to conduct themselves in a businesslike manner. Employees must not engage in unlawful harassment of any kind, or conduct themselves in a manner that could be construed as such, for example, by using inappropriate language, making inappropriate jokes, maintaining or posting inappropriate materials in their work area, or accessing inappropriate materials on their computer.

Conflicts of Interest

The USU expects that employees will perform their duties conscientiously, honestly and in accordance with the best interest of the USU and consistent with their jobs.

The USU desires to avoid situations in which actual or potential conflicts of interest may exist.

Relatives of employees and individuals with whom employees reside will not be eligible for employment in any situation where potential problems of supervision, safety, security or morale exist or where personal relationships may create an actual or potential conflict of interest, cause disruption, or create a negative or unprofessional work environment. As noted above, the policy is not limited to relatives and applies to other situations involving actual and potential conflicts of interest.

If two employees become subject to the restrictions of this policy after they are hired, one or both of the employees must seek a transfer or reassignment that eliminates any actual or potential conflict of interest as determined by the USU. For example, if two employees marry, become related, or reside with one another and the potential problems noted above exist, only one of the employees will be permitted to stay within the same department or retain the same work shift. The decision as to which of the individuals will remain within the department and/or with the USU must be made by the two employees. If no decision has been made within a reasonable time as determined by the Executive Director/designee, the USU will take action as it deems appropriate.

The USU reserves the right to determine that other relationships that are not specifically covered by this policy represent actual or potential conflicts of interest as well, such as a dating relationship between a Regular employee and a Student Assistant Employee or volunteer. In any case where the USU determines, in its sole discretion that a relationship between two employees, or between an employee and a non-employee, presents an actual or potential conflict of interest, the USU may take whatever action it determines to be appropriate to avoid the actual or potential conflict of interest. Such action may include but is not necessarily limited to, transfers, reassignments, changing work shifts, or, where it deems such action appropriate, disciplinary action up to and including termination of employment.

Employees must not use their position or the knowledge gained as a result of their position for private or personal advantage. Regardless of the circumstances,

if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with the USU, they should immediately communicate all the facts to their department head, area manager, Human Resources, and/or the Executive Director.

Outside Activities and Employment

All employees share a responsibility for the USU's good public relations, especially at the University and community level. Employees must avoid acquiring any business interest or participating in any activity outside the USU that would appear to:

- Create a demand upon their time and attention that would deprive the USU of their best efforts on the job.
- Create a conflict of interest – an obligation, interest, or distraction – that might interfere with the independent exercise of judgment in the USU's best interest.

Employees wishing to engage in outside employment or participate in an activity which might conflict with this policy are required to submit a written request to the Executive Director explaining the details of the outside employment/activity. If the Executive Director authorizes such outside employment/activity, the USU shall in no way assume any responsibility for such outside employment/activity. Specifically, the USU shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of such outside employment/activity. Authorization to participate in outside employment/activity can be revoked at any time.

University regulations prohibit individuals from maintaining employment at either the University or any of its auxiliary organizations in excess of 125% time.

Relationships with Clients and Vendors

Employees should avoid investing in or acquiring a financial interest for their own accounts in any business or organization that has a contractual relationship with the USU, or that provides goods or services, or both to the USU, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their job duties on behalf of the USU.

Gifts, Entertainment and Favors

Employees must not accept entertainment, gifts, or personal favors in excess of \$25.00 and that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which the USU has, or is likely to have, business dealings. Similarly, employees must not accept any other preferential treatment under these circumstances because their position with the USU might be included to, or be perceived to, place them under obligation.

Kickbacks and Secret Commissions

Regarding the USU's business activities, employees may not receive payment or compensation of any kind, except as authorized under the USU's remuneration policies. In particular, the USU strictly prohibits the acceptance of kickbacks and secret commissions from vendors or others. Any breach of this policy will result in immediate termination of employment and prosecution to the fullest extent of the law.

USU Funds and Other Assets

Employees who have access to USU funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in USU policies. The USU imposes strict standards to prevent fraud and dishonesty. If employees become aware of any evidence of fraud and dishonesty, they should immediately advise their department head, area manager, Human Resources, the Associate Director, Finance and Business Services, and/or the Executive Director so that the USU can promptly investigate.

When an employee's position requires spending USU funds or incurring personal expenses, the employee must use good judgment to ensure that the USU receives good value for every expenditure. USU funds and all other assets of the USU are for USU purposes only and not for personal benefit. This includes the personal use of organizational assets, including telephones, computers, printers, scanners, photocopiers, and fax machines.

Organizational Records and Communications

Accurate and reliable records of many kinds are necessary to meet the USU's legal and financial obligations and to manage the USU's affairs. The USU's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and recordkeeping must fully disclose and record all assets, liabilities, or both, and must exercise diligence in enforcing these requirements.

Employees must not make or engage in any false recordkeeping or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial or similar reports and statements
- False advertising, deceptive marketing practices, or other misleading representations

Dealing with Non-USU Employees and the Media

Employees must take care to separate their personal roles from their USU employment positions when communicating on matters not involving USU

business. Employees must not use USU stationery, supplies, and/or equipment for personal and/or political matters.

When communicating publicly on matters that involve USU business, employees must not presume to speak for the USU on any topic, unless they have been authorized to speak on behalf of the USU, are certain that the views they express are those of the USU, and it is the USU's desire that such views be publicly disseminated.

When dealing with anyone outside the USU, employees must take care not to damage the integrity or reputation of the USU, California State University, Northridge or the California State University.

Prompt Communication

In all matters relevant to customers, campus officials, vendors, government authorities, the public and others in the USU, all employees must make every effort to achieve complete, accurate, and timely communications – responding promptly and courteously to all proper requests for information and to all complaints.

Privacy and Confidentiality

When handling financial and personnel information about employees, volunteers, customers or others with whom the USU has dealings, employees must observe the following principles:

1. Collect, use and retain only the personal information necessary in the performance of USU's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable sources to supplement this information.
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.

Recommended by the Personnel Committee on March 13, 2008

Approved by the Board of Directors on April 7, 2008.

PROCEDURE

Background checks will be conducted on individuals being considered for Regular employment prior to making an official offer of employment.

The USU will attempt to avoid assignments that involve actual or potential conflicts of interest, as well as working relationships involving relatives or individuals with close personal relationships that may potentially lead to complaints of favoritism, lack of objectivity, or employee morale and dissension problems that can result from such relationships.

Within the first 90 days of hire, all employees will receive a copy of the Business Ethics and Conduct policy, as well as supplemental training regarding the Business Ethics and Conduct policy, and will be required provide their signature indicating receipt of same.

Annually, during the month of November, all employees will be required to complete online Ethics Training.

Annually, the Business Ethics and Conduct policy will be discussed at a USU Staff Meeting.

At least once each semester, department supervisors will include a discussion of the Business Ethics and Conduct policy at their department staff meetings. Employees will be required to sign an attendance sheet which will be forwarded, along with a copy of the meeting agenda, to Human Resources for filing.

The State Auditor's Whistleblower Hotline, which is utilized to report the improper acts of State Agencies or employees, can be reached at 1-800-952-5665.