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Basic Policies

- It is the policy of the University to keep an employee's private interests separate from University interests, and to safeguard the University and its employees from charges of favoritism.
- An employee is prohibited from participating in a decision if there is a financial conflict of interest.

Employee-Vendor Definitions

In accordance with Conflict of Interest policies, University policy restricts the procurement of goods or services from current University employees, former employees (within last two years), or near relatives of employees. In a similar manner there are restrictions against transactions with any business in which an employee or their near relative owns or controls more than a 10% interest. Any of these situations is defined as an employee-vendor relationship (see [Bus 43, Part 7](#)).

Depending on the particulars of the proposed transaction, a procurement that involves an employee-vendor relationship may be prohibited as a conflict of interest. The decision is made in Procurement Services.

Department Responsibilities

An employee-vendor relationship must be disclosed before a purchasing commitment is made. This means the department must learn the status of the proposed vendor early in the process to avoid problems. The Conflict of Interest policies apply to all transactions involving employee-vendor relationships:

- At any dollar amount.
- In the procurement of any type of service.
- In the procurement of any type of goods (purchase or lease)
- With regard to employee status anywhere in the University, including other campuses or business entities in the UC system, and including faculty and student employees.

In accordance with the [UC Codes of Conduct](#), all University officers and employees are expected to act with integrity and good judgment when conducting the business of the University. Anyone who becomes aware of a potential conflict of interest and finds it has not been properly disclosed, is expected to notify Procurement Services so the situation can be resolved.

Conflict of Interest Certification Procedure

The certification requirement is met by having the individual or business owner/designate complete a Conflict of Interest Certification Form (COI). The form has two parts (A and B):

- Part A is completed in all cases.
- If all three questions in Part A are answered “no”, then Part B is not used.
- Part B is required only if any question in Part A has been answered “yes”.

The department submits the Conflict of Interest form (COI) to Procurement Services in one of these ways:

- To the Vending Team to set up a new vendor
The COI is submitted along with the BIF and Vendor Request Form. Including the COI at this point can help prevent unnecessary processing in case it is determined the worker should be hired as an employee instead (see [Bus 77 Independent Contractor Guidelines](#)).
- To the Campus Buyer for a vendor who is already in the system
The COI is included when submitting a Requisition for a high value procurement. A current COI is required for each purchase order or contract, or extension/renewal of a contract.
- To the Procurement Manager Paul Mulligan
On occasion the department may be considering a procurement that does not fall into one of the two categories above. The COI form can be sent directly to the Procurement Manager for review, if needed.

Whenever Part B of the Conflict of Interest Certification is involved (i.e., an employee-vendor relationship has been disclosed), it will facilitate a more efficient process to also provide details about the proposed procurement when submitting the form for review. This decision is made in Procurement Services, and any decisions must be approved by the Associate Vice Chancellor of Administration, in accordance with University procurement policies.