

Conflict of interest: additional details

When is a gift not a gift?

The following are **not** considered gifts for this policy, and are not considered a financial interest.

- A discount or rebate in the normal course of business. The discount is based on terms available to the public. For example, the first 100 customers get a \$50 discount, and you were one of the first 100.
- Informational materials that will assist the recipient in the performance of his or her official duties. This includes books and free admission to seminars. Transportation to the seminar is a gift, unless transportation to that location is not commercially available.
- Gifts returned to the donor unused or donated to the University or another charity within 30 days and without being claimed as a charitable contribution for tax purposes. A fruit basket placed in a public area for the benefit and enjoyment of staff and public alike is not a gift. The same fruit basket, taken home, is a gift.
- Paying the donor of the gift within 30 days reduces the gift by the amount of payment. A \$1000 gift is no longer a gift if you give the donor \$1000 in return.
- Personalized plaques and trophies individually valued at less than \$250.
- Certain travel expenses in conjunction with a speech, panel discussion, or similar service:
 - Payments for lodging and subsistence directly in connection with the event and necessary to your presence for the speech, panel discussion, or similar service.
 - Free admission, refreshments, and other non-cash nominal benefits during the entire event.
 - Actual transportation costs incurred to travel to and from the site for an event within the State of California. Reimbursement for out-of-state travel usually is considered a gift. Reimbursement from a 501(c)(3) may be treated differently. A 501 (c)(3) entity is one that is organized and operated exclusively for these purposes: public benefit charity, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and the prevention of cruelty to children or animals.
- Home hospitality, including at a vacation home owned or leased by the host, when the host or a member of the host's family is present. However, hospitality at a condominium or hotel suite rented on a short-term basis is a gift. In addition, if the hospitality is paid for by the employer or claimed by the host as a business expense, it is a gift.
- Presents that are exchanged on special occasions and the presents exchanged are not substantially disproportionate in value. This applies to birthdays, holidays, and similar occasions.
- Gifts to a member of the family that will not also be used by the University employee.
- Prizes and awards from bona fide competitions not related to the person's status as a University employee.
- Tickets to political fundraising events or fundraising events for a charitable organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code.
 - For other non-profit organizations' fundraising events, the valuation of the gift depends. If the ticket clearly states that a portion of the ticket price is a donation to the organization, then the value of the gift is the face value of the ticket or admission reduced by the amount of the donation. If the ticket has no stated price or no stated donation portion, the value of the gift is the fair market value of any food, beverage, or other tangible benefits provided to each attendee.
- Meals received in the course of an official fundraising activity.
- A gift from your spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any person in this list, unless the donor is acting as an agent or intermediary for any person not in this list of relatives.
- Anything from a will or inheritance.
- Only half of the value of a wedding gift is counted, unless the gift is exclusively for you.
- Other situations. See FPPC website or contact the compliance office for details.

Financial interests

According to law and University policy, there are several different types of significant financial interests. In addition, the *appearance* of a financial interest, even when the financial interest does not rise to the levels listed below, may be sufficient to cause problems. Whether or not the effect of a decision is material depends upon the type of interest. The following tables list the criteria for significant financial interests and the thresholds for material effects. Different thresholds apply depending upon whether the interest is *directly* or *indirectly* affected by the decision.

An example of an interest directly affected by a decision: a company you invest in is one of several under consideration for a contract. An example of an interest indirectly affected by a decision: a company you invest in is a supplier to a company that is under consideration for a contract.

DIRECTLY affected by the decision:	Material if effect is at least:
Any source of income , received or promised, of at least \$500 in the last 12 months	1¢
Any donor (or agent for a donor , such as a drug salesperson) of gifts, received or promised, of at least \$340 in the last 12 months	1¢
Any for-profit business in which you hold any position , including director or partner	1¢
Any of your investments , direct or indirect ¹ , in California real estate	1¢
You or an immediate member of your family	\$250 in any 12-month period
Any for-profit business in which you have an investment , direct or indirect ¹ , worth over \$25,000	1¢

¹ Indirect investments include investments by a spouse, dependent child, agent on your behalf, or a business entity or trust that you, your agents, spouse, and dependent children own at least 10%. Investments through diversified mutual funds *do not* count as investments in the companies the funds own, as you do not control the investment decisions of the mutual fund.

DIRECTLY affected by the decision:**Material if effect is at least:**

	Fortune 500 company	
Any for-profit business in which you have an investment , direct or indirect ¹ , worth at least \$2,000 but not more than \$25,000	Change gross revenues for a fiscal year, or	\$10,000,000
	Change expenses for a fiscal year, or	\$2,500,000
	Change assets or liabilities	\$10,000,000
	NYSE-listed company, or in most recent FY company had earnings before taxes >= \$2,500,000²	
	Change gross revenues for a fiscal year, or	\$500,000
	Change expenses for a fiscal year, or	\$200,000
	Change assets or liabilities	\$500,000
	Other companies	
	Any effect	1¢

² Or other amount described at Rule 102.01C of the NYSE's Listed Company Manual
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INDIRECTLY affected by the decision:**Material if effect is at least:**

	Fortune 500 company
	Change gross revenues for a fiscal year, or \$10,000,000
	Change expenses for a fiscal year, or \$2,500,000
	Change assets or liabilities \$10,000,000
	NYSE-listed company, or in most recent FY company had earnings before taxes >= \$2,500,000²
	Change gross revenues for a fiscal year, or \$500,000
	Change expenses for a fiscal year, or \$200,000
	Change assets or liabilities \$500,000
<p>A business entity that is a source of income, received or promised, of at least \$500 in the last 12 months; or is a source of gifts (directly, or through an agent, such as a sales representative), received or promised, of at least \$340 in the last 12 months</p> <p style="text-align: center;">-or-</p> <p>Any for-profit business in which you have an investment, worth at least \$2,000</p> <p style="text-align: center;">-or-</p> <p>Any for-profit business in which you hold any position, including director or partner</p>	<p style="text-align: right;">NASDAQ -listed company, or in most recent FY company had earnings before taxes >= \$750,000³, or net income >= \$500,000⁴</p> <p style="text-align: right;">Change gross revenues for a fiscal year, or \$300,000</p> <p style="text-align: right;">Change expenses for a fiscal year, or \$100,000</p> <p style="text-align: right;">Change assets or liabilities \$300,000</p>
	Other Companies
	Change gross revenues for a fiscal year, or \$20,000
	Change expenses for a fiscal year, or \$5,000
	Change assets or liabilities \$20,000

³ Or other amount of earnings before taxes described under initial listing standard 1 of Section 101(a) of the AMEX rules.

⁴ Or other amount described in the minimum financial requirements for continued listing on the NASDAQ SmallCap market.

INDIRECTLY affected by the decision:

Material if effect is at least:

	Entity's gross annual receipts \$400,000,000 or more
Change gross receipts for a fiscal year, or	\$1,000,000
Change expenses for a fiscal year, or	\$250,000
Change assets or liabilities	\$1,000,000
	Entity's gross annual receipts between \$100,000,000 and \$400,000,000
Change gross receipts for a fiscal year, or	\$400,000
Change expenses for a fiscal year, or	\$100,000
Change assets or liabilities	\$400,000
	Entity's gross annual receipts between \$10,000,000 and \$100,000,000
Change gross receipts for a fiscal year, or	\$100,000
Change expenses for a fiscal year, or	\$25,000
Change assets or liabilities	\$100,000
	Entity's gross annual receipts between \$1000,000 and \$1,000,000
Change gross receipts for a fiscal year, or	\$50,000
Change expenses for a fiscal year, or	\$12,500
Change assets or liabilities	\$50,000
	Entity's gross annual receipts \$100,000 or less
Change gross receipts for a fiscal year, or	\$10,000
Change expenses for a fiscal year, or	\$2,500
Change assets or liabilities	\$10,000

A **not for profit agency or government entity** that is a source of **income**, received or promised, of at least \$500 in the last 12 months, or is a source of **gifts** (directly, or through an agent, such as a sales representative), received or promised, of at least \$340 in the last 12 months

INDIRECTLY affected by the decision:	Material if effect is at least:
An individual who is a source of income , received or promised, of at least \$500 in the last 12 months, or is a source of gifts , received or promised, of at least \$340 in the last 12 months	Change the individual's income, investments, assets or liabilities (other than real estate) by \$1,000. For effects on the individual's real estate, it is presumed not to be material, but with proof that the use or value of the property will be significantly affected it may be considered material.
Any of your investments , direct or indirect ¹ , in California real estate	Presumed not to be material, but with proof that the use or value of the property will be significantly affected it may be considered material.
You or an immediate member of your family	\$250 in any 12-month period