

Conflict of Interest Policy:

This statement sets forth the policy and procedures of *California National University* for Advanced Studies (CNU) (the "University") regarding conflicts of interest as they apply to all employees of the University. The policy and procedures set forth here are subject to modification from time to time as the University determines appropriate.

1. Defining Conflict of Interest

Generally, a conflict of interest occurs when an employee either (1) has an existing or potential financial or other interest which impairs, or might appear to impair, the employee's independent judgment in the discharge of responsibilities to the University or (2) may receive a material financial or other benefit from knowledge or information confidential to the University.

An employee shall be considered as having a personal interest, not only if he/she has a direct personal interest, but also if there will be benefit to a member of his/her family (by which is meant the employee's spouse or domestic partner and dependent children) or to any business enterprise in which the employee has a substantial interest or to any business enterprise in which any member of his/her family has a substantial interest or to any business enterprise in which he/she or a family member serves as a director, trustee or officer.

A conflict of interest arises from the situation, rather than from the character, or even the actions, of the individual. Thus, when an employee has a financial interest at variance with his/her duty to the University, a conflict of interest will exist, even if the employee acts without regard to his/her financial interest.

Employees should conduct their affairs so as to avoid or minimize conflicts of interest and must respond appropriately when a conflict of interest arise. Any employee who has a question as to whether a situation will give rise to a conflict of interest is urged to discuss the matter promptly with the respective Academic Deans of the University or the Vice President of Student Affairs/Registrar.

2. Required Disclosures

All conflicts of interest must be disclosed to the Academic Deans of the University or the Vice President of Student Affairs/Registrar. Moreover, common sense must prevail in the interpretation of the disclosure requirements of this policy. That is, if a reasonable person could be expected to question a relationship or financial interest, it should be disclosed and approval sought.

Without limiting the generality of the foregoing, the following applies to conflicts of interest related to any project sponsored by a governmental agency or other third party.

Initial Disclosures in Connection with Sponsored Projects:

Prior to the University entering into any sponsored project proposal in which any employee who is an intended investigator on the project, or any member of his/her family, has a "significant

financial interest," as defined below, the employee must disclose that interest to the Academic Deans of the University or the Vice President of Student Affairs/Registrar.

A "significant financial interest" means anything of monetary value, including but not limited to salary or other payment for services (e.g., consulting fees or honoraria); equity interest (e.g., stocks, stock options or other ownership interest); and intellectual property rights (e.g., patents, copyrights and royalties from such rights).

Examples of a "significant financial interest" by an employee or a family member in a project include, but are not limited to, an employment or consulting arrangement with, and/or other financial interest in, the proposed sponsor of the project or any proposed subcontractor, vendor, collaborator or any entity affiliated with any of the foregoing.

The employee must disclose both existing and pending relationships with any of the foregoing entities, the relationship of the proposed University project or other activity to that entity and the means by which the employee will ensure separation of his or her role in the project from the role or interest of the employee (or his/her family member) in the entity.

Subsequent Disclosures in Connection with Sponsored Projects:

During the period of any sponsored project, each employee working in that project must update any initial disclosure of a "significant financial interest" annually or at such more frequent intervals as the University may require.

In addition, each employee who is involved in the project must immediately disclose any subsequent "significant financial interest" at the time it arises.

3. Review of Disclosures

The Academic Deans of the University and the Vice President of Student Affairs/Registrar, are designated by the University to review all disclosures under this policy. In this capacity, they will determine whether a conflict of interest exists and determine what conditions or restrictions, if any, should be imposed to reduce or eliminate such conflict of interest.

In appropriate circumstances, a conflict, or potential conflict, of interest may be referred to an outside entity for management. For example (see the Examples and Categories below).

Examples & Categories: The following examples are meant to be supportive illustrations of "possible" Conflicts of Interest that may arise and to offer explanative approach for resolve.

Situations and activities may be grouped into one of three categories under the Conflict of Interest Policy:

Category 1: Actual Conflicts of Interest

Activities which represent actual Conflicts of Interest, and which may be permitted to go forward after disclosure only with an appropriate Management Plan to eliminate the conflict, safeguard against prejudice toward University activities, and provide continuing oversight.

Category 2: Potential or Perceived Conflicts of Interest

Activities which may represent Conflicts of Interest, but in many cases would be permitted to go forward after disclosure with a Management Plan.

Category 3: Not Significant and Generally Permissible Activities

Situations where any Financial Interest held by a Member, Member's Family, or Member's Close Relation is below the threshold for Significant Financial Interest and where the situation suggests no actual, potential, or perceived Conflict of Interest. These situations may continue without special safeguards or oversight.

Situation	Category	Management Plan
1) A University faculty member accepts royalties for the publication of his scholarly work.	3	No management plan needed.
2) A University staff member has a financial stake in a company that does business with the University. The staff member has the opportunity to make a decision for the University that will impact that business.	1	The University staff member is excluded from participating in this or any other decision on behalf of the University with regard to that business.
3) A University staff member would like to hire his spouse as a consultant to the University.	1	The University staff member does not make the hiring decision, but instead refers the hiring decision to a supervisor.
4) A University faculty member directs a student into a research area from which the faculty member may receive financial gain.	2	The University faculty member informs the student about the possible financial gain. Another faculty colleague makes an objective judgment about whether this research is in the student's scholarly best interest.
5) A University faculty member is an owner, manager or officer of a company that does business with the University.	2	All dealings between the company and the University are overseen by a supervisor or non-subordinate colleague of the University faculty member.
6) A staff member is selecting candidates for admission to the University and a family member applies for admission.	1	The staff member does not take part in the evaluation/selection process relating to that family member.
7) A University staff member is to take part in the evaluation and selection of a supplier from a number of bidders. One of the bidding companies is operated by the staff member's family member.	1	The University staff member does not take part in that or any other supplier evaluation/selection that involves her family's company.
8) A University faculty member accepts an honorarium for giving a lecture outside the University.	3	No management plan needed.

4. Policy on Conflicts of Interest Created by Consensual Relationships

A consensual relationship, for purposes of this policy, is defined as one in which two individuals are involved by mutual consent in a romantic, intimate, and/or sexual relationship. This definition includes domestic partners and spouses.

These relationships can pose potential conflict of interest in the employment or educational context when one individual has responsibility for supervising, directing, overseeing, evaluating, advising, or influencing the employment or educational status of the other.

The University is concerned about the potential for a conflict of interest in any consensual relationship where one individual has power or authority over the other. A consensual relationship may lead to a conflict of interest in the employment or educational context, which may affect employee or student morale and lead to a deteriorating work or educational environment. A consensual relationship may lead to an abuse of power, coercion, exploitation, favoritism, or unfair treatment of others. Even a romantic relationship that begins as consensual may evolve into a situation that leads to a charge of sexual harassment that violates University policy.

The policy addresses potential conflict of interest situations applicable to all members of the University community: Faculty, students, Administration, President, Vice President of Student Affairs/Registrar, Deans; and contract employees. Members of the faculty also are subject to additional requirements under the Faculty Code of Conduct. The Conflict of Interest policy applies to all conflicts of interests created by consensual relationships within the University community in which one member has power or authority over the other. Relationships covered by this policy include, but are not limited to: faculty and staff; faculty and student (in situations not covered by the Faculty Code of Conduct); staff and student, supervisor and supervisee.

Due to the potential for a conflict of interest, an individual covered by this policy who is in or enters into a consensual relationship with someone over whom he/she has supervisory, evaluative, or advisory responsibilities shall take effective steps to end or arrange with his/her supervisor to eliminate, any potential conflict of interest arising out of professional decisions concerning that individual immediately.

Efforts to eliminate conflicts of interest may include, but are not limited to: transfer of either individual to another position; transfer of supervisory, evaluative, or advisory responsibilities to another employee or team of employees; or provide an additional layer of oversight to the supervisory role.

The University recognizes that a consensual relationship may exist prior to the time an individual is assigned to a supervisor. An individual shall not accept supervisory, evaluative, or advisory responsibilities over someone with whom he/ she has a consensual relationship unless effective steps can be taken to eliminate any potential conflict of interest in accordance with this policy.

Relationships with Students:

The academic success of students is central to *California National University* for Advanced Studies (CNU) educational mission. The unequal institutional power inherent between students

and particular members of the University community must be insulated from influences or activities that can interfere with learning consistent with the goals and ideals of the University. Accordingly, consensual relationships of the following nature are prohibited:

1. Between a senior manager and any student, when the relationship arises in the context of that manager's responsibilities.
2. Between an individual who is in a position of instructional, evaluative, or advisory authority over students.

Any exceptions to the above prohibitions must be approved by the Deans and the Vice President of Student Affairs/Registrar and only in extraordinary circumstances.

Consensual relationships between faculty and students not covered by this policy are governed by the Faculty Code of Conduct, which states that it is unacceptable faculty conduct, subject to disciplinary action, for a faculty member to enter into a romantic or sexual relationship with any student for whom a faculty member has, or should reasonably expect to have in the future, academic responsibility (instructional, evaluative, or supervisory) or to exercise academic responsibility (instructional, evaluative, or supervisory) for any student with whom a faculty member has a romantic or sexual relationship.

5. Enforcement of this Policy

A violation of any provision of this policy may subject an employee to sanctions, up to and including termination of employment. Violations of this policy also may be addressed through existing applicable academic, student, or staff complaint resolution, grievance, and/or disciplinary procedures.