Partnerships and relationships should be considered carefully to ensure that they are ethical and not harmful to the University and its reputation. One area that needs special attention is whether or not there are any conflicts of interest involved with the partnership or relationship. Conflicts of interest occur when an individual’s outside activities or sources of funds may compete with or be incompatible with that individual’s duty and obligation to the University, and may undermine the impartiality of decision-making by that individual on behalf of the University.

The State of California’s Political Reform Act of 1974 requires that a person whose position is designated in an agency’s Conflict of Interest Code file a Statement of Economic Interests, Form 700. The University of California’s Conflict of Interest code and Glossary of Designated Positions identifies those positions that must file the Form 700 as well as limits participation in decision-making when an individual’s personal financial interests may be affected. The Form 700 needs to be filed:

1) When an individual starts working in one of the designated positions (within 30 days of starting) or identified
2) Annually at the beginning of April
3) Upon leaving the position (within 30 days of leaving)

Some common mistakes with Form 700 filing include:
- Not filing a form when in a designated position
- Incomplete disclosure (e.g. not including spousal financial interests, or not estimating values for gifts)
- Extraneous disclosure (e.g. reporting University income or travel reimbursement, diversified mutual funds, etc.)

Some key reminders include:
- Employees must disqualify themselves from participating in decision-making when there is a conflict of interest.
- Employees who received gifts of more than $460 must disqualify themselves from making, participating in the making of, or influencing University decisions that would have a material financial effect on the source.
- Designated officials are prohibited from accepting gifts totaling more than $460 in a calendar year. Some gifts must be reported on the Form 700.

For more information, visit https://www.ucop.edu/general-counsel/legal-resources/.
Additionally, UCSF’s Conflict of Interest Coordinator is Susan Smith in the Office of Legal Affairs, who can be reached at susan.smith@ucsf.edu

Updates to IS-3 Policy

University of California Policy BFB-IS-3: Electronic Information Security has recently been updated. There were multiple changes to the policy, but one key update is that units may bear the direct costs of an information security incident. For more information there are FAQs posted at: https://security.ucop.edu/policies/frequently-asked-questions.html

UCSF Audit & Advisory Services
1855 Folsom Street, Suite 107
San Francisco, CA 94143
Phone: (415) 476-3851

UC Whistleblower Website/Hotline:
www.ucop.edu/uc-whistleblower
(800) 403-4744
FRAUD PREVENTION

“What but we trusted him…..?”

Many non-profit organizations and support groups are often too small in size to implement adequate separation of duties or other effective controls. Some rely on the goodwill of volunteer members or long time trusted employees that may hold governing positions or have financial oversight. This can create conditions ripe for potential misappropriation of funds or assets. Such was the case of an Officer of an organization who embezzled over $169K. The Officer had:

- Failed to notify the financial institutions of new authorized signatories to the bank Operating Account and therefore the bank continued to hold the prior authorized signatories.
- Forged authorized signatures on many checks for both legitimate, approved expenses and non-legitimate expenditures. Forgeries appeared to have been perpetrated to circumvent the organization’s policy which required dual signatures on all checks.
- Took checks for inappropriate transactions from the back of the check register to prevent detection by other authorized check signatories.
- Applied for a debit card without notifying or seeking approval from the organization’s Executive Board. The card was then used to withdraw cash and to pay for inappropriate and unauthorized personal expenditures.
- Re-directed bank statements to the Officer’s home address preventing the ability to reconcile accounts and monitor account usage and balances.

Whatever their mission or size, all nonprofit organizations should establish policies and procedures to assure that 1) boards and officers understand their fiduciary responsibilities, 2) effective internal controls are in place to ensure assets are managed properly and not misappropriated, and 3) the charitable purposes of the organization are carried out. Failure to meet these three obligations is a breach of fiduciary duty, and can result in financial and other liability for the board of directors and the officers.

WHAT’S IN A NAME?

UCSF may enter into affiliation agreements in order to partner with an outside organization in support of the University’s missions in teaching, research, clinical care, and public service. The type of agreement and levels of approval required will vary based on the nature and goals of the affiliation. Below are three types of academic affiliations:

<table>
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<th>GOAL:</th>
<th>AGREEMENT:</th>
<th>APPROVAL(S) REQUIRED</th>
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</table>
| Training of UCSF Students, postdocs, or fellows or accommodating UCSF faculty researchers or instructors at UCSF | Domestic Training Affiliation Agreement (if within U.S.) | • Department Chair  
• Dean of the School  
• Office of Real Estate (if involving lease, rental, or commitments of space) |
| Agreements for specific purposes with another institution, which may include training; provision of faculty and staff for hospital and patient care services; and/or research programs involving facilities, operational agreements, and/or personnel agreements | Institutional Affiliation Agreement | • Department Chair  
• Dean of the School  
• Office of Real Estate (if involving lease, rental, or commitments of space)  
• Academic Senate Committee (ad hoc)  
• Executive Vice Chancellor & Provost  
• Senior Vice Chancellor – Finance and Administration |

Agreements between UCSF and community organizations:

- UCSF benefits from integrating with its community, creating constructive relationships between the University and the Bay Area. However, these collaborations must be carefully evaluated and considered to determine if they meet specific criteria for partnerships with UCSF or its support. Per Campus Administrative Policy 050-13, Use of University Name, Seal, Logo and Brand Identity, the UCSF Office of Strategic Communications and University Relations has full and final authority over how the UCSF name may be used, and by whom.

For additional information, see UCSF Policy 100-10, “Affiliation Agreements” or contact the Office of Legal Affairs for information on clinical affiliations.

WORKING WITH THE SMALL BUSINESS COMMUNITY

In addition to providing health care options for Bay Area residents, UCSF is also an economic powerhouse. A Study of the Economic and Fiscal Impact of UCSF conducted in 2009 estimated that UCSF generated $6.2 billion in economic output and attributed $4.9 million in San Francisco general fund net revenues to University activities. The University encourages all offices to enter into business contracts with a diversity of suppliers, including small, local, and diverse businesses. Each year the UC Office of the President submits a Small Business Utilization report to the state indicating total annual spending by all campuses related to small, disadvantaged, women-owned, and disabled veteran owned businesses. In support of this goal, UCSF’s Supplier Diversity program (http://supplychain.ucsf.edu/supplier-diversity-program) provides various resources related to identifying businesses in this category as well as training on policy and regulatory requirements, campus responsibilities, and federal and state reporting of small business procurement activities.

WORLDWIDE AND NEXT DOOR

UC San Francisco is dedicated to advancing health worldwide through biomedical research, graduate-level education in the life sciences and health professions, and patient care—and starts that mission in its local community. UCSF has a number of partnerships where medical, scientific and human resources are shared with the Bay Area community. These include supporting science education in San Francisco’s public schools, hosting the annual Bay Area Science Festival, and providing patient care services at Zuckerberg San Francisco General Hospital.

The UCSF Center for Community Engagement coordinates existing partnerships and supports new partnerships between UCSF and community organizations.

Additionally, UCSF considers sponsorship funding for projects or events that focus on patient care, life sciences research, and social, recreational, cultural and educational activities with neighborhood organizations in areas near UCSF’s major campus sites. UCSF’s Community Relations team lead efforts to serve the community with this support.

These collaborations and relationships benefit the community by provide access to resources that otherwise would be unavailable to them. UCSF benefits from integrating with its community, creating constructive relationships between the University and the Bay Area. However, these collaborations must be carefully evaluated and considered to determine if they meet specific criteria for partnerships with UCSF or its support. Per Campus Administrative Policy 050-13, Use of University Name, Seal, Logo and Brand Identity, the UCSF Office of Strategic Communications and University Relations has full and final authority over how the UCSF name may be used, and by whom.

For more information, visit UCSF in the Community: https://www.ucsf.edu/about/community-overview, Committed to the City: https://www.ucsf.edu/news/community, and UCSF Center for Community Engagement: https://partnerships.ucsf.edu/