Employee Owned or Managed Business

BRIEF

Policy Summary
Employees must disclose their ownership or management interests in a business related to the work of Berkeley Lab.

Who Should Read This Policy
This policy applies to all employees, including those working part time and those who hold faculty appointments with a University of California campus.

To Read the Full Policy, Go To:
The POLICY tab on this wiki page

Contact Information
Research and Institutional Integrity Office
RIIO@lbl.gov

POLICY

A. Purpose
This policy summarizes the practice that goods or services are not purchased from any Lawrence Berkeley National Laboratory/University of California employee, near relative, or domestic partner because of the basic principles of separation of an employee's Laboratory/University duties and his or her private interests.

B. Persons Affected
This policy applies to all employees.
C. Exceptions

Exceptions to the general prohibition against procuring goods or services from employee-connected firms may be made if the company is the sole source that can provide the goods or services. Such cases must be approved by the Chief Financial Officer. Additional information regarding the appropriate procedure is available from the Procurement and Property Management Department or the Research and Institutional Integrity Office.

D. Policy Statement

1. Employees who own or have an ownership interest of at least 10 percent in a commercial entity that has economic or technology connections with the Laboratory or may seek to have such connections with the Laboratory, or who have a management interest such as being a member of the Board of Directors in such a commercial entity, must report the interest to their division director. This requirement also extends to an employee’s near relatives and domestic partner. The terms “near relative” and “domestic partner” are defined in University policy as parents, children, spouses, same or opposite sex domestic partners, brothers, or sisters, including in-laws and step relatives in these relationships.

2. As a general rule, goods or services are not purchased from any Laboratory/University employee, near relative, or domestic partner because of the basic principles of separation of an employee's Laboratory/University duties and his or her private interests. A second concern is the protection of the Laboratory/University and its employees from charges of favoritism in the acquisition of goods and services. If an employee’s Laboratory assignment is such that he or she might influence or take part in negotiations or transactions with an outside entity in which the employee has a financial interest, the employee may need to disqualify himself or herself from influencing or participating in those negotiations or transactions. See Laboratory policy on Conflict of Interest – Self Disqualification for further details.

3. Business ownership or management interest as defined above must be reported on the Notification of Outside Business Ownership or Management Interest form. The Research and Institutional Integrity Office receives copies of the form from the division and uses them to create an Employee-Connected Commercial Entity or Employee-Vendor list, which is used by Procurement to implement Laboratory policy that addresses conducting business with employee-connected firms.

E. Roles and Responsibilities

Managers, supervisors, and employees have the responsibility to adhere to the provisions of this policy.

F. Definitions/Acronyms

None

G. Recordkeeping Requirements

None

H. Implementing Documents

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>05.01.002.001</td>
<td>Outside Business Ownership or Management Interest</td>
<td>Form</td>
</tr>
</tbody>
</table>

I. Contact Information

Research and Institutional Integrity Office
RIIO@lbl.gov

J. Revision History
## Document Information

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision</th>
<th>By whom</th>
<th>Revision Description</th>
<th>Section(s) affected</th>
<th>Change Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/7/2013</td>
<td>1.1</td>
<td>M. Stoufer</td>
<td>Reviewed 10/3/13, no changes</td>
<td>Next Review date</td>
<td>Minor</td>
</tr>
<tr>
<td>7/6/2012</td>
<td>1</td>
<td>M. Stoufer</td>
<td>Re-write for wiki (policy)</td>
<td>All</td>
<td>Minor</td>
</tr>
<tr>
<td>1/2/2012</td>
<td>0</td>
<td>M. Stoufer</td>
<td>Re-write for wiki (brief)</td>
<td>All</td>
<td>Minor</td>
</tr>
</tbody>
</table>

### Title:
Employee Owned or Managed Business

### Document number
05.01.002.000

### Publication date:
10/7/2013

### Effective date:
1/5/2010

### Next review date:
10/7/2016

### Policy Area:
Outside Business and Employment

### RPM Section (home)
Conflict of Interest

### RPM Section (cross-reference)
None

### Functional Division
Operations

### Prior reference information (optional)
RPM Section 10.02

### Source Requirements Documents
- Contract 31, Clause I.78, Section 970.0371-6, *Incompatibility between Regular Duties and Private Interests*
- California Public Contract Code Sections 10516 and 10517
- California Political Reform Act of 1974, Government Code Section 87100
- University of California *Business and Finance Bulletin*, Number BUS-43

### Implementing Documents

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Title</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>05.01.002.001</td>
<td>Outside Business Ownership or Management Interest</td>
<td>Form</td>
</tr>
</tbody>
</table>