



State of Washington
 Department of Revenue
 PO Box 47462
 Olympia, Washington 98504-7462

DEPARTMENT OF REVENUE ADMINISTRATIVE POLICY

Title: Outside Business Activities and Employment (paid and volunteer)	Number: 2.8.4
Contact Person's Title: Human Resources Director	Sponsoring Division: Human Resources Division
Phone Number: (360) 725-7500	References: Ethics in Public Service (RCW 42.52)
Effective Date: Xxxx xx, 2012	
Approved: Brad Flaherty, Director	
Applies to: Represented and Non-Represented Employees	

Purpose

The Department of Revenue must prevent conflicts of interest and preserve the integrity of its regulatory role in the administration of taxes and as stewards of public resources.

These important responsibilities place additional limitations on employee engagements, whether paid or unpaid, such as:

- Outside employment.
- Business activities.
- Volunteer activities.

Requirement

An employee's outside employment, business activity or volunteer activity must not interfere with the employee's DOR work schedule or performance. Outside business activities must conform with state ethics laws.

Employees must:

- Disclose potential conflicts of interest as defined in this policy.
- Avoid conflicts of interests as defined herein.
- Complete the Outside Paid and Volunteer Employment and Business Activities form (OPVEBA) form annually.

(continued...)

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**Requirement
(Continued)**

The following chart provides guidance regarding when employees must take action under this policy.

If employee...	Then...
<ul style="list-style-type: none"> Has just been hired. 	<ul style="list-style-type: none"> Complete the OPVEBA form within the first two weeks.
<ul style="list-style-type: none"> Is contemplating engaging in outside business activities. 	<ul style="list-style-type: none"> Request approval by completing the OPVEBA form.
<ul style="list-style-type: none"> Opens a business or currently owns a private business. 	<ul style="list-style-type: none"> Request approval by completing the OPVEBA form.
<ul style="list-style-type: none"> Duties have changed and the employee is currently engaging in outside employment, business activities or volunteer activities. 	<ul style="list-style-type: none"> Reapply for approval by completing the OPVEBA form.
<ul style="list-style-type: none"> Outside employment job duties have changed significantly. 	<ul style="list-style-type: none"> Reapply for approval by completing the OPVEBA form.
<ul style="list-style-type: none"> Spouse or domestic partner owns a business. 	<ul style="list-style-type: none"> Disclose ownership by completing the OPVEBA (approval not required).
<ul style="list-style-type: none"> Has significant financial holdings where the investment could independently influence or control business decisions. 	<ul style="list-style-type: none"> Disclose by marking yes on the on the OPVEBA form (Note: financial details are not listed on the form).
<ul style="list-style-type: none"> Is contemplating participating in a volunteer activity (unless exempted by this policy). 	<ul style="list-style-type: none"> Request approval by completing the OPVEBA form.
<ul style="list-style-type: none"> Is considering performing contract work for another state agency or DOR within another capacity. 	<ul style="list-style-type: none"> Request approval from the State Ethics Board prior to accepting the contract.

Note: Employees who discontinue approved outside or volunteer employment may update their status during the next annual update. An immediate update is not required.

Certain business activities and financial interests must be disclosed but do not require approval. Because DOR regulates taxes, disclosure includes a spouse's or registered domestic partner's ownership of a business. Washington is a community property state; therefore a spouse or registered domestic partner may be entitled to one-half of the community property, which may include the privately held business interests.

Warning!

All DOR employees are prohibited from accessing or otherwise using DOR systems for their own business or their spouse's or domestic partner's business. DOR employees must avoid the appearance of providing special privileges to friends and relatives.

The Department monitors electronic systems (without employee consent) and investigates possible policy violations. The Department may conduct periodic audits of employees' account activity.

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Review and Approval Process

The table below summarizes the review and approval process for the Outside Paid and Volunteer Employment and Business Activities Form:

Who...	Does What...	
Supervisor	<i>If...</i> <ul style="list-style-type: none"> The employee reports any outside employment, volunteer activity, or business activity. 	<i>Then...</i> <ul style="list-style-type: none"> Recommends approval or disapproval. Sends the form to the Assistant Director.
	<ul style="list-style-type: none"> The employee's spouse or domestic partner owns a business. 	<ul style="list-style-type: none"> Reviews conflict of interest policy and discusses any unique work practices the employee must follow to avoid a conflict of interest. Sends the form to the Assistant Director.
	<ul style="list-style-type: none"> The employee reports any significant financial holdings. 	<ul style="list-style-type: none"> Reviews and discusses with employee how to avoid a conflict of interest. Sends the form to the Assistant Director.
	<ul style="list-style-type: none"> The employee reports no outside employment, volunteer activity, or financial interests. 	<ul style="list-style-type: none"> No further action needed.
Assistant Director	<ul style="list-style-type: none"> Recommends approval or disapproval for outside employment, volunteer activity or business ownership. 	<ul style="list-style-type: none"> Sends the form to the Director (or designee).
	<ul style="list-style-type: none"> Reviews employee's spouse or domestic partner's business ownership. Reviews employee's significant financial holdings. 	<ul style="list-style-type: none"> Verifies any unique work unit practices have been discussed with employee. Discusses any unique work unit practices needed with the Director (or designee), as needed.
Director (or designee)	<ul style="list-style-type: none"> Makes final determination on approval or disapproval. In some situations the Director or designee may approve with conditions or limitations. 	<ul style="list-style-type: none"> Notifies the employee of final decision. Sends Conflict of Interest Letter to employee (if applicable).
	<ul style="list-style-type: none"> Reviews employee's spouse or domestic partner's business ownership. 	<ul style="list-style-type: none"> Sends Conflict of Interest Letter to employee.
	<ul style="list-style-type: none"> Reviews employee's significant financial holdings. 	<ul style="list-style-type: none"> Sends Conflict of Interest Letter to employee.

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**Director or
Designee
Authority**

Approval may be revoked by the Director (or designee) if a change in circumstances occurs which would be cause for denial of an original application.

In the event of a dispute between the Department and employee regarding this policy, the Director or designee shall be the final determiner of whether or not a conflict of interest exists.

**Term
Definitions**

Within the context of this policy, the following terms are defined as follows:

<p>Conflicts of Interest</p>	<p>Any outside employment or business activity that compromises the employee's responsibilities to the Department including doing business or working for anyone that DOR regulates or contracts with.</p> <p>Employees must not:</p> <ul style="list-style-type: none"> • Have a financial or other interest or engage in any, business including personal business, or professional activity that conflicts with their official duties. • Use their position to secure a special privilege for themselves, their family, friends or any other person. A "person" is also considered to be an outside business or organization. • Disclose confidential tax information (CTI) to an unauthorized person, use CTI for personal benefit or to benefit another, or withhold disclosure of information that can be disclosed. • Use state resources for personal benefit or to benefit another except as allowed under agency policies and WAC 292-110-010.
<p>Financial Holdings</p>	<p>Must Be Reported</p> <p>An employee has a controlling interest in a business or other financial holding where there is an ability to independently influence or dictate business decisions.</p> <p>Examples of financial interests that must be reported are:</p> <ul style="list-style-type: none"> • When the employee's vote as a member of a board can influence financial decisions. • When the employee's decisions as a partial business owner in a partnership have financial control or influence over finances. <p>Financial Interests With No Reporting Requirement</p> <p>Employees are not required to report the following financial assets or holdings:</p> <ul style="list-style-type: none"> • State pension or deferred compensation plans. • Flexible Spending Accounts or Health Savings Accounts. • Certificates of deposit, savings, or checking accounts. • Life insurance. • Stock or bond ownership that does not provide the employee with the ability to independently influence business decisions.

(continued...)

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Term Definitions (Continued)

Financial Holdings (continued)	<ul style="list-style-type: none"> • Money market mutual funds and money market accounts. • Diversified mutual funds (i.e. ABC Equity Value Fund or XYZ Large Capital Fund). • US Government Treasury bonds, bills, notes, savings bonds or Municipal bonds. 								
Outside Employment, Business, or Volunteer Activities	<p>All positions outside of the Department whether or not the employee is compensated.</p> <p>Positions include an officer, director, employee, trustee, general partner, proprietor, representative, executor, or consultant of any of the following:</p> <ul style="list-style-type: none"> • Corporation, partnership, trust, or other business entity. • Educational institution. • Ownership or operation of a private business. • Governmental elective positions and appointive offices. 								
Exceptions for Certain Volunteer Activities	<p>An employee is not required to report a volunteer activity if the employee serves as a volunteer, officer, or director of a non-profit organization such as those that are of the following nature:</p> <table border="0" data-bbox="625 777 1218 913"> <tr> <td>• Civic</td> <td>• Fraternal</td> </tr> <tr> <td>• Educational</td> <td>• Veterans</td> </tr> <tr> <td>• Community</td> <td>• Charity</td> </tr> <tr> <td>• Religious</td> <td>• Social</td> </tr> </table> <p>Caution: Employees should seek authorization to participate in any volunteer organization described above if the employee's responsibilities in the organization include tax consultation or the organization manages or engages in a taxable activity or otherwise creates a perceived conflict with the obligations of the employee's position.</p>	• Civic	• Fraternal	• Educational	• Veterans	• Community	• Charity	• Religious	• Social
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• Educational	• Veterans								
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Administrative Policy History

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