

Required by State Law
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APPROVED
Executive Ethics Board

Date: 1-13-12

Ethics Policy/Procedure

PURPOSE: The State Board is committed to standards of performance which comply with Washington State's laws and establish a guideline for ethical conduct. This procedure is intended to provide information about the relevant ethics issues but is not intended to include all possible ethics topics. In general, no employee of the State Board may have a financial interest or engage in any activity that is in conflict with the proper discharge of the employee's official duties.

DEFINITIONS: The following definitions are specific to the terms of this procedure and do not modify or revise similar terms as used in related procedures.

Assist: to act, or offer or agree to act, in such a way as to help, aid, advise, furnish information to, or otherwise provide assistance to another person, believing that the action is of help, aid, advice, or assistance to the person.

Compensation: anything of economic value, however designated, that is paid, loaned, granted, or transferred, or to be paid, loaned, granted, or transferred for, or in consideration of, personal services to any person.

Confidential information: specific information, rather than generalized knowledge, that is not available to the general public on request or information made confidential by law.

Contract or grant: an agreement between two or more persons that creates an obligation to do or not to do a particular thing. "Contract" or "grant" includes, but is not limited to, an employment contract, a lease, a license, a purchase agreement, or a sales agreement.

Family member: includes parent, step-parent, sister, brother, spouse, registered domestic partner, grandparent, grandchild, minor/dependent child, and child (or the same relationship in-law). Also includes persons who reside in the same home who have reciprocal duties to and do provide financial support for one another.

Gift: anything of economic value for which no consideration is given.

Honorarium: money or thing of value offered to an employee for a speech, appearance, article, or similar item or activity in connection with the employee's official role.

Official duty: those duties within the specific scope of employment of the employee as defined by the State Board or by statute or the state Constitution.

Responsibility in connection with a transaction involving the state: the direct administrative or operating authority, whether intermediate or final, and either exercisable alone or through subordinates, effectively to approve, disapprove, or otherwise direct state action in respect of such transaction.

Action: any action on the part of an agency, including, but not limited to a decision, determination, finding, ruling, or order; and a grant, payment, award, license, contract, transaction, sanction, or approval, or the denial thereof, or failure to act with respect to a decision, determination, finding, ruling, or order.

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Officer: every person holding a position of public trust including chief executive officers, presidents, members of the board and/or advisory committees and employees who are engaged in supervisory, policy-making, or policy-enforcing work.

Employee: an individual who is employed by the State Board, inclusive of its employed officers.

Thing of economic value: in addition to its ordinary meaning, includes:

- A loan, property interest, interest in a contract;
- Employment or another arrangement involving a right to compensation;
- An option, irrespective of the conditions to the exercise of the option; and
- A promise or undertaking for present or future delivery or procurement.

Transaction involving the state: means a proceeding, application, submission, request for a ruling or other determination, contract, claim, case, or other similar matter that the employee in question believes, or has reason to believe

- Is or will be the subject of state action; or
- One to which the state is or will be a party; or
- One in which the state has a direct and substantial proprietary interest.

POLICIES: Listed below are ethics policies, based on state law and regulation, applicable to a variety of circumstances. Violations of these policies may result in disciplinary action, up to and including dismissal. Questions concerning applicability to specific situations should be directed to the Human Resource Office.

Personal Use of SBCTC Resources: An employee may make an occasional but limited use of state resources only if **each** of the following conditions is met:

- There is little or no cost to the state;
- Any use is brief in duration, occurs infrequently, and is the most effective use of time or resources;
- The use does not interfere with the performance of the employee's official duties;
- The use does not disrupt or distract from the conduct of state business due to volume or frequency;
- The use does not disrupt other state employees and does not obligate them to make a personal use of state resources;
- The use does not compromise the security or integrity of state property, information, or software; and,
- The use of the resource is not prohibited.

No employee may use his/her official position to secure special privileges for either himself/herself or any other person, nor may receive compensation from any person or entity except the State of Washington for performing his/her official duties.

Prohibited Uses of State Resources: Certain uses of state resources are strictly prohibited by the state Constitution, state and federal laws and the Ethics in Public Service Act; including but not limited to:

- Any use for the purpose of conducting an outside business or private employment;
- Any use for the purpose of supporting, promoting the interests of, or soliciting for an outside organization or group, including but not limited to a private business, a nonprofit

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- organization, or a political party (unless provided for by law or authorized by the executive director or designee);
- Any use for the purpose of assisting a campaign for election of a person to an office or for the promotion of or opposition to a ballot proposition. Such use of state resources is specifically prohibited by RCW 42.52.180, subject to the exceptions in RCW 42.52.180(2);
 - Any use for the purpose of participating in or assisting in an effort to lobby the state legislature, or a state agency head. Such a use of state resources is specifically prohibited by RCW 42.17.190, subject to the exceptions in RCW 42.17.190(3);
 - Any use related to conduct that is prohibited by a federal or state law or rule, or a state agency policy; and
 - Any private use of any state property that has been removed from state facilities or other duty stations, even if there is no cost to the state.

Confidential Information: No employee may accept employment or engage in any business or professional activity that the employee might reasonably expect would require or induce him/her to make an unauthorized disclosure of confidential information acquired through the employee's official position. No employee may disclose confidential information to any person not entitled or authorized to receive the information.

Special Privileges: Except as required to perform duties within the scope of employment, no employee may use his/her position to secure special privileges or exemptions for himself/herself, family members, or other persons.

Conflicts of Interest: No State Board employee may have an interest (financial or otherwise, direct or indirect) or engage in a business or transaction or professional activity or incur an obligation that is in conflict with the proper discharge of the employee's official duties. There are specific requirements for assessment of situations and the possibility of conflicts (See "Conflict of Interest Analysis" form).

There are also potential conflicts of interest in assisting others in a transaction involving the State Board. RCW 42.52.040 prohibits agency employees from assisting other persons, directly or indirectly, whether or not for compensation, in a transaction the employee has at any time participated in the transaction; or the transaction has been under the official responsibility of the employee within a period of two years preceding the assistance.

Supporting Outside Organizations (including charities): In order to use resources to support an outside organization according to WAC 292-110-010, the following must take place:

- It must be specifically allowed by law, or the executive director/designee must approve the use of resources.
- Must be an official purpose but does not have to be directly related to an employee's official duties.
- Each employee may only make a minimal use of state resources.
- The activity must support or promote organizational effectiveness.

Employees may serve or assist on a board or committee that is organized for the benefit and support of the State Board. For example:

- It is allowable to use resources to put together an agency team to participate and raise money to support a charity, as long as each employee follows the use of state resources

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(WAC 292-110-010), the activity supports organizational effectiveness and the agency's participation is approved by the executive director or designee.

- It is allowable for an employee to bring in Girl Scout cookies, put the cookies on a table with an envelope for the money, and have people come by and take the cookies and pay their money. No resources were used. The focus of this example is for employees to avoid direct personal solicitations of co-workers and colleagues and opt for voluntary participation. This is especially important for supervisors or managers so that others do not feel pressured to buy something or make a donation.
- Any use of agency resources that results in an expenditure of funds should be avoided when conducting charity work on state time (exception may be made by the executive director for Combined Fund related activities).
- State agencies should avoid direct involvement in commercial activities even if the event's proceeds may benefit a charity. Examples of improper direct involvement include distributing commercial product sales brochures and order forms to employees, collecting product order forms in the workplace or on state paid time, and distributing products in the workplace or on state time.

Compensation for Outside Activities or Private Employment: No employee may receive any thing of economic value under any contract or grant outside of his or her official duties. The prohibition in this section does not apply where the employee has complied with each of the following conditions:

- The contract or grant is bona fide and actually performed;
- Performance or administration of the contract or grant is not within the course of the employee's official duties, or is not under the employee's official supervision;
- Performance of the contract or grant is not prohibited by RCW 42.52.040 or by applicable laws or rules governing outside employment for the employee;
- The contract or grant is neither performed for nor compensated by any person from whom such employee would be prohibited from receiving a gift;
- The contract or grant is not one expressly created or authorized by the employee in his or her official capacity;
- The contract or grant would not require unauthorized disclosure of confidential information.

In addition to satisfying the above requirements, an employee may have a beneficial interest in a grant or contract with a state agency if the:

- Contract or grant is awarded or issued as a result of an open and competitive bidding process in which more than one bid or grant application was received; or
- Contract or grant is awarded or issued as a result of an open and competitive bidding or selection process in which the employee's bid or proposal was the only bid or proposal received and the employee has been advised by the appropriate ethics board, before execution of the contract or grant, that the contract or grant would not be in conflict with the proper discharge of the employee's official duties; or
- Process for awarding the contract or issuing the grant is not open and competitive, but the employee has been advised by the appropriate ethics board that the contract or grant would not be in conflict with the proper discharge of the employee's official duties.

Employees contemplating employment outside of the State Board, must complete a "Conflict of Interest Analysis" form prior to accepting the outside employment.

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An employee can't do business with a company for which the employee is an officer, agent, employee, or member, or in which the employee owns a beneficial interest; EXCEPT an employee may serve as an officer, agent, employee, or member, or on the board of directors, board of trustees, advisory board, or committee or review panel for any nonprofit institute, foundation, or fundraising entity.

Except in the course of official duties or incidental to official duties, no employee may assist another person, directly or indirectly, in a transaction involving the state.

Honoraria: An honorarium is any money or thing of value offered for a speech, appearance, article or similar items in connection with the employee's official role at the State Board. An honorarium can only be accepted if specifically approved by the executive director or designee and it is not on the prohibited list below.

The executive director/designee is prohibited by law from approving honoraria under the following circumstances:

- The person offering the honorarium is seeking or is reasonably expected to seek contractual relations with or a grant from the agency, and the employee is in a position to participate in the terms or the award of the contract or grant;
- The person offering the honorarium is regulated by the employee and the employee is in a position to participate in the regulation; or
- The person offering the honorarium (i) is seeking or opposing or is reasonably likely to seek or oppose enactment of or adoption of administrative rules or actions, or policy changes by the State Board; and (ii) the employee may participate in the enactment or adoption.

Employees may use state time and resources to prepare materials for a speech or presentation for which an honorarium will be paid if the activity is related to the employee's official role at the State Board. If the State Board does not allow the employee to use state time and resources, any payment the employee receives is not an honorarium subject to the State Board's approval but is instead considered outside compensation and subject to this policy and RCW 42.52.120. (See Section addressing Outside Employment.)

The experience and knowledge that an employee gains during employment at a state agency is not considered a "state resource." Therefore, an employee can use his/her knowledge and experience to perform outside work, such as being an expert witness. (Advisory Opinion 96-07)

Acceptance of Gifts: An employee may not accept or solicit a gift, if it could reasonably be expected to influence the performance or nonperformance of the employee's official duties. An employee may not accept a gift from any person with a value in excess of \$50 a year. The value of gifts given to an employee's family member shall be attributed to the employee for the purpose of determining whether the limit has been exceeded, unless an independent business, family, or social relationship exists between the donor and the family member.

The following items are presumed not to influence and may be accepted without regard to the value limit established by this section:

- Unsolicited flowers, plants, and floral arrangements;
- Unsolicited advertising or promotional items of nominal value, such as pens and note pads;
- Unsolicited tokens or awards of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item;

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- Unsolicited items received by an employee for the purpose of evaluation or review, if the employee has no personal beneficial interest in the eventual use or acquisition of the item by the State Board;
- Informational material, publications, or subscriptions related to the recipient's performance of official duties;
- Food and beverages consumed at hosted receptions where attendance is related to the employee's official duties;
- Admission to, and the cost of food and beverages consumed at, events sponsored by or in conjunction with a civic, charitable, governmental, or community organization; and
- Unsolicited gifts from dignitaries from another state or a foreign country that are intended to be personal in nature.

An employee may accept food and beverage on infrequent occasions in the ordinary course of meals where attendance by the employee is related to the performance of official duties.

Waiving Conference Fees: If an employee's conference fees are waived for participating in a conference, the rules are the same as those for reimbursing travel expenses. That is, the employee may accept the conference fee waiver if the employee is not in a position to influence decision making affecting the entity offering the waiver. The waiver is not a gift for most employees and is not considered an honorarium for any State Board employee.

Use of Persons, Money, Property or Equipment for Private Gain: No employee may employ any employee of the State Board or use any money, property or equipment owned by the State Board for the private benefit or gain of the employee or another.

Off-Duty Activities: Off-duty activities that are a conflict of interest under chapter 42.52 RCW and/or this procedure, detrimental to the employee's work performance or the State Board's programs, bring discredit upon the State Board, or otherwise constitute violation of the State Board's Ethics Policy and this procedure may be cause for disciplinary action, up to and including termination.

Employees shall report all arrests and any court-imposed sanctions or conditions that affect his/her ability to perform assigned duties to their deputy executive director within twenty-four (24) hours of occurrence or prior to their scheduled work shift, whichever occurs first.

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