

	<h1>CORPORATE POLICY</h1>	Number: EC&F 2.4 Owner: Ethics & Labor Relations Type: Ethics Compliance & Fraud Effective Date: 5-2011 Last Revision Date: 3-2011
Title STATEMENT OF ECONOMIC INTERESTS (Form 700/700-A) & FINANCIAL DISCLOSURES		

SECTION 1 – PURPOSE

The financial disclosure requirement for officers and certain State Fund employees ensures accountability to the citizens of California. The information provided in the disclosure allows State Fund and the public to check for conflicts of interest, self-dealing, and divided loyalties.

The purposes of this policy are to: (1) reasonably assure State Fund’s adherence to the relevant provisions of the Political Reform Act regarding disclosure of financial interests; and (2) inform State Fund employees of their obligations regarding disclosure of financial interests.

SECTION 2 – POLICY STATEMENTS

2.1 Commitment to Compliance

State Fund officers and employees who are designated in State Fund’s [Conflict of Interest Code](#) must:

- File annual financial disclosures using the [Statement of Economic Interests form \(Form700/700A\) and Schedules](#); and
- Complete an ethics training course every two years as required by the California Government Code § 11146.

2.2 Identification of and Notice to Designated Filers

State Fund’s *Conflict of Interest Code* contains the classifications, department assignments, and disclosure levels of those employees who must file financial disclosures. Notice to designated employees of their filing obligations is provided upon assuming a designated position, when leaving a designated position and on an annual basis for designated filers.

2.3 Public Record Notice

The *Statement of Economic Interests* and *Schedules* are public records under the Political Reform Act and non-exempt records under the California Public Records Act. These documents are subject to disclosure to the public upon request.

2.4 Penalties for Failure to File Timely and/or Accurate Disclosure Statements

Significant civil and/or criminal penalties exist for individuals who fail to properly and timely prepare and file a *Statement of Economic Interests* and *Schedules*. Penalties include but are not limited to public notice by the Fair Political Practices Commission of improper or untimely filing, criminal prosecution, civil fines, and award of attorney fees and costs.

2.5 Duty to Disqualify

State Fund and its designated filers may use the *Statement of Economic Interests* and *Schedules* to evaluate potential disqualifications from participation in decision making processes which impact or *may be expected to impact* an employee’s financial interests. State Fund

Policy EC&F 2.4	Title Statement of Economic Interests & Financial Disclosure	Effective 5-2011
------------------------	---	-------------------------

officers and employees bear primary responsibility for disqualifying themselves immediately upon discovering facts warranting disqualification.

SECTION 3 – APPLICABILITY, SCOPE & BASIS

This policy applies to all officers and employees who are designated in State Fund's *Conflict of Interest Code*.

NOTICE

All State Fund employees will be required to sign a statement annually that they have read and understand this policy as part of State Fund's *Code of Conduct* acknowledgement process.

3.1 Basis

[Cal. Government Code §§ 81000-91014 \(The Political Reform Act\)](#)

- § 81008, § 87100 *et seq.*, 87200 *et seq.*, 87302, 87300 *et seq.*

[Cal. Code of Regulations, Title 2, Chapter 7 §§ 18110-18997](#) (Regulations of the Fair Political Practices Commission)

- 2 CCR § 18700 *et seq.*, 18722 *et seq.*

[Cal. Government Code § 11146](#)

SECTION 4 – AUTHORITY

The Senior Vice President of Human Resources is responsible for policy assurance and oversight. The Ethics & Labor Relations Program Manager as policy owner is responsible for compliance with, updates to, and enterprise monitoring of this Corporate Policy.

SECTION 5 – RELATED CORPORATE POLICIES

EC&F 2.1 Complaint Reporting & Anti-Retaliation

EC&F 2.2 Incompatible Activities

EC&F 2.3 Business Ethics

SECTION 6 – RELATED DEFINITIONS PROCEDURES, FORMS, & PUBLICATIONS

6.1 Definitions

Designated Filers - State Fund officers or employees whose positions have been designated in State Fund's *Conflict-of-Interest Code* to file the *Statement of Economic Interests* and *Schedules*.

Financial Interest – State Fund officers or employees have a financial interest in a decision within the meaning of the Political Reform Act if it is reasonably foreseeable that the decision will have a material financial effect on them personally, or on members of their immediate family, or on any of the financial interests identified in the Political Reform Act at Government Code § 87103 and the FPPC's regulations at 2 CCR 18700 *et seq.* Employees may have a community property interest in their spouse's/registered domestic partner's income and property which must be considered when filing.

The following is a summary of existing law, subject to change by the Legislature. Filers should consult the applicable laws at the time they file their forms and schedules.

Policy EC&F 2.4	Title Statement of Economic Interests & Financial Disclosure	Effective 5-2011
------------------------	---	-------------------------

- Business entities in which there is a direct or indirect investment worth two thousand dollars (\$2,000) or more;
- Real property in which there is a direct or indirect interest worth two thousand dollars (\$2,000) or more;
- Income sources, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the general public;
- Business entities in which the State Fund officer, employee or immediate family member is a director, officer, partner, trustee, employee, or holds any management position; and
- Donations of a gift or gifts aggregating \$420 or more in value provided to, received by, or promised to a State Fund officer, employee or immediate family member within 12 months prior to the time when the decision is made. The aggregate value of donations or gifts may be adjusted periodically by the Fair Political Practices Commission.

6.2 Related Procedures

EC&F 2.4- PR 1 Statement of Economic Interests Filing
 EC&F 2.4 – PR 2 Ethics Orientation and Training

6.3 Forms & Publications

State Fund *Code of Conduct*

[State Fund Conflict of Interest Code](#)

Fair Political Practices Commission (FPPC):

- [Form 700 and 700-A Statement of Economic Interests and Schedules](#)
- [Form 700 Statement of Economic Interests Reference Pamphlet](#)
- [Fact Sheet – Form 700 Disclosure](#)
- [Fact Sheet – Gift Disclosure](#)
- [Your Duty to File: A Basic Overview of State Economic Disclosure Law and Reporting Requirements Political Reform Act of 1974](#)

SECTION 7 – HELP & ADVICE

If you have questions about this policy or its related procedures, processes or publication, contact the Ethics & Labor Relations department, Information, Analysis & Compliance Unit e-mail: ODIAC@scif.com or by phone: 415-565-1184.

SECTION 8 – REVIEW HISTORY

Review Date	Action Date	Action	Section(s) Revised	Effective Date
1/7/2011	1/11/2011	Final QA	Comprehensive	3-2011
5/9/2011	5/9/2011	Functional reorganization & clarity	Sections 1, 3, 4,6 & 7	5-2011