Administrative Policy

Chapter 3: Personnel Administration

Contact:	Ethics Advisor	Effective:	September 13, 2022
Reference:	<u>Chapter 42.52 RCW</u> <u>HCA Administrative Policy 1-16, <i>Ethics:</i> <i>Conflict of Interest, Post-State</i> <u>Employment, and Obtaining Ethics</u> <u>Advice</u> <u>HCA Administrative Policy 1-17, <i>Ethics:</i> <u>Use of State Resources</u> <u>HCA Administrative Procedure 3-02-01,</u> <u>Requesting Authorization to Engage in</u> <u>Outside Employment</u></u></u>	Supersedes:	HCA Administrative Policy 3-02, <i>Outside Employment</i> (August 17, 2021)
Forms Used:	Request for Authorization of Outside Employment (HCA 30-304)	Applies to:	All employees
		Approved by:	/s/ Jody Costello Administrative Services Director

Outside Employment

PURPOSE

This policy defines when outside employment conflicts with an employee's official duties and establishes the process for requesting approval of outside employment.

DEFINITIONS

Beneficial Interest	The right to enjoy profit, benefit, or advantage from a contract		
Compensation	Anything of economic value paid, loaned, granted, or transferred in consideration of personal services		
Conflict of Interest	A situation in which an employee is in a position to derive personal benefit, financial or otherwise, direct or indirect, from actions or decisions made in the course of the performance of official duties, or when an employee's private or personal interest impairs their independent and impartial judgement in the exercise of official duties		
Outside Employment	Employment with a private, nonprofit, or other governmental employer; employment as an independent contractor or consultant; or self-		

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employment (including consulting, sales, property rentals, etc.); held while employed with HCA

Person Any individual, partnership, association, corporation, firm, institution, or other entity, whether or not operated for profit

POLICY REQUIREMENTS

- 1. An employee may receive compensation from outside employment only if all of the following conditions are met:
 - a. The outside employment does not create a conflict of interest.
 - b. The outside employment is bona fide and actually performed.
 - c. The outside employment is not within the course of the employee's official duties and is not under the employee's official supervision.
 - d. The outside employment is not prohibited by RCW 42.52.040 or HCA Administrative Policy 1-16, *Ethics: Conflicts of Interest, Post-State Employment, and Obtaining Ethics Advice.*
 - e. The outside employment is neither performed for nor compensated by any person from whom the employee is prohibited by RCW 42.52.150(4) from receiving a gift.
 - f. The employee did not create or authorize the outside employment in the course of the employee's official duties.
 - g. The employee does not reasonably expect that the outside employment would require or induce the employee to make an unauthorized disclosure of confidential information acquired by reason of the employee's official position.
- 2. If an employee does not receive compensation for the outside activity (for example, volunteering with a charity or non-profit), then they are not engaging in outside employment and this policy does not apply. However, employees are still responsible for ensuring they comply with other HCA ethics policies, such as Policy 1-16, *Ethics: Conflicts of Interest, Post-State Employment, and Obtaining Ethics Advice* and Policy 1-17, *Ethics: Use of State Resources*.
- 3. Employees must obtain approval from their Appointing Authority prior to engaging in outside employment as set forth in HCA Administrative Procedure 3-02-01.
- 4. A new employee engaged in outside employment must provide a completed Request for Authorization of Outside Employment form (HCA 30-304) to their supervisor within 30 calendar days of beginning HCA employment.
- 5. An employee engaged in approved outside employment must obtain re-approval from their Appointing Authority by submitting a completed Request for Authorization of Outside Employment form (HCA 30-304) to the employee's supervisor within 30 calendar days of a substantial change in the employee's outside employment duties or HCA duties.
- 6. Appointing Authorities may not authorize outside employment that creates a conflict of interest or creates overtime obligations for HCA.

- 7. Prior to disapproving outside employment, the Appointing Authority must determine whether reasonable conditions can be established to eliminate or prevent a conflict of interest, in consultation with the HCA Ethics Advisor, as appropriate.
- 8. If the outside employment will or does create a conflict of interest, the employee must eliminate the conflict to the satisfaction of the HCA Ethics Advisor and Appointing Authority within 30 calendar days of receiving the Appointing Authority's determination.
- 9. If an employee discontinues engaging in outside employment, the employee must notify their supervisor and Appointing Authority within 30 calendar days that they are no longer engaged in outside employment.
- 10. Employees may not use any state resources to support outside employment, including state paid time, materials, facilities, equipment, or telephones.
- 11. An employee may have a beneficial interest in a grant or contract with HCA or another state agency only if a., b., or c. is true and the employee complies with d.
 - a. 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.
 - b. The 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 Executive 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.
 - c. The process for awarding the contract or issuing the grant is not open and competitive, but the employee has been advised by the Executive Ethics Board that the contract or grant would not be in conflict with the proper discharge of the employee's official duties.
 - d. The employee awarded a contract or issued a grant in compliance with b. or c. must file the contract or grant with the Executive Ethics Board within 30 days after the date of execution.