



## **GUIDELINES FOR CONDUCTING CREDIT CHECKS**

### **A. Persons Subject to Credit Check Requirements**

Credit Checks are not required for any candidate. California law prohibits an employer from performing a credit on a candidate unless the type of position is listed in CA Labor Code § 1024.5. CSU policy allows a credit check to be performed if authorized by that provision and determined to be job related. The campus' review of the applicant's credit report will comply with the requirements of the Consumer Credit Reporting Agencies Act (CCRAA) Civil Code § 1785.1, *et seq.* The CSU may only obtain the credit history report of a candidate for a position that, on the basis of duties, responsibilities, or access, could affect the institution financially and the individual is applying for or will work in one of the following positions:

- Managerial positions (defined as persons who manage the University or a department of the University, have the authority to make hiring/retention decisions, manage two or more persons, are exempt employees, and earn more than two times the state's current minimum wage)
- Positions with the state Department of Justice
- Sworn peace officers or other law enforcement positions
- Positions for which the information contained in the credit report is required by law to be disclosed or obtained
- Positions that involve regular access (for any purpose other than the regular solicitation and processing of credit card applications in a retail establishment) to all of the following types of personal information of any one person: bank or credit card account information, social security number, and date of birth
- Positions in which the person is, or would be, a named signatory on the bank or credit card account of the employer, authorized to transfer money on behalf the employer, or authorized to enter into financial contracts on behalf of the employer
- Positions that involve access to confidential or proprietary information, including a formula, pattern, compilation, program, device, method, technique, process, or trade secret that (1) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who may obtain economic value from the disclosure or use of the information, and (2) is the subject of an effort that is reasonable under the circumstances to maintain secrecy of the information
- Positions that involve regular access to cash totaling \$10,000 or more of the employer, a customer, or client, during the workday. CSU may not conduct credit checks based on access to lesser amounts.

### **B. Authorization and Disclosure Requirements for Credit Checks**

A campus that conducts a credit check on a candidate for a position is required to obtain authorization and provide the person with a disclosure statement (see Attachments D5 & D6) setting forth the specific basis permitting the employer to obtain a credit report.

### **C. Notice and Right to Appeal Adverse Results**

The campus shall advise any individual applicant or current employee if he/she is disqualified due to results obtained from a credit history check using Attachment D5 and D7. The campus shall give the applicant an opportunity to provide additional information. If the applicant disagrees with the accuracy of any information in the report, the applicant must notify the campus within five (5) days of the receipt of the report that the applicant is challenging information in the report. The campus will not make a final decision on the applicant's employment status until the applicant has had a reasonable opportunity to address the information contained in the report. The campus decision maker(s) must wait five (5) business days after notice is given and consider the applicant's appeal before making a final decision.

### **D. Confidentiality**

The campus will maintain the confidentiality of the credit check results, unless otherwise required by law. Only the appropriate HR personnel, the background check coordinator, decision maker(s), and records custodian will be notified of the specific results of the credit check. The hiring department and current department of the employee (if applicable) will not be notified of the specific results of the credit check. The credit check results are confidential and will be kept by the designated custodian of records in a location that is secure and separate from the employee's official personnel file.