



UT System Administration Policy Library – Policy UTS123
Policy on Service on Outside Boards

Responsible Officer: The Chancellor
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POLICY STATEMENT

The primary responsibility of Executive Officers of UT System and Presidents of UT System institutions is the accomplishment of the duties and responsibilities of their respective positions. In evaluating whether to accept a position on an outside board, an individual should first assure that the position would not create a conflict of interest and that fulfillment of the responsibilities of the position would not impose an unreasonable time requirement.

RATIONALE

It is recognized that the Chancellor and other Executive Officers of The University of Texas System and the Presidents of UT System institutions, as well as other employees, administrators, faculty, and staff of UT System and institutions, may be asked to serve on the boards, councils or other governing or advisory bodies of various business, civic, professional, social, and religious organizations, both for profit and nonprofit, and in compensated and non-compensated positions. That service is generally deemed to be in the best interest of UT System and institutions because it broadens the experience of the individuals involved and exposes UT System and institutions to a larger audience of business, civic, professional, social, and religious leaders.

SCOPE

All institutions and UT System Administration

WEBSITE ADDRESS FOR THIS POLICY

<http://www.utsystem.edu/policy/policies/uts123.html>

RELATED STATUTES, POLICIES, REQUIREMENTS OR STANDARDS

UT System Administration Policies &	Other Statutes, Policies & Standards
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Standards	
<ul style="list-style-type: none"> Board of Regents' <i>Rules and Regulations</i>, Rule 30103, Standards of Conduct Board of Regents' <i>Rules and Regulations</i>, Rule 30104, Conflict of Interest Board of Regent's <i>Rules and Regulations</i>, Rule 60306, Use of University Resources 	<ul style="list-style-type: none"> Chapter 574, Government Code Article 16, Section 40, Texas Constitution

CONTACTS

If you have any questions about UT System Administration policy UTS 123, *Policy on Service on Outside Boards*, contact the following office:

Subject	Office Name	Telephone Number	Email/URL
	Office of the Chancellor	512-499-4214	chancellor@utsystem.edu

DEFINITIONS

Outside Board

In the policy, “outside board” means the board, council, or other governing or advisory body of a business, civic, professional, social, or religious organization, whether for-profit or nonprofit and whether compensated or non-compensated.

RESPONSIBILITIES

Any person wishing to accept a new position on an outside board

- Advises the Vice Chancellor and General Counsel to evaluate any potential conflict of interest and then obtains the approval of the appropriate authority (see Appendix).

Non-elective State Officer

- Before holding another non-elective office, must obtain a finding by the Board of Regents that the additional office is of benefit to the State of Texas or is required by state or federal law, and that there is no conflict with the officer's original office.

Chancellor, Other UT System Executive Officer, or President of a UT System Institution

- Uses their own time, vacation time, compensatory time, or other leave while providing service on any outside board for which they are compensated, or any service to a religious organization, whether or not compensated.
- Files a report with the Chancellor's Office in September of each year listing information about each outside board on which the person serves, and files a supplemental report within 30 days of joining a new outside board.

Other UT System Employees

- Seeks approval for outside board service from the employee's direct supervisor.

Each UT System Institution

- Includes in its Handbook of Operating Procedures similar standards and rules for the institution's administrators below the rank of President and for the institution's faculty and staff.

PROCEDURES

1. APPROVAL

Before accepting a position on an outside board, the person wishing to accept the position shall first advise the Vice Chancellor and General Counsel to evaluate any potential conflict of interest and then shall obtain the approval of the appropriate authority (see Appendix). The approving authority may not unreasonably withhold approval.

1.1 Non-Elective Offices of the State of Texas or the United States

Before a non-elective state officer may hold another non-elective office under the State of Texas or the United States, the non-elective state officer must obtain a finding by the Board of Regents that the additional office is of benefit to the State of Texas or is required by state or federal law, and that there is no conflict with the non-elective state officer's original office.

1.2 External Nonprofit Corporations and External Entities Benefiting UT System or U.T. System Institutions

This policy is also subject to Board of Regents' *Rules and Regulations*, Rule 60306, Use of University Resources, relating to service on the board of an external nonprofit corporation or an external entity that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of UT System or institutions.

2. Risks of Liability

UT System Executive Officers and Presidents of UT System institutions should be aware of the potential risk of liability associated with outside board service and should evaluate those risks and the need for appropriate insurance and indemnification. Those persons should also be aware that statutory limitations on liability of state officials and employees may not apply and that indemnification by UT System and insurance coverage provided by UT System may not apply or may be severely limited.

3. ACCOUNTING FOR OUTSIDE BOARD SERVICE

3.1 Uncompensated Board Service

Recognizing the benefit to be derived by UT System and institutions from outside board service, and after thorough consideration of the time commitment that might be involved, time spent on uncompensated service on non-religious boards, other than for reimbursement of usual and customary expenses, shall be deemed to be service to the System and need not require the use of a person's own time.

3.2 Compensated Board Service and Service to a Religious Organization

Service on an outside board for which a UT System Executive Officer or President of a UT System institution is compensated, and any service to a religious organization whether or not compensated, must be on the person's own time. If the service occurs during normal office hours, the person must use vacation time, compensatory time, or other appropriate leave while providing the service. The service should be without cost to UT System or its institutions.

4. Reporting

In addition to any report required by the Texas Ethics Commission, any UT System Executive Officer or President of a UT System institution who serves on any outside board shall file a report with the Vice Chancellor for Administration in September of each year. On the report, the person must list each outside board on which the person serves and must include the following information for each outside board:

- A. The number of hours normally required by the service, either monthly, quarterly or annually;
- B. Whether the service is compensated or not compensated; and
- C. Whether the service is protected by one or more policies of directors and officers liability insurance, and whether that insurance coverage provides for general indemnification or only costs of defense.

A person required to file a report under this section must file a supplemental report if the person joins an outside board after filing the annual report. The report must be filed not later than the 30th day after joining the additional outside board.

A non-faculty person required to file a report under this section must include the time requirements associated with any teaching commitments.

5. EXCEPTIONS

5.1 Extension of Professional Position

It is anticipated that Executive Officers of UT System and Presidents of UT System institutions will be asked to serve on particular outside boards because of their University related areas of expertise or the offices or positions they hold. This service is of particular value to UT System and its institutions and is actively encouraged because of the recognition it provides to UT System and institutions, and the additional information, exposure, understanding, and insight the person will receive. This service is deemed to be service to UT System or the UT System institution and need not require the use of a person's own time. This service is excluded from all portions of this policy other than the conflict of interest provisions and reporting requirements.

5.2 Personal

This policy does not apply to service on the board of a municipality; local religious congregation; neighborhood association; local, private or parochial school; youth sports or recreation league; affinity group such as the local orchid society or model train collectors club; and other similar outside boards the service on which is primarily personal rather than professional in nature and does not require time away from University responsibilities.

5.3 Family-owned Businesses

This policy does not apply to service on the board of a family owned business in instances in which the service is incidental and does not require time away from University responsibilities.

6. Other U.T. System Employees

Other employees of UT System are governed by this policy. The employee's direct supervisor must approve the service.

7. Employees of U.T. System Institutions

Each UT System institution shall include in its Handbook of Operating Procedures similar standards and rules for the institution's administrators below the rank of President and for the institution's faculty and staff.

FORMS AND TOOLS/ONLINE PROCESSES

The Office of the Chancellor administers a database of the reported service on outside boards of the Chancellor, Executive Officers and Presidents of the institutions. A blank report form may be requested by contacting the Office of the Chancellor.

APPENDIX

Person seeking approval

Chancellor

Executive Vice Chancellors and Vice Chancellors

U.T. System Institution Presidents

General Counsel to the Board of Regents

Approving authority

Chairman, Board of Regents

Chancellor

Executive Vice Chancellor for Academic Affairs or Executive Vice Chancellor for Health Affairs, as appropriate

Chairman, Board of Regents

Keywords: outside boards, president, vice chancellor, personnel
