

1. Title

Conflict of Interest, Conflict of Commitment, and Outside Activities

2. Rule and Regulation

Sec. 1 Primary Responsibility. The primary responsibility of employees of the U. T. System Administration and each of the U. T. institutions is the accomplishment of the duties and responsibilities assigned to one's position of appointment.

Sec. 2 Outside Work or Activity. Employees may engage in work or activity with outside entities and individuals, including governmental agencies, industry, or other educational institutions so long as such work or activity complies, as applicable, with the approval and disclosure requirements of Section 5 below and does not violate State laws or U. T. System Administration or U. T. institution rules or policies governing the conduct of employees, including ethics standards and provisions prohibiting conflicts of interest, conflicts of commitment, and the use of State resources.

Sec. 3 Conflicts of Interest Prohibited. U. T. System Administration and U. T. institution employees may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee's duties in the public interest.

Sec. 4 Conflicts of Commitment Prohibited. Activities on behalf of outside entities or individuals must not interfere with a U. T. System Administration or U. T. institution employee's fulfillment of his/her duties and responsibilities to the University. Such conflicts of commitment may arise regardless of the location of these activities (on or off campus), the type of outside entity (individual, for-profit, not-for-profit, or government), or the level of compensation (compensated or unpaid).

Sec. 5 Approval and Disclosure Requirements. U. T. System Administration and each institution shall adopt policies that clearly delineate the nature and amount of permissible outside work or activities. The policies shall include provisions to prevent, identify, and resolve conflicts of interest and conflicts of commitment and shall include specific processes for disclosing such work or outside activities, as well as the procedures for

obtaining and documenting institutional approval to carry out such engagements, consistent with this Rule.

5.1 Approval Required for Compensated Outside Work or Activity and for Outside Board Service. No full-time member of the faculty or administrative and professional staff employed by the U. T. System or any of the institutions on a 12-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source any compensation, or serve on an outside board until a description of the nature and extent of the employment or activity and the range of any compensation has been timely filed with and approved by the president of the institution, or his or her designee(s), or by the Chancellor or his or her designee(s) for U. T. System Administration employees, as set forth in the policies of the U. T. System or the *Handbook of Operating Procedures* of each institution. Filings and approvals for the presidents will be made to the appropriate Executive Vice Chancellor. Filings and approvals for the Chancellor, the General Counsel to the Board, and the Chief Audit Executive will be made to the Chairman of the Board.

5.2 Additional Financial Disclosures. All officers and employees shall, in a timely manner, furnish such additional written financial disclosures as may be required by State or federal authorities or by U. T. System Administration or institutional authorities.

5.3 Electronic Database. Disclosure of outside activity, documentation of requests for approval, and subsequent approvals required under Section 5.1, above, shall be maintained in an electronic database, following guidelines provided by U. T. System Administration.

5.4 Effective Date. U. T. System Administration and each institution shall have approved policies implementing the provisions of Section 5 in place no later than January 15, 2013.

Sec. 6 Free Advice. Even in the case of employees specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public benefit free of charge, provided that the meeting of this

obligation by an employee does not interfere with his or her regular duties, and provided further that in meeting this obligation an employee shall avoid undue competition with legitimate private agencies.

- Sec. 7 Separation of Activities. If a U. T. System Administration or U. T. institution employee works in a private capacity, the employee must make it clear to those who employ him or her that the work is unofficial and that the name of the U. T. System or any of the institutions is not in any way to be connected with the employee's name, except when used to identify the member as the author of work related to the employee's academic or research area as more fully described in [Rule 90101](#) of the Regents' *Rules and Regulations* concerning general rules for intellectual property. No employee engaged in outside remunerative activities shall use in connection therewith the official stationery of the System, give as a business address any building or department of the U. T. System or any of the institutions, or any University telephone extension.
- Sec. 8 Use of University Property. U. T. System Administration and U. T. institutional property may only be used for State purposes appropriate to the System or institutional mission.
- Sec. 9 Opinions for Advertising Purposes. Every employee who gives professional opinions must protect the U. T. System or any of the institutions against the use of such opinions for advertising purposes.
- Sec. 10 Noncompliance. Noncompliance with this Rule subjects an employee to disciplinary action, including termination, in accord with applicable procedures.
- 3. Definitions**
- Compensation – any form of benefit including but not limited to salary, retainer, or promised, deferred, or contingent interest.
- 4. Relevant Federal and State Statutes**
- Texas Government Code* [Chapter 572](#) – Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest
- 5. Relevant System Policies, Procedures, and Forms**

Regents' *Rules and Regulations*, [Rule 30103](#) – Standards of Conduct

[The University of Texas System Office of General Counsel Web site on ethics](#)

[The University of Texas System Policy UTS109, *Financial Disclosure and Conflict of Interest Policy and Statement for Chancellor and Presidents*](#)

[The University of Texas System Policy UTS110, *Financial Disclosure and Conflict of Interest Policy and Statement for Employees*](#)

[The University of Texas System Policy UTS118, *Statement of Operating Policy Pertaining to Dishonest or Fraudulent Activities*](#)

[The University of Texas System Policy UTS123, *Policy on Service on Outside Boards*](#)

[The University of Texas System Policy UTS134, *Code of Ethics for Financial Officers and Employees*](#)

[The University of Texas System Policy UTS175, *Disclosure of Significant Financial Interests and Management and Reporting of Financial Conflicts of Interest in Research*](#)

[The University of Texas System Administration Internal Policy UTS129, *Outside Employment*](#)

[The University of Texas System Administration Internal Policy UTS160, *Conflicts of Interest Policy*](#)

6. Who Should Know

Board of Regents
Employees

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

July 11, 2012
Editorial amendment to Numbers 4 and 5 made April 17, 2008
December 10, 2004

9. Contract Information

Questions or comments regarding this Rule should be directed to:

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