1. **Title**

Policy on Service on Outside Boards

2. **Policy**

    Sec. 1 Primary Responsibility. The primary responsibility of the Chancellor and executive officers of The University of Texas System and presidents of U. T. 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.

    Sec. 2 Required Approval. Before accepting or renewal of a position on an outside board, the person wishing to accept or renew 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 Section 2.3). The approving authority may not unreasonably withhold approval.

2.1 Nonelective Offices. Before the Chancellor, executive officers of U. T. System and the presidents of U. T. Systems institutions may hold another nonelective office under the State of Texas or the United States, they 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 their original office.

2.2 External Entities Benefiting U. T. System. 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 U. T. System or institutions.

2.3 Approving Authority.

(a) Chancellor - Chairman, Board of Regents

(b) Executive Vice Chancellors and Vice Chancellors - Chancellor
Sec. 3 Risks of Liability. The Chancellor, U. T. System executive officers and presidents of U. T. 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 U. T. System and insurance coverage provided by U. T. System may not apply or may be severely limited.

Sec. 4 Accounting for Outside Board Service.

4.1 Uncompensated Board Service. Recognizing the benefit to be derived by U. T. System and institutions from outside board service, and after thorough consideration of the time commitment that might be involved, time spent on uncompensated service or nonreligious boards, other than for reimbursement of usual and customary expenses, shall be deemed to be of service to the U. T. System and need not require the use of a person’s own time.

4.2 Compensated Board Service and Service to a Religious Organization. Service on an outside board for which the Chancellor, a U. T. System executive officer or president of a U. T. 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 U. T. System or its institutions.

Sec. 5 Reporting.

5.1 Report to the Chancellor. In addition to any report required by the Texas Ethics Commission, any U. T. System executive officer or president of a U. T. System institution who serves on any outside board shall file a report with the Office of the Chancellor in March 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, and the anticipated length of time the commitment is expected to continue;

(b) whether the service is compensated or not compensated; and if compensated, the amount and nature of the compensation; and

(c) whether the service is protected by one or more liability insurance policies of directors and officers, and whether that insurance coverage provides for general indemnification or only costs of defense.

5.2 Report to the Chairman, Board of Regents. In addition to any report required by the Texas Ethics Commission, if the Chancellor serves on an outside board, he or she shall file a report with the Chairman of the Board of Regents in March of each year. On the report, the Chancellor must list each outside board on which he or she serves and must include the information required by Section 5.1(a) – (c) for each outside board.

5.3 Required Supplemental Reports. A person required to file a report under this section must file a supplemental report if the person receives approval and 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.

5.4 Teaching, Research and Clinical Requirements. A person required to file a report under this section must include the time requirements and any compensation associated with any teaching, research and/or clinical commitments.

5.5 Electronic Database. The U. T. System Administration shall maintain and make available to the public an electronic database of reports provided under Sections 5.1, 5.2, 5.3, and 5.4 herein, and approved outside board service for the Chancellor, executive officers of U. T. System and the presidents of U. T. Systems institutions.
Sec. 6 Exceptions.

6.1 Extension of Professional Position. It is anticipated that the Chancellor and executive officers of U. T. System and presidents of U. T. 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 deemed to be service to U. T. System or the U. T. System institution and need not require the use of a person’s own time.

6.2 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 on which the service is primarily personal rather than professional in nature and does not require time away from University responsibilities.

6.3 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.

3. Definitions

Compensation – Any form of benefit, including but not limited to salary, retainer, or promised, deferred, or contingent interest.

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 noncompensated.

4. Relevant Federal and State Statutes

Texas Government Code Chapter 574, Dual Office Holding

Article 16, Section 40, Texas Constitution

5. Relevant System Policies, Procedures, and Forms

Board of Regents’ Rules and Regulations, Rule 30103, Standards of Conduct

Board of Regents’ Rules and Regulations, Rule 30104, Conflict of Interest, Conflict of Commitment, and Outside Activity
Board of Regent's Rules and Regulations, Rule 60306, Use of University Resources

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.

6. System Administration Office(s) Responsible for Policy

Chancellor's Office

7. Dates Approved or Amended

October 18, 2002
February 15, 2010
April 26, 2011
January 4, 2013

8. Contact Information

Questions or comments about this policy should be directed to:

• bor@utsystem.edu