

1. Title

Code of Ethics for Financial Officers and Employees

2. Policy

Sec. 1 Policy. The University of Texas System recognizes that institutions of higher education are entrusted by society with great resources and commensurately great responsibilities for the creation, dissemination, and preservation of knowledge. University officers and employees involved in financial matters play a key role in assuring that high standards of ethical practice attend to the custody and use of these resources.

It is therefore the policy of the U. T. System to require honest and ethical conduct of all officers and employees of the U. T. System or its institutions who are authorized to execute contracts on behalf of the U. T. System or an institution, or who exercise discretion with regard to the award of contracts or other pecuniary transactions of government.

Sec. 2 Purpose. In keeping with the spirit of the Sarbanes-Oxley Act of 2002, the purpose of this policy is to provide a code of ethics for officers and employees in the U. T. System Administration and in each institution of the U. T. System who are authorized to execute contracts on behalf of the U. T. System or an institution, or who exercise discretion with regard to the award of contracts or other pecuniary transactions of government.

Sec. 3 Financial Code of Ethics. Financial officers and employees of the U. T. System or its institutions shall:

- 3.1 act with honesty and integrity, including handling actual or apparent conflicts of interest between personal and professional relationships in an ethical manner;
- 3.2 file complete, accurate, timely, and understandable disclosure statements as required by applicable laws, rules, or policies;
- 3.3 comply with applicable federal or State laws and local ordinances, and with applicable rules and policies of the U. T. System or its institutions;
- 3.4 act in good faith, responsibly, and with due care, competence, and diligence, without misrepresenting material facts or allowing one's independence of judgment to be subordinated;

- 3.5 share knowledge and maintain skills important and relevant to job requirements;
 - 3.6 respect the confidentiality of information acquired in the course of work and made confidential by law; and
 - 3.7 proactively promote ethical behavior in the work environment.
- Sec. 4 Applicable Rules and Policies. The following Regents' *Rules and Regulations* and U. T. System policies are particularly relevant to ethical issues that may arise for financial officers and employees:
- 4.1 Board of Regents' *Rules and Regulations*, Rule 30103: Standards of Conduct
 - 4.2 Board of Regents' *Rules and Regulations*, Rule 30104: Conflict of Interest
 - 4.3 Board of Regents' *Rules and Regulations*, Rule 10501, Section 8: Power to Authorize Expenditures
 - 4.4 Board of Regents' *Rules and Regulations*, Rule 60306: Use of University Resources
 - 4.5 UTS159, *Purchasing*
 - 4.6 UTS180, *Conflicts of Interest, Conflicts of Commitment, and Outside Activities*
- Sec. 5 Reports of Noncompliance. Any allegations of a violation of the rules and policies listed in Section 4.1 of this policy shall be reported as provided by UTS131, *Protection from Retaliation for Reporting Suspected Wrongdoing*, and applicable institutional procedures adopted under that policy and published in the institution's *Handbook of Operating Procedures*.
- Sec. 6 Availability of Rules and Policies. All of the rules and policies listed in Section 4 of this policy, as well as this policy, are available on or linked from the U. T. System Board of Regents' Office web site.
- Sec. 7 Policy Review by Institutions. Each institution shall review its rules and policies relating to financial activities by its officers and employees and shall ensure that the rules and policies are, at a minimum, in compliance with the rules and policies listed in Section 4 of this policy.
- Sec. 8 Loan Prohibition. As provided by Article III, Section 51, of the Texas Constitution, the U. T. System and its institutions may not use any

funds under their control to make a personal loan to any officer or employee of the U. T. System or of an institution. This prohibition does not apply to the provision of loans that are available to the general public and that are made available to the officer or employee on the same terms as they are made available to the general public, such as student loans.

3. Definitions

Financial Officers and Employees - officers and employees in the U. T. System Administration and in each institution of the U. T. System who are authorized to execute contracts on behalf of the U. T. System or an institution, or who exercise discretion with regard to the award of contracts or other pecuniary transactions of government.

4. Relevant Federal and State Statutes

[Sarbanes-Oxley Act of 2002](#)

5. Relevant System Policies, Procedures, and Forms

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

[Regents' Rules and Regulations, Rule 30104: Conflict of Interest, Conflict of Commitment, and Outside Activity](#)

[Regents' Rules and Regulations, Rule 10501, Section 8: Delegation to Act on Behalf of the Board](#)

[Regents' Rules and Regulations, Rule 60306: Use of University Resources](#)

[UTS159, Purchasing](#)

[UTS180, Conflicts of Interest, Conflicts of Commitment, and Outside Activities](#)

6. System Administration Office(s) Responsible for Policy

Office of General Counsel

7. Dates Approved or Amended

October 15, 2004

June 8, 2010

May 17, 2011