

Title

Employee Discount Programs

Sec. 1 Purpose

The guidelines are intended to provide broad authorization for the development of Employee Discount Programs in accordance with The University of Texas System and institutional guidelines.

Sec. 2 Principles

This policy is intended to provide clarity regarding Employee Discount Programs and eliminate potential confusion regarding the application of a number of laws and advisory opinions on this issue.

Sec. 3 Participation Requirements

The institutions that choose to adopt and implement Employee Discount Program policies, procedures, and applications and other forms as necessary must ensure that:

- a) all discounts offered by a Provider through a Program constitute an added value or actual discount;
- b) providers hold all required licenses or other certifications required to provide the products or services they offer within the State of Texas;
- c) providers may not disclaim knowledge of, or responsibility for, the authenticity or legality of the products or services offered through the Program;
- d) participation by a Provider does not create a conflict of interest; and
- e) program policies and/or procedures and all communications regarding the program contain clear and specific language that clarifies that participation in the program as a Provider:
 - i. does not constitute or create a contractual or agency relationship between the Provider and the U. T. System or institution;
 - ii. is separate and distinct from the provision of any services provided by a Provider through a vendor contract with an institution or the U. T. System; and
 - iii. does not create any legal duty or liability on the part of the U. T. System or institution for any actions of a Provider.

Sec. 4 Employee Participation

The institution's Program must utilize clear and specific disclaimers to avoid creating employee expectations that discount services or products are provided by the institution by including disclaimers that:

- a) neither the institution nor U. T. System is endorsing products or services offered by a Provider through the Program nor are they endorsing the Provider;
- b) the institution is not responsible for agreements entered into between employees and a Provider or resolving disputes arising between employees or a Provider;
- c) inclusion of a service or product in the Program is not a guarantee by the institution of the quality of the service or product;
- d) services and Products do not constitute compensation from the institution to employees; and
- e) all products, services, and discounts offered must be available on the same basis to all employees of the institution.

Sec. 5 Third Party Administrators

If an institution elects to contract with a third party to offer and/or administer an Employee Discount Program, the institution must ensure that the Program and the third party administrator complies with all of the requirements of this policy.

Definitions

Employee Discount Program; Program - any program or plan or offering through which one or more products and services are offered by individuals or companies that provide employee discount programs, merchandise membership programs, credit union and banking programs, or other similar programs.

Participating Service and Product Provider; Providers - a person or company providing a discounted service or product to U. T. System employees through any Employee Discount Program offered by an institution.

Applicable Law and Regulation

[Texas Penal Code Section 36.08 Gift to Public Servant](#)

[Texas Penal Code Section 36.10](#)

[Texas Ethics Advisory Opinion No. 282](#)

Responsible System Administration Office

Office of Systemwide Compliance

Contact Information

Questions or concerns should be directed to the [Office of Systemwide Compliance](#).

Dates Approved, Amended, or Reviewed

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