

Title

Conflicts of Interest, Conflicts of Commitment, and Outside Activities

Sec. 1 Purpose

This policy is intended to provide best practices, ensure compliance with the law, and protect the credibility and reputation of the U. T. System Administration, of each U. T. institution, and their employees, by providing a framework to address conflicts of interest, conflicts of commitment, and outside activities.

Sec. 2 Principles

Appropriate oversight of outside activities in order to successfully manage potential conflicts of interest and conflicts of commitment is critical to the success of U. T. System Administration and each U. T. Institution.

Sec. 3 Applicability

This policy applies to all employees of The University of Texas System Administration, and to all those employed by a University of Texas institution.

Sec. 4 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. 5 Value in Certain Outside Activities

Regents' Rule 30104 permits U. T. employees to engage in outside work or activities, subject to State laws, U. T. System Administration and U. T. institution rules or policies. Institutions may encourage certain specified outside activities that clearly contribute to the mission of the institution and/or provide important elements of faculty or staff development related to their institution responsibilities.

Sec. 6 Unmanaged Conflicts of Interest and Conflicts of Commitment Prohibited

U. T. 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 employees' duties to their institution.

Activities on behalf of outside entities or individuals must not interfere with a U. T. employee's fulfillment of his/her duties and responsibilities to U. T. Such conflicts of commitment may arise regardless of the location of these activities, the type of outside entity, or the level of compensation.

Sec. 7 Policy on Outside Activities Required

System Administration and each Institution shall adopt a policy governing an officer's or employee's outside activities, including compensated employment and board service, that clearly delineates the nature and extent of permissible outside activities and that includes processes for electronically disclosing the outside activities and for obtaining and electronically documenting institutional approval to perform the activities.

Sec. 8 Procurement and Contract Management Conflicts of Interest

Given the elevated risks present in procurement and contract management, U. T. System Administration and each U. T. institution shall adopt policies and/or procedures that specifically protect their institutions from unmanaged conflicts of interest in the procurement and contract management context.

Sec. 9 Outside Activities of the Chancellor and Institution Presidents

The Chancellor and presidents are required by state law to file Personal Financial Statements with the Texas Ethics Commission. The Chancellor shall file a duplicate copy of the Personal Financial Statement with the Board Office at the time that it is filed with the Ethics Commission. Presidents shall file a duplicate copy of their Personal Financial Statement with the Office of the Chancellor at the time that it is filed with the Ethics Commission. If an institution president seeks an extension of the time to file a Personal Financial Statement with the Ethics Commission, the president must also notify the Chancellor's Office of the extension.

Sec. 10 Additional Process Requirements

In addition to the approval and disclosure requirements outlined above, policies must include the following minimum features:

- a) A process to prevent, identify, manage, and resolve conflicts of interest and commitment;
- b) A process to electronically document the approval and disclosure process for outside activities;
- c) a process for appealing a decision that includes at least one level of higher review and access to standard grievance procedures in appropriate cases;
- d) a process for approval, prospectively or promptly retrospectively, of activities that by their nature cannot be specifically approved before the work must begin, such as consulting on an emergency or other urgent need;

- e) a process for approving and disclosing activities the details of which must remain confidential (e.g., third party proprietary information, classified government work, and other information made confidential by law); and
- f) a process for rescinding approvals.

Sec 11 Accounting for Outside Board Service

Institution policies regarding approval and disclosure of outside board service should balance the need to protect U.T. institutions from even the appearance of conflicts of interest with the rights of employees to engage in outside board service activities which are entirely unrelated to U.T. business without undue burden.

Sec. 12 Noncompliance

Noncompliance with this policy may subject one to discipline in accord with applicable procedures up to and including termination of employment.

Definitions

Conflict of Commitment - A state in which the time or effort that a U. T. employee devotes to an outside activity directly or significantly interferes with the employee's fulfillment of their institutional responsibilities or when the employee uses State property without authority in connection with the employee's outside employment, board service, or other activity (See Sec. 8, RR 30104). Exceeding the amount of total time permitted by U.T. System Administration or institution policy for outside activities creates the appearance of a conflict of commitment.

Conflict of Interest - A significant outside interest of a U. T. employee or one of the employee's immediate family members that could directly or significantly affect the employee's performance of the employee's institutional responsibilities. The proper discharge of an employee's institutional responsibilities could be directly or significantly affected if the employment, service, activity or interest: (1) might tend to influence the way the employee performs his or her institutional responsibilities, or the employee knows or should know the interest is or has been offered with the intent to influence the employee's conduct or decisions; (2) could reasonably be expected to impair the employee's judgment in performing his or her institutional responsibilities; or (3) might require or induce the employee to disclose confidential or proprietary information acquired through the performance of institutional responsibilities.

Immediate Family Members - include:

- a) a spouse;
- b) a dependent child or stepchild or other dependent, for purposes of determining federal income tax liability during the period covered by the disclosure statement; and

- c) a related or non-related, unmarried adult who resides in the same household as the individual and with whom the individual is financially interdependent as evidenced, for example, by the maintenance of a joint bank account, mortgage, or investments.

Outside Board - The board, council, or other governing or advisory body of a business, civic, professional, social, or religious organization, whether for profit or nonprofit.

Outside Employment - Any activity performed by an employee, other than fulfilling employment obligations at U.T. System Administration or a U.T. System institution, for which remuneration is received, including distance teaching.

Applicable Law and Regulation

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

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

[UTS134, Code of Ethics for Financial Officers and Employees](#)

[UTS175, Disclosure of Significant Financial Interests and Management and Reporting of Financial Conflicts of Interest in Research](#)

[Texas Government Code Chapter 572 - Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest](#)

[Texas Government Code Chapter 574 - Dual Office Holding](#)

[Texas Constitution, Article 16, Section 40 - Holding More Than One Office](#)

Responsible System Administration Office

Office of Systemwide Compliance

Contact Information

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

Dates Approved or Amended

January 15, 2013

March 26, 2013

October 1, 2013

January 27, 2014

August 1, 2016

March 8, 2018