1. Title

Institutional Conflicts of Interest

2. Policy

Sec. 1 Applicability. This policy applies to Institutional Conflicts of Interest of, and Institutional Officials within, The University of Texas System Administration and all U.T. institutions. Individual conflicts of interest are addressed in Regents' Rule 30104 and UTS 180.

Sec. 2 Purpose. To assure that Institutional Conflicts of Interest (ICOI) are identified, disclosed, and managed or eliminated in order to safeguard the primary missions of U.T. System Administration and all U.T. institutions.

Sec. 3 Policy Required. Each U.T. institution shall adopt a policy to identify, disclose, and manage or eliminate Institutional Conflicts of Interest.

Sec. 4 Institutional Conflicts of Interest may arise in situations such as:

1. An institution licenses intellectual property to an outside entity and holds substantial royalty or equity interests in the entity which may be affected by ongoing institution research or other institution activities;

2. Substantial gifts to the institution appear to be connected to decisions related to the institution’s primary missions in ways that may not be appropriate;

3. An institution holds substantial investments or equity interest in an outside entity that has a financial or business relationship with the institution;

4. A Significant Outside Financial Interest of any Institutional Official affects or appears to affect the decisions of the Institution;

5. An institution enters into a transaction that compromises or appears to compromise the institution’s research, teaching, service to students, patient care, outreach mission activities, or its institutional reputation.

Sec. 5 ICOI Committee Creation and Authority. Each institution should create an ICOI committee with sufficient authority to advise on the identification, disclosure, and management or elimination of all facets of ICOIs. In the event that a particular ICOI relates to the Significant Outside Financial Interests of an institution president, the ICOI committee should have the authority to report its recommendations directly to U.T. System
Administration. ICOI committees should also have the authority to refer potential ICOIs directly to U.T. System Administration in any other circumstance deemed prudent by the committee.

Sec. 6 ICOI Committee Composition. ICOI committees should be composed of members who reflect the broad training and varied interests that arise in the ICOI context.

1. ICOI committees must have a minimum of seven members.

2. At least three members must be faculty, chosen by the president from a larger list of eligible faculty members created by the faculty senate. The list must contain at least twice the number of faculty members as the final number to be selected by the president.

3. In circumstances where more than seven members comprise the ICOI committee, the minimum ratio of faculty to non-faculty members must remain as consistent as practicable with the 3/7 standard.

4. To the extent practicable, at least one member of the committee should have no institution affiliation.

The composition of the ICOI committee should be approved by the appropriate System Administration Executive Vice Chancellor.

Sec. 7 Institutional policies should allow for the anonymous reporting of potential ICOIs to the ICOI committee.

Sec. 8 Monitoring and Ongoing Management. Each institution should have effective processes for the management and monitoring of ICOIs.

Sec. 9 Timeline. Upon identification and reporting of a potential ICOI, the ICOI committee should follow an established protocol for timely deliberations.

Sec. 10 Education and Training. Each institution should develop an education and training program appropriate to fully address ICOI issues.

Sec. 11 UTIMCO. This policy is not intended to apply to endowment funds invested and managed by UTIMCO.

3. Definitions

Executive Officer- Includes, but is not limited to, the president and Chancellor, all individuals who report directly to a president or Chancellor (other than administrative support positions), and any employee who exercises broad and significant discretion over key institution or System functions.
Institutional Conflicts of Interest (ICOI) – Any Significant Outside Financial Interest of the Institution or an Institutional Official that reasonably poses a risk of significant and direct influence on decisions involving the institution’s primary interests or missions (e.g., research, teaching, service to students, clinical care, and/or administration of these missions).

Institutional Official – While each institution may expand the scope of this definition, it includes at minimum, the executive officers of each institution and System Administration.

Significant Outside Financial Interests of the Institution – Any substantial financial interest, including:

- Gifts from any person, business, or entity;
- Payments from a person, business, or entity for the licensing of intellectual property; and
- Equity and ownership interests in entities held by the institution, including equity and ownership interests resulting from technology transfer activities.

Each institution may choose to adopt more specific criteria and thresholds, suitable to the unique circumstances of their institution.

Significant Outside Financial Interests for an Institutional Official – Includes (as further defined in UTS 180):

1. Outside Employment;
2. Outside Board Service;
3. Substantial Interest in a Business Entity; and
4. Gifts over $250 (as limited by Section 8 of UTS 180).

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

   *Board of Regents’ Rules and Regulations, Rule 30104, Conflict of Interest, Conflict of Commitment, and Outside Activities*

   *UTS 180, Conflicts of Interest, Conflicts of Commitment, and Outside Activities*
Model Institutional Conflicts of Interest Policy

6. System Administration Office(s) Responsible for Policy
Office of Systemwide Compliance

7. Dates Approved or Amended
April 28, 2017

8. Contact Information
Questions or comments about this policy should be directed to:

• policies@utsystem.edu