

1. **Title**

Conflicts of Interest, Conflicts of Commitment, and Outside Activities

2. **Policy**

Sec. 1 Applicability. This policy applies to all [INSTITUTION] employees. (Regents' Rule 30104, UTS Policy180)

Sec. 2 Purpose. This policy is intended to protect the credibility and reputation of the U.T. System, of [INSTITUTION] and of members of the faculty and staff by providing a transparent system of disclosure, approval, and documentation of employee activities outside U. T. that might otherwise raise concerns about conflicts of interest or conflicts of commitment. The policy also serves the purpose of ensuring compliance with State ethics laws and Regents' Rules. Finally, the policy is intended to provide the framework for rules and procedures that will clearly delineate permissible outside activities.

Sec. 3 Primary Responsibility. The primary responsibility of employees of [INSTITUTION] is the accomplishment of the duties and responsibilities assigned to one's position of appointment. (Regents' Rule 30104, Sec. 1)

Sec. 4 Outside Activities.

(a) Regents' Rule 30104 permits U. T. employees to engage in outside work or activity, so long as the work or activity complies with the requirements of the Rule and does not violate State laws or U. T. System or [INSTITUTION] rules or policies governing the conduct of employees, including ethics standards and provisions prohibiting conflicts of interest, conflicts of commitment, and the use of State resources.

(COMMENT: The following subsection is optional)

(b) Certain outside activity clearly enhances the mission of [INSTITUTION] and/or provides important elements of faculty or staff development related to their [INSTITUTION] responsibilities. To that end, the following activities are encouraged. *(COMMENT: Examples of outside activities that might be encouraged include those at Sec. 7.3(a), below.)*

Sec. 5 Conflicts of Interest and Conflicts of Commitment Prohibited.

[INSTITUTION] 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 employee's duties in the public interest. (Regents' Rule 30104, Sec. 3)

Activities on behalf of outside entities or individuals must not interfere with a [INSTITUTION] employee's fulfillment of his/her duties and responsibilities to the University. Such conflicts of commitment may arise regardless of the location of these activities (on or off campus), the type of outside entity

(individual, for-profit, not-for-profit, or government), or the level of compensation (compensated or non-compensated.) (Regents' Rule 301014, Sec. 4)

Sec. 6 Disclosure and Approval (Regents' Rule 30104, Sec. 5)

6.1 Each full-time member of the faculty and full-time member of the administrative and professional staff must:

- (a) annually disclose a description of the nature and extent and the range of compensation of any outside employment or other compensated activity, and any other outside activity that may reasonably appear to create a conflict of interest or a conflict of commitment and any substantial interests in business entities that may reasonably appear to create a conflict of interest, or state in writing that they have not engaged in such activity and do not have any such interests;
- (b) annually disclose a description of the nature and extent of all outside board service and the range of compensation, if any;
- (c) annually disclose gifts over \$250 to you or your immediate family members that may reasonably appear to create a conflict of interest. Do not include gifts received from: your parent, child, sibling, grandparent, or grandchild; your spouse and spouse of anyone mentioned above, or the parent, child sibling, grandparent, or grandchild of your spouse.
- (d) disclose additional outside activities that may reasonably appear to create conflict of interest or conflict of commitment as they arise;
- (e) disclose the nature and extent any outside activity of immediate family members that may reasonably appear to create a conflict of interest and any substantial interests of immediate family members in business entities that may reasonably appear to create a conflict of interest; and
- (f) obtain prior approval and/or enter into an approved management plan before engaging in activities or interests included in Section 6.2(a), 6.2(b), 6.2(c) above, except as permitted by Section 9, below.

6.2 The annual disclosure statement shall report activity that has been carried out over the past year (retrospective component) and future activities that are anticipated for the upcoming year (prospective component), and shall include the amount of activity and an estimate of time devoted to such activity and the range of compensation, if any. Additional activities that

may reasonably appear to create a conflict of interest or a conflict of commitment are to be disclosed as they arise.

(See Full-time Faculty and Full-time Professional and Administrative Staff Form [LINK])

- (a) Outside activity reported under HOP _____, (Disclosure of Significant Financial Interests and Management of Reporting of Financial Conflicts of Interest in Research) need not be re-disclosed.
- (b) When in doubt. In determining whether activity should be disclosed, the individual should resolve the doubt in favor of disclosure.
- (c) Electronic database. Disclosure of outside activity, documentation of requests for approval, and subsequent approvals required above, shall be maintained for all faculty and administrative and professional staff in an accessible and searchable electronic database.

6.3 Part-time Faculty and Part-time Administrative and Professional Staff. Unless such activity has already been reported under HOP _____ (governing disclosure of financial conflicts of interest in research), each part-time member of the faculty and each part-time member of the administrative and professional staff must disclose the nature and extent of any outside activity that may reasonably appear to create conflict of interest and obtain prior approval before engaging in such activity, except as permitted at Sec. 9, below and to disclose any substantial interest in a business entity that may reasonably appear to create a conflict of interest.

(See Part-time Faculty and Part-time Professional and Administrative Staff Form [LINK])

Sec. 7 Guidelines for reviewing and approving requests to engage in outside activity.

7.1 Approval Authorities. The President has appointed the following individuals as the approval authorities under this policy:

[These shall be designated by each institution]

- (a) For members of the faculty: [e.g. the Dean or Department Chair (in large units)]
- (b) For deans and department chairs: [e.g. the Provost or President]
- (c) For executive officers: [the President, or for the President, the Executive Vice Chancellor]
- (d) For administrative and professional staff: [the supervisor]

- (e) For other employees: [the supervisor]

7.2 Faculty Time

Members of the faculty have flexibility in using their time to prepare for teaching and engage in research and other scholarly activity. Other responsibilities, such as presenting lectures, being available to meet with students, and participating in university committees, have more rigid time demands. During the academic term in which a faculty member holds a full-time appointment, the faculty member must attend to all their duties and responsibilities and meet the minimum academic workload requirements, but may be permitted to engage in ____ of approved outside activity each _____. *[COMMENT: The maximum amount of time set by the institution may be expressed in time or percent of appointment but under no circumstances may it exceed an average of one day per week, during the term of an appointment, without the explicit approval of the President.]*

7.3 Categories of Outside Faculty Activity

- (a) Some activity is so integral to the mission of [INSTITUTION] that it is encouraged, so long as the activity does not reasonably appear to create a conflict of interest and the amount of time committed does not interfere with faculty member's [INSTITUTION] duties and responsibilities. This may include activities such as the following:

[COMMENT: Institutions may wish to add to or subtract from the following list.]

- Serving on a federal, state, or local government agency committee, panel, or commission.
 - Acting in an editorial capacity for a professional journal.
 - Reviewing journal manuscripts, book manuscripts, or grant or contract proposals.
 - Attending and presenting talks at scholarly colloquia and conferences.
 - Developing scholarly communications in the form of books or journal articles, movies, television productions, and similar works, even when such activities result in financial gain, consistent with intellectual property and other applicable U. T. System and institution policies and guidelines.
 - Serving as a committee member or as an officer of a professional or scholarly society.
- (b) Another category of outside faculty activity that, when approved, is permitted and can be encouraged is that which does not reasonably

appear to create a conflict of interest, does not interfere with the faculty member's [INSTITUTION] duties and responsibilities, and clearly contributes to the mission of [INSTITUTION] or provides important elements of faculty professional development related to their [INSTITUTION] duties and responsibilities. This includes providing expert testimony, providing consulting services, professional/clinical practice, and serving on a board of directors.

- (c) Faculty members may also engage in activity that does not necessarily contribute to the mission of [INSTITUTION] or provide elements of faculty professional development related to their [INSTITUTION] duties and responsibilities, so long as it does not reasonably appear to create a conflict of interest or interfere with the faculty member's [INSTITUTION] duties and responsibilities. Any such activity must take place only on non-UT time and requires disclosure and approval.

7.4 Accounting for Outside Board Service

- (a) Recognizing the benefit to be derived by [INSTITUTION] from outside board service, and after thorough consideration of the time commitment that might be involved, time spent on uncompensated service on nonreligious boards, other than for reimbursement of usual and customary expenses, may be deemed to be of service to the [INSTITUTION] and may not require the use of a person's own time, with prior disclosure and approval before engaging in such service.
- (b) Service on an outside board for which the employee 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 [INSTITUTION]; and, except for service to religious organizations, must be disclosed and approved prior to engaging in such service.
- (c) Participation on the board of a municipality; local religious congregation; neighborhood association; public, 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 [INSTITUTION] responsibilities, is permitted without the requirement of disclosure and advance approval if it does not create a conflict of interest or conflict of commitment or the appearance of a conflict of interest or conflict of commitment.

7.5 Substantial Interest in a Business Entity

Members of the faculty and the administrative and professional staff must annually report any substantial interest the individual or an immediate family member has in a business entity that might appear to create a conflict of interest. For purposes of this policy, a substantial interest in a business entity means;

- (1) a controlling interest;
- (2) ownership of more than 10 percent of the voting interest;
- (3) ownership of more than \$15,000 of the fair market value;
- (4) a direct or indirect participating interest by shares, stock, or otherwise, regardless of whether voting rights are included, in more than 10 percent of the profits, proceeds, or capital gain; or
- (5) service as an officer.

Does not include investments in mutual funds.

7.6 Management Plans.

Management plans must be in place for all faculty and administrative and professional staff for outside activities that may create a conflict of interest before activity begins. Management plans will be developed by [Designated Official] and approved by [Next Senior Official].

Sec. 8 Appeals. Individuals whose request for approval of outside activity is denied may request that the denying authority reconsider the decision and provide an explanation in writing. If the individual remains unsatisfied with the decision, he or she may access standard grievance procedures to the extent that they are otherwise applicable.

Sec. 9 Prospect and Retrospective Approval. In rare instance, outside activity may be approved retrospectively when the individual is called upon to assist in an emergency or urgent situation where it would be impossible or unreasonable to obtain advance approval. In such cases, the activity must be fully disclosed and approval sought from the appropriate authority as soon as reasonably possible.

Some activity may also be prospectively approved, for up to one year, when an individual describes to the approving authority as fully as reasonably possible the general nature and extent of anticipated, but not confirmed, outside opportunities.

In any event, whether previously approved or not, employees should ensure they notify their chair, dean, or supervisor in advance when they will be missing specific responsibilities.

- Sec. 10 Confidential Outside Activity. If an individual wishes to engage in an activity for which some or all of the relevant information is confidential, the approving authority may nonetheless approve the activity without requiring full written disclosure upon satisfaction that there is a compelling reason to treat the information confidentially and the activity is otherwise fully compliant with this policy and all other applicable laws and [INSTITUTION] and U. T. System policies.
- Sec. 11 Rescinding Approvals. An approving authority may rescind an approved outside activity upon receipt of information indicating that the activity is not consistent with this policy or any applicable law or [INSTITUTION] or U. T. System policy. The individual for whom the activity may be rescinded shall be given notice of the information and an opportunity to respond.
- Sec 12 Noncompliance. Noncompliance with this policy may subject one to discipline in accord with applicable procedures up to and including termination of employment.
- Sec. 13 Use of University Property. [INSTITUTION] property may only be used for State purposes appropriate to [INSTITUTION'S] mission. (Regents' Rule 30103 Sec. 8) Use of [INSTITUTION] property for any outside activity must be explicitly approved in writing by the approving authority.
- Sec. 14 Education and Training. *[COMMENT: Plans and responsibility to be developed by each institution, but must include at a minimum: training for those responsible for approving and managing outside activities and interests and annual distribution of this and other relevant HOPs to all employees]*
- Sec. 15 Definitions

Administrative and Professional Staff. Those executive, administrative and professional employees who have been determined to be exempt from the Fair Labor Standards Act and are, therefore, not entitled to overtime pay.

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

Conflict of Commitment. A state in which a [INSTITUTION] employee's activities on behalf of an outside association, or an activity, that could directly or significantly interfere with the employee's fulfillment of their institutional responsibilities.

Conflict of Interest. A significant outside interest of a [INSTITUTION] employee or one of employee's immediate family members that reasonably appears to be related to the employee's institutional responsibilities and that

could directly or indirectly significantly affect the employee's performance of those 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.

Nature and Extent. Shall include a description of the activity, the time commitment, and the anticipated length of time the commitment is expected to continue.

Range of Compensation. Includes a range of outside compensation as follows:

- (1) \$1 - \$4,999;
- (2) \$5,000 - \$24,999;
- (3) \$25,000 - \$49,999;
- (4) \$50,000 - \$99,999;
- (5) \$100,000 - \$249,999;
- (6) \$250,000 - \$499,999;
- (7) \$500,000 - \$999,999;
- (8) \$1,000,000 and over, or
- (9) if equity, _____ equaling ____% of the fully diluted value of the company at time of grant
- (10) None

Substantial Interest in a Business Entity. For purposes of this policy, means:

- (1) a controlling interest;
- (2) ownership of more than 10 percent of the voting interest;
- (3) ownership of more than \$15,000 of the fair market value;
- (4) a direct or indirect participating interest by shares, stock, or otherwise, regardless of whether voting rights are included, in more than 10 percent of the profits, proceeds, or capital gains; or
- (5) service as an officer.

Does not include investments in mutual funds.

Cross References
Links to forms
Etc.