Policy Statement

Sec. 1 Applicability:

This policy applies to all UT Dallas Executive Officers, Employees Involved in Procurement Activities, and employees involved in contract management.

Sec. 2 Purpose:

This policy is intended to protect the credibility and reputation of UT Dallas and its employees and to assist in complying with certain provisions of state law pertaining to potential conflicts of interest, by providing a framework to address conflicts of interest, conflicts of commitment, and outside activities.

Sec. 3 Value in Certain Outside Activities:

Regents’ Rule 30104 permits UT Dallas employees to engage in outside work or activities, subject to State laws, UT System and UT Dallas rules or policies. UT Dallas encourages outside activities that clearly contribute to the mission of the institution and/or provide important elements of professional development related to their institutional responsibilities.

Sec. 4 Approval for Outside Activities Required:

All Executive Officers, Employees Involved in Procurement Activities, and employees involved in contract management must electronically request and receive prior approval for the following activities:

1. all outside employment or other compensated activity;
2. any outside activity, regardless of compensation, that reasonably appears to create a conflict of interest or a conflict of commitment; and
3. outside board service as described in Section 7.4 below.

Sec. 5 Disclosure of Outside Activities and Interests:

5.1 With the exception of the President and the minimum purchasing threshold discussed below, all Executive Officers, Employees Involved in Procurement Activities, and employees involved in contract management shall electronically disclose for themselves and for immediate family members:
1. a description of the nature and extent of all outside employment or other compensated activity;
2. a description of the nature and extent of any outside activity, regardless of compensation, that reasonably appears to create a conflict of interest or a conflict of commitment;
3. a description of the nature and extent of outside board service as described in Section 7.4 below,
4. a description, including the amount of compensation or interest, of any substantial interest in a business entity which should be provided no later than 30 days after acquiring the interest;
5. a description of gifts over $250. Do not include gifts received from: one’s parent, child, sibling, grandparent, or grandchild; one’s spouse or the spouse of anyone mentioned above; or the parent, child, sibling, grandparent, or grandchild of one’s spouse;

5.2 The President is required by state law to file Personal Financial Statements with the Texas Ethics Commission. In lieu of filing the information listed in Section 5.1, the President 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 the President seeks an extension of the time to file a Personal Financial Statement with the Texas Ethics Commission, the President must also notify the Chancellor’s Office of the extension.

5.3 Outside activity disclosed under institutional policy developed pursuant to UTS 175, "Disclosure of Significant Financial Interests and Management and report of Financial Conflicts of Interest in Research," need not be re-disclosed.

5.4 Minimum Purchasing Threshold: Employees Involved in Procurement Activities who are not authorized to make purchases of $15,000 or more, and who make no decisions or recommendations regarding purchases of $15,000 or more, are not required to disclose their outside activities and interests in the U.T System electronic disclosure database.

5.5 In determining whether activity should be disclosed, the individual should resolve the doubt in favor of disclosure.

5.6 Officers and employees covered by this policy with nothing to disclose must affirmatively indicate that fact in the electronic database.

Sec. 6 Electronic Database:

UT System Administration shall develop a shared service electronic reporting system that is consistent with this policy. Institutions may choose to utilize this system to meet the reporting guidelines outlined below or they may choose to electronically collect and transfer equivalent data to UT System Administration using their own electronic systems. Data transfers to UT System Administration shall occur on at least a bi-annual basis. All data locally collected and transferred to UT System Administration must comport with the data definitions, template, and format provided by UT System Administration.

Sec. 7 Outside Activity Guidelines:
7.1 Approval Authorities: The President has appointed the following individuals as the approval authorities under this policy:

1. For Executive Officers: the President; or for the President, the Executive Vice Chancellor
2. For Employees Involved in Procurement Activities: their supervisor
3. For employees involved in contract management: their supervisor

7.2 Time Commitment: No outside activity may be approved if it creates a conflict of commitment. The time commitment of outside activities must not interfere with an employee’s primary responsibility to UT Dallas. While the permissible level of time commitment to outside activities can vary depending upon the positions involved, under no circumstances may it exceed an average of one day (8 hours) per week, during the term of an appointment, without the express approval of the President.

7.3 Categories of Outside Activity:

(a) Activity that clearly contributes to the mission of UT Dallas. Some outside activities clearly contribute to the mission of UT Dallas or UT System and/or provide important elements of professional development related to the employee’s institutional duties and responsibilities. These activities, when disclosed and approved, are permitted, can be encouraged, and may be performed during normal operating hours. Examples of these activities include:

Engaging in professional activity such as providing expert testimony, providing consulting services, professional/clinical practice, and serving on a board of directors

(b) UT Dallas employees may also engage in activity that does not necessarily contribute to the mission of UT Dallas or provide elements of professional development related to their institutional duties and responsibilities, so long as it does not reasonably appear to create a conflict of interest or a conflict of commitment with the employee's institutional duties and responsibilities. Any such activity must take place only outside of normal operating hours, without use of institutional resources, and must be disclosed and approved as required by this policy.

7.4 Accounting for Outside Board Service

(a) Recognizing the benefit to be derived by UT Dallas 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 UT Dallas 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 UT Dallas; 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; political organization; 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 UT Dallas 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.

Sec. 8 Additional Process Requirements:

8.1 Management Plans: Management plans must be in place for all employees covered by this policy for outside activities that may create a conflict of interest or a conflict of commitment before activity begins. Management plans will be developed by the appropriate approval authority (with support from the Office of Compliance) in conjunction with the employee and approved by the next senior official.

8.2 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.

8.3 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.

8.4 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 UT Dallas and UT System policies.

8.5 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 UT Dallas or UT System policy. The individual for whom the activity may be rescinded shall be given notice of the information and an opportunity to respond.

Sec. 9 Dual Office Holding:
In addition to the requirements of this policy, employees may hold other nonelective offices or positions of honor, trust, or profit with the State of Texas or the United States if holding the other offices or positions is of benefit to the State of Texas or is required by state or federal law and if there is no conflict between holding the office or position and the employee’s position with UT Dallas. Before an employee may accept an offer to serve in such offices or positions, the employee must obtain approval from the President and the Board of Regents via the Consent Agenda.

**Sec. 10 Noncompliance:**

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

**Sec. 11 Annual Report:**

Employees shall review and finalize all disclosures after the end of the calendar year during the annual reporting period (January through March of the following year).

**Sec. 12 Education and Training:**

This policy and other related policies will be distributed to those responsible for approving and managing outside activities and interests on an annual basis. Individuals responsible for approving and managing outside activities and interests will be subject to training on an annual basis.

**Sec. 13 Definitions:**

**Business Entity** - Any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, firm, corporation, holding company, joint stock company, receivership, or trust.

**Compensation** - Any form of benefit including but not limited to salary, retainer, honoraria, intellectual property rights or royalties, or promised, deferred, or contingent interest. It also includes sponsored travel or reimbursement.

**Conflict of Commitment** - A state in which the time or effort that a UT Dallas 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 institutional policy for outside activities creates the appearance of a conflict of commitment.

**Conflict of Interest** - A significant outside interest of a UT Dallas 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.

**Employees Involved in Procurement Activities** - An employee who makes decisions or recommendations regarding:

1. contract terms or conditions on a contract;
2. who is to be awarded a contract;
3. preparation of a solicitation for a contract; or
4. evaluation of a bid or proposal.

**Executive Officer** - includes, but is not limited to, the President, all individuals who report directly to the President (other than administrative support positions), and any employee who exercises broad and significant discretion over key institution functions.

**Immediate Family Members** - include:

1. a spouse;
2. 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
3. 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, the amount of compensation, if any, and the anticipated length of time the commitment is expected to continue.

**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 UT Dallas, for which remuneration is received, including distance teaching.

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

1. a controlling interest;
2. ownership of more than 1 percent of the voting interest;
3. ownership of more than $5,000 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 1 percent of the profits, proceeds, or capital gains; or
5. service as an officer.
Not to include investments in mutual funds or retirement accounts, so long as the individual does not directly control the investment decisions made in those vehicles.

**Relevant Federal and State Statutes**

- 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

**Relevant System Rules and Policies**

- 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
- UTS123, *Policy on Service on Outside Boards*
- UTS134, *Code of Ethics for Financial Officers and Employees*
- UTS180, *Conflicts of Interest, Conflicts of Commitment, and Outside Activities*
- UTS175, *Disclosure of Significant Financial Interests and Management and Reporting of Financial Conflicts of Interest in Research*

**Institutional Office Responsible for Policy**

Office of Compliance

**Policy History**

- Issued: 2016-06-07

**Policy Links**

- Permalink for this policy: [http://policy.utdallas.edu/utdpp1101](http://policy.utdallas.edu/utdpp1101)
- Link to PDF version: [http://policy.utdallas.edu/pdf/utdpp1101](http://policy.utdallas.edu/pdf/utdpp1101)
- Link to printable version: [http://policy.utdallas.edu/print/utdpp1101](http://policy.utdallas.edu/print/utdpp1101)