

Policy EI-PO2

Conflicts of Interest, Conflicts of Commitment, and Outside Activities

Contents

- I. Title
 - II. Policy
 - III. Definitions
 - IV. Relevant Federal and State Statutes
 - V. Relevant UT System Policies, Procedures, and Forms
 - VI. Who Should Know
 - VII. UT Arlington Officer(s) Responsible for Policy
 - VIII. Dates Approved or Amended
 - IX. Contact Information
-

I. Title

Conflicts of Interest, Conflicts of Commitment, and Outside Activities

II. Policy

- A. **Applicability:** This policy applies to all University of Texas at Arlington (UTA) employees.
- B. **Purpose:** This policy is intended to protect the credibility and reputation of the UT System, of UTA, and their employees, by providing a framework to address conflicts of interest, conflicts of commitment, and outside activities.
- C. **Value in Certain Outside Activities:** Regents' *Rule30104* permits UTA employees to engage in outside work or activities, subject to State laws, and UT System and UTA policies and procedures. UTA encourages outside activities that clearly contribute to the mission of UTA and/or provide important elements of professional development related to employee's institutional responsibilities.
- D. **Approval for Outside Activities Required:** All full time staff and faculty 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;
 - 3. Outside board service as described in Section E.4 below.

E. Outside Activity Guidelines

1. Approval Authorities: The President has appointed the following individuals as the approval authorities under this policy:
 - a. For executive offers: the President, or for the President, the Executive Vice Chancellor;
 - b. For employees involved in procurement activities and/or contract management: Chief Financial Officer and Vice President;
 - c. For members of the faculty: the appropriate dean;
 - d. For deans and department chairs: the Vice President of Academic Affairs and Provost;
 - e. For administrative and professional staff: the department head and then the appropriate vice president; and
 - f. For all other employees: the department head and then the appropriate vice president.

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 UTA. 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 explicit written approval of the President.

3. Categories of Outside Activity

- a. Some activity is so integral to the mission of UTA that it is encouraged and may be performed during normal operating hours and will be considered pre-approved, 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 an employee's UTA duties and responsibilities. These activities include the following:
 - i. Serving on a federal, state, or local government agency committee, panel, or commission;
 - ii. Acting in an editorial capacity for a professional journal;
 - iii. Reviewing journal manuscripts, book manuscripts, or grant or contract proposals;
 - iv. Attending and presenting talks at scholarly colloquia and conferences

- v. Developing scholarly works in the form of books or journal articles, movies, television productions, artistic expressions and similar works, even when such activities result in financial gain, consistent with intellectual property and other applicable UT System and institution policies and guidelines.
 - vi. Serving as a committee member, an officer, or a board member of a professional or scholarly society.
 - b. Some outside activities clearly contribute to the mission of UTA and/or provide important elements of professional development related to the employee's institutional duties and responsibilities. These activities, upon proper approval, are permitted and encouraged, and may be performed during normal operating hours when conducted on behalf of UTA. 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.
 - c. UTA employees may also engage in activity that does not necessarily contribute to the mission of UTA or provide elements of professional development related to their UTA 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 UTA duties and responsibilities. Any such activity must take place only outside of normal operating hours without use of UT System resources, and with approval as required by this policy.

4. Accounting for Outside Board Services

- a. UTA time spent on uncompensated service, other than for reimbursement of usual and customary expenses, on nonreligious boards may be deemed to be of service to UTA and may not require the employee to take time off, with prior approval before engaging in such service. Approval will be based on identified benefits to be derived by UTA and thorough consideration of the time commitment that might be involved.
- 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 employee's own time. If the service occurs during normal office hours, the employee must use vacation time, compensatory time, or other appropriate leave while providing the service. The service should be without cost to UTA; and, except for service to religious organizations, must be approved prior to engaging in such service.
- c. Neither approval nor disclosure is required for 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 if the service is primarily personal rather than professional in nature and does not require time away from UTA responsibilities, and it does not create the appearance of, or an actual, conflict of Interest or conflict of commitment.

F. Disclosure of Outside Activities and Interest

1. With the exception of the President, and considering the minimum purchasing threshold discussed below, all executive officers, employees involved in procurement activities and contract management must electronically disclose for themselves and for immediate family members through the UT System electronic disclosure database any of the following:
 - a. A description of the nature and extent of all outside employment or other compensated activity
 - b. 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;
 - c. A description of the nature and extent of outside board service as described in Section E.4 above;
 - d. A description, including the amount of compensation or interest of any substantial interest in a business entity. This description must be provided no later than 30 days after acquiring the interest; or
 - e. 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.
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 above, the President shall file a duplicate copy of his/her personal financial statement with the Office of the Chancellor of UT System Administration 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.
3. Outside activity disclosed pursuant to UTS175, "Disclosure of Significant Financial Interests and Management and Report of Financial Conflicts of Interest in Research," need not be re-disclosed, although any outside activity must still be approved.

4. Minimum Purchasing Threshold: Employees involved in procurement activities and 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 UT System electronic disclosure database.
5. In determining whether activity should be disclosed, the individual should resolve any doubt in favor of disclosure.
6. Officers and employees covered by the disclosure requirements of this policy, which have nothing to disclose must affirmatively indicate that fact in the electronic database.

G. Electronic Database

UTA will utilize the shared service electronic reporting system developed by UT System Administration to meet the reporting guidelines outlined herein.

H. Additional Process Requirements

1. Management Plans: Management plans must be in place for all officers and employees for outside activities that may create a conflict of interest or a conflict of commitment before any activity begins. Management plans will be developed by the Executive Director of University Compliance Services and approved by the University Attorney.
2. Appeals: Employees whose request for approval of an outside activity is denied may within ten calendar days of receiving the decision request that the denying authority reconsider the decision and provide an explanation in writing. The denying authority will review the request to reconsider and provide a written explanation within ten calendar days. If the employee remains unsatisfied with the decision, he or she may access standard grievance procedures to the extent that they are applicable.
3. Prospective and Retrospective Approval: In rare instances, outside activity may be approved retrospectively when the employee 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, approval must be sought from the appropriate authority as soon as reasonably possible.
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 and Executive Director of University Compliance Services may nonetheless approve the activity without requiring full written request for approval 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 UTA and UT System policies.

5. Rescinding Approvals: An approving authority may rescind the approval of an outside activity upon receipt of information indicating that the activity is not consistent with applicable law or this policy or any other UTA or UT System policy. The individual for whom the activity may be rescinded shall be given notice of the rescinding of approval and an opportunity to respond.
- I. Noncompliance: Noncompliance with this policy may subject one to discipline in accordance with applicable policies and procedures up to and including termination of employment.
- J. Annual Report: Executive officers, employees involved in procurement activities and contract management must review and finalize all disclosures after the end of the calendar year during the annual reporting period from January through March of the following year.
- K. Education and Training: UTA will develop a comprehensive training program to implement this policy. The program will include at a minimum: annual training for those responsible for approving and managing outside activities and interests and annual notification of this policy to all employees.

III. 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 a contingent interest. It also includes sponsored travel or reimbursement.

Conflict of Commitment: Any point when the time or effort that a UTA 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 UTA policy for outside activities creates the appearance of a conflict of commitment.

Conflict of Interest: A significant outside interest of a UTA 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.

Executive Officer: Includes, but is not limited to, the President, all individuals who report directly to the president (other than administrative support positions) and those with designated contract signature authority.

Employees involved in procurement activities and contract management: An employee who makes decisions or recommendations regarding:

- Contract terms or conditions on a contract;
- Who is to be awarded a contract;
- Preparation of a solicitation for a contract; or
- Evaluation of a bid or a proposal.

Immediate Family Members - include:

- A spouse;
- 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
- 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: 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 UTA, for which remuneration is received, including distance teaching.

Substantial interest in a Business Entity - for purposes of this policy means:

- A controlling interest;
- Ownership of more than 1 percent of the voting interest;
- Ownership of more than \$5,000 of the fair market value;
- 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
- Service as an officer.

- Does not include investments in mutual funds or retirement accounts, so long as the individual does not directly control the investment decisions made in those vehicles.

IV. 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](#)

V. Relevant UT System Policies, Procedures, and Forms

[Board of Regents' Rule 30103, Standards of Conduct](#)

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

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

[UTS123, Policy on Service on Outside Boards](#)

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

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

[UTS180, Conflicts of Interest, Conflicts of Commitment, and Outside Activities](#)

VI. Who Should Know

This policy applies to all UT Arlington employees.

VII. UT Arlington Officer(s) Responsible for Policy

Executive Director of University Compliance Services.

VIII. Dates Approved or Amended

February 11, 2014

September 23, 2016

IX. Contact Information

All questions concerning this policy should be directed to the Executive Director of University Compliance Services.