



UTDPP1091 - Conflicts of Interest Conflicts of Commitment and Outside Activities

Policy Statement

Sec. 1 Applicability

This policy applies to all UT Dallas employees.

Sec. 2 Purpose

This policy is intended to protect the credibility and reputation of the UT System, of The University of Texas at Dallas, and of members of the faculty and staff by providing a transparent system of disclosure, approval, and documentation of employee activities outside UT Dallas 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 UT Dallas is the accomplishment of the duties and responsibilities assigned to one's position of appointment.

Sec. 4 Outside Activities

1. Regents' Rule 30104 permits 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 UT System 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.
2. Certain outside activity clearly enhances the mission of The University of Texas at Dallas and/or provides important elements of faculty or staff development related to their institutional responsibilities. To that end, such activities are encouraged. See Sec. 9(a).

Sec. 5 Conflicts of Interest and Conflicts of Commitment Prohibited

UT Dallas employees may not have a direct or indirect interest, including financial and other interests, 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 for UT Dallas.

Activities on behalf of outside entities or individuals must not interfere with a UT Dallas 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).

Sec. 6 Information Required to be Disclosed¹

1. Full-Time Employees: Full-time members of the faculty and full-time administrative and professional staff are required to disclose the following on an annual basis (unless otherwise specified):
 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 any outside (onsite or distance) teaching that is in or related to the same discipline as one's area of institutional teaching responsibilities;
 4. the range of total annual compensation received for any compensated activity, or total annual compensation from a single entity, if it is greater than \$5,000 and the activity reasonably appears to create a conflict of interest or a conflict of commitment;

5. a description of the nature and extent of outside board service, regardless of compensation (see Sec. 10 for details, including exclusions);
 6. a description, including the range of compensation or interest, of any substantial interest in a business entity (as defined in Sec. 19) that reasonably appears to create a conflict of interest. This should be disclosed no later than 30 days after acquiring the interest;
 7. a description of gifts over \$250 to the individual or his or her immediate family members, but only if they reasonably appear to create a conflict of interest. This should be disclosed no later than 30 days after acquiring the gift. 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; and
 8. a description of the nature and extent of any activity of immediate family members that reasonably appears to create a conflict of interest and a description of any substantial interest of immediate family members in a business entity (as defined in Sec. 19) that reasonably appears to create a conflict of interest. This should be disclosed no later than 30 days after acquiring the interest.
2. Part-Time Employees:
1. Part-time members of the faculty and part-time members of the administrative and professional staff are required to disclose the nature and extent (but not compensation range) of any outside activity and any substantial interest in a business entity (as defined in Sec. 19) that reasonably appears to create a conflict of interest. Such disclosures must be made on an annual basis or as specified above in (a). Part-time employees are not required to disclose for family members.

Sec. 7 Guidelines for Reviewing and Approving Requests to Engage in Outside Activity

7.1 Approval Requirements

1. Approval requirements shall apply to:
 1. all full-time members of the faculty employed on a 12-month or 9-month basis;
 2. part-time members of the faculty only if the activity reasonably appears to create conflict of interest;
 3. all full-time administrative and professional staff (as defined in Sec. 19); and
 4. part-time administrative and professional staff only if the activity reasonably appears to create conflict of interest.

2. Approval is required prior to engaging in the following activities, except as noted at (c), below:
 1. all outside employment or other compensated activities;
 2. all service on outside boards (see Sec. 10 for details, including exclusions); and
 3. any uncompensated activity that reasonably appears to create a conflict of interest or conflict of commitment.
3. Pre-Approved Activities. Certain activity is considered pre-approved such that approval need not be obtained prior to engaging in the activity. See Sec. 9(a) for details.
4. Outside employment during those months in which a member of the faculty appointed on a 9-month basis is not appointed is considered pre-approved, requiring no further approval, unless the outside employment reasonably appears to create a conflict of interest, in which case prior approval is required.²

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

1. For members of the faculty: The Dean, Department Chair, or Research Integrity Committee, as appropriate
2. For deans and department chairs: The Provost or Research Integrity Committee, as appropriate
3. For executive officers: The President
4. For administrative and professional staff: The supervisor
5. For other employees: The supervisor

7.3 Approval Standards and Management Plans

Generally, conflicts of interest and conflicts of commitment (as defined in Sec. 19) are prohibited. However, certain potential conflicts of interest or conflicts of commitment may be effectively managed, thus eliminating the concern that an outside interest would substantially impact the performance of an employee's job duties. For this narrow category of conflicts, management of the conflict may be appropriate.

Management plans must be in place for all employees 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 reviewing body or individual in conjunction with the employee and must be approved by the next senior official.

7.4 Prospective and Retrospective Approval

In rare instances, 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 outside opportunities.³

7.5 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 in writing of the information and an opportunity to respond.

Sec. 8 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 an average of no more than 18 days of all approved outside activity during university time (defined in Sec. 19) each long semester, so long as the activity does not reasonably appear to create a conflict of interest, does not interfere with the faculty member's institutional duties and responsibilities, and clearly contributes to the mission of UT Dallas or provides important elements of faculty professional development related to their institutional duties and responsibilities. Exceptions may be granted only with the express approval of the President and a documented management plan.

Sec. 9 Categories of Outside Faculty Activity

1. Some activity is so integral to the mission of UT Dallas that it is encouraged and may be performed on university time (defined in Sec. 19), 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 institutional duties and responsibilities. These activities are considered pre-approved such that employees do not need to seek approval and include the following:
 - 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 UT System and institution policies and guidelines; and

- Serving as a committee member, an officer, or a board member of a professional or scholarly society, or a significant community organization such as a chamber of commerce.
2. A category of outside faculty activity that, when disclosed and approved, is permitted, encouraged, and may be performed during the university time permitted under Sec. 8 includes:
 - Engaging in professional activity such as providing expert testimony, providing consulting services, professional/clinical practice, and serving on a board of directors with or without compensation, but only when such activity clearly contributes to the mission of UT Dallas or provides important elements of faculty professional development related to the faculty member's institutional duties and responsibilities, and the activity does not reasonably appear to create a conflict of interest and does not interfere with the faculty member's institutional duties and responsibilities.
 3. Faculty members may also engage in activity that does not necessarily contribute to the mission of UT Dallas or provide elements of faculty 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 faculty member's institutional duties and responsibilities. Any such activity must take place only on non-university time, without use of UT Dallas resources, and must be disclosed and approved as required by this policy.

Sec. 10 Accounting for Outside Board Service

1. Uncompensated Outside Board Service of Direct Benefit to UT. Regents' Rule 30104 recognizes the benefit to be derived by UT institutions from outside board service. After thorough consideration of the time commitment, certain service on outside boards may be deemed to be of sufficient benefit to UT Dallas that certain service may be performed on university time. The service:
 1. must be service on a nonreligious board;
 2. must be uncompensated (other than for reimbursement of usual and customary expenses);
 3. requires prior approval (except for board service pre-approved under Sec. 9(a); and
 4. requires disclosure.

2. Compensated Board Service or Service to a Religious Organization: Service on an outside board for which the employee is compensated and any service to a religious organization whether or not compensated must be disclosed and requires prior approval except as noted below at (c).
 1. If the service occurs during normal office hours, the individual must use vacation time, compensatory time, or other appropriate leave or approved arrangements while providing the service unless approved because of unusual circumstances such as service on a Board with a business relationship to the University.
 2. The service must be without cost to UT Dallas.
 3. Service on the board of a religious organization that provides services provided by UT Dallas, such as an academic institution, requires prior approval and must be disclosed. Service to a local religious congregation that is primarily personal does not require prior approval and does not need to be disclosed, regardless of compensation.
3. Board Service or Activity that is Personal: Participation (regardless of compensation) on outside boards or activity in which the service is primarily personal rather than professional in nature and is done on one's own time is permitted without the requirement of approval or disclosure 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. Examples include boards of the following nature—“a municipality; local religious congregation; neighborhood association; public, private or parochial school; political organization; social advocacy organization; youth sports or recreation league; affinity group such as the local orchid society or model train collectors club; and other similar outside boards.

Sec. 11 Appeals

Individuals whose request for approval of outside activity is denied may request that the denying authority reconsider the decision and provide an explanation of the decision 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. 12 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.

Sec. 13 Dual Employment

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. 14 Electronic Database

1. Items Included in internal UT System Electronic Database: Disclosure of outside activity, documentation of requests for approval, and subsequent approvals shall be maintained for all full-time faculty and full-time administrative and professional staff in an electronic database that will include the following elements:
 1. a description of the nature and extent of all outside employment or other compensated activity and of all outside activity, regardless of compensation level, that reasonably appears to create a conflict of interest or a conflict of commitment;
 2. the range of total annual compensation received for any compensated activity, or total annual compensation from a single entity, if it is greater than \$5,000 and the activity 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, except as noted at Sec. 10;
 4. a description, including the range of compensation or interest of any substantial interest in a business entity (as defined in Sec. 19) that reasonably appears to create a conflict of interest;
 5. a description of gifts over \$250 to the individual, but only if the gift reasonably appears to create a conflict of interest, and it is not a gift from one's spouse, parent, child, sibling, grandparent, or grandchild; or from the spouse of a parent, child, sibling, grandparent, or grandchild; or from the parent, child, sibling, grandparent, or grandchild of one's spouse; and
 6. for part-time members of the faculty and part-time members of the administrative and professional staff, a description of the nature and extent of

any outside activity and any substantial interest in a business entity that reasonably appears to create a conflict of interest.

2. Public Display of Information: Only the following information must be available on a publicly accessible and searchable website:
 1. The nature and extent of the activity, and the range of compensation if over \$5,000, for all managed conflicts of interest or conflicts of commitment, unless deemed confidential following procedures developed in accordance with Sec. 12, except that information regarding family members will not be posted; and
 2. all information disclosed by the President pursuant to applicable UT System policy; and
 3. instructions for gaining access to a copy of any conflict management plan, except for any confidential information pursuant to Sec. 12, above.

Sec. 15 Noncompliance

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

Sec. 16 Use of University Property

UT Dallas property may only be used for State purposes appropriate to UT Dallas' mission. (Regents' Rule 30104 Sec. 8) Use of UT Dallas property for any outside activity must be explicitly approved in writing by the approving authority.

Sec. 17 Education and Training

Annual training will be required for all individuals required to disclose under this policy, including training for those responsible for approving and managing outside activities and interests.

Sec. 18 Gifts, Grants, and Donations for Salary Supplement

When UT Dallas accepts a gift, grant, donation, or other consideration from a person that the person designates to be used as a salary supplement for an employee of UT Dallas, the University will analyze the gift, grant, or donation for potential conflicts of interest under this policy. If a conflict of interest is determined to exist, the University will utilize its current policies and procedures to eliminate or manage the conflict.

Sec. 19 Definitions

Administrative and Professional Staff - Employees who have been determined to be exempt from the Fair Labor Standards Act (FLSA) and are, therefore, not entitled to overtime pay (including classified staff). It also includes employees who are not exempt from the FLSA if they are authorized to execute contracts on behalf of the University or who because of their job duties at the University have authority to exercise discretion with regard to the award of contracts or other financial transactions.

Business Entity - Any entity recognized by law through which business for profit 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 reimbursement⁴

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

Conflict of Interest - A significant outside interest of an 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:

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

Part-time - For staff, any employee appointed for less than 40 hours per week. For faculty, any member of the faculty appointed to less than a full-time appointment, as determined by the Provost.

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

1. \$0 - \$4,999;
2. \$5,000 - \$9,999;
3. \$10,000 - \$19,999;
4. amounts between \$20,000 - \$100,000 by increments of \$20,000; or
5. amounts above \$100,000 by increments of \$50,000.
6. if stock options, disclose the precise number of shares represented by the stock options, the par value, and the percentage ownership in the company that would result if the options were exercised.

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 \$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 10 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.

University Time - For faculty, this time is defined by the number of hours per week necessary for the performance of job duties, which include teaching, research, service, and patient care. For some staff this time is defined by a work day with set hours, and for other staff this time is defined as a work day with set hours plus on call service as needed.

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 Government Code Chapter 659 - Compensation

Texas Constitution, Article 16, Section 40 - Holding More Than One Office

Relevant 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*

UTS 123, *Policy on Service on Outside Boards*

UTS 134, *Code of Ethics for Financial Officers and Employees*

UTS 175, *Disclosure of Significant Financial Interests and Management and Reporting of Financial Conflicts of Interest in Research*

Notes

1. *When in doubt in determining whether an activity or interest should be disclosed, the individual should resolve the doubt in favor of disclosure.*
2. *In either case, such activity may be required to be disclosed in accord with Sec. 6, and may be maintained in an electronic database in accordance with Sec. 14.*
3. *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.*
4. *Sponsored travel or reimbursement is included for consistency with Public Health Service regulations and UTS 175 governing conflicts of interest in research (42 CFR Sec. 50.603, definition of "significant financial interest," at (2)). It does not apply to travel that is reimbursed or sponsored by a Federal, state, or local government agency, an institution of higher education, an academic teaching hospital, a medical center, or a research institute that is affiliated with an institution of higher education.*

Policy History

- Issued: May 2, 2014

Policy Links

- Permalink for this policy: <http://policy.utdallas.edu/utdpp1091>
- Link to PDF version: <http://policy.utdallas.edu/pdf/utdpp1091>
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