

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Human Resources

NUMBER: 02.A.08

AREA: General

SUBJECT: Outside Activities/Interests Disclosures

1. PURPOSE

An employee's outside activities and interests have the potential to create conflicts of interest and conflicts of commitment with the employee's duties and responsibilities to their university. This document sets forth the certifications and disclosures that employees of any university within the University of Houston System ("UHS") must make to ensure compliance with state law and Board of Regents policies and to assist employees in managing or eliminating potential conflicts.

2. POLICY

To view the policies that form the basis for the certifications and disclosures required in this document, see [SAM 02.A.29](#) – Ethical Conduct of Employees.

3. DEFINITIONS

3.1. Conflict of commitment: A situation in which an employee's outside activities interfere with the employee's duties and responsibilities to UHS, including their commitment of time and intellectual energies.

3.2. Conflict of interest: A situation in which an employee has a direct or indirect financial or other interest, engages in a business transaction or professional activity, or incurs any obligation that is in substantial conflict with the proper discharge of the employee's duties and responsibilities to UHS.

4. OUTSIDE ACTIVITIES

4.1. Prior Approval Required. All full-time exempt employees must request and receive prior written approval for the activities listed below, unless it falls under the list of pre-approved outside activities outlined in Section 4.6. **This requirement is in addition to any other disclosures and approvals required in Section 5.**

4.1.1. Outside paid professional activity, such as consulting, for any company, organization, or individual where the work is for the same or similar types of activities or area of expertise for which the employee was hired by the university;

- 4.1.2. Startup company activity (i.e., starting, or joining with others to start, a company) where the work is for the same or similar types of activities or area of expertise for which the employee was hired by the university;
- 4.1.3. Outside board service as detailed in Section 4.5 below;
- 4.1.4. Any outside activity, regardless of compensation, that reasonably appears to create a conflict of interest or a conflict of commitment.
- 4.2. Process for Obtaining Approval. The process for obtaining such approval is by first completing the [Outside Activities Form](#). Approvals required for faculty requests include their chair, dean, and the Provost. Approvals required for staff requests include their supervisor, the applicable Vice President, and any additional levels of direct reports in between.
- 4.3. Considerations for Review. The approval authorities detailed in Section 4.2 above shall consider, on a case by case basis, whether such outside activities benefit UHS and/or contribute to the employee's professional development and whether such outside activities conflict with the employee's primary duties or create a conflict of interest, time or commitment with university obligations.
- 4.4. Time Commitment. Except for the limited pre-approved outside activities under Section 4.6, the time commitment expected of any outside activity described in Section 4.1 should generally be not more than 8 hours per calendar week, but in no event exceed a maximum of 32 hours per month.
- 4.5. Outside Board Service.
 - 4.5.1. Prior Approval Required. Full-time exempt employees must receive prior approval before serving on a board, other than as described in Section 4.5.2. If such service is uncompensated and does not require an undue amount of time commitment, it can occur during work hours and be considered service to the university because of the benefit to the university that can result from such service. If such service is compensated, it must occur on the employee's own time and not during work hours.
 - 4.5.2. No Approval Required. Service on the board of a local organization, religious organization, neighborhood association, public, private or parochial school, youth sports or recreation league, and similar outside boards that are personal in nature is allowed on the employee's own time outside of work hours and no approval is required if it does not create, or create the appearance of, a conflict of interest or conflict of commitment.
- 4.6. Pre-approved Outside Activities. While many outside activities require prior approval, certain outside activities are so integral to UHS's mission that they do not require prior approval so long as the activity does not create, or create the

appearance of, a conflict of interest or conflict of commitment. Pre-approved activities include:

- 4.6.1. Acting in an editorial capacity for a professional journal;
- 4.6.2. Reviewing journal manuscripts, book manuscripts, grant or contract proposals, theses or dissertations;
- 4.6.3. Attending and presenting talks at scholarly colloquia and conferences;
- 4.6.4. Developing scholarly communications in books, journal articles, television productions and similar works, even when such activities result in financial gain, consistent with intellectual property and UHS or university policies and guidelines. (However, prior approval is required if an employee will be paid by an outside entity to conduct research related to their area of expertise);
- 4.6.5. Serving as a committee member or an officer of a professional or scholarly organization; and
- 4.6.6. Serving on a grant review committee.

5. OTHER REQUIRED DISCLOSURES AND PRE-APPROVALS

- 5.1. Dual Employment. Employees who want to work for another state agency or for another UHS university while also maintaining their current university employment must request and receive prior written approval.
- 5.2. Potential Financial Conflict of Interest in Research. In addition to the obligation to disclose and receive pre-approval for outside activities imposed by Section 4 of this policy, faculty, staff, and students who meet the definition of “investigator” must follow the applicable university’s research policy. This policy requires financial disclosures (1) at least annually, (2) at the time of submission for new funding, (3) at the time of submission of human or animal protocols if financial relationships related to the research exist, and (4) within 30 days of discovering or acquiring (e.g., through purchase, marriage, or inheritance) a new significant financial interest.
- 5.3. Potential Conflict of Interest with Private Vendor.
 - 5.3.1. An employee who participates as a committee member on a formal competitive bid or formal solicitation must disclose to the applicable university purchasing or procurement office any potential conflict of interest that is known by the employee with respect to any private vendor’s bid for the university’s purchase of goods or services valued at more than \$25,000. The disclosure must be made at any time during the

procurement process (from the initial request for bids until the completed final delivery of the goods or services).

- 5.3.2. An employee involved in contract management must disclose to the applicable college, school, or division business administrator any potential conflict of interest that is known by the employee with respect to any contract with a private vendor for the university's purchase of goods or services valued at more than \$25,000. The disclosure must be made during the term of the contract.
- 5.3.3. Notwithstanding the above, any employee involved in procurement or contracting activities at any dollar value who is aware that their participation in such activity may create a conflict of interest with a private vendor must refrain from such participation and recuse themselves if necessary, as required by the conflict of interest provisions in [SAM 02.A.29](#) – Ethical Conduct of Employees.
- 5.4. Nepotism Disclosure by Purchasing Personnel: All purchasing personnel working on formal solicitations or contracts valued at \$1 million or more must disclose in writing to the University of Houston Purchasing Department, on the form available through the Purchasing Department's workflow, whether the employee or employee's relative is an employee, partner, major stockholder (i.e., directly or indirectly owns or controls more than a 10 percent interest or a pecuniary interest with a value exceeding \$25,000 in a business entity), paid consultant with a contract of at least \$25,000 with the business entity, or other owner of the business entity under consideration for an award of the contract.
 - 5.4.1. For purposes of this disclosure, "purchasing personnel" is any employee who makes decisions on behalf of the university or recommendations regarding (1) contract terms or conditions, (2) who is to be awarded a contract (i.e., vendor selection), (3) preparation of a solicitation for a contract, or (4) evaluation of a bid or proposal.
 - 5.4.2. For purposes of this disclosure, "relative" is defined as a person related to another within the third degree by consanguinity (i.e., parent, grandparent, great grandparent, brother, sister, half-brother, half-sister, child, grandchild, great grandchild, aunt, uncle, niece, nephew) or within the second degree by affinity (i.e., spouse as recognized under Texas law, spouse's parent, spouse's grandparent, spouse's sibling, spouse's child, spouse's grandchild, parent's spouse, grandparent's spouse, sibling's spouse, child's spouse, and grandchild's spouse).
- 5.5. Annual Disclosure by Athletics Department of Athletically-Related Income and Benefits: Each academic year, full-time and part-time employees of the department of intercollegiate athletics must provide a written detailed account to the athletics compliance office of all athletically-related income and benefits from

sources outside the university. They are not required to report any cash or cash equivalent (as opposed to tangible items) if the total amount received is \$600 or less. This information will be compiled and presented to the president or chancellor each year to comply with NCAA legislation, specifically [NCAA Bylaw 11.2.2](#) – Athletically Related Income and Benefits.

- 5.6. Salary Supplement. Employees who want the university to accept a gift, grant, donation, or other consideration to be used as a salary supplement must receive prior written approval from the proposed recipient’s immediate supervisor, the Dean or Vice President overseeing the college or division employing the proposed recipient, the Vice Chancellor for Legal Affairs/General Counsel, the President, and the Chief Audit Executive to comply with state mandated reporting requirements.
- 5.7. Annual Financial Statement. The Chancellor and presidents must submit an annual financial statement with the Texas Ethics Commission using the forms provided by the commission.

6. NONCOMPLIANCE

Employees who do not submit disclosures as required by this policy, including those who do not seek and receive pre-approval prior to engaging in certain outside activities, will not have met their job expectations. Therefore, these employees will not be eligible for merit increases, their supervisors will be notified of their noncompliance, and they will be subject to disciplinary action, up to and including termination of employment.

7. REVIEW AND RESPONSIBILITY

Responsible Parties: Associate Vice Chancellor, Human Resources
System-wide Compliance Officer

Review: Every five years

8. APPROVAL

Approved: /Raymond Bartlett/
Senior Vice Chancellor for Administration and Finance

 /Dona Cornell/
Vice Chancellor for Legal Affairs and General Counsel

 /Renu Khator/
Chancellor

Date: October 14, 2023

9. REFERENCES AND RELATED STATUTES, POLICIES, OR REQUIREMENTS

[Texas Education Code § 51.9337](#) – Purchasing Authority Conditional; Required Standards

[Texas Family Code Chapter 2](#) – The Marriage Relationship

[Texas Government Code § 572.021](#) – Financial Statement Required

[Texas Government Code § 573.002](#) – Degrees of Relationship

[Texas Government Code § 659.0201](#) – Gifts, Grants, and Donations for Salary Supplement

[Texas Government Code § 2261.252](#) – Disclosure of Potential Conflicts of Interest Certain Contracts

[Texas Government Code § 2262.004](#) – Required Nepotism Disclosure

[Board Policy 57.01.2](#) – Code of Ethics

[NCAA Bylaw 11.2.2](#) – Athletically Related Income and Benefits

[SAM 02.A.29](#) – Ethical Conduct of Employees

[Outside Activities Form](#)

[Outside Activities/Interests Disclosures: Frequently Asked Questions \(FAQs\)](#)

[Outside Activities/Interests Disclosures: Considerations for Supervisors Reviewing Forms](#)