

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Human Resources

NUMBER: 02.A.08

AREA: General

SUBJECT: Consulting and Outside Employment

1. PURPOSE

1.1. The University of Houston System recognizes that consulting and other outside employment is an aspect of faculty activities and that such services by faculty or exempt staff may be beneficial to the employee and to the System. This document prescribes the regulations to be followed to ensure compliance with Board Policy 49.02 and state laws.

1.2. For the purposes of this document, consulting and other outside employment is defined as activities undertaken for remuneration from a third party where the activity is within the scope of activities, functions or expertise for which the individual is compensated by the System.

1.3. This document applies to all full-time, benefits-eligible faculty and exempt staff, except executive management employees as defined by Board Policy 49.10 with employment agreements that supersede provisions of this document.

2. POLICY

2.1. The first priority of employees, as far as their vocation is concerned, is the accomplishment of the duties and responsibilities assigned to their position of employment with the System. Consulting or other outside employment of employees is considered a secondary activity that may be engaged in only after their duties and responsibilities to the System are fulfilled.

2.2. External consulting or other outside employment by full-time, benefits-eligible members of the faculty and exempt staff is restricted to activities that do not create a conflict of interest, time, or commitment with System responsibilities. Such conflicts would include the inducement to disclose confidential information or the impairment of the employee's judgment in the performance of component university duties.

This privilege is subject in all instances to the conditions set forth below. Failure to comply with this policy may subject an employee to disciplinary action including reprimand, suspension or termination.

a. The first responsibility of the individual is to the System, and outside professional commitments should not interfere with the person's responsibility to the System.

b. No outside obligation should result in any conflict of interest involving the individual's responsibilities to the System or to its programs, policies and objectives. Consulting and other professional agreements that represent actual or potential conflicts of interest must be avoided. See SAM 02.A.09 – Conflict of Interest.

c. Use of System facilities, space, equipment or support staff for consulting or other outside employment is permitted only if a financial arrangement that adequately covers the costs involved has been concluded between the individual and the administration before the employee begins the outside consulting or other outside employment.

d. Individuals may not represent themselves as acting in an official capacity on behalf of the System when conducting consulting or other outside employment. The System bears no responsibility for any actual or implied obligations or liabilities incurred by the individual resulting from the consulting or other outside employment.

e. Faculty who wish to arrange consulting or other outside employment must provide prior written notification to their respective Dean. Review by the Dean, or equivalent, of such activities shall include consideration of

any real or apparent conflict of interest, time or commitment to the System and the component university. The Dean may disapprove such activities if they conflict with primary System duties.

Each faculty member who engages in consulting or other outside employment, including teaching on a temporary basis at other institutions, during a semester in which the faculty member is assigned teaching duties must ensure that such activities do not interfere with regularly scheduled classes. . Such activities must not require commitments of time averaging more than one day per calendar week (i.e., one day in seven). As approved by the Senior Vice Chancellor for Academic Affairs, faculty in the College of Architecture are exempt from this limit due to the fact that active faculty participation in professional practice is a critical element of the student design experience and is consistent with the mission and faculty performance policies of the College of Architecture.

f. Exempt staff who wish to arrange consulting or other outside employment must obtain prior written approval from the appropriate supervisor; such outside employment must be justified on an individual basis and may not create a conflict of interest, time, or commitment with System responsibilities.

g. When any of an individual's salary is paid from funds for externally sponsored activities, the time allowable for these activities must be proportionate to the FTE of such payment from external sponsors. An individual who is compensated from external funding through the component university's payroll system is not considered consulting or outside employment, they are component university employees. For example, if 25 percent of an individual's salary is paid from external funds for sponsored activities, no more than 10 hours per week may be devoted to these activities.

2.3. Authorizations for absences from an employee's official place of duty because of outside consulting or other outside employment shall be requested and approved in accordance with component university regulations governing leave entitlements.

2.4. The Standards of Conduct of State Officers and Employees, which are provided by state law, deal with the conflict of an employee's private interests with the interests of the State of Texas. Any employee who violates such standards through a consultation or other outside employment is subject to dismissal from employment with the System, regardless of whether an application to engage in such an activity has been approved. Such dismissal will be processed according to applicable discipline and dismissal procedures.

2.5. Unpaid public service is not covered in this policy, nor are lectures that include fees, unless these activities require significant amounts of time or otherwise adversely affect the employee's performance of assigned component university duties.

2.6. An employee may not accept an honorarium or any fees or gifts in consideration for any services performed in his or her official capacity on behalf of the component university (excluding travel expense reimbursements).

2.7. Each component university shall establish a process for monitoring outside employment of its faculty and exempt staff to ensure that such activities are consistent with this policy and serve institutional purposes. The Chancellor will report to the Board annually on such activities.

3. ADDITIONAL COMPENSATION

Work performed for the component university outside the employee's normal duties and outside normal work hours is considered an overload assignment. Each component university shall establish a process for monitoring assignments of its faculty and staff to ensure that such activities are consistent with this document, serve institutional purposes and are compliant with applicable law(s) with respect to employee compensation.

4. MULTIPLE EMPLOYMENT

Work performed for another component university of the System within the scope of activities, functions or expertise for which the component university compensates the individual is considered consulting or outside employment. Consulting activities must be non-regular, part-time appointments or temporary appointments as

defined in SAM 02.A.34 - Types of Staff Employment. Prior written approval to engage in these activities is required. Compensation for these services must be made through the component university's payroll system and are subject to withholding and other payroll deductions.

5. DUAL EMPLOYMENT

Work performed for a state agency that is not a component university is considered dual employment with the State of Texas. Board Policy 49.04 requires Chancellor approval before an employee may hold other non-elective state or federal office or position of honor, trust or profit. 6. CONTRACT AND ATHLETIC DEPARTMENT STAFF

6.1. Employment contracts with executive management employees (defined in Board Policy 49.10) supersede provisions of this document.

6.2. Annually, full-time and part-time employees (excluding secretarial and clerical personnel) of the intercollegiate athletics department shall provide a written detailed account to the component university President of all athletically related income and benefits from sources outside the component university. The approval of such employment and income must occur within the guidelines of the component university in order to be in compliance with NCAA legislation, specifically NCAA Bylaw 11.2.2 (Athletically Related Income).

7. REVIEW AND RESPONSIBILITIES

Responsible Parties: Executive Director, Human Resources

Review: Every three years on or before May 31

4. APPROVAL

Approved: Jay Gogue

Date: October 15, 2004

5. INDEXING TERMS

Consulting
External consulting
External professional service
Unpaid public service