

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 10	Ethics, Standards of Conduct, and Relationships with External Entities	Effective:	May 2003
Section 10.1	Ethics, Standards of Conduct, and Relationships with External Entities	Revised:	December 2008
Policy 10.1.10	Service on Outside Boards	Responsibility:	Chief Legal Officer

SERVICE ON OUTSIDE BOARDS

Overview

It is recognized that the faculty and staff of the Health Science Center may be asked to serve on the boards, councils or other governing or advisory bodies (“outside boards”) of various business, civic, professional, social and religious organizations, both for profit and not-for-profit, and in compensated and non-compensated positions. Such service is generally deemed to be in the best interest of the Health Science Center because it broadens the experience of the individuals involved and exposes the Health Science Center to a larger audience of business, civic, professional, social and religious leaders.

Policy

To avoid conflicts of interest and to ensure that outside service does not distract from employment duties and obligations, Executive Committee members, faculty, academic administrators, and administrative and professional (A&P) employees must obtain approval to serve on outside boards. Requests for approval of service on outside boards must be made through the employee’s departmental Chair or Director, and be approved by the appropriate Executive Committee member.

Standards for Outside Board Service

The primary responsibility of faculty and staff of the Health Science Center is the accomplishment of the duties and responsibilities of their respective positions. In evaluating whether to accept a position on an outside board, an individual should first assure that such a position would not create a conflict of interest and that fulfillment of the responsibilities of such a position would not impose an unreasonable time requirement.

Approval

Prior to accepting any new position on an outside board, whether for profit or not-for-profit and whether compensated or non-compensated, the person wishing to accept such position shall first advise the individual’s departmental Chair or Director, and appropriate Executive Committee member to evaluate any potential conflict of interest and then obtain the approval of the appropriate authority, which approval shall not be unreasonably withheld.

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Person Seeking Approval

Approving Authority

President

Executive Vice Chancellor
for Health Affairs

Executive Committee Members

President

Faculty, Academic Administrators
and A&P Employees

Supervisor and Appropriate
Executive Committee Member

**Offices of the
State of Texas or
the United States**

Before a non-elective state officer may hold another non-elective office under the State of Texas or the United States, such non-elective state officer must obtain a finding by the Board of Regents that such additional office is of benefit to the State of Texas or is required by state or federal law, and that there is no conflict with that non-elective state officer's original office. See Regents' *Rules and Regulations*, [Rule 30102](#). Complete the [Request for Approval of Dual Positions of Honor, Trust, or Profit](#) form, and forward the form with supporting documentation to the appropriate Executive Committee member, and the Vice President for Academic Administration for approval and inclusion in the institutional Docket.

**External Nonprofit
Corporations and
External Entities
Benefiting the
Health Science
Center**

This policy is also subject to Regents' *Rules and Regulations*, [Rule 60305](#) relating to service on the board of an external nonprofit corporation or an external entity, that has as its primary objective the provision of funds or services for the furtherance of the purposes and duties of The University of Texas System or the institutions.

Risks of Liability

Faculty and staff should be aware of the potential risk of liability associated with outside board service, whether on the boards of for profit or not-for-profit entities and whether or not compensated, and should evaluate those risks and the need for appropriate insurance and indemnification. Such persons should also be aware that statutory limitations on liability of state officials and employees may not apply and that indemnification by The University of Texas System and insurance

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coverage provided by the System may not apply or may be severely limited.

Accounting for Outside Board Service

Uncompensated Board Service: Recognizing the benefit to be derived by the Health Science Center from outside board service, and after thorough consideration of the time commitment that might be involved, time spent on uncompensated service on non-religious boards, other than for reimbursement of usual and customary expenses, shall be deemed to be service to the Health Science Center and need not require the use of a person’s own time.

Compensated Board Service and Service to a Religious Organization: Service on any outside board, whether for profit or not-for-profit, for which a faculty or staff is compensated, and any service to a religious organization whether or not compensated, must be on such person’s own time, and if such service occurs during normal office hours, then such person must use vacation time, compensatory time or other leave while providing such service. Any such service should be without cost to the Health Science Center.

Reporting

Individuals who are required to make an annual report of financial interests as required by the *Handbook of Operating Procedures* (HOP), [Section 10.1.6](#), “Conflicts of Interest in Scholarly, Research, and Clinical Activity” will be required to report service on each outside board as part of the financial interests report.

Those A&P or other employees covered under this policy who do not make a report subject to HOP [Section 10.1.6](#), “Conflicts of Interest in Scholarly, Research, and Clinical Activity”, and who serves on any outside board, shall file a report, [Service on Outside Boards](#) form, with the appropriate individual as described in the “Approval” section of this policy within sixty (60) days of employment and thereafter annually in September of each year. Such report shall list each outside board on which any such person serves, and with respect to each such board, shall include the following information:

1. The number of hours normally required by such service, either monthly, quarterly or annually;
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2. Whether such service is compensated or not compensated; and,
 3. Whether such service is protected by one or more policies of directors and officers liability insurance, and whether any such insurance coverage provides for general indemnification or only costs of defense.

If, during any year, a person covered by this Section joins one or more additional outside boards, the report provided for herein shall be supplemented within thirty (30) days of joining such additional board or boards. In addition, such report shall include the time requirements associated with any teaching commitments of any non-faculty person filing the report.

Extension of Professional Position

It is anticipated that faculty and staff will be asked to serve on particular outside boards because of their University related areas of expertise or the offices or positions they hold. Such service is of particular value to the Health Science Center and is actively encouraged because of the recognition it provides to the Health Science Center, and the additional information, exposure, understanding and insight the individual will receive. Such service is deemed to be service to the Health Science Center and need not require the use of a person's own time and it is excluded from all portions of this policy other than the conflict of interest provisions and reporting requirements.

Personal

The provisions of this policy do not apply to service on the board of a municipality; local religious congregation; neighborhood association; local, private or parochial school; youth sports or recreation league; affinity group, such as the local orchid society or model train collectors club; and other similar outside boards the service on which is primarily personal rather than professional in nature, and does not require the expenditure of time away from University responsibilities.

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**Family-owned
Businesses**

The provisions of this policy do not apply to service on the board of a family-owned business in instances in which such service is incidental and does not require the expenditure of time away from University responsibilities.
