

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 10	Ethics, Standards of Conduct, and Relationships with External Entities	Effective:	April 2000
Section 10.1	Ethics, Standards of Conduct and Relationships with External Entities	Revised:	December 2008
Policy 10.1.9	Outside Activities for Pay and Relationships Which May Involve Potential Conflict of Interest	Responsibility:	Chief Legal Officer

OUTSIDE ACTIVITIES FOR PAY AND RELATIONSHIPS WHICH MAY INVOLVE POTENTIAL CONFLICT OF INTEREST

Overview

Faculty and staff of the Health Science Center should not be discouraged from accepting appointments of a consultative or advisory capacity with governmental agencies, industry, or other educational institutions. The consideration to the Health Science Center of such activity is the improvement of the individual by virtue of his or her continuing contact with nonacademic problems in the non-academic world.

The primary responsibility of the faculty and staff of the Health Science Center is the accomplishment of the duties and responsibilities assigned to their position of appointment. External consulting or other outside employment that interferes with those duties and responsibilities should not be accepted.

State Law

In connection with any outside employment, faculty and staff of the Health Science Center must comply with state laws governing the conduct of state employees, including ethics standards and provisions prohibiting conflict of interest and use of state resources. The beginning point concerning any relationship is to establish that it does not violate the following State of Texas *Code of Ethics* laws:

1. No employee shall accept any gift, favor, or service that might reasonably tend to influence the employee in the discharge of his or her official duties.
2. If an employee owns a controlling interest in a corporation, firm, partnership, or other business entity which is under the jurisdiction of a State regulatory agency, the employee shall file a sworn statement with the Secretary of State disclosing such interest.
3. No employee shall use his or her official position to secure special privileges or exemptions for himself/herself or others, except as may be otherwise provided by law.

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4. No employee shall accept employment or engage in any business or professional activity which the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by the employee by reason of his or her official position.
 5. No employee shall disclose confidential information gained by reason of his or her official position, nor shall the employee otherwise use such information for his or her personal gain or benefit.
 6. No employee shall transact any business in his or her official capacity with any business entity of which the employee is an officer, agent, or member, or in which the employee owns a controlling interest.
 7. No employee shall make personal investments in any enterprise which will create a substantial conflict between the employee's private interests and the public interest.
 8. No employee shall accept other employment which might impair the employee's independence of judgment in the performance of the employee's public duties.
 9. No employee shall receive any compensation for services as an employee from any source other than the State of Texas, except as may be otherwise provided by law.

Policy

In addition to the above State of Texas *Code of Ethics* laws, faculty and staff must also comply with the following Health Science Center policy in connection with any outside activities for pay and relationships which may involve a potential conflict of interest:

1. No faculty and staff of the Health Science Center engaged in outside remunerative activities shall use in connection therewith the official stationery of the Health Science Center, or give as a business address any building or department of the Health Science Center.

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2. Health Science Center faculty and staff who give professional opinions must protect the Health Science Center against the use of such opinions for advertising purposes. If faculty and staff does work in a private capacity, faculty and staff must make it clear to those who employ him or her that the work is unofficial and that the name of the Health Science Center is not in any way to be connected with the faculty and staff's name, except when used to identify the faculty and staff as the author of work related to the faculty and staff's academic or research area.
 3. No faculty and staff of the Health Science Center shall accept pay from private persons or corporations for tests, assays, chemical analyses, bacteriological examinations, or other such work that involves the use of property owned by the Health Science Center, unless advance permission has been obtained from the President and provision has been made for compensation to the Health Science Center.
 4. No full-time faculty and staff employed by the Health Science Center on a twelve-month or nine-month basis shall be employed in any outside work or activity or receive from an outside source a regular retainer fee or salary until a description of the nature and extend of the employment has been filed with and approved by appropriate administrative officials.
 5. Faculty and staff of the Health Science Center may hold other non-elective 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 with the Health Science Center for which the faculty and staff receives salary or compensation.
 6. Before faculty and staff of the Health Science Center may accept an offer to serve in other non-elective offices or positions of honor, trust, or profit with the State of Texas or the United States, he or she must obtain from the appropriate administrative officials and the Board of Regents a finding that the above requirements (subsection 5) have been fulfilled.
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The docket entry (docket for The University of Texas System is a list of items in a consistent summary format) shall also record any compensation the faculty and staff is to receive from the non-elective office or position, including salary, bonus, or per diem payment.

7. Even in the case of faculty and staff specifically engaged only in residence work, there exists an obligation, usually intermittent, to furnish expert knowledge and counsel for public benefit free of charge, provided that the meeting of this obligation by a faculty and staff does not interfere with his or her regular duties, and provided further that in meeting this obligation full-time faculty and staff shall avoid undue competition with legitimate private agencies.

Limitations for Faculty and Academic Administrators

In any outside activity, faculty and academic administrators must be mindful of the Health Science Center’s policy on “Conflict of Commitment” as set forth in *Handbook of Operating Procedures* (HOP), [Section 10.1.8](#), and pay particular attention to the limitations placed on outside professional activities. The approval process set forth below is applicable to activities under this HOP policy.

Procedure

In order to assure compliance with these laws, rules and policies, any faculty and staff of the Health Science Center contemplating entering into a relationship with an outside party, whether for pay or otherwise, should complete a [Request for Approval of Outside Employment, Consultation, or Related Activities](#). Forms are not required in the following situations:

1. Patient care or teaching at institutions or agencies affiliated with the Health Science Center, when a part of assigned duties.
2. Membership in the reserve military units of Texas or of the United States.
3. Activities which can be classified as purely personal business

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activities that are in no way associated with the Health Science Center.

- Personal business activities are defined as those which are conducted entirely during non-business hours, are in no way related to the professional expertise of the faculty and staff, and are not obtained in any part because of his or her relationship with the Health Science Center.
 - For purposes of this policy, business hours are defined as 8:00 a.m. to 5:00 p.m., Monday through Friday; the activity must be conducted outside that assigned time. Any personal business activity conducted during business hours must be charged to vacation or other appropriate leave time.
4. Situations where an individual is traveling in a capacity related to his/her professional position (such as to speak at a scientific meeting) and receiving no honorarium or consultation fee. Only the usual PeopleSoft "Pre-Travel Web Requisition" is required.

As indicated on the form, the initial review of any such request will be at the departmental level. If approved by the Department Chair, the request will be forwarded to the Dean and, if approved at that level, will be sent to the President's Office for final approval. The departmental Chair, the Dean or the President may refer the request for an advisory opinion to the Conflict of Interest Committee.

Faculty should be particularly careful in signing consulting contracts. Many such contracts contain a provision that technology advances will be assigned to the company employing the faculty as a consultant. Care should be exercised to see to it that no Health Science Center facilities are used in any way in the performance of the consultant contract and that the subject matter of inventions to be assigned to the company pursuant to the consulting contract is not within the scope of the faculty's responsibilities to the Health Science Center. Under the Regents' *Rules and Regulations*, rights in inventions within the scope of the faculty's responsibilities to the Health Science Center developed

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using the Health Science Center's facilities or funding will be owned by the Health Science Center irrespective of the terms of the consulting contract (see [Section 12.1.1](#), "Intellectual Property" of the *Handbook of Operating Procedures*).
