

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

MAY 17 2012

UCC Certified
SECTION: Human Resources
AREA: Employee Relations

Number: 02.04.07

SUBJECT: Ethical Conduct of University Employees (Interim)

I. PURPOSE AND SCOPE

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This document outlines the processes prescribed by the university to ensure that employees are informed of their responsibilities for accountability and ethical conduct. It requires that any potential conflict be reviewed and reported in accordance with state and federal laws and regulations and with Board of Regents policies.

II. DEFINITIONS

- A. Benefit: According to statute, anything reasonably regarded as providing monetary gain or advantage for an employee or an employee's immediate family. For the purposes of this document, such benefit shall include personal and individual invitations to meals, travel, entertainment, services or items of significant gain or advantage with a value of \$50 or more.
- B. Bribery: A situation in which an employee solicits, offers, or accepts a benefit in exchange for a decision, opinion, recommendation, vote, or other exercise of official discretion.
- C. Conflict of commitment: A situation in which an employee's outside activities interfere with the employee's commitment of time and intellectual energies to the university, or in which a full-time employee's professional loyalty is not to the University of Houston.
- D. Conflict of interest: A situation in which there is a divergence between the employee's private interests and professional obligations to the university (i.e., the public interest), such that an independent observer might reasonably question whether the employee's actions or decisions are determined by considerations of private gain, financial or otherwise, to the university's detriment.
- E. Consulting and outside employment: For the purposes of this document, 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 University of Houston. This definition does not include unpaid public service or lectures for fees, unless these activities require significant amounts of time or they otherwise adversely affect the employee's performance of university duties.
- F. Honorarium: A payment for speech, lecture, or other services on which, by custom or agreement, a specific price may not be set. For the purposes of this document, this definition includes any payment from an outside entity for services such as making a speech, teaching a class or workshop, or providing consulting services.
- G. Immediate family: Includes spouse and dependent children. Children, for the purposes of this document, include adopted, step, and foster children, as well as natural sons and daughters.

- H. Related-party interest: A business or personal relationship that exists between a university employee and an outside individual or organization that may influence the employee's actions or decisions due to considerations of private benefit - financial or otherwise - and/or may create or be perceived as creating a conflict of interest.
- I. Significant financial interest: Anything of monetary value including, but not limited to: salary, other payments for services (e.g., consulting fees or honoraria); equity interests (e.g., stocks, stock options, or other ownership interests); and intellectual property rights (e.g., patents, copyrights, and royalties from such rights) that, when aggregated with immediate family:
1. exceeds \$10,000 fair market value and five percent ownership; or,
 2. is expected to exceed \$10,000 in payments during the next 12-month period.

III. DISTRIBUTION OF POLICIES REGARDING ETHICAL CONDUCT

In accordance with state law or Board of Regents [Policy 57.01.3](#), copies of the laws and Board of Regents Policies listed below are distributed and otherwise made available online upon initial employment (by Human Resources) and annually (by the Board of Regents' office).

- A. Statutory Standards of Conduct for State Employees, § 572.051, Texas Government Code
- B. 1997 General Appropriations Act, Article IX, § 5. Political Aid, Legislative Influence
- C. Board of Regents Policies:
1. Consulting and Paid Professional Service (57.02)
 2. Dual Employment (57.04)
 3. Nepotism (57.07)
 4. Conflicts of Interest (57.08)
 5. Academic Freedom (21.03)
 6. Governmental Appearances (81.01)
 7. Sexual Harassment (29.02)

IV. TIMELY DISCLOSURE OF POTENTIAL CONFLICT OF INTEREST SITUATION

University employees are required and expected to take the initiative to disclose and request prior approval of their department head before entering into any activity or situation that may involve, or appear to involve, a conflict of interest or other potentially incompatible obligation. Such a relationship includes consulting or other outside employment, a relationship defined as a related-party interest, or any other relationship that results in a gift or other benefits to the employee.

Under the terms of the Board Policy [57.02](#), exempt staff are required to obtain written approval from their supervisor prior to entering into a consulting/outside employment relationship; faculty are required to notify their department chair and dean prior to entering into such a relationship.

Where a question of propriety of the proposed employment or business relationship exists, the department head shall submit the application to the dean (for faculty) or dean or director (for staff). The dean or director may, in turn, consult with the appropriate vice president, Human Resources, or the university Ethics Coordinator, as applicable, prior to resolving the conflict.

V. ANNUAL CERTIFICATION OF COMPLIANCE AND REPORTING OF OUTSIDE CONSULTING/ EMPLOYMENT AND DISCLOSURE OF EXTERNAL RELATIONSHIPS

On an annual basis, consulting and outside employment shall be reported to the Board through the Executive Vice President for Administration and Finance.

Also, on an annual basis, a possible conflict with external business activities and benefits shall be reported to the appropriate vice president.

The Office of the Executive Vice President for Administration and Finance is responsible for coordinating this annual survey during the fall of each year, working with the Office of the Senior Vice President for Academic Affairs and Provost and appropriate vice presidents. On an annual basis, the Office of the Vice President for Research and Technology Transfer will coordinate the annual certification of compliance with the Policy on Conflict of Interest for Academic Staff for those staff involved in research or educational activities funded or proposed for funding by an external sponsor.

VI. GUIDELINES, STANDARDS FOR EVALUATING AND RESOLVING POTENTIAL CONFLICT OF INTEREST SITUATIONS

- A. Ethics violations include, but are not limited to, bribery, the existence of a conflict of commitment or the existence of a conflict of interest. With the exception of certain transportation, lodging and meals, an ethics violation may also include acceptance of honorarium where the employee solicits, accepts or agrees to accept an honorarium in consideration for services that the employee would not have been requested to provide but for the employee's official position.
- B. Ethics violations are to be reported to the university Ethics Coordinator in Human Resources. The Executive Director of Human Resources or designee will be the university's Ethics Coordinator.
- C. The Ethics Coordinator will make a determination as to the severity of the ethics violation and determine the appropriate university administrative unit(s) that may be a part of the investigation. Investigation of an alleged ethics violation may involve the Internal Auditing Department, University of Houston Department of Public Safety (UHDP), and/or the General Counsel. The employee's supervisor and the appropriate vice president will be notified.

When a staff employee is involved, the investigation shall involve Human Resources and the appropriate vice president. When a faculty member is involved, the investigation shall include input from the Senior Vice President for Academic Affairs and Provost. When sponsored projects are involved, the investigation shall include the Vice President for Research and Technology Transfer and the Policy on Conflict of Interest for Academic Staff will be followed.

- D. The Ethics Coordinator notifies the investigative unit(s) (i.e., Internal Auditor, UHDP, and/or Human Resources, and the appropriate vice presidents) of the reported violation and submits the allegations to the unit(s) for review and investigation.

- E. Confidentiality of the information and employee(s) involved in the investigation will be of utmost importance to insure proper adjudication of the allegations.
 - F. The investigative unit will render its recommendation and/or report to the Ethics Coordinator
 - G. The Ethics Coordinator reviews the investigative report. Every attempt will be made to resolve internal ethical violations at the lowest level of administrative review. If, however, a reasonable solution cannot be reached; the Ethics Coordinator will appoint the Ethics Review Panel to make a final recommendation for disposition of the issue based upon review the alleged ethical violation the report and/or recommendation of the investigative unit, and any additional information the Ethics Review Panel deems necessary.
 - H. Recommendations from the investigative unit and/or the Ethics Review Panel may be reviewed by the General Counsel and the appropriate vice president where the internal ethical violation was not resolved at a lower level of administrative review.
 - I. Based upon the findings of the ethics review process, appropriate administrative action will be taken to insure that the investigated ethics violation is corrected.
 - J. A final report of the investigation, findings, and recommended corrective action is then submitted through administrative channels to the State Ethics Commission.
- VII. PROCESS FOR REQUESTING "ETHICS OPINION" FROM THE ETHICS COORDINATOR AND/OR THE ETHICS REVIEW PANEL

In any case, the responsible manager may contact the university Ethics Coordinator for direction and assistance in resolving a conflict situation.

Upon review, the Ethics Coordinator may recommend that the Ethics Review Panel be convened to review the situation and make a recommendation. In such a case, the situation must be put in writing and involve the signatures of the dean or director and the responsible vice president, as well as Human Resources.

VIII. SANCTIONS FOR CONDUCT NOT MEETING STANDARDS OF ETHICS

Employees who fail to comply with the responsibilities and requirements outlined in this document may be subject to disciplinary action.

If criminal activity is involved, UHDPS will be involved and the employee will be subject to prosecution and criminal charges.

IX. REVIEW AND RESPONSIBILITY

Responsible Party: Executive Director, Human Resources

Review: Every three years on or before October 1

X. APPROVAL

Carl Carlucci

Executive Vice President for Administration and Finance

John Antel

Senior Vice President for Academic Affairs and Provost

Renu Khator

President

Date of President's Approval: May 13, 2011

XI. REFERENCES

Texas Ethics Commission Guide to Ethics Laws for State Employees

<http://www.ethics.state.tx.us/guides/G08o&e.pdf>

Statutory Standards of Conduct for State Employees, § 572.051, Texas Government Code

Penal Code § 36.02 (Bribery), §36.07 (Honoraria), § 39.01 (Abuse of Office)

Government Code 572.051 (<http://www.statutes.legis.state.tx.us/docs/gv/htm/gv.572.htm>)

General Appropriations Act Article IX, § 5. Political Aid, Legislative Influence

UH Board of Regents Policies 21.03, 29.02, 81.01, 57.01, 57.02, 57.04, 57.07, 57.08

<http://www.uhsa.uh.edu/board-of-regents/policies/>)UH System Administrative Memoranda [02.A.03](#), [02.A.04](#), [02.A.08](#), [02.A.09](#), [02.A.21](#), [02.A.29](#),[02.A.39](#), [02.D.07](#) (<http://www.uh.edu/policyservices/sam/2HumanResources.htm>)~~Index Terms: — Acceptance of gifts by employees~~~~_____ Bribery~~~~_____ Confidential information~~~~Conflicts of interest~~~~_____ Consulting and paid professional services~~~~_____ Dual employment~~~~_____ Ethics~~~~_____ Expert witness service~~~~_____ Governmental appearances~~~~_____ Honoraria~~~~_____ Lobbying by state employees~~~~_____ Nepotism~~~~_____ Outside employment~~~~_____ Political activities by state employees~~~~_____ Pro bono work~~~~_____ Related party interest~~~~_____ Sexual Harassment~~

REVISION LOG

Revision Number	Approved Date	Description of Changes
1	12/07/1999	Initial version
2	09/15/2004	Applied revised MAPP template to meet current documentation standards. Added information to Section III for online documentation. Revised the title of responsible Ethics Coordinator. In Section VI.H, added the sentence on employees being subject to disciplinary action who fail to comply with MAPP 02.04.07
Interim	05/13/2011	Interim designation based on Texas Workforce Commission audit in 04/2011. Applied revised MAPP template and added new Revision Log. Applied hyperlinks throughout documents to references. Added "bribery" to Section II. Rewrote Sections VI and VII to reflect current operating requirements; included UHDPS and Internal Auditing to task force investigating ethics violations. Added Index term. Added web site address to Addendum A
<u>3</u>	<u>TBD</u>	<u>Hyperlinks were corrected throughout the procedure due to BOR relocation of policies. Removed Section XI, Indexing Terms. Removed #12 from Addendum A, which is not a part of BOR Policy 57.08 and Texas Government Code Section 572.051</u>

Addendum A**Statutory Standards of Conduct for State Employees**
Board of Regents 57.08 - Conflicts of Interest
§ 572.051, Texas Government Code

All members of the board and employees of the system and its component institutions shall adhere to the Statutory Standards of Conduct for State Employees, Section 572.051, Texas Government Code available online at

<http://www.statutes.legis.state.tx.us/docs/gv/htm/gv.572.htm>. All members of the board and employees of the system and its component institutions shall avoid conflicts of interest, generally described as the use of one's university employment or position to obtain unauthorized privileges, benefits, services or things of value for oneself or others, including the following:

1. No board member or employee shall solicit, engage, or agree to accept any privilege, benefit, service or thing of value for the exercise of his or her discretion, influence, or powers as an employee except as is allowed by law.
2. No board member or employee shall accept any privilege, benefit, service or thing of value that might influence him or her in the discharge of his or her duties as an employee.
3. No board member or employee shall use his or her position to secure special privileges or exemptions for themselves or others, except as is allowed by law.
4. No board member or employee may be an officer, agent, employee, or member of, or own an interest in a professional activity that might require or induce them to disclose confidential information acquired by reason of his or her system position.
5. No board member or employee shall accept employment or engage in any business or professional activity that might require or induce them to disclose confidential information acquired by reason of their system position.
6. No board member or employee shall disclose confidential information gained by reason of their system position, or otherwise use such information for personal gain or benefit.
7. No board member or employee shall transact any business for the system with any entity of which they are an officer, agent, employee, or member, or in which they own a significant interest.
8. No board member or employee shall make personal investments in any enterprise that might create a substantial conflict between their private interests and the system's interests.
9. No board member or employee shall accept other employment that might impair their independence of judgment in the performance of their system duties.
10. No board member or employee shall receive any compensation for services from any source other than the State of Texas except as allowed by law.
11. No board member or employee who exercises discretion in connection with contracts, purchases, payments, claims or other pecuniary transactions shall solicit, accept, or agree to accept any benefit from a person or entity the employee knows or should know is or is likely to become financially interested in such transactions.

Addendum A (page 2 of 2)

- ~~12. — No board member or employee shall make unauthorized commitments or promises of any kind purporting to bind the system or any of its components.~~

Failure of any employee to comply with the foregoing shall constitute grounds for discharge or other disciplinary action.