

Conflict of Interest, Conflict of Commitment and Outside Activities

Policy Number: 20

Subject:	Individual conflicts of interest of university employees and participation in outside activities	Responsible Office:	Office of the Executive Vice President & Chief Academic Officer
Scope:	This policy applies to all employees of the university, but requirements for disclosure of outside activities and financial interests apply only to certain employees and/or circumstances as outlined in this policy. Portions of this policy also apply to students, interns, residents, clinical fellows and post-doctoral research fellows. Individuals should refer to the definitions below and follow the requirements applicable to their status throughout the policy. Individuals who participate in research activities may be subject to additional requirements (HOOP 94 Research Conflicts of Interest). Institutional conflicts of interest are addressed in HOOP 221 Institutional Conflicts of Interest .	Responsible Executive:	Executive Vice-President & Chief Academic Officer
Date Reviewed:	August 2016		

I. POLICY AND GENERAL STATEMENT

The primary responsibility of employees of The University of Texas Health Science Center at Houston (“university”) is the accomplishment of the duties and responsibilities assigned to their positions at the university. At the same time, the university recognizes the benefits of employees’ participation in outside activities that clearly enhance the mission of the university and/or provide important elements of employee development related to their university responsibilities. This may include consultative or advisory activities with governmental agencies, other institutions, or private industry that are not in conflict with the proper discharge of their duties and responsibilities in the public interest. In keeping with the university’s mission of education, research, and clinical practice, the university believes these outside activities have the potential to improve the performance of an employee through continuing contact with issues/problems in the non-academic fields that promote the university’s mission.

This policy is intended to protect the credibility and reputation of the university, the UT System, and employees of the university by providing a transparent system of approval, disclosure, and documentation of employee activities outside the university that might otherwise raise concerns about conflicts of interest or conflicts of commitment.

Accordingly, university employees may not have a direct or indirect interest, including financial and other interests, or engage in a business transaction or professional activity, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee's duties for the university. In addition, activities on behalf of outside entities or individuals must not interfere with a university employee's fulfillment of his/her duties and responsibilities to the university. Such conflicts of commitment may arise regardless of the location of these activities (on or off campus), the type of outside entity (individual, for-profit, not-for-profit, or government), or the level of compensation (compensated or non-compensated).

University employees, regardless of job title or status, who participate in research as Principal Investigators, Co-Investigators, or other roles and have been designated on any research project as a "Covered Individual," i.e., responsible for the design, conduct, or reporting of research, are subject to additional requirements under HOOP 94, Research Conflicts of Interest.

Institutional conflicts of interest are financial interests of the university or of certain institutional officials (e.g., executive officers and procurement personnel), acting within their authority on behalf of the institution, that pose or may pose risks of undue influence on decisions that affect the research, education, clinical care, business transactions, or other activities of the institution. Such conflicts are addressed in HOOP 221, Institutional Conflict of Interest.

II. DEFINITIONS

Clinicians: Faculty members and trainees at all levels (i.e., students, interns, residents, fellows, post-doctoral research fellows) in any patient care discipline, including specialties of medicine, dentistry, nursing, and allied health sciences.

Compensation: Any form of benefit including, but not limited to, salary, retainer, honoraria, intellectual property rights or royalties, equity and in-kind, promised, deferred, or contingent interests. Compensation also includes sponsored or reimbursed travel.

Conflict of commitment: A situation in which the time or effort that a university employee devotes to an outside activity directly or significantly interferes with the employee's fulfillment of his or her university responsibilities, or when the employee uses State property or other resources without authority in connection with the employee's outside employment, board service, or other activity.

Conflict of interest: An outside activity or financial interest of a university employee (or one of the employee's family members) that could directly or significantly affect the employee's performance of his or her university responsibilities. The proper discharge of an employee's university responsibilities could be directly or significantly affected if the outside employment, service, activity, or interest:

- Might influence the way the employee performs his or her university responsibilities or the employee knows or should know the interest is or has been offered with the intent to influence the employee's conduct or decisions;
- Could reasonably be expected to impair the employee's judgment in the performance of his or her university responsibilities; or
- Might require or induce the employee to disclose confidential or proprietary information acquired through the performance of university responsibilities.

Family member:

- A spouse;
- a dependent child or stepchild or other dependent (for purposes of determining federal income tax liability during the period covered by the disclosure statement); and
- a related or non-related, unmarried adult who resides in the same household as the individual and with whom the individual is financially interdependent as evidenced, for example, by the maintenance of a joint bank account,

mortgage, or investments.

Industry: Any for-profit entity or representative of such entity that develops, produces, markets, sells, or distributes any goods, services, or equipment for use by the university or participates in a contractual relationship with the university.

Outside activities: Work or other activity with non-university entities or individuals that is not part of one's university responsibilities. This may include work or other activity with governmental agencies, industry, or other educational institutions.

Outside board: A board, council, or other governing or advisory body of a business, civic, professional, social, or religious organization, whether for-profit or non-profit.

Substantial interest in a business entity: For purposes of this policy, (1) a controlling interest; (2) ownership of more than 1% percent of the voting interest; (3) ownership of more than \$5,000 of the fair market value; (4) a direct or indirect participating interest by shares, stock, or otherwise, regardless of whether voting rights are included, in more than 1% percent of the profits, proceeds, or capital gains; or (5) service as an officer. It does not include investments in mutual funds or retirement accounts, so long as the individual does not directly control the investment decisions made in those vehicles.

III. PROCEDURE

A. Disclosure of Financial Interests

The following employees are required to submit annual financial disclosures:

1. Executive officers of the university;
2. Employees who are authorized to execute contracts on behalf of the university or who because of their job duties at the university have authority to exercise discretion with regard to the award of contracts or other financial transactions;
3. Employees involved in procurement (\$15,000 or more);
4. Employees involved in contract management;
5. Faculty and administrative and professional (A&P) employees (HOOP 150, Administrative and Professional and Classified Job Appointments);
6. University employees, regardless of job title or status, who participate in research as Principal Investigators, Co-Investigators, or other roles and have been designated on any research project as a "Covered Individual," i.e., responsible for the design, conduct, or reporting of research as defined in HOOP Policy 94, Research Conflicts of Interest.

The President is required by state law to file Personal Financial Statements with the Texas Ethics Commission. In lieu of filing the information listed above, the President shall file a duplicate copy of his or her Personal Financial Statement with the Office of the Chancellor of U.T. System Administration at the time that it is filed with the Ethics Commission. If the President seeks an extension of the time to file a Personal Financial Statement with the Texas Ethics Commission, the President must also notify the Chancellor's Office of the extension.

The following outside activities and financial interests shall be disclosed:

1. All outside employment or other compensated activities, including compensation earned;
2. Any outside (on-site or distance) teaching that is related to the same discipline as the employee's area of university teaching;
3. All service on outside boards, regardless of compensation;
4. Substantial interests in outside entities with which the employee has the potential to interact in his or her university responsibilities or which otherwise reasonably appear to create a conflict. Executive officers, employees involved in procurement in excess of \$15,000, and employees involved in contract management shall disclose all substantial interests in business entities;
5. Income from intellectual property rights held and any agreements to share in royalties related to those rights, if income is received from any entity other than the university;
6. All gifts that exceed \$250 in value to the employee or his/her family member. Do not include gifts received from: one's parent, child, sibling, grandparent, or grandchild; one's spouse or the spouse of anyone mentioned above; or the parent, child, sibling, grandparent, or grandchild of one's spouse;
7. Outside activities and financial interests of family members if they could reasonably appear to affect decisions or actions related to the employee's university responsibilities. Executive officers, employees involved in procurement transactions of \$15,000 or more, and employees involved in contract management must report all of the above categories of outside activities and financial interests for family members as well.
8. Any other activity, regardless of compensation, that would reasonably appear to create a conflict of interest or a conflict of commitment.

A financial disclosure statement must be submitted online on the form (Online Financial Disclosure Statement Form) maintained by the Office of Executive Vice President & Chief Academic Officer ("EVP/CAO") on behalf of the Institutional Conflict of Interest Committee (ICOIC). The financial disclosure statement should be submitted not later than the 30th day

after initial university employment. Following this initial report, a financial disclosure should be submitted annually not later than March 31, and within 30 days after acquiring a new financial interest that requires disclosure.

B. Prior Approval of Outside Activities

1. Activities that require prior approval

All employees must obtain prior approval before engaging in outside activities, except as listed below, and obtain re-approval on an annual basis in the online system maintained by Office of the EVP/CAO ([Outside Activities Request Form](#)).

Activities that require prior approval include all outside employment or other compensated activities; service on certain outside boards, regardless of whether compensation is received (except as noted in Section III.B.2); and any uncompensated activity that would reasonably appear to create a conflict of interest or conflict of commitment.

2. Activities that do not require prior approval

Certain outside faculty activities do not require prior approval as they clearly contribute to the mission of the university and/or provide important elements of employee development related to their university responsibilities. However, some activities may be subject to a limit of 30 working days per fiscal year. Refer to the [Decision Matrix for Faculty Activities](#).

In addition, participation in outside activities unrelated to the role and scope of an employee's position that are performed on his/her own time do not require approval. Examples of such activities are participation in religious organizations; neighborhood associations; student-parent organizations; political organizations; youth sports; and other outside boards on which the service is primarily personal rather than professional in nature and does not require time away from university responsibilities or does not create a real or perceived conflict of interest. Service on the board of a religious or other organization that provides services similar to those of the university, such as a religious hospital or another academic institution, must be disclosed and requires prior approval. If in doubt about whether an outside activity requires prior approval, employees should contact the Conflicts of Interest Office at research_coi@uth.tmc.edu.

3. Approval process for outside activities

Prior approval is granted by the employee's dean/administrative equivalent or designee using the process and format specified in [guidelines](#) provided by the Office of the EVP/CAO.

The employee's supervisor or approving authority has the responsibility to limit an employee's outside activities or rescind approval if the activities are deemed to constitute a conflict of commitment or conflict of interest that the ICOIC determines cannot be managed with an appropriate Management Plan ("Plan"). In rare instances, approval may be granted retrospectively when an employee is called upon to assist in an emergency or urgent situation where it would be impossible or unreasonable to obtain advance approval. In such cases, the activity must be fully disclosed and approval sought from the appropriate authority as soon as reasonably possible. In this situation, the employee should notify his/her supervisor or other anticipated approving authority as soon as possible if the situation will cause him/her to miss any assigned responsibilities.

If an individual wishes to engage in an activity that involves confidential information (i.e., classified government work or other information made confidential by law), the approving authority may approve the disclosed activity without requiring provision of confidential information if he/she determines there is a compelling reason to treat certain information confidentially.

Employees whose request for approval of an outside activity is denied, or who disagree with the terms and conditions of a related Plan, may request in writing that the decision-making authority reconsider the decision. The decision-making authority must provide a written summary of his or her review to the employee. If the employee remains unsatisfied with the decision, he or she may access the applicable university grievance procedures ([HOOP 127 Faculty Grievances](#), [HOOP 146 Employee Grievances](#)).

C. Institutional Conflicts of Interest Committee

The Office of the EVP/CAO shall maintain an Institutional Conflicts of Interest Committee (ICOIC) established by the Executive Compliance Committee (ECC). The ICOIC shall be appointed and charged and shall operate according to [bylaws](#) created by the ECC.

1. Role of the ICOIC

The purpose of the ICOIC is to provide advice, guidance and recommendations to the President, the Chief Compliance Officer (CCO), the ECC, the EVP/CAO, the Chief Operating/Chief Financial Officer (COO/CFO), and The University of Texas System Executive Vice Chancellor for Health Affairs (EVC) regarding real, perceived, and potential conflicts of interest of the University and its employees. Specific responsibilities of the ICOIC include the following:

1. Establishing mechanisms to identify real, perceived, and potential conflicts of interest due to a university employee's individual financial interests that pose risks of undue influence on the University's decisions, functions, and actions or those of its employees, related to its mission; and
2. Providing additional information, guidance, and recommendations to the President, CCO, ECC, EVP/CAO, COO/CFO, and EVC upon request.

2. ICOIC Review Process

The ICOIC will identify real, perceived, or potential conflicts of interest of individuals based upon review of the required financial disclosures, approved outside activities and any associated financial relationships, and any other disclosures or reports required by this policy. Based upon its review of these materials, the ICOIC will recommend elimination or management of the conflict. If management is recommended, the ICOIC will develop a Plan after consultation with the individual. Plans must be initially approved by the EVP/CAO and COO/CFO.

In certain circumstances, an authorizing authority may determine that an outside activity may pose a conflict of interest. In this situation, the authorizing authority should directly refer the request for approval of the activity and any other relevant information to the ICOIC for their consideration. In such cases, the covered employee may not engage in the outside activity until his/her participation is approved by the authorizing authority and a Plan is approved by the EVP/CAO and COO/CFO.

D. Standards of Conduct Related to Outside Activities

1. University Time and Resources

In general, outside activities must be performed on the employee's own time, except as otherwise noted in this policy. If the service occurs during normal office hours, the employee must use vacation time, compensatory time, or other appropriate leave while providing the service. The service should be without cost to the university, may not use University resources or facilities (except for occasional incidental use) and must be disclosed and approved prior to engaging in such service.

2. Multiple Employments with the State

If an employee has outside employment with another Texas state agency or institution of higher education, the employee and his/her supervisor must follow the procedures outlined in HOOP Policy 21 Dual Employment with Texas State Agencies.

3. Elective Office and Political Activity

Employees who wish to engage in political activity, including advocacy or lobbying, that will interfere with the performance of their duties and responsibilities should voluntarily terminate employment. Being a candidate for an elective office, holding an elective public office, or directing the political campaign of a candidate for an elective public office are examples of political activities which may interfere with the performance of an employee's duties. If the President determines that the employee's political activities interfere with the performance of his/her duties and responsibilities or determines that the employee's political activities do not comply with the requirements of this policy, the employee may be subject to appropriate disciplinary action, up to and including termination. (HOOP 38, Political Activity; HOOP 145, Policy on Communication with Government Officials).

4. University Name and Resources

Employees who perform work in a private capacity must ensure that the name of UT System and the university are not in any way connected with the employer's name, or imply in any way that the university or UT System is involved in the business or activities of the outside employer. For instance, employees may not use university stationery, give any university location as a business address in connection with outside work, or use a university email address or IT resources for outside employment, except as permitted for occasional use (HOOP 180, Acceptable Use of University Information Resources).

5. University Property

Additionally, employees may not accept personal compensation from private persons or corporations for tests, assays, chemical analyses, bacteriological examinations or other such work of a routine nature that involves using property owned by the university, UT System, or any other UT System institution unless advance permission is obtained from the President and provision has been made for compensation to the university, UT System, or to the appropriate UT System component institution.

6. Use of Professional Opinions for Advertising

Employees who give professional opinions must protect the university and UT System against the use of such opinions for advertising purposes. It must be clear in all cases that any opinion related to an employee's private employment is a personal opinion unrelated to the university or UT System. If the employee does work in a private capacity, the employee must make it clear to those who employ him/ her that the work is unofficial and that the name of the university and UT System may not in any way be connected with the employee's name, except when used to identify the employee as the author of work related to the employee's academic or research area or as an indicator of the employee's professional credentials (HOOP 5 Communications with Media).

E. Clinician Activities and Relationships with Industry

Clinicians may have with interactions with industry that occur as part of the duties and responsibilities assigned to their positions or during the course of training programs. Clinicians should ensure the integrity of clinical decision making is not compromised by financial or other personal relationships with industry. Clinicians and other employees with responsibilities related to the review or purchase of goods or services for use by the university or other contractual relationships with industry may not have any financial interest in any company that might benefit from the institutional decision.

Guidance is provided in the Conflict of Interest and Outside Activities Decision Matrix for Clinician Relationships with Industry. Some interactions with industry may be prohibited to avoid the appearance of conflicts of interest. A summary of prohibited activities is provided below. If a particular activity is not listed, it is expected that clinicians will act appropriately to avoid real and potential conflicts and will seek guidance from their department chair, dean, or the Office of the EVP/CAO.

- Clinicians may not accept gifts or promotional items from industry; nor can any other employee accept such items on behalf of a clinician. See Decision Matrix for Clinician Relationship with Industry for guidance about promotional items of minimal value offered to clinicians at off-campus conferences.
- Industry may not directly provide meals or food/beverage items for any on-campus event that is related to clinical activities or medical education. See Decision Matrix for Clinician Relationship with Industry for industry sponsorship through unrestricted grants to the university. Industry may not directly provide meals or food/beverage items for clinics, clinicians' offices, or other areas related to patient care activities. However, industry may provide refreshments during scheduled appointments to orient clinicians to a specific product or device, as determined by each department's policy.
- Industry may not give free drug, device, or product samples to individual clinicians; nor can any other employee accept such items on behalf of a clinician. Samples that have been appropriately received by the university, as determined by each department's policy, may be distributed only to patients.
- Industry representatives are not allowed in patient care areas when patient care activities are occurring, except as required to orient personnel to a specific product or device. Industry promotional materials and product-specific advertisements may not be left in patient care areas. In addition, industry representatives may not interact directly with trainees solely for the purpose of promoting professional products or for distributing materials.
- Clinicians may not receive compensation for passive activities such as attending a conference or listening to a sales presentation.
- Participation in "ghost-writing" (written material that is officially credited to someone other than the writer of the material) is prohibited.

F. Disclosure and Listing of Outside Activities

Disclosure of outside activity, documentation of requests for approval, and subsequent approvals shall be maintained in electronic databases. All employees will have access to these databases to submit their financial disclosures, to submit information regarding their requests for approval of outside activities, and to view the material they have submitted to the databases.

Either the financial disclosure database and/or the outside activities request system database will include the following elements:

1. A description of all outside employment and compensated activity, including board service;
2. All outside activity, regardless of compensation, that may represent a real, potential, or perceived conflict of interest or conflict of commitment;
3. The total amount/value of compensation anticipated for an outside activity in the next 12 months (prior approval of outside activities system);
4. The total amount/value received for any compensated activity in the past 12 months (financial disclosures system);
5. A description, including the amount of compensation or interest of any substantial interest in a business entity;
6. A description of gifts valued greater than \$250 to the individual or his or her immediate family members, where the gift is not from one's spouse, parent, child, sibling, grandparent, or grandchild; or from the spouse of a parent, child, sibling, grandparent, or grandchild; or from the parent, child, sibling, grandparent, or grandchild of one's spouse (financial disclosures system).

Such information will be reported at least bi-annually to UT System for executive officers, employees involved in procurement transactions of \$15,000 and employees involved in contract management.

G. Non-Compliance

Failure to comply with any portion of this policy, applicable federal regulations, state laws, rules and regulations of The University of Texas Board of Regents, UT System policies, university policies, and/or the terms of an approved Plan may result in the total withdrawal of, or limitations to, the university's approval of the employee's outside activities. Further, such failure may result in disciplinary action, up to and including termination of employment. Civil and criminal penalties may also apply under certain circumstances.

Employees should report any suspected noncompliance to their immediate supervisors or to the Office of the EVP/CAO.

Employees may also anonymously report suspected violations through the toll-free Compliance Hotline at 1-888-472-9868. In accordance with HOOP Policy 108 Protection from Retaliation, retaliation for a good-faith report of suspected violations will not be tolerated. Detailed information on reporting possible violations may be found in the university's Standards of Conduct Guide.

H. Training

All employees are required to undergo mandatory compliance training which includes training on conflicts of interest. For further explanation and guidance regarding this policy, refer to the Conflicts of Interest Guidelines or to the Standards of Conduct Guide or contact the Office of the EVP/CAO.

IV. CONTACTS

Contact	Telephone	Email/Web Address
Office of the Executive Vice President & Chief Academic Officer - Conflicts of Interest Office	713-500-3214	research_coi@uth.tmc.edu https://inside.uth.edu/evpara/coi/index.htm