UNIVERSITY OF HOUSTON SYSTEM

BOARD OF REGENTS

AUDIT & COMPLIANCE COMMITTEE

ETHICS AND CONFLICT OF INTEREST POLICIES OF BOARD OF REGENTS AND EACH OF THE UNIVERSITIES

November 16, 2011

Internal Audit 10/27/11

11/16/11
AUDIT – J-71

UNIVERSITY OF HOUSTON SYSTEM
ETHICS AND CONFLICTS OF INTEREST POLICIES
As of November 16, 2011
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The Board of Regents Audit Committee Charter and Checklist, item number 23, requires the Audit Committee to conduct an annual review of the ethics and conflict of interest policies of the Board and each of the universities. The following policies are attached for this review, noting in parenthesis the date of last update:

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In addition to their own policies, all institutions also refer to the Texas Ethics Commission "Guide to Ethics Laws for State Officers and Employees."

Internal Audit 10/27/11

57.01 Code of Ethics [http://www.uhsa.uh.edu/regents/policy/af.html#personnel]

57.01.1 All members of the board and all employees of the system and its component institutions shall adhere to the highest ethical standards of conduct reflected in state law and board policies.

57.01.2 The system code of ethics is comprised of the following components:

A. Statutory Standards of Conduct for State Employees, Section 572.051, Texas Government Code;

B. the following board policies:

a) Academic Freedom (21.03)
b) Sexual Harassment (29.02)
c) Governmental Appearances (81.01)
d) Consulting and Paid Professional Service (57.02)
e) Dual Office Holding(57.04)
f) Nepotism (57.07)
g) Conflicts of Interest (57.08)

57.01.3 All members of the board and employees of the system and its component institutions shall be furnished a copy of the laws and policies comprising the code of ethics at the time of employment or commencement of service and at the start of each academic year. *(05/17/07)*

57.01.4 All members of the board shall annually sign conflict of interest certification statements affirming their compliance with their official oath and specific provisions of Texas statutes related to ethical behavior. *(12/16/08)*

Related Statutes, Policies, or Requirements

Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

UH System Board of Regents Policy 57.01 – *Code of Ethics*

System Administrative Memoranda (SAM)
02.A.09 – *Conflict of Interest*
02.A.29 – *Ethical Conduct of Employees*
03.A.17 – *Disclosure of Related Party Interests*

57.08 Conflicts of Interest [http://www.uhsa.uh.edu/regents/policy/af.html#personnel]

All members of the board and employees of the system and its component institutions shall adhere to and be furnished a copy of the Statutory Standards of Conduct for State Employees, Section 572.051, Texas Government Code, and shall avoid conflicts of interest, generally described as the use of one's university employment or position to obtain unauthorized privileges, benefits, or things of value for oneself or others, including the following:

57.08.1 No board member or employee shall solicit, engage, or agree to accept any privilege, benefit or thing of value for the exercise of his or her discretion, influence, or powers as an employee or regent, except as is allowed by law.

57.08.2 No board member or employee shall accept any privilege, benefit, or thing of value that might influence him or her in the discharge of his or her duties as an employee or regent.

57.08.3 No board member or employee shall use his or her position to secure special privileges or exemptions for himself or herself or others, except as is allowed by law.

57.08.4 No board member or employee may be an officer, agent, employee, or member of, or own an interest in a professional activity that foreseeably might require or induce him or her to disclose confidential information acquired by reason of his or her system position.

57.08.5 No board member or employee shall accept employment or engage in any business or professional activity that foreseeably might require or induce him or her to disclose confidential information acquired by reason of his or her system position.

57.08.6 No board member or employee shall disclose confidential information gained by reason of his or her system position, nor shall he or she otherwise use such information for his or her personal gain or benefit.

57.08.7 No board member or employee shall transact any business for the system with any entity of which he or she is an officer, agent, employee, or member, or in which he or she owns a significant interest.

57.08.8 No board member or employee shall make personal investments in any enterprise that foreseeably might create a substantial conflict between his or her private interests and the system's interests.

57.08.9 No board member or employee shall accept other employment that might impair his or her independence of judgment in the performance of his or her system duties.

57.08.10 No board member or employee shall receive any compensation for his or her services to the system from any source other than the State of Texas except as is allowed by law.

57.08.11 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.

Failure of any employee to comply with the foregoing shall constitute grounds for discharge or other disciplinary action. *(5/17/07)*

Related Statutes, Policies, or Requirements

Texas Government Code § 572.051 – *Standards of Conduct; State Agency Ethics Policy*

UH System Board of Regents Policy 57.08 – *Conflicts of Interest*

System Administrative Memoranda (SAM)
02.A.09 – *Conflict of Interest*
02.A.29 – *Ethical Conduct of Employees*

UNIVERSITY OF HOUSTON SYSTEM BOARD OF REGENTS
CONFLICT OF INTEREST CERTIFICATION
FY2010 - 2011

By signing below, I certify that I will abide by the following conditions during my term as a member of the Board of Regents of the University of Houston System:

- I do solemnly swear that I will faithfully execute the duties of the Board of Regents of the University of Houston System, and will to the best of my ability preserve, protect, and defend the Constitution and laws of the United States and of this State, so help me God. *See* Texas Constitution Art. 16, § 1.

- I do solemnly swear that I have not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or thing of value, or promised any public office or employment as a reward to secure my appointment or confirmation, whichever the case may be, so help me God. *See* Texas Constitution Art. 16, § 1.

- I will file a verified financial statement with the Texas Ethics Commission in accordance with Texas Government Code §§ 572.022 through 572.0252. *See* Texas Government Code § 572.021.

- If I have a personal or private interest in a measure, proposal, or decision pending before the board, I shall publicly disclose the fact to the board in a meeting called and held in compliance with Texas Government Code Chapter 551. I acknowledge that I may not vote or otherwise participate in such a decision pending before the board and further understand that my public disclosure shall be entered in the minutes of the meeting. *See* Texas Government Code § 572.058(a).

- **I shall not**:

    - Accept or solicit any gift, favor, or service that might reasonably tend to influence me in the discharge of my official duties or that I know or should know is being offered with the intent to influence my official conduct. *See* Texas Government Code 572.051(a)(1).

    - Accept other employment or engage in a business or professional activity that I might reasonably expect would require or induce me to disclose confidential information acquired by reason of my position. *See* Texas Government Code 572.051(a)(2).

    - Accept other employment or compensation that could reasonably be expected to impair my independence of judgment in the performance of my official duties. *See* Texas Government Code 572.051(a)(3).

    - Make personal investments that could reasonably be expected to create a substantial conflict between my private interest and the public interest. *See* Texas Government Code 572.051(a)(4).

    - Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised my official powers or performed my official duties in favor of another. *See* Texas Government Code 572.051(a)(5).

    - With the intent to obtain a benefit or with intent to harm or defraud another, intentionally or knowingly misuse government property, services, personnel, or any other thing of value belonging to the government that has come into my custody or possession by virtue of my office or employment. *See* Texas Penal Code § 39.02(a)(2).

_____/_____
Signature Date

_____
Printed Name

02.A.09 Conflict of Interest [http://www.uhsa.uh.edu/sam/2HumanResources/2A9.htm]

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Human Resources NUMBER: 02.A.09
AREA: General
SUBJECT: Conflict of Interest

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1. PURPOSE

Although the University of Houston System depends upon the integrity and discretion of its staff with respect to actual or apparent conflict of interest, all University of Houston System employees are subject to the prohibitions of state law and applicable federal guidelines. This administrative memorandum presents guidelines to avoid conflicts of interest in accordance with Board of Regents Policy 57.08.

2. POLICY

2.1. Conflict of interest is the use of one's University of Houston System employment to obtain unauthorized privileges, benefits, or things of value for oneself or others.

2.2. Guidelines to avoid conflict of interest include the following:
a. No employee shall solicit, accept, or agree to accept any privilege, benefit or thing of value for the exercise of his or her discretion, influence or powers as an employee except as allowed by law.
b. No employee shall accept any privilege, benefit or thing of value that might influence him or her in the discharge of his or her duties as an employee.
c. No employee shall use his or her position to secure special privileges or exemptions for himself or herself or others, except as is allowed by law.
d. Any employee who is an officer, agent, employee or member of, or owns a significant interest in any entity doing business with any component university of the University of Houston System must disclose such relationship in writing to his or her immediate superior.
e. No employee shall accept employment or engage in any business or professional activity which foreseeably might require or induce him or her to disclose confidential information acquired by reason of his University of Houston System position.
f. No employee shall disclose confidential information gained by reason of his or her component university position nor shall he or she otherwise use such information for his or her personal gain or benefit.
g. No employee shall transact any business for the University of Houston System with any entity of which he or she is an officer, agent, employee, or member, or in which he or she owns a significant interest.

h. No employee shall make personal investments in any enterprise which foreseeably might create a substantial conflict between his or her private interests and the University of Houston System's interests.
i. No employee shall accept other employment which might impair his or her independence or judgment in the performance of his or her University of Houston System duties.
j. No employee shall receive any compensation for his or her services from any source other than the State of Texas except as allowed by law.
k. No 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.

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

3. REVIEW AND RESPONSIBILITIES

Responsible Parties: Associate Vice Chancellor for Finance

Review: Every five years, on or before August 31

4. APPROVAL

Approved:
Jim McShan
Interim Vice Chancellor for Administration and Finance
Renu Khator
Chancellor
Date: April 7, 2008

5. INDEXING TERMS
Conflict of interest

02.A.29 Ethical Conduct of Employees
http://www.uhsa.uh.edu/sam/2HumanResources/2A29.pdf

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Human Resources NUMBER: 02.A.29
AREA: General
SUBJECT: Ethical Conduct of Employees

1. PURPOSE

1.1. New federal and state laws and regulations, together with growing scrutiny of the complex relationships between public institutions and outside public and private organizations and individuals, necessitate the clarification of standards of accountability for public servants. Requirements for ethical behavior are especially important in public institutions of higher education; component university employees are accountable to taxpayers for the use of public funds and also have the responsibility to lead and educate component university students by example.

1.2. University of Houston System employees have a responsibility to the public in the performance of their official duties. High institutional and personal standards of conduct must be maintained to fulfill that responsibility. These standards must include avoiding any actions that would create the appearance of violation of laws or ethical principles. This document sets forth a code of accountability for component university employees in the performance of their component university responsibilities; it identifies areas of particular legal and ethical concern and specifies requirements for compliance with state laws, federal guidelines, Board of Regents policies, standards of ethics, and good business practices.

2. POLICY

2.1. Employees of the System shall avoid using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. Component university employees shall exercise the utmost good faith in all transactions, activities, and behaviors related to their duties to the System and its property and resources. The principles of good faith and honest dealing apply to all aspects of the employee's responsibilities and activities on the part of the component university, not just those identified in this directive as subject to particular statutes or causes for particular concern.

2.2. Prior to entering into any consulting, investment, professional or other arrangement that may involve a conflict of interest or commitment, a faculty or exempt employee must submit to the college or department head a complete written disclosure of the pending relationship and any potential conflicts that it may involve. The subsequent arrangements will then be subject to the approval of the appropriate dean, associate vice president, associate vice chancellor, or designee. This provision applies to all regular faculty and exempt staff and to non-exempt staff with procurement or research responsibilities.

2.3. On an annual basis, all non-University business activities and arrangements shall be reported to the Chancellor through the Executive Vice Chancellor of Administration and Finance.

2.4. Component university employees shall promptly disclose to their supervisor or department head any substantiated information regarding what they believe to constitute a violation of this document or any law or institutional policy.

2.5. Failure to comply with the principles outlined in this document shall be considered a breach of the public trust and may subject the employee to disciplinary action up to and including dismissal, as well as to the possibility of criminal action.

3. DEFINITIONS

3.1. Benefit: Anything an independent third party observer might reasonably regard to provide a monetary gain or advantage. For the purposes of this policy, a benefit would include, but is not limited to, monetary gifts, meals, employment, or other items of significant gain or advantage. When the appropriateness of a benefit is in question, it should not be accepted.

3.2. Conflict of commitment: A situation in which an employee's outside activities interfere with the employee's primary commitment of time and intellectual energies to the University, or in which a full-time employee's primary professional loyalty is not to the System. The general permitted limit to external commitments is one day per calendar week, never to conflict with the employee's scheduled classes or other duties and responsibilities.

3.3. Conflict of interest: A situation in which there is a divergence between the employee's private interests and the employee's professional obligations to the component 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 component university's detriment.

3.4. Honoraria: A payment for speech, lecture, or services on which, by custom or agreement, a specific price may not be set. For the purposes of this policy, 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.

3.5. Immediate Family: Includes spouse and dependent children. Children, for the purposes of this policy, include adopted, step and foster children, as well as natural sons and daughters.

3.6. Relatives: Individual laws prescribe the relationships covered in specific provisions.

3.7. System Employee: An employee of the System is an individual who performs services that are subject to the will and control of the component university in terms of what must be done and how it must be done within legal parameters. For purposes of this document, the term "employee" refers to any individual serving in a faculty, research or staff capacity subject to the terms and conditions described above. An employee is paid through the payroll system, with accompanying tax withholding as provided by law.

4. PROVISIONS

4.1. Acceptance of gifts or other benefits: An employee of the System (or member of the employee's immediate family) may not solicit or accept any gift, favor, privilege, benefit, service, exemption or thing of value that might influence the employee to perform his or her job differently. An employee should assume that anyone having business with the component university as a client, contractor, or vendor is likely to be seen as attempting to curry favor if that person provides any gift or benefit to the employee. More detailed directives related to conflict of interest may be found in Board Policy 57.08 and SAM 02.A.09 - Conflict of Interest.

The only gifts and benefits not subject to this restriction are those conferred on account of kinship or a personal or professional relationship independent of employee's status, non-cash items of less than $50.00 in value, and those used solely to defray expenses accrued in the performance of official duties that are not reimbursable by the component university.

4.2. Bribery: A component university employee commits the criminal offense of bribery if the employee solicits, offers or accepts any benefit in exchange for a decision, opinion, Recommendation, vote or other exercise of discretion by the employee.

4.3. Business, investments, and professional activity: An employee or the employee's immediate family shall not make personal investments in any enterprise that foreseeably might create a significant conflict between the employee's private interests and the University's interests. An employee shall not transact any business for the University with any entity of which he or she is an owner, officer, agent, employee or member or in which the employee or the employee's immediate family owns any significant interest or accrues any benefit.

4.4. Charitable or professional organizations/pro bono work: Any contribution of time without compensation to charitable or professional organizations or causes that may infringe upon the employee's regular work hours must be disclosed to the employee's department head and must not interfere with the individual's University responsibilities.

4.5. Disclosure of confidential information: No component university employee shall disclose confidential information gained by reason of his or her position, nor shall the employee otherwise use such information for personal gain or benefit. Similarly, no employee shall accept other employment or engage in any business or professional activity that foreseeably might require or induce the employee to disclose confidential information acquired through his or her position.

4.6. Dual employment: A System employee may hold another non-elective state or federal office or position of honor, trust, or profit only after being granted prior approval. The Board delegates to the Chancellor or designee the authority to approve such dual office holding by any System employee who is not an officer of the System or its component universities. Officers of the System are defined as executive management employees serving in the following positions: Chancellor, vice chancellor, General Counsel, president, vice president, dean (academic), Chief Audit Executive, and their equivalents

(e.g., an administrative head of a recognized department reporting directly to the Chancellor or component university president). Such approval must be based on formal findings that the dual office holding is of benefit to the state or is required by state or federal law and that the situation creates no conflict of interest or commitment.

4.7. Governmental appearances or expert witness service: Component university employees appearing before Congress or the Texas Legislature or their agencies, committees, or members to offer testimony, opinions or commentary in regard to existing or potential laws, rules or regulations, unless expressly authorized to do so by the Board or the Chancellor, must clearly state in advance that they are appearing in their individual capacities and that their testimony, opinions and commentary are not authorized by and must not be construed as reflecting upon the position of the System.

Appearances as an expert witness by any employee of the System shall be subject to the provisions of SAM 02.D.07 - Expert Witness Services.

4.8. Honoraria: By state law, a component university employee may not solicit, agree to accept, or accept an honorarium in consideration for services the employee would not have been asked to provide but for his or her official position; i.e. for providing services on behalf of the component university. This prohibition includes a payment made to a third party if made in exchange of the employee's services. This restriction applies to any fee for any service provided in the employee's official capacity, but does not apply to food, transportation and lodging in connection with the service provided.

4.9. Lobbying by state employees, political campaigns, holding public office, and other political activities: The General Appropriations Act prohibits the use of state funds to influence the outcome of any election or any legislative measure. Likewise, this act restricts the use of any component university funds to hire lobbyists and provides restrictions against offering gifts to legislators and accepting gifts from legislators. Similarly, federal restrictions prohibit the use of federal funds to influence federal legislation. The Vice Chancellor for Governmental Relations shall be responsible for the general coordination of System governmental activities.

No component university employee may use his or her authority, influence, or time during University work hours to affect the result of any election or political campaign or to achieve any other political purpose. Likewise, University funds, equipment, or other resources may not be used to work on a political campaign. Component university employees may run for local elective office and serve as elected public officials so long as campaign activities are not conducted during official component university hours and so long as the office does not involve a political party primary or a party affiliation. The employee must provide prior notification to his or her supervisor of the candidacy and election to office.

4.10. Nepotism: Relatives of component university employees may not be employed in positions where the employee has the official authority to hire or recommend or approve the hiring, salary, or promotion of the relative, even if it results from marriage after the

employment relationship was formed. The requirements of nepotism statutes may be found in Board Policy 57.07 and SAM 02.A.21 - Nepotism.

4.11. Outside consulting or other employment: The System expects employees to accord a full professional commitment to the component university during the terms of their appointments. Interaction between employees and external entities for reasonable periods of time and for personal remuneration may be desirable when the relationship benefits the University, enhances the professional skills of the employee, or constitutes a public service.

However, no employee shall accept consulting or external employment that might impair his or her independence of judgment in performance of University duties, nor shall an employee receive any compensation from any source other than the State of Texas except as allowed by law. All consulting and other paid professional service shall comply with Board Policy 57.02 and SAM 02.A.08 - Consulting and Outside Employment.

In accordance with Board Policy 57.05, any outside employment of the Chancellor, other executive officers of the System Administration, or the president or vice presidents of any component university, including serving on the Board of Directors or governing board of any outside organization, shall be approved in advance by the Board.

4.12. Reporting of time and effort; maintenance of all records: It is a violation of law to falsify or alter the reporting of time worked, salary records, or any way revise component university documents or records so as to provide an unearned benefit to the employee or another party.

4.13. Transfer of research results, materials, products, records: Board Policy 21.08 requires that component university faculty and staff disclose on a timely basis the creation or discovery of all potentially patentable inventions created with University resources. Ownership of these inventions must be assigned to the component university regardless of source of funding.

Component universities must have policies and procedures in place to ensure compliance with all applicable federal guidelines related to funded research, intellectual property, and related conflict of interest regulations.

4.14. Travel: Travel undertaken on official System business may be paid or reimbursed from University funds when arrangements comply with applicable SAMs 01.C.05 - Executive Travel, 03.A.03 - Business Travel, and 03.A.04 - University Credit Cards.

4.15. Use of component university equipment, facilities, support staff, and other resources: As a state employee, under statute, an employee is required to use component university property for component university purposes only, not for personal or private purposes. In situations where there is no direct cost to the component university, such as use of telephones to make occasional local calls, such use is not considered a misapplication of state property and may be permitted within reason.

Use of component university facilities, space, equipment or support staff for any activity other than the conduct of the employee's job responsibilities is permitted only if an appropriate and equitable financial arrangement has been concluded between the individual and the institution prior to the beginning of the outside activity. Please review SAMs 01.B.06 – Facilities Reservation and Rentals and 03.A.05 – Contract Administration for additional guidance.

4.16. Use of System and component university names: The name of the University of Houston System or its component universities may in no case be used for advertising or procurement purposes by any individual or external organization for non-University purposes. Likewise, employees may not represent themselves as acting in the capacity of System or component university employees when conducting consulting or personal activities. The System as well as the component universities bear no responsibility for any actual or implied obligations or liabilities incurred by an individual resulting from a consulting or other paid professional agreement or activity.

5. COMPLIANCE

5.1. In compliance with Board Policy 57.01, each component university is required to provide a copy of the laws and policies comprising the code of ethics to employees annually and to each new employee at the start of their employment. To acknowledge receipt and understanding of these laws and policies, all employees must annually complete Code of Ethics training.

Each component shall establish procedures related to the ethical conduct of employees that shall include the following compliance actions:

a. Annual certification by regular faculty, exempt staff, and other key staff involved in procurement or funded research activities to include the following:

- receipt of this document and compliance with its provisions,
- disclosure of any external consulting, employment, and professional activities – including service on governing boards and ownership in outside enterprises - providing the names of the external employers/organizations involved,
- disclosure of any actual or potential conflicts of interest related to external employment, acceptance of benefits, or external investments, and
- any additional information that may be required by federal funding agencies.

b. A procedure for the timely prior review and approval or disapproval of written disclosures of pending relationships by component university employees entering into any consulting, investment, professional, or other arrangement that may potentially involve a conflict of interest or commitment. Such procedures shall require approval

at the vice presidential or vice chancellor level of all such activities and annual reporting to the Chancellor.

5.2. In addition to these System-wide certifications, the Chancellor and presidents are required to submit an annual financial statement with the Texas Ethics Commission using the forms provided by the commission. Vice presidents, those at the director level or higher positions over procurement and contracting functions, and those others considered by the component to have high-level procurement responsibilities shall file with the chief financial officer of each component university a report disclosing the following information:

a. The amount of any compensation received for services related to these associations; and

b. Known information regarding whether any of the organizations cited have any relationship to the System and a description of the relationship.

5.3. Information received during the annual certification shall be compiled and submitted to the Chancellor through the Office of the Executive Vice Chancellor for Administration and Finance prior to the Chancellor's annual report to the Board.

6. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice Chancellor for Finance

Review: Every five years, on or before March 1

7. APPROVAL

Approved: Carl P. Carlucci
Executive Vice Chancellor for Administration and Finance
Renu Khator
Chancellor

Date: June 9, 2009

EXHIBIT A

Citations and References

General

System Board of Regents Policies:
21.08 Intellectual Property
57.02 Consulting and Paid Professional Service

57.04 Dual Employment
57.07 Nepotism
57.08 Conflicts of Interest
81.01 Governmental Appearances

System Administrative Memoranda:
01.C.05 Executive Travel
02.A.08 Consulting and Outside Employment
02.A.09 Conflict of Interest
02.A.21 Nepotism
02.D.07 Expert Witness Services
03.A.03 Business Travel
03.A.04 University Credit Cards

Texas Revised Civil Statutes:
Article 6252-9b-Standards of Conduct
Government Code Chapter 554 - Whistleblower Act

By Provision:

4.1. Acceptance of gifts or other benefits:
03.F.01 Gift Acceptance Policies

4.2. Bribery:
01.C.04 Reporting/Investigating Fraudulent Acts

4.3. Business, investments, and professional activity:
02.A.09 Conflict of Interest
03.A.17 Disclosure of Related Party Interests

4.4. Charitable or professional organizations/pro bono work:
03.A.17 Disclosure of Related Party Interests

4.5. Disclosure of confidential information:
01.D.06 Protection of Confidential Information
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4.6. Dual employment:
02.B.02 Overtime and Compensatory Time

4.7. Governmental appearances or expert witness service:
09.A.01 Governmental Relations Communications and Appearances

4.8. Honoraria:
02.A.08 Consulting and Outside Employment

4.9. Lobbying by state employees, political campaigns, holding public office, and other political activities:

02.A.39 Political Aid and Legislative Influence

4.10. Nepotism:
02.A.21 Nepotism

4.11. Outside consulting or other employment:
02.A.08 Consulting and Outside Employment

4.12. Reporting of time and effort and maintenance of other records:
03.D.03 Employee Time and Effort Reporting

4.13. Transfer of research results, materials, products, records:

4.14. Travel:
01.C.05 Executive Travel
03.A.03 Business Travel
03.A.04 University Credit Cards

4.15. Use of University equipment, facilities, support staff, and other resources:
01.B.06 Facilities Reservation and Rental

4.16. Use of University name:

02.04.07 Ethical Conduct of University Employees
[http://www.uh.edu/mapp/02/02/020407.htm]

UNIVERSITY of HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Human Resources Number: 02.04.07
AREA: Employee Relations
SUBJECT: Ethical Conduct of University Employees (Interim)
December 7, 1999; Interim Revised May 13, 2011

I. PURPOSE AND SCOPE

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;
    2. or, 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

(UHDPS), 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, UHDPS, 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 (www.ethics.state.tx.us/pamphlet/G08o&e.htm)
- 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 (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 (www.uhsa.uh.edu/regents/policy)
- 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 (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

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.
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.

Division of Research Policy on Conflict of Interest for Academic Staff
[http://www.research.uh.edu/PCC/Research_Policies.html]

University of Houston
Policy on Conflict of Interest for Academic Staff

Introductory Note

In recent years, the issue of conflict of interest has become increasingly important. University faculty and some staff members have taken on new and different functions in addition to the traditional roles of teaching, research, and public service. Spin-off companies transferring technology developed in the laboratory, extensive consultative activities, and various types of public service involvement are encouraged by both federal and state agencies, and by the University as necessary for the public good. Governmental agencies, becoming more concerned about the extent and type of these activities as they relate to funded and proposed research and scholarly activities of faculty and some staff have issued regulations which require universities to develop, publish, and enforce institutional policies which comply with certain federal mandates. Key in these policies is the requirement for regular, timely, and full disclosure of actual or potential conflicts of interest as they relate to significant financial interests which could

reasonably be seen by an impartial observer as effecting the design, conduct, or reporting of research or educational activities funded or proposed for funding by an external sponsor.

DEFINITIONS

Academic Staff Member

An academic staff member means the principal investigator, co-principal investigator, and any other person at the University who is responsible for the design, conduct, or reporting of research or educational activities. This definition includes anyone who is paid by or whose work is supported by a grant or contract whether the support is internal or external (e.g., graduate students, postdoctoral fellows, but not technicians or clerical employees) and includes the immediate family of the academic staff member.

Executive Unit Head

The executive unit head means the chair, or equivalent of other units such as the director of a center or institute, in whom primary administrative authority resides. If a conflict exists for an executive unit head, the term refers to the head of the next level of administrative authority in the normal reporting line.

Immediate Family

Immediate family means the academic staff member's spouse and dependent children as defined by the IRS.

Significant Financial Interest

Significant financial interest means 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).

The term does not include:

- Salary, royalties or other remuneration from the University;
- Any ownership interest in the institution, if the institution is an applicant under the Small Business Innovation Research Program or Small Business Technology Transfer Program;
- Income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
- Income from service on advisory committees or review panels for public or nonprofit entities;
- An equity interest that, when aggregated for the investigator and the investigator's spouse and dependent children, meets both of the following tests: does not exceed $10,000 in value as determined through reference to public prices or other reasonable measures of fair market value, and does not represent more than a 5% ownership interest in any single entity; or

- Salary, royalties or other payments that, when aggregated for the investigator and the investigator's spouse and dependent children, are not expected to exceed $10,000 during the next twelve-month period.

GENERAL PRINCIPLES

Conflict of Interest

A conflict of interest may take various forms but exists when there is a divergence between an individual's private interests and his or her professional obligations to the University such that an independent observer might reasonably question whether the individual's professional actions or decisions might be influenced by considerations of gain, financial or otherwise, for the individual or his or her family members or for other parties. A conflict of interest depends on the situation, and not on the character or the actions of the individual.

Conflicts of interest are common and practically unavoidable in a modern research university. Conflicts of interest can arise out of the fact that a mission of the University is to promote public good by fostering the transfer of knowledge gained through University research and scholarship to the private sector. Two important means of accomplishing this mission include consulting and the commercialization of technologies derived from University research. It is appropriate that individuals be rewarded for their participation in these activities through consulting fees, sharing in royalties resulting from the commercialization of their work, ownership and/or other associations with spin-off companies. It is wrong, however, for an individual's actions or decisions, made in the course of his or her University activities, to be determined by considerations of personal financial gain. Such behavior calls into question the professional objectivity and ethics of the individual and reflects negatively on both the institution and the external sponsor of the research activity.

Members of the academic community should conduct their affairs so as to avoid or minimize conflicts of interest, and must respond appropriately when apparent conflicts of interest arise. To that end, the purposes of this policy are to educate individuals about situations that generate conflicts of interest, to provide means for individuals and the University to manage, reduce, or eliminate actual or potential conflicts of interest, and to describe situations that are prohibited. Every member of the academic community has an obligation to become familiar with, and abide by, the provisions of this policy. If a situation arises which raises questions of conflict of interest academic staff are urged to discuss the situation with their department chair, college dean, or the Vice President for Research.

STATEMENT OF POLICY

Policy

Prior to the University entering into any of the arrangements listed below, the involved academic staff member must have submitted to the chair of his/her department or the executive unit head a complete written disclosure. This disclosure should include 1) his or her current or pending relationship with the outside enterprise or entity in which the academic staff member has a

significant financial interest, 2) the relationship of the proposed University activity to the enterprise or entity, and 3) the means by which the academic staff member proposes to address actual or potential conflicts of interest which arise from his or her, including immediate family members, dual University and enterprise or entity roles.

A) Project proposals where any of the involved academic staff members (or immediate family members) have employment or consulting arrangements or significant financial interests in an enterprise or entity whose interests might be affected by the outcome of the proposed project.

B) Project proposals in which any of the involved academic staff members (or immediate family members) have employment or consulting arrangements or significant financial interests in the proposed sponsor, subcontractor, vendor, or collaborator with the proposed project.

C) Gifts, including cash or property, which will be under the control, or will directly support the teaching or research activities of an academic staff member from an enterprise or entity in which that academic staff member (or immediate family members) has an employment or consulting arrangement or significant financial interests.

D) University technology licensing arrangements with an enterprise or entity for which the inventor (or immediate family members) has employment or consulting arrangement or significant financial interests.

E) Common sense must prevail in the interpretation of these provisions. That is, if a reasonable, disinterested person would question the relationship, it should be disclosed and approval sought for the proposed arrangement.

Certification of Compliance

On an annual basis, all academic staff members must certify to their department chair or executive unit head their knowledge of and compliance with the financial disclosure policy of the University as outlined herein. (A sample certification form is at the end of this document.) The certification form also requires the same information about members of the academic staff member's immediate family. Academic staff members must supply this information for confidential review by the University. At minimum, disclosures must include the information found on the sample certification form at the end of this document. Individual colleges of the University may design their own forms, including more, but not less, information than that requested below.

In addition, academic staff members must disclose to their department chair or executive unit head on an ad hoc basis new situations in which significant financial interests are obtained and which may raise questions of conflict of interest as soon as such situations become known to the academic staff member.

The department chair or the executive unit head (if he/she does not report to the Vice President for Research) will review the certification form and forward to the Division of Research or to the Dean of the appropriate college as indicated on the certification form.

The dean or executive unit head (if he/she reports to the Vice President for Research) will review the financial disclosure, determine whether an actual or potential conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflict of interest. An actual or potential conflict of interest exists when the reviewer(s) reasonably determines that a significant financial interest could affect the design, conduct, or reporting of the research or educational activities in question.

Examples of conditions or restrictions that might be imposed to manage, reduce, or eliminate actual or potential conflicts of interest include:

- Public disclosure of significant financial interests;
- Monitoring of research by independent reviewers;
- Modification of the research plan;
- Disqualification from participation in that portion of the research that would be affected by the significant financial interests;
- Divestiture of the significant financial interests; or
- Severance of relationships that create actual or potential conflicts.

If the dean or executive unit head determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the dean or executive unit head may recommend that the research go forward without imposing such conditions or restrictions. Such a recommendation will be forwarded to the Vice President for Research, who shall be advised by a committee of faculty, for his or her review and approval. However, in any case any significant financial interest shall be publicly disclosed.

Following review and approval of any proposed arrangements by the dean or the executive unit head, the academic staff member's disclosure and the dean's findings and recommendation shall be submitted to the Vice President for Research, who shall be advised by a committee of faculty, for his or her review and approval.

Records of all financial disclosures and of all actions taken to resolve actual or potential conflicts of interest will be maintained in the Division of Research until at least 3 years beyond the termination or completion of the sponsored project award to which they relate, or the resolution of any government action involving those records.

Failure of any academic staff member to comply with this policy shall constitute grounds for disciplinary action.

PROCEDURAL DETAIL

Responsibilities of Academic Deans and Executive Unit Heads

Each department chair, dean, executive unit head and the Vice President for Research is responsible for the timely review of annual certifications as well as ad hoc disclosure reports. The dean shall use his or her discretion and knowledge of local conditions to set up a system that works well for the college. Each college's plans for distribution, receipt, processing, and review of disclosure forms shall be submitted to and approved by the Vice President for Research. However, individual colleges may have more, but not less, restrictive internal policies than those set forth by the University.

College deans and executive unit heads will file their own disclosures and certifications of compliance with the Vice President for Research.

Responsibilities of the Vice President for Research

The Vice President for Research is the University officer responsible for interpreting and overseeing implementation of and compliance with this Policy. He or she is responsible for reviewing and approving each college's mechanisms for implementing this Policy.

The Vice President for Research is responsible for keeping the appropriate external funding agency informed if the institution finds it is unable to satisfactorily manage an actual or potential conflict of interest for any activity where that agency requires that it be notified in such instances.

Appeals of Decisions Made by the Vice President for Research

Should an academic staff member wish to appeal a decision made by the Vice President for Research, he or she may present the appeal to the President of the University of Houston.

Implementation

This policy as written is based on the final regulations issued by the National Science Foundation and the Public Health Service effective October 1, 1995.

All academic staff members will be required to submit an annual disclosure (see attached) beginning September 1995 and when submitting a research proposal to one of the agencies which has mandated financial disclosure and to respond to the specific requirements related to that proposal submission as required by that agency. Faculty submitting proposals to the NSF or PHS (including NIH) on or after October 1, 1995, will be required to complete and submit a disclosure prior to submission of proposals.
Reviewed 9/1999

APPENDIX I
[http://www.research.uh.edu/PCC/Research_Policies.html]

University of Houston
Annual Certification of Compliance
With the Policy on Conflict of Interest for Academic Staff
September 1, _____(year) through August 31, _____(year)

NAME _____

DEPARTMENT _____ **TITLE** _____

The following questions apply to your situation as it currently exists. If there are any changes during the current fiscal year (i.e., September 1 through the following August 31) you must resubmit this form with the new information. **If you answer "YES" to any of the questions below, list each such arrangement, provide an attached written explanation, and indicate how you propose to manage, reduce or eliminate the conflict of interest.**

1. Do you currently have internally or externally sponsored research or are you supported by a grant or contract the outcome of which could affect the interests of an enterprise or entity which you (**or your immediate family of relations, i.e. spouse, blood relations, step-relations, in-laws and adoptive relations**) have employment or consulting arrangements and/or significant financial interest?
   ☐ YES or NO ☐

2. Do you currently have internally or externally sponsored research or are you supported by a grant or contract where you (**or your immediate family of relations, i.e. spouse, blood relations, step-relations, in-laws and adoptive relations**) have employment or consulting arrangements and/or significant financial interests with the sponsor of the research, a subcontractor to the grant, a vendor, or a research collaborator?
   ☐ YES or NO ☐

3. Do you currently have gifts or cash or property which are under your control, or which directly support your teaching or research activities from an enterprise or entity in which you (**or your immediate family of relations, i.e. spouse, blood relations, step-relations, in-laws and adoptive relations**) have an employment or consulting arrangement and/or significant financial interests?
   ☐ YES or NO ☐

3. Does the University currently have a technology licensing arrangement with an enterprise or entity for which you, the inventor, (**or your immediate family of relations, i.e. spouse, blood relations, step-relations, in-laws and adoptive relations**) have employment or consulting arrangements and/or significant financial interests?
   ☐ YES or NO ☐

CERTIFICATION

In submitting this form, I certify that the above information is true to the best of my knowledge and that I have read the University's policies related to conflict of interest as described in the "Policy on Conflict of Interest for Academic Staff." I supply this information for confidential review by the University and I do not authorize release of any of it for any other use.

SIGNATURE _____ DATE _____

Revised COI Form 08.2009

Administrative Review and Approval

Department Chairman or Unit Head (signature required on all forms):

- ☐ To the best of my knowledge no conflict of interest exists.
- ☐ A conflict of interest may exist but does not appear to be significant.
- ☐ A conflict of interest may exist which warrants further review

Chair (or Unit Head) Signature: _____

Print Name: _____ Date: _____

Dean and Vice President for Research (signature required if any potential conflict is reported):

Based on the information reported:

- ☐ To the best of my knowledge no conflict of interest exists.
- ☐ A conflict of interest may exist but does not appear to be significant.
- ☐ A conflict of interest may exist which warrants further review

Dean's (or Director's) Signature: _____

Print Name: _____ Date: _____

Vice President for Research Signature: _____ Date: _____

Instructions for Processing:

All forms must be submitted annually by October 31 to the Division of Research. Original signatures are required. "Signed by," computer-generated, and rubber stamp signatures WILL NOT be accepted. Individuals with joint appointments must file a form with each unit. Completed and signed forms should be scanned and uploaded into the Division of Research database system. Instructions are available at:

http://www.research.uh.edu/PCC/Research_Policies.html

Select "Procedure for Scanning and Storing Files in RD2K." The departments/dean's offices must have procedures in place for the filing and storage of the conflict of interest forms. Should you have any questions, please contact the Division of Research.

Revised COI Form 08.2009

01.A.12 Standards of Conduct
[http://www.uhd.edu/about/hr/PS01A12.pdf]

Memo to: All UH-Downtown/PS Holders

From: Max Castillo, President

Subject: Standards of Conduct Policy

UH-Downtown PS 01.A.12
Issue No. 3
Effective date: 02/01/2004
Page 1 of 3

1. PURPOSE

This Policy Statement specifies the standards of conduct to which University of Houston - Downtown (UHD) employees shall adhere to in order to avoid conflicts of interest, in accordance with Chapter 572, Texas Government Code. In summary, no state employee may have a direct or indirect interest, including financial and other interests, or engage in business transactions or professional activities, or incur any obligation of any nature that is in substantial conflict with the proper discharge of the employee's duties in the public interest. Further, new federal and state laws and regulations, together with growing scrutiny of the complex relationships between public institutions and outside public and private organizations and individuals, necessitate the clarification of standards of accountability for public employees. Requirements for ethical behavior are especially important to university employees because they are accountable to taxpayers for the use of public funds and have the responsibility to lead and educate students by example.

2. DEFINITIONS

2.1 Benefit: Anything an independent third party observer might reasonably regard to provide a monetary gain or advantage. When the appropriateness of a benefit is in question, it should not be accepted.

2.2 Conflicts of interest: are defined as the use of one's University employment to obtain unauthorized privileges, benefits or things of value for oneself or others.

2.3 Conflict of commitment: A situation in which an employee's outside activities interfere with the employee's primary commitment of time and intellectual energies to the University, or in which a full-time employee's primary professional loyalty is not to the University of Houston-Downtown.

2.4 Honoraria: A payment for speech, lecture, or services on which, by custom or agreement, a specific price may not be set.

3. POLICY/PROCEDURES

3.1 No employee shall accept or solicit any gift, favor, privilege, benefit, service, exemption, or thing of value that might reasonably tend to influence him/her in the discharge of official duties

or that the employee knows or should know is being offered with the intent to influence the employee's official conduct.

3.2 A university employee commits the criminal offense of bribery if the employee solicits, offers, or accepts any benefit in exchange for a decision, opinion, recommendation, vote, or other exercise of discretion by the employee.

3.3 No employee shall accept other employment or engage in a business or professional activity, which foreseeably might require or induce him/her to disclose confidential information acquired by reason of this University position.

3.4 No employee shall accept other employment or compensation which might impair his/her independence of judgment in the performance of his/her University duties.

3.5 No employee shall make personal investments that could reasonably be expected to create a substantial conflict between the employee's private interests and the public interest.

3.6 By law, an employee may not solicit, agree to accept, or accept an honorarium in consideration for services the employee would not have been asked to provide but for his or her official position. This prohibition includes a payment made to a third party if made in exchange of the employee's services. These restrictions do not apply to food, transportation, and lodging in connection with the service provided.

3.7 No employee shall intentionally or knowingly solicit, accept or agree to accept any benefit for having exercised his/her official powers or his/her official duties in favor of another.

3.8 Board of Regents Policy, 21.08 requires university faculty and staff to disclose on a timely basis the creation or discovery of all potentially patentable inventions created or discovered in the course of their university activities or with use of university resources. Ownership of these inventions must be assigned to the university regardless of source of funding.

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

4. COMPLIANCE

4.1 The University of Houston - Downtown will distribute annually Policy Statement 01.A.12, Standards of Conduct, to all employees. An annual certification by regular faculty, exempt staff, and other key staff involved in procurement or funded research activities is required to include the following:

- Receipt of this Policy Statement and compliance with its provisions,
- Disclosure of any external consulting, employment, and professional activities,
- Including service on governing boards and ownership in outside enterprises,
- Providing the names of the external employers/organizations involved,
- Disclosure of any actual or potential conflicts of interest related to external employment, acceptance of benefits, or external investments, and

- Any additional information that may be required by federal funding agencies.

A timely review and approval or disapproval of written disclosures of pending relationships by university employees entering into any consulting, investment, professional, or other arrangements that may potentially involve a conflict of interest or commitment must be done prior to beginning any such activities. Approval must be secured in writing from the Vice-President for Administration and Finance. All approved activities must be reported annually by the Vice President of Administration and Finance to the University of Houston System Chancellor.

4.2 In addition to university-wide certifications, the President is required to submit an annual financial statement with the Texas Ethics Commission using the forms provided by the Commission. Vice Presidents, those at the director level or higher positions over procurement and contracting functions, and those employees considered by the University of Houston - Downtown to have high-level procurement responsibilities shall file with the Vice President for Administration and Finance a report disclosing the following information:

- The amount of any compensation received for services related to these associations and
- Known information regarding whether any of the organizations cited have any relationship to the University of Houston System and a description of the relationship.

4.3 Information received during the annual certification shall be compiled and submitted to the Chancellor through the Office of the Vice Chancellor for Administration and Finance prior to the Chancellor's annual report to the Board of Regents.

5. REVIEW AND RESPONSIBILITIES
Responsible Party (Reviewer): Assistant Vice President for Human Resources and Affirmative Action
Review: Bi-annually

President

Policy History
Issue #1: 05/16/1994
Issue #2: 03/15/1999
Issue #3: 02/01/2004

05.C.07 Code of Conduct – Procurement Responsibilities
[http://www.uhd.edu/about/hr/PS05C07.pdf]

Memo to:	UH-Downtown/PS Holders	UH-Downtown/PS 05.C.07 Issue No. 2
From:	William Flores, President	Effective date: 08/12/10 Page 1 of 3
Subject:	Code of Conduct - Procurement Responsibilities	

1. PURPOSE

University of Houston-Downtown (UHD) employees have a responsibility to the public to maintain high institutional and personal standards in the performance of their official duties. This policy defines the standards of conduct that must be met by all university employees engaged in any activity related to purchasing or contracting for goods or services for the university. This policy complies with state and federal laws, standards of ethics, and good business practices.

2. DEFINITIONS

2.1 Benefit: Anything reasonably regarded as providing monetary gain or advantage. For the purposes of this policy, such benefit shall include personal and individual invitations to meals or items of significant gain or advantage with a value of $50.00 or more.

2.2 Conflict of interest: A situation in which there is a divergence between the employee's private interests and the employee's 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.

2.3 Financial relationship: Includes paid employment, consulting or other contract work, ownership or investment such that the relationship accrues a financial benefit to the employee or family member. This directive concerns benefits to the employee or family member that are direct and substantial.

2.4 Immediate family: Includes spouse and dependent children. Dependent children, for the purposes of this policy, include adopted, step-, and foster children, as well as natural sons and daughters.

2.5 Procurement or purchasing activities includes:

2.5.1 approvals, disapproval, or recommendations concerning a procurement transaction

2.5.2 preparation of any part of procurement actions
2.5.3 influencing the content of any specification or procurement standard
2.5.4 acting in any advisory capacity including rendering of advice, investigation, or auditing in any procurement activity

2.6 Regular employee: A university employee who is employed at least 20 hours per week on a regular basis for a period of at least 4-1/2 months, excluding students employed in a position for which student status is a condition of employment.

3. POLICY

3.1 This policy applies to all procurement activities by all university employees, and in particular to regular faculty, exempt staff, and non-exempt staff who have certifying signature authority. These directives apply to procurement actions from all sources of funds.

3.2 UHD employees shall not participate in the selection of a vendor or the award or administration of any contract or purchase if a real or apparent conflict of interest would be involved. A conflict would exist if the employee or any member of his or her immediate family had a financial or other interest in a firm otherwise eligible for the procurement action, and that interest would result in personal benefit to the employee or family member.

3.3 University employees shall neither solicit, demand nor accept any gift, favor, privilege, benefit, service, exemption, special discount, trip, employment, loan, gratuity, economic opportunity, or thing of value from any vendor, contractor, or party to a subagreement that would result in personal benefit and/or that could influence the employee's official conduct. In cases where the appropriateness of the benefit may be in question, the benefit should not be accepted.

3.4 Any attempt to realize personal gain through conduct inconsistent with the proper discharge of the employee's duties to the university is a breach of the public trust and will subject the employee to disciplinary action up to and including termination, as well as to the possibility of criminal charges.

3.5 University employees who, as a function of their job responsibilities, participate directly or indirectly in any procurement activity may not (nor shall any member of their immediate families):

3.5.1 acquire or maintain a direct financial relationship pertaining to the procurement
3.5.2 acquire or maintain a direct financial relationship with a business or organization pertaining to the procurement
3.5.3 enter into a negotiation or an arrangement concerning prospective employment with a person, business, or organization involved in any specific procurement in which the employee is involved.

3.6 A university employee shall not offer, give, or agree to give any individual or organization a gratuity, benefit, or offer of employment in connection with any procurement activity.

3.7 A university employee may not disclose confidential information obtained by reason of his or her position nor otherwise use such information for actual or anticipated personal gain or for the personal gain of any other person.

3.8 This policy allows the use of employee-authored textbooks or other intellectual property in the employee's courses.

3.9 All faculty and staff in a position to originate purchase requests or influence purchasing decisions shall annually complete a disclosure statement regarding related-party interests as required in UH System Administrative Memorandum 03.A.17, Disclosure of Related Party Interests.

4. PROCEDURES

There are no procedures associated with this policy.

5. EXHIBITS

There are no exhibits associated with this policy.

6. REVIEW PROCESS

Responsible Party: Vice President for Administration & Finance and Vice President for Academic Affairs

Review: Every three years on or before August 1st.

Signed original on file in Employment Services and Operations.

7. POLICY HISTORY

Issue #1: 11/01/99

8. REFERENCES

UH System Administrative Memorandum 03.A.17

06.A.03 Standards of Conduct in Government-Sponsored Research
[http://www.uhd.edu/about/hr/PS06A03.pdf]

Memo to: All UH-Downtown/PS Holders

From: Max Castillo, President

UH-Downtown/PS 06.A.03
Issue No. 2
Effective date: 05/02/01

Subject: Standards of Conduct in Government-Sponsored Research

1. PURPOSE

This PS outlines the standards of procedure and conduct in Government-sponsored research adhered to by the University of Houston - Downtown (UHD). These standards are part of a joint statement of The Council of the American Association of University Professors and The American Council on Education. All University employees must abide by the procedures outlined herein to prevent conflicts of interest with outside parties, including government agencies.

2. POLICY/PROCEDURES

2.1 Favoring of Outside Interests. When a University employee involved in government-sponsored work has a significant financial interest in, or a consulting arrangement with, a private business concern, actual or apparent conflicts of interest must be avoided between his government-sponsored University research obligations and his outside interests and other obligations. Situations in or from which conflicts of interest may arise are:

2.1.1 Undertaking or orientation of the employee's University research to serve the research or other needs of the private firm without disclosure of these activities to the University and to the sponsoring agency;

2.1.2 Purchase of major equipment, instruments, materials, or other items for University research from the private firm in which the employee has the interest without disclosure of such interest;

2.1.3 Use for personal gain or to benefit a private entity of Government-sponsored work products, results, materials, records, or information that are not made generally available (This would not necessarily preclude appropriate licensing arrangements for inventions, or consulting on the basis of Government-sponsored research results where there is significant additional work by the employee independent of the Government-sponsored research);

2.1.4 Use for personal interest or other unauthorized use of privileged information acquired in connection with the employee's Government-sponsored activities. Privileged information includes, but is not limited to, medical, personnel or security records of individuals; anticipated material requirements of price actions; possible new sites for government operations; and knowledge of forthcoming programs or selection of contractors/subcontractors in advance of official notice.

2.1.5 Negotiation or influence upon the negotiation of contracts relating to the employee's Government-sponsored research between the University and private organizations with which the employee has consulting or other significant influence.

2.1.6 Acceptance of gratuities or special favors from private organizations with which the University does or may conduct business in connection with a Government-sponsored research project, or extension of gratuities or special favors to employees of the sponsoring Government agency, under circumstances which might reasonably be interpreted as an attempt to influence the recipients in the conduct of their duties.

2.2 Distribution of Effort. There should be a clear understanding, by all concerned parties, of the amount of time and responsibilities for which an employee is accountable, when involved in Government-sponsored research. A demonstrable relationship between the effort or responsibility proposed in the research agreement and the actual extent of the employee's involvement is expected in order to avoid any misconceptions of the amount of intellectual effort being devoted to the research in question.

2.3 Consulting for Government Agencies or their Contractors. When the University employee engaged in Government-sponsored research also serves as a consultant to a Federal agency, his/her conduct is subject to the provisions of the Conflict of Interest Statutes (18 U.S.C. 202-209 as amended). If the employee consults for one or more Government contractors, or prospective contractors, in the same technical field as his/her research project, care must be taken to avoid giving advice that may be of questionable objectivity because of its possible bearing on his/her other interests. In undertaking and performing consulting services, the employee shall make full disclosure of such interests to the University and to the contractor insofar as they may appear to relate to the work at the University for the contractor.

2.4 University Responsibilities. UHD recognizes that disclosure and consultation are the obligations assumed by the University when it accepts government funds for research. UHD will herein implement organizational and administrative actions to prevent conflicts of interest in Government-sponsored research.

2.4.1 The Coordinator of Grants and Contracts and the Principal Investigator will insure that all Government funds are expended for the purposes for which they are intended and that all services which are required in return for these funds are supplied (See Exhibit A for specific procedures.).

2.4.2 Any UHD employee involved in Government-sponsored research must consult with the appropriate vice president before accepting any outside professional work to insure there will not be any real or perceived conflicts of interest with the research.

2.4.3 The Vice President for Administration or designee will serve as an informed source of advice and guidance for consultation on problems that may or do develop as a result of University employees' outside financial or consulting interests, as they relate to their participation in any Government-sponsored research.

2.4.4 All University employees participating in Government-sponsored research must abide by the standards outlined herein as well as those delineated in all Grant Administration policies (PS 06.A.xx).

3. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Vice President for Administration

Review: Biennial

President

Policy History
Issue #1: 09/30/94

EXHIBIT A
(PS 06.A.03)

UNIVERSITY OF HOUSTON - DOWNTOWN
GRANT ACCOUNTING PROCEDURES

The University of Houston – Downtown (UHD) is the recipient of awards and grants from various governmental or private entities. These grants are awarded for specific activities, such as research.

The Coordinator of Grants and Contracts is responsible for the accounting, reconciliation, reporting and reimbursement activities relating to awards. For each award, separate accountability is maintained.

Upon receipt of an award, an account number is assigned and the budget is established based on the allocations approved by the awarding agency. The budget is created according to the categories of the award and the Principal Investigator (PI) is assigned as the Account Manager.

In most cases, the University will initially expend its own funds. Some federal grants are reimbursed through a letter of credit arrangement with the various federal agencies. An established volume criteria per agency must be maintained before a letter of credit may be established with an agency. Therefore, UHD's letters of credit are combined with the other UH components. UHD draws down funds daily or weekly depending on the agency. The Coordinator of Grants and Contracts monitors these types of expenditures closely to minimize the length of time local funds are used. UH Central Research Accounting Office prepares the federal PMS 272 report (monthly for the Department of Education and quarterly for other federal agencies. Expenditures for grants from state or private entities are billed to the agencies. These billed receivables are also monitored closely to insure timely payments.

Grant Accounting is responsible for requesting funds from the awarding agency, tracking expenditures, verifying the legality of the expenditures and matching them against the award budget and balance. Periodic reporting of the expenditures and reconciliation of reimbursements is required for each grant, as dictated by the awarding agency.

Once a month, an account analysis is processed for each grant and forwarded to the respective Principal Investigator. The PI will:

1. Review all expenditures;
2. Recommend action should encumbrances need to be changed or canceled. (PI notifies Grant Accounting of needed corrections);
3. Request Grant Accounting to process any necessary reclassification of budgetary-related items, after seeking approval from the awarding agency. Accounting will notify the Budget Office which will make all necessary changes; and
4. Request reclassification of accounts if overexpenditures occur. The PI must supply Grant Accounting with the departmental account that will absorb this expense. Grant Accounting will process the entry.

Research Accounting will reconcile the general subledgers for all grant accounts (Ledger 5) on a monthly basis.

Prior to the expiration of a grant, the PI will be responsible for the following:

1. Notify the Purchasing Department regarding the disposition of any outstanding encumbrances relating to purchases.
2. Notify the Payroll Department regarding the disposition of any outstanding payroll encumbrances relating to items that are not in line with the original intent of the approved grant budget.
3. Review expenditures as they relate to particular budgets granted. If expenditures should be applied to another account, the Grant Accounting Department should be notified.
4. Notify the Budget and Grant Accounting departments regarding any reclassification, or proposed reclassification, of any budgetary change to the account. This may require prior approval by the awarding agency.
5. If the account has a negative balance of funds available, the Grant Accounting Department will be notified as to which account will be used to absorb any expenditures that have exceeded the original budgeted amount.

Once the PI complies with the foregoing steps, Grant Accounting will process and forward the final financial report to the regulatory agency.

06.A.04 Procurement Integrity Policy

[http://www.uhd.edu/about/hr/PS06A04.pdf]

Memo to: All UH-Downtown/PS Holders

From: Max Castillo, President

Subject: Procurement Integrity Policy

UH-Downtown/PS 06.A.04
Issue No. 2
Effective date: 05/02/01
Page 1 of 1

1. PURPOSE

This PS outlines the prohibited actions by of University of Houston - Downtown (UHD) personnel who have any role in the development and submission of proposals to federal agencies and/or negotiations of any contracts.

2. POLICY/PROCEDURES

2.1 Section 27 of the OFPP Acts Amendment of 1988, entitled "Procurement Integrity" prohibits certain activities by universities and their personnel, especially principal investigators and administrative officials, while the government is reviewing proposals in anticipation of making an award. This law affects the interaction of University personnel with program and procurement officials in the federal government. It may also affect the interaction of University personnel as consultants to any governmental agency.

2.2 Activities which University personnel are prohibited from engaging in are as follow:

2.2.1 Discuss any potential future employment of government officials;

2.2.2 Provide anything of value to governmental officials or their families;

2.2.3 Offer any money, gratuity, or other thing of value to any procurement officer; or

2.2.4 Solicit proprietary or source selection information from governmental officials.

2.3 If the proposed award is $100,000 per year or more, the Vice President for Administration shall file, concurrent with submission of the proposal and/or the award, a certification concerning procurement integrity by the University (Exhibit A).

2.4 Violation of these regulations will result in loss of contract awards (or a part thereof), and may result in suspension or debarment from receipt of any federal awards.

3. REVIEW AND RESPONSIBILITIY
Responsible Party (Reviewer): Vice President for Administration
Review: Biennial

President

Policy History
Issue #1: 08/01/94

EXHIBIT B
(PS 06.A.04)

UNIVERSITY OF HOUSTON-DOWNTOWN
CERTIFICATION REGARDING PROCUREMENT INTEGRITY
(Federal Contracts and Grants)

The undersigned certifies, to the best of his knowledge and belief, that the University of Houston-Downtown has abided by the requirements of the Procurement Integrity regulations, whereby University employees have not, knowingly:

a) Made, directly or indirectly, any offer or promise of future employment with any procurement officer of the federal agency;

b) Offered or gave, directly or indirectly, any money, gratuity, or other thing of value to any procurement officer of the federal agency;

c) Solicited or obtained, directly or indirectly, any proprietary or source selection information regarding such procurement.

T. Chaney Anderson, Vice President for Administration Date

06.A.07 Ethical Conduct in Research and Government-Sponsored Activities
[http://www.uhd.edu/about/hr/PS06A07.pdf]

Memo to: All UH-Downtown/PS Holders

From: Max Castillo, President

UH-Downtown/PS 06.A.07
Issue No. 2
Effective Date: 04/30/01

Subject: Ethical Conduct in Research and Government-Sponsored Activities

1. PURPOSE

This PS states the University of Houston - Downtown (UHD) policy and procedures for promoting ethical behavior in all research, scholarly and creative activities, and government-sponsored activities, and outlines how to handle allegations of scientific misconduct. This policy does not address items such as differences in interpretation or judgment of data, scholarly or political disagreements, personal or professional opinions, or private, moral or ethical behavior or views.

2. DEFINITIONS

2.1 Misconduct is defined as deliberate fabrication, falsification plagiarism, or other serious deviation from practices commonly accepted in the academic and scientific communities for proposing, conducting, or reporting results from education, research, and scholarly or creative activities. Misconduct also refers to retaliation against a person who, acting in good faith, reports or provides information about suspected or alleged misconduct.

2.2 Inquiry is defined as a stage of preliminary information-gathering and initial fact-finding to determine whether an allegation or apparent instance of misconduct warrants an investigation.

2.3 Investigation is a formal examination and evaluation of relevant facts to determine whether misconduct has taken place or, if misconduct has already been confirmed, to assess its extent and consequences and/or to determine appropriate action.

2.4 Relevant Parties is defined as the person(s) against whom the allegations were made, the person making the allegations, and the funding agency (if a government-sponsored activity).

3. POLICY/PROCEDURES

3.1 Policy

3.1.1 All research and government-sponsored activities in which members of the University community engage shall be conducted according to the recognized high ethical standards of collegiate education and research.

3.1.2 Ethical behavior includes, but is not limited to, faithful representation of data and accurate disclosure of all facts pertaining to all education and research activities.

3.1.3 Participants in research projects must be noted and persons listed as coauthors on research reports of any type must have a bona fide role in the research and accept responsibility for the quality of work reported.

3.1.4 All members of the University community have the responsibility to report those activities which they believe constitute unethical behavior.

3.1.5 All allegations of misconduct involving science and/or engineering activities funded by the Public Health Service, the National Institutes of Health, and/or the National Science Foundation, must be reported according to the steps delineated in Exhibit A.

3.2 Procedures for Investigating Allegations of Misconduct

3.2.1 Allegations of unethical behavior or misconduct shall be reported in writing to the Vice President of Academic Affairs and Provost (VPAA) for review and action. If the VPAA has a possible conflict of interest, the allegation shall be reported to the President. In such instances, duties assigned to the VPAA in implementing this policy will be implemented by the President.

3.2.2 The VPAA will authorize an inquiry into the suspected or alleged misconduct and determine whether the allegations warrant further examination as violations of University policy. The initial inquiry will last no longer than 60 calendar days and must include a meeting with the subject(s) of the allegation. This inquiry will result in the VPAA Inquiry Report containing the following information:

a. Name of the person(s) against whom the allegations were made;

b. General nature of the allegations;

c. The application/grant number (if a government-funded activity);

d. Evidence reviewed and persons interviewed; and

e. Conclusions. (A decision to dismiss the allegation or proceed with a formal investigation.)

3.2.3 If the allegations are dismissed, the VPAA will notify the relevant parties within 10 working days. A detailed record of the inquiry shall be maintained in the Office of the Vice President for Administration to allow for a later assessment of the reasons for not conducting a formal investigation. These records shall be securely stored for a period of at least three years after termination of the inquiry.

3.2.4 If the decision is made to initiate a formal investigation, the VPAA will notify the relevant parties and appoint an Investigating Committee (IC). The VPAA will forward to the IC the initial report. The members of the IC will be appointed by the VPAA in consultation

with the Executive Committee of the Faculty Senate. The IC will consist of at least two tenured faculty representatives from each of the three colleges.

3.2.5 At its first meeting, the IC will elect a chair to handle procedural and administrative matters. The investigative phase will begin within 10 days of completion of the inquiry and shall reach a disposition within 60 days of its initiation. The IC may request the advice or appearance of individuals familiar with the nature of the study while maintaining, to the extent allowed by law, their confidentiality.

3.2.6 The IC shall insure confidentiality of the proceedings and shall undertake diligent efforts to protect the position, anonymity, and reputation of all parties in the misconduct investigation.

3.2.7 The subject of the allegation has the right to submit information to the committee and/or appear personally before the IC to present his/her case. Prior to such appearance, the subject of the allegation has the right to receive a written report from the IC detailing all the evidence relevant to the allegation. At this appearance, he/she may bring legal counsel or an advisor but must speak for himself/herself. If either the IC or the subject of the allegation wishes to have legal counsel or an advisor present during the hearing, the chair of the IC and/or the subject of the allegation must be notified at least one week in advance. This meeting shall be conducted informally.

3.2.8 A record of the proceedings and all related documentation shall be maintained by the IC's chair throughout the investigative process. Breach of confidentiality will be grounds for a charge of misconduct or other appropriate personnel action.

3.2.9 Once the investigation has been completed, the IC shall issue a formal report summarizing its findings and conclusions which may include a majority and minority report. Copies of the investigative report, the record of the proceedings and all related documentation will be forwarded to the VPAA. Within 10 working days of receiving this report, the VPAA will forward copies of the report to the relevant parties.

3.2.10 All documentation related to the inquiry and investigation proceedings shall be stored in the Office of the Vice President for Academic Affairs and Provost.

3.3 Penalties and Appeals

3.3.1 Within 10 working days of receipt of the report, the VPAA, consonant with the seriousness of the offense, shall impose disciplinary measures which include, but are not limited to, a written reprimand to be placed in the employee's personnel file, withholding of pay raises for a period of time, notification of the offense to pertinent organizations and publishers, or initiating dismissal procedures within the regulations of the University.

3.3.2 Sanctions imposed by the funding agency, if misconduct occurs in a government-sponsored activity, range from minimal restrictions to suspension or termination of an active award, loss of funding and/or debarment or suspension of an individual, a department, or the University from participating in government-sponsored programs.

3.3.3 Retaliation against the person(s) reporting the allegations of misconduct is prohibited and shall be dealt with as misconduct.

3.3.4 Interim administrative action may be taken by the university and/or the awarding agency upon receipt of allegations of misconduct in research or government-sponsored activities.

3.3.5 The subject of the investigation may appeal the IC's ruling and/or sanctions imposed by the VPAA to the President. This appeal must occur within 30 calendar days of the receipt of the ruling and/or sanctions being appealed. The President's decision will be final and binding.

4. REVIEW AND RESPONSIBILITIES
Responsible Party (Reviewer): Vice President for Academic Affairs
Review: Biennial

President

Policy History
Issue #1: 10/16/95

EXHIBIT A
(PS 06.A.07)

STEPS FOR DEALING WITH ALLEGATIONS OF MISCONDUCT
(Science and Engineering Government-Sponsored Activities)

The University of Houston - Downtown has established an administrative process for promoting ethical behavior in education, research and government-sponsored activities and for handling allegations of scientific misconduct. To this end, the procedures stipulated in PS 06.A.07 and the steps outlined below will be followed.

1. Inform the funding agency if an initial inquiry into suspected or alleged scientific misconduct warrants a formal investigation. A copy of the written report resulting from the inquiry shall be received by the funding agency prior to the commencement of the investigation.

2. Keep the funding agency informed throughout the investigation.

3. Provide the funding agency with a copy of the investigation report including the sanctions imposed on the individual(s) against whom the allegations of scientific misconduct were made.

4. Notify the funding agency at any point during the inquiry and/or investigation phase(s) of the alleged misconduct if it involves any of the following:

    a. Immediate health hazards;

b. Resources, reputation, or other interests of the funding agency which need to be protected;

c. Federal action may be needed to protect the interests of the subject of the investigation or of others potentially affected;

d. The scientific community or the public should be informed, or will be informed; or

e. There is a reasonable indication of a criminal violation. In that instance, the funding agency must be notified within 24 hours of obtaining that information.

4. Science and engineering proposals, for activities funded by the Public Health Service, the National Institutes of Health, and/or the National Science Foundation, must include a copy of the "Certification of Scientific Integrity" executed by the Vice President for Academic Affairs and Provost. This form may be obtained in the Office of the Vice President for Academic Affairs and Provost.

UNIVERSITY OF HOUSTON - DOWNTOWN
CERTIFICATION OF SCIENTIFIC INTEGRITY
(Certification for Science or Engineering Proposals)

The undersigned certifies that the University of Houston - Downtown (UHD) will ensure protection of the integrity of all education and research activities, research subjects, and the public; observance of legal requirements and responsibilities; an impartial process for receipt and disposition of allegations of scientific misconduct; prompt notification to the agency if allegations of scientific misconduct occur; protection of the person(s) bringing the allegation; and proper maintenance of a complete and accurate record of the misconduct proceedings for all government-sponsored science and engineering activities.

_____ _____

Vice President for Academic Affairs and Provost Date

10.2.3 Procedure on Conflicts of Interest for Investigators
[http://prtl.uhcl.edu/portal/page/portal/PRV/FORMS_POLICY_PROCEDURES/FACULTY_HANDBOOK/10_2_3_fh]

Approved by University Council, March 10, 2005

1. Purpose

The Conflict of Interest policy applies to individual(s) applying for or receiving funds that are to be managed through the University. In accordance with Federal regulations, the University has a responsibility to manage, reduce, or eliminate any actual or potential conflicts of interest that may be presented by a financial interest of an investigator. Thus, the University requires that investigators disclose any significant financial interest that may present an actual or potential conflict of interest with a sponsored project. Violations of conflict of interest may result in fines and/or penalties against the university.

The goal of the Conflict of Interest policy is to facilitate maintaining objectivity in the production of research results.

2. Definitions

2.1 To be in compliance with Federal regulations governing sponsored projects, we have adopted the following definitions.

2.2 Investigator means the principal investigator/project director, co-principal investigators, and any other person at the university who is responsible for the design, conduct, or reporting of research, educational, or service activities funded, or proposed for funding, by an external sponsor providing funds that are to be managed through the university. In this context, the term "Investigator" includes the investigator's spouse and dependent children.

2.3 Significant Financial Interest means anything of monetary value, including, but not limited to:

- salary or other payments for services (e.g., consulting fees or honoraria)
- equity interests (e.g., stocks, stock options or other ownership interests)
- intellectual property rights (e.g., patents, copyrights, and royalties from such rights).

The term does not include:

1. salary, royalties, or other remuneration from the university;
2. income from seminars, lectures, or teaching engagements sponsored by public or nonprofit entities;
3. income from service on advisory or review panels for public or nonprofit entities;
4. an equity interest that when aggregated for the Investigator and the Investigator's spouse and dependent children, meets both of the following tests: does not exceed $10,000 in value as determined through reference to public prices or other reasonable measures of

fair market value, or constitute more than a five percent ownership interest in any single entity, or

5. salary, royalties, or other payments that when aggregated for the Investigator and the Investigator's spouse and dependent children over the next twelve months, are not expected to exceed $10,000.

Provided, however, that the exclusions in items (1), (4), and (5) shall not apply if the compensation or transfer of an equity interest is conditioned upon a particular outcome in a sponsored research project.

2.4 A Potential Conflict of Interest occurs when there is a divergence between an individual's private interests and his or her professional obligations to the University such that an independent observer might reasonably question whether the individual's professional actions or decisions are determined by considerations of personal gain, financial or otherwise. An actual conflict of interest depends on the situation and not on the character or actions of the individual.

2.5 Conflict of Interest

The following list illustrates some of the most common conflicts of interest that occur with sponsored programs:

- Altering the focus of a research program for the benefit of one's outside interests or for financial gain;
- Obtaining personal gain by influencing purchases of equipment, instruments, etc.;
- Influencing the negotiation of contracts for inappropriate personal or third party benefit;
- Using or releasing privileged information for personal or third party gain;
- Accepting gratuities or special favors in return for influencing the conduct of research.

3. Procedure

3.1 Prior to the University entering into any of the arrangements listed below, the involved Investigator must have submitted to the dean of his/her School or to the executive unit head a complete written disclosure. This disclosure should include 1) his or her current or pending relationship with the outside enterprise or entity in which the Investigator has a significant financial interest, 2) the relationship of the proposed University activity to the enterprise or entity, and 3) the means by which the Investigator proposes to address actual or potential conflicts of interest which arise from his or her, including immediate family members, dual University and enterprise or entity roles.

3.2 Project proposals where any of the involved Investigators (or immediate family members) have employment or consulting arrangements or significant financial interests in an enterprise or entity whose interests might be affected by the outcome of the proposed project.

3.3 Project proposals in which any of the involved Investigators (or immediate family members) have employment or consulting arrangements or significant financial interests in the proposed sponsor, subcontractor, vendor, or collaborator with the proposed project.

3.4 Gifts, including cash or property, which will be under the control, or will directly support the teaching or research activities of an Investigator from an enterprise or entity in which that Investigator (or immediate family members) has an employment or consulting arrangement or significant financial interests.

3.5 University technology licensing arrangements with an enterprise or entity for which the inventor (or immediate family members) has employment or consulting arrangement or significant financial interests.

3.6 Common sense must prevail in the interpretation of these provisions. That is, if a reasonable, disinterested person would question the relationship, it should be disclosed and approval sought for the proposed arrangement.

4. Implementation

This procedure as written is based on the final regulations issued by the National Science Foundation contained in Manual Number 15 as revised October, 1977 and the Public Health Service Objectivity in Research Guide, National Institutes of Health Guide, effective October 1, 1995.

5. Certification of Compliance

5.1 On an annual basis, all Investigators engaging in sponsored projects must certify to their dean or executive unit head their knowledge of and compliance with the financial disclosure policy of the University as outlined herein. (See Appendix I, sample certification form, at the end of this document.) The certification form also requires the same information about members of the Investigator's immediate family. Investigators must supply this information for confidential review by the University. At minimum, disclosures must include the information found on the sample certification form at the end of this document.

5.2 In addition, Investigators engaging in sponsored projects must disclose to their Dean or executive unit head on an ad hoc basis new situations in which significant financial interests are obtained and which may raise questions of conflict of interest as soon as such situations become known to the Investigator.

5.3 The dean or executive unit head will review the financial disclosure, determine whether an actual or potential conflict of interest exists, and determine what conditions or restrictions, if any, should be imposed by the institution to manage, reduce or eliminate such conflict of interest. An actual or potential conflict of interest exists when the reviewer(s) reasonably determines that a significant financial interest could affect the design, conduct, or reporting of the research or educational activities in question.

5.4 Examples of conditions or restrictions that might be imposed to manage, reduce, or eliminate actual or potential conflicts of interest include:

- Public disclosure of significant financial interests;

- Monitoring of projects by independent reviewers;
- Modification of the research plan;
- Disqualification from participation in that portion of the project that would be affected by the significant financial interests;
- Divestiture of the significant financial interests; or
- Severance of relationships that create actual or potential conflicts.

5.5 If the dean or executive unit head determines that imposing conditions or restrictions would be either ineffective or inequitable, and that the potential negative impacts that may arise from a significant financial interest are outweighed by interests of scientific progress, technology transfer, or the public health and welfare, then the dean or executive unit head may recommend that the project go forward without imposing such conditions or restrictions. Such a recommendation will be forwarded through the Executive Director, Office of Sponsored Programs, to the Associate Vice President for Information Resources, who shall provide his or her approval and/or disapproval as delegated by the Provost. Restrictions similar to those listed in section 5.4 may be imposed by the Associate Vice President for Information Resources.

6. Appeals of Decisions

Should an Investigator wish to appeal a decision made by the Associate Vice President for Information Resources, he or she may present the appeal to the Provost who then forms the adhoc appeals committee. The adhoc appeals committee is to be made up of one faculty from each school selected by the dean of that school, one member from A&F and one non-academic position appointed by the Provost. The adhoc appeals committee will make a recommendation to the Provost who has final authority.

7. Retention of Records

Records of all financial disclosures and of all actions taken to resolve actual or potential conflicts of interest will be maintained in the Office of Sponsored Programs until at least 3 years beyond the termination or completion of the sponsored project award to which they relate, or the resolution of any government action involving those records.

Failure of any Investigator to comply with this policy shall constitute grounds for disciplinary action.

Appendix I
University of Houston-Clear Lake
Annual Certification of Compliance
With the Procedure on Conflict of Interest for Investigators

NAME _____ TITLE _____
DEPARTMENT _____ EMPL ID _____

The following questions apply to your situation as it currently exists. If there are any changes during the current fiscal year (i.e., September 1 through the following August 31) you must resubmit this form with the new information. If you answer yes to any of the questions below,

list each such arrangement, provide an attached written explanation, and indicate how you propose to manage, reduce or eliminate the conflict of interest.

1. Do you currently have internally or externally sponsored projects or are you supported by a grant or contract the outcome of which could affect the interests of an enterprise or entity in which you (or members of your immediate family, i.e., spouse or dependent children as defined by the Internal Revenue Service) have employment or consulting arrangements and/or significant financial interest. ___ YES or ___ NO
2. Do you currently have internally or externally sponsored project or are you supported by a grant or contract where you (or members of your immediate family, i.e., spouse or dependent children as defined by the Internal Revenue Service) have employment or consulting arrangements and/or significant financial interests with the sponsor of the project, a subcontractor to the grant, a vendor, or a research collaborator. ___ YES or___ NO
3. Do you currently have gifts of cash or property which are under your control, or which directly support your teaching or research activities from an enterprise or entity in which you (or your immediate family members) have an employment or consulting arrangement and/or significant financial interests.___ YES or ___ NO
4. Does the University currently have a technology licensing arrangement with an enterprise or entity for which you, the inventor, (or your immediate family members) have employment or consulting arrangements and/or significant financial interests. ___ YES or ___ NO

CERTIFICATION

In submitting this form, I certify that the above information is true to the best of my knowledge and that I have read the University's policies related to conflict of interest as described in the "Procedure on Conflicts of Interest for Investigators." I supply this information for confidential review by the University and I do not authorize release of any of it for any other use.
SIGNATURE _____ DATE _____

Administrative Review and Approval

Possible Conflict of Interest

1. ___ No activity is reported and to the best of my knowledge no conflict of interest exists.
2. Based on the activity reported (brief explanation for each significant interest must be attached), to the best of my knowledge and in my judgment:

a) ___ No conflicts exist.
b) ___ A conflict of interest may exist but does not appear to be significant.
c) ___ A conflict of interest may exist which warrants further review.

Dean's Signature[1] _____ Date
Associate Vice President for
Information Resources [2] _____ Date

Distribution instructions:

When Item 1 is checked: Copies of each annual Certification of Compliance will be submitted to the Office of Sponsored Programs from the deans or executive unit heads for retention.

When Item 2 is checked: The dean will forward such certification to the Associate Vice President for Information Resources—as designated by the Senior Vice President and Provost--who will forward copies of all Annual Certification of Compliance forms to the Office of Sponsored Programs after the potential conflict has been addressed.

Final Authority: Final authority resides with the Provost. In the event of appeal, final authority resides with the Provost. See Section 6.

Retention by Division of Research: The Office of Sponsored Programs will retain those annual Certification of Compliance and ad hoc reports as required by the external agencies.

[1]Required on all disclosures, whether or not any activity is reported.
[2]Required whenever 2(b) or 2(c) is checked.

For office use only
Action:_____
Comments:_____
Date:_____Initials:_____

Signature: _____
William A. Staples

Title: President
University of Houston-Clear Lake
Approval Date: March 10, 2005
Sunset Date: March 10, 2015

C-8 Employee Standards of Conduct (policy also addresses Conflicts of Interest)
www.uhv.edu/fin/policy/c/c-8.aspx

SECTION: PERSONNEL INDEX C-8
SUBJECT: EMPLOYEE STANDARDS OF CONDUCT

POLICY

Employees of the University of Houston-Victoria (UHV) are public servants and have a responsibility to the public in the performance of official duties. Federal and state law, together with growing scrutiny of the complex relationships between public institutions and outside public and private organizations and individuals, necessitate the clarification of standards of accountability for public servants. Requirements for ethical behavior are especially important in public institutions of higher education; university employees are accountable to taxpayers for the use of public funds and also have the responsibility to lead and educate university students by example.

The purpose of this policy is to ensure that employees are informed of their responsibilities for accountability and ethical conduct and that any potential conflict is reviewed and reported in accordance with state and federal law and University of Houston System Board of Regents Policies. This policy applies to all university employees, with certain reporting requirements for specific groups as noted.

University employees shall promptly disclose to their supervisor any substantiated information regarding what they believe to constitute a violation of this policy or any law or institutional policy.

Failure to comply with the provisions of this policy may subject the employee to disciplinary action up to and including dismissal, as well as to the possibility of criminal action.

DEFINITIONS

Benefit: Anything reasonably regarded by an independent observer as providing monetary gain or advantage. For the purposes of this policy, a benefit shall include, but is not limited to monetary gifts, meals, employment, travel, or items of significant gain or advantage with a value of $50 or more. When the appropriateness of a benefit is in question, it should not be accepted.

Bribery: A university employee commits the criminal offense of bribery if the employee solicits, offers, or accepts any benefit in exchange for a decision, opinion, recommendation, vote, or other exercise of discretion by the employee.

Conflict of Interest: A situation in which there is a divergence between the employee's private interests and the employee's 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.

Conflict of Commitment: A situation in which an employee's outside activities interfere with the employee's primary commitment of time and intellectual energies to the university, or in which a full-time employee's primary professional loyalty is not to UHV. The general permitted limit to external commitments for faculty is one day per calendar week, never to conflict with the employee's scheduled classes or other duties and responsibilities.

Consulting and outside employment: For the purposes of this policy, activities undertaken for remuneration from a third party when the activity is within the scope of activities, functions, or expertise for which the individual is compensated by the university. This definition does not include unpaid public service or lectures for fees, unless these activities require significant amounts of time or otherwise adversely affect the employee's performance of university duties.

Honoraria: 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 policy, 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.

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.

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.

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:

- exceeds $10,000 fair market value and 5 percent ownership; or
- is expected to exceed $10,000 in payments during the next 12-month period

STANDARD OF CONDUCT GUIDELINES

University employees have a responsibility to the public in the performance of their official duties. High institutional and personal standards of conduct must be maintained to fulfill that responsibility. These standards must include avoiding any actions that would create the appearance of violation of laws or ethical principles.

UHV employees shall avoid using their positions for purposes that are, or give the appearance of being motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. University employees shall exercise the utmost good

faith in all transactions, activities, and behaviors related to their duties to the university and its property and resources. The principles of good faith and honest dealing apply to all aspects of the employee's responsibilities and activities on the part of the university, not just those identified in this policy as subject to particular statutes or causes for particular concern.

- **Disclosure of Confidential Information**- No university employee shall disclose confidential information gained by reason of his or her position, nor shall the employee otherwise use such information for personal gain or benefit. Similarly, no employee shall accept other employment or engage in any business or professional activity that foreseeably might require or induce the employee to disclose confidential information acquired through his or her position.

- **Business, Investments, and Professional Activity**- An employee or the employee's immediate family shall not make personal investments in any enterprise that foreseeably might create a significant conflict between the employee's private interests and the university's interests. An employee shall not transact any business for the university with any entity of which he or she is an owner, officer, agent, employee, or member or in which the employee or the employee's immediate family owns any significant interest or accrues any benefit.

- **Bribery** -No employee shall solicit, offer or accept any benefit in exchange for a decision, opinion, recommendation, vote, or other exercise of discretion.

- **Outside Consulting or Other Employment**- The University expects employees to accord a full professional commitment to the university during the terms of their appointments. Interaction between employees and external entities for reasonable periods of time and for personal remuneration may be desirable when the relationship benefits the university, enhances the professional skills of the employee, or constitutes a public service. However, no employee shall accept consulting or external employment that might impair his or her independence of judgment in performance of university duties, nor shall an employee receive any compensation from any source other than the State of Texas except as allowed by law. The University bears no responsibility for any actual or implied obligations or liabilities incurred by an individual resulting from a consulting or other paid professional agreement or activity. All such activity must be reported to the immediate supervisor for approval before performing the work. The employee must be careful to avoid conflicts of interest and conflicts of commitment. Employees should be aware that a Conflict of Interest situation exists when outside activities interfere with the employee's primary commitment of time and intellectual energies to the university, or when a full-time employee's primary professional loyalty is not to the University. The general permitted limit to external commitments for faculty is one day per calendar week, never to conflict with the employee's scheduled classes or other duties and responsibilities. Unpaid public service or lectures for fees are not included unless these activities require significant amounts of time or otherwise adversely affect the employee's performance of university duties. All consulting and other paid professional employment shall comply with Board Policy 57.02 and UHS SAM 02.A.08.

Prior to entering into any consulting, investment, professional, or other arrangement that may involve a conflict of interest or commitment, a faculty or exempt employee must submit to the appropriate supervisor a complete written disclosure of the pending relationship and any potential conflicts that it may involve. The subsequent arrangements will then be subject to the approval of the appropriate Cabinet-level supervisor. When a question of propriety of the proposed employment or business relationship exists, the supervisor shall submit the application to the Vice President for Academic Affairs and Provost (for faculty) or Vice President for Administration (for staff). These procedures apply to all regular faculty and exempt staff and to non-exempt staff with procurement or research responsibilities.

In accordance with Board of Regents Policy 57.05, any outside employment of the Chancellor, other officers of the System Administration, or the President or vice presidents of any component, including serving on the board of directors or governing board of any outside organization, shall be approved in advance by the Board of Regents.

- **Honoraria**- By state law, a university employee may not solicit, agree to accept, or accept an honorarium in consideration for services the employee would not have been asked to provide but for his or her official position; i.e. for providing services on behalf of the university. This prohibition includes a payment made to a third party if made in exchange of the employee's services. This restriction applies to any fee for any service provided in the employee's official capacity, but does not apply to food, transportation, and lodging in connection with the service provided.

- **Dual Employment**- A UHV employee may hold another non-elective state or federal office or position of honor, trust, or profit only with the prior approval of the President and the Board of Regents. Such approval must be based on formal findings that the dual office holding is of benefit to the state or is required by state or federal law and that the situation creates no conflict of interest or commitment. UHV is required to maintain records of any compensation, including per diem, associated with the second position.

- **Charitable or Professional Organizations/Pro Bono Work**- Any contribution of time without compensation to charitable or professional organizations or causes that may infringe upon the employee's regular work hours must be disclosed to the employee's supervisor and must not interfere with the individual's university responsibilities.

- **Use of University Equipment, Facilities, Support Staff, and Other Resources**- As a state employee, an employee is required to use university property for university purposes only, not for personal or private purposes. In situations where there is no direct cost to the university, such as use of university telephones to make non-toll calls, or use of computers for occasional internet use, such use is not considered a misapplication of state property and may be permitted within reason. Use of university equipment, facilities, or support staff for any activity other than the conduct of the employee's job responsibilities is permitted only if prior appropriate and equitable financial arrangements have been concluded between the individual and the University.

- **Use of University Name**- The name of the University of Houston-Victoria may in no case be used for advertising or procurement purposes by any individual or external organization for non-university purposes. Likewise, employees may not represent themselves as acting in the capacity of university employees when conducting consulting or personal activities. UHV bears no responsibility for any actual or implied obligations or liabilities incurred by an individual resulting from a consulting or other paid professional agreement or activity.

- **Governmental Appearances or Expert Witness Service**- University employees appearing before Congress or the Texas Legislature or their agencies, committees, or members to offer testimony, opinions, or commentary in regard to existing or potential laws, rules, or regulations, unless expressly authorized to do so by the Board or the Chancellor, must clearly state in advance that they are appearing in their individual capacities and that their testimony, opinions, and commentary are not authorized by and must not be construed as reflecting upon UHV's position.

- **Nepotism**- Relatives of university employees may not be employed in positions where the employee has the official authority to hire or recommend or approve the hiring, salary, or promotion of the relative, even if it results from marriage after the employment relationship was formed. The requirements of nepotism statutes may be found in Board of Regents Policy 57.07 and UHS SAM 02.A.21.

- **Transfer of Research Results, Materials, Products, Records**- Board of Regents Policy 21.08 (http://www.uhsa.uh.edu/regents/policy/asa.html) requires that university faculty and staff disclose on a timely basis the creation or discovery of all potentially patentable inventions created or discovered in the course of their university activities or with use of university resources. Ownership of these inventions must be assigned to the university regardless of source of funding.

- **Travel**- Travel undertaken on official university business may be paid or reimbursed from university funds when arrangements comply with applicable University of Houston System SAMs 01.C.05, 03.A.03, 03.A.04, and 03.A.14.

- **Lobbying by State Employees, Political Campaigns, Holding Public Office, and Other Political activities**- The General Appropriations Act prohibits the use of state funds to influence the outcome of any election or any legislative measure. Likewise, this act restricts the use of any university funds to hire lobbyists and provides restrictions against offering gifts to legislators and accepting gifts from legislators. Similarly, federal restrictions prohibit the use of federal funds to influence federal legislation. The Vice Chancellor for Governmental Relations shall be responsible for the general coordination of University of Houston System governmental activities.

- **Political Campaigns**- No university employee may use his or her authority, influence, or time during university work hours to affect the result of any election or political campaign or to achieve any other political purpose. Likewise, university funds, equipment, or other resources may not be used to work on a political campaign.

University employees may run for local elective office and serve as elected public officials so long as campaign activities are not conducted during official university hours and so long as the office does not involve a political party primary or a party affiliation. The employee must provide prior notification to his or her supervisor of the candidacy and election to office.

- **Reporting of Time and Effort; Maintenance of All Records**- It is a violation of law to falsify or alter the reporting of time worked, salary records, or any way revise university documents or records so as to provide an unearned benefit to the employee or another party.

- **Acceptance of gifts or other benefits**- A benefit is anything reasonably regarded by an independent observer as providing monetary gain or advantage. Benefits include, but are not limited to monetary gifts, meals, employment, travel, or items of significant gain or advantage with a value of $50 or more. When the appropriateness of a benefit is in question, it should not be accepted. An employee (or member of the employee's immediate family) may not solicit or accept any gift, favor, privilege, benefit, service, exemption, or thing of value that might influence the employee to perform his or her job differently. An employee should assume that anyone having business with the university as a client, contractor, or vendor is likely to be seen as attempting to curry favor if that person provides any gift or benefit to the employee.

The only gifts and benefits not subject to this restriction are those conferred on account of kinship or a personal or professional relationship independent of employee's status, non-cash items of less than $50.00 in value, and those used solely to defray expenses accrued in the performance of official duties that are not reimbursable by the university.

- **Related Party Interests**- A related party interest is 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. There is a distinction between a related-party interest and a conflict of interest. A related-party interest is a question of fact and results when an individual is in a position to personally benefit from transactions entered into by the University.

However, whether the transaction or relationship creates a conflict of interest requires a subjective evaluation of the facts and circumstances. All faculty and staff in a position to originate purchase requests or influence purchasing decisions must annually complete a disclosure statement.

- **Conflicts of Interest**- No employee shall use their employment to obtain unauthorized privileges, benefits, or things of value for oneself or others. Employees are required to take the initiative to disclose and request prior approval of their supervisor 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 benefit to the employee.

Although the University of Houston System depends upon the integrity and discretion of its staff with respect to actual or apparent conflict of interest, all University of Houston System employees are subject to the prohibitions of state law and applicable federal guidelines. Guidelines to avoid conflict of interest include the following:

- No employee shall solicit, accept, or agree to accept any privilege, benefit or thing of value for the exercise of his or her discretion, influence or powers as an employee except as allowed by law.

- No employee shall accept any privilege, benefit or thing of value that might influence him her in the discharge his duties as an employee.

- No employee shall use his or her position to secure special privileges or exemptions for himself or herself or others, except as is allowed by law.

- Any employee who is an officer, agent, employee or member of, or owns a significant interest in any entity doing business with any component of the University of Houston System must disclose such relationship in writing to his or her immediate superior.

- No employee shall accept employment or engage in any business or professional activity which foreseeably might require or induce him or her to disclose confidential information acquired by reason of his/her university position.

- No employee shall disclose confidential information gained by reason of his or her university position nor shall he or she otherwise use such information for his or her personal gain or benefit.

- No employee shall transact any business for the university with any entity of which he or she is an officer, agent, employee, or member, or in which he or she owns a significant interest.

- No employee shall make personal investments in any enterprise which foreseeably might create a substantial conflict between his or her private interests and the university's interests.

- No employee shall accept other employment which might impair his or her independence or judgment in the performance of his or her university duties.

- No employee shall receive any compensation for his or her services from any source other than the State of Texas except as allowed by law.

- No 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.

University employees are required and expected to take the initiative to disclose and request prior approval of their supervisor 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.

Evaluating and Resolving Violations oF Standards

University employees are asked to report in good faith violations of this policy or any law, regulation or other occurrence of institutional noncompliance, whenever observed or suspected. Reports may be made to either the employee's immediate supervisor, the HR/AA Director, the campus assigned Institutional Compliance Officer (Director of Business Services) or confidentially to the telephone number provided on the University's Institutional Compliance website. Violations involving sponsored project agreements should be directed to the Provost and Vice President for Academic Affairs and handled in accordance with applicable policy.

Confidentiality of the information and employee(s) involved is of utmost importance to insure proper adjudication of the allegations. Federal and state laws prohibit university officials from retaliating against employees who report violations in good faith. In addition, the university is committed to maintaining the confidentiality and anonymity of all individuals who make such reports to the extent allowed by law.

All reports received will be reviewed immediately to determine whether an investigation is warranted. Every attempt will be made to resolve internal violations at the lowest level of administrative review. However, after a determination of the seriousness of the violation has been made, other administrators may also become involved. When criminal activity is suspect, appropriate civil authorities may become involved. When the investigation involves the Internal Auditing Department, the Office of General Counsel, or the UHS Institutional Compliance Officer, the appropriate campus Vice President will be notified as well as the Director, Human Resources/Affirmative Action.

Based upon the findings, appropriate action will be taken to remedy the situation.

Supervisors may contact the Director, Human Resources/Affirmative Action or the campus Institutional Compliance Officer (Director of Business Services) at any time for guidance and assistance in resolving standards of conduct violations. Also, employees may call the State of Texas Ethics Commission (512.463.5800) for guidance.

Sanctions for Violations of Employee Standards of Conduct

Standard of Conduct violations, depending upon the severity, may subject the employee to disciplinary action up to and including dismissal, as well as to the possibility of criminal charges and prosecution.

SUMMARY OF DISCLOSURE AND REPORTING REQUIREMENTS

1. In accordance with Board of Regents Policy 57.01.3, copies of the laws and Board of Regents Policies listed below are to be distributed to an employee by the Human Resources Office upon initial employment and annually by the University of Houston System Board of Regents' office.

- Statutory Standards of Conduct for State Employees, Â§ 572.051, Texas Government Code
- General Appropriations Act Article IX, Â§ 5. Political Aid, Legislative Influence
- Board of Regents Policies:
  - Consulting and Paid Professional Service (57.02)
  - Dual Employment (57.04)
  - Nepotism (57.07)
  - Conflicts of Interest (57.08)
  - Academic Freedom (21.03) (http://www.uhsa.uh.edu/regents/policy/asa.html)
  - Governmental Appearances (81.01) (http://www.uhsa.uh.edu/regents/policy/external.html)
  - Sexual Harassment (29.02) (http://www.uhsa.uh.edu/regents/policy/asa.html#A4)

2. UHS Policy Distribution- In accordance with UHS Administrative Memorandum 02.A.29, Ethical Conduct of Employees, copies of this policy are to be distributed to all university employees annually. The annual distribution may be by e-mail.
3. UHV Policy Distribution- Copies of university policy C-8, Employee Standards of Conduct, are to be distributed upon initial employment and then electronically, annually to all employees.
4. Faculty Consulting or Outside Paid Professional Activity Disclosure- In accordance with Board of Regent policy 57.02.5, Faculty who wish to arrange consulting or other paid professional activities must provide prior written notification and receive written approval from their dean. Review by their dean of such activities will include consideration of any real or apparent conflict of interest and the benefit of the proposed service to the system and the component university.
5. Exempt Staff Consulting or Paid Professional Activity Personal Disclosure- In accordance with Board of Regent policy 57.02.6, professional or administrative staff who wish to arrange consulting or other paid professional activities must obtain prior written approval from the appropriate supervisor. While consulting is a recognized aspect of faculty activities with the limitations noted in this document, consulting by professional or administrative staff must be justified on an individual basis by clear and direct benefit to the system.
6. Institutional Reporting of Outside Consulting, Employment or Expert Witness Services- Annually, during the first quarter, faculty and exempt professional staff will be surveyed by the Provost's Office for any consulting, outside employment, or expert witness activities. The information will be forwarded to the appropriate state office with an information copy to the UHS General Counsel's office.

7. Employee Reporting of Violations of Ethical Standards- University employees are asked to report violations of this policy or any law, regulation or other occurrence of institutional noncompliance, whenever observed, to one of the following: the employee's immediate supervisor, the HR/AA Director, the Institutional Compliance Officer or anonymously to the telephone number provided on the University's Institutional Compliance website.
8. Employee Disclosure and Annual Reporting of Related Party Interestsâ€" Annually, within the first quarter, the Department of Business Services will obtain signed disclosure statements from all faculty and staff in a position to originate purchase requests or influence purchasing decisions of any possible conflict of interest situations. Information is reported in accordance with UHS Administrative Memorandum 02.A.29. Disclosures are required from any employee who
   - has previously disclosed a related party interest, or
   - will serve in a supervisory capacity at a department level or higher in the coming fiscal year, or
   - is in a position to make final purchasing decisions. (this category includes all delegated departmental purchasers and ProCard users), or
   - has signature authority on any university cost center, or
   - can personally benefit from a relationship or business transaction.

9. Financial Statement Report - In accordance with UHS Administrative Memorandum, 02.A.29, Section 5.2, the President is required to submit an annual financial statement with the Texas Ethics Commission using forms prescribed by the Commission.
10. Procurement Disclosure Report - In accordance with UHS Administrative Memorandum 02.A.29, Section 5.2, certain employees, including vice presidents, employees at the director level or higher, employees who are over procurement and contracting functions, and those others considered by the campus to have high-level procurement responsibilities shall file with the chief financial officer of each component a report disclosing the following information:

    - The amount of any compensation received for services related to these associations; and
    - Known information regarding whether any of the organizations cited have any relationship to the University of Houston System and a description of the relationship.

REFERENCES

1. Board of Regents Policy 57.01, Code of Ethics (www.uhsa.uh.edu/regents/policy/af.html)
2. UH System Administrative Memo 02.A.29, Ethical Conduct of Employees (www.uh.edu/policyservices/sam/2HumanResources/2A29.pdf)
3. Texas Ethics Commission's Guide to Ethics Laws for State Employees (www.ethics.state.tx.us/pamphlet/G08o&e.htm)
4. University Policy C-6, Nepotism (www.uhv.edu/fin/policy/C/c-6.htm)
5. Texas Government Code, Section 572.051, Standards of Conduct (http://www.ethics.state.tx.us/statutes/07ch572.htm#572.051)

Approved by:

Signature Obtained 05/19/11
Dr. Don Smith, Ph.D. Date
Interim President

Originating Department: Business Services
Next Review Date: May 2013

Financial Aid Conflict of Interest Certification
Can be found on UHV Compliance Website under Standards of Conduct at
www.uhv.edu/compliance/pdf/FY2009/Financial_Aid_Conflict_of_Interest.pdf

Financial Aid Employee Standards of Conduct and Conflict of Interest Certification

Instructions: *All Financial Aid (FA) employees are to complete this certification,* which supplements University Policy C-8, Employee Standards of Conduct, *annually by August 31st. New FA employees are to complete within 30 days of employment.*

Distribution: *Original to employee's personnel file. Copy to employee. Copy to Financial Aid Director.*

As a University of Houston-Victoria (UHV) financial aid employee, I am expected to always maintain exemplary standards of professional conduct in all aspects of carrying out my responsibilities, specifically including all dealings with any entities involved in any manner in student financial aid, regardless of whether such entities are involved in a government sponsored, subsidized, or regulated activity. In doing so, I understand I will:

1. Refrain from taking any action for personal benefit.
2. Refrain from taking any action I believe is contrary to law, regulation, or the best interests of the students and parents I serve.
3. Ensure that the information I provide is accurate, unbiased, and does not reflect any preference arising from actual or potential personal gain.
4. Be objective in making decisions and advising the Financial Aid Director regarding relationships with any entity involved in any aspect of student financial aid.
5. Refrain from soliciting or accepting anything of other than nominal value, (retail value of not more than $10) from any entity, other than an institution of higher education or a governmental entity such as the U.S. Dept of Education, involved in the making, holding, consolidating or processing of any student loans, including anything of value (including reimbursement of expenses) for serving on an advisory body or as part of a training activity of or sponsored by any such entity.
6. Avoid all actual or perceived conflicts of interest, promptly disclosing to the university, in such manner as UHV prescribes, any involvement with or interest in any entity,

including any family1 members attending UHV, UHSCR, or UHSSL involved in any aspect of student financial aid.

I further understand that:

1. I cannot award and disburse the same transaction.
2. I cannot participate in the selection, award, or administration of any scholarship, grant or loan award supported or funded by Federal, State or University funds if a real or apparent conflict of interest exists. I understand that a conflict of interest arises when I, my immediate family, partner, or other organization which employs or is about to employ any of these parties, has a financial or other interest in my decision.
3. I cannot manipulate the dates of award of any scholarship, grant or loan that may be perceived as favorable to myself or any family member.

Acknowledgement and Certification:

I understand my responsibilities as stated above and that I have a responsibility to promptly report any real or apparent conflict of interest, violations of laws or regulations, fraud, theft or other irregularities to the Director of Financial Aid.

To my knowledge, there are no actual or potential conflicts of interest where an independent observer might reasonably question my actions or decisions were determined or motivated by considerations of personal gain. I further understand that I may be subject to civil fines and disciplinary action up to and including termination and/or prosecution in the event of intentional fraud or other serious violation of these standards.

Employee Signature	Date	Financial Aid Director Signature

Printed Name

Notes:

1. Family is defined as the employee's spouse, the employee's or the spouse's natural and adopted children, grandchildren, and great-grandchildren; parents, grandparents, and great-grandparents; brothers, sisters, half brothers, and half sisters; aunts, uncles, nieces, nephews, first cousins, and second cousins; and persons married to them

E-7 Related Party
www.uhv.edu/fin/policy/e/e-7.aspx

SECTION: PURCHASING INDEX: E-7

SUBJECT: RELATED PARTY DISCLOSURES

POLICY

Employees of the University of Houston-Victoria shall avoid using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others, such as those with whom they have family, business, or other ties. University employees shall exercise the utmost good faith in all transactions, activities, and behaviors related to their duties to the UH System, its property, and resources. Faculty and staff in a position to personally benefit from a transaction entered into by the University of Houston-Victoria or other UHS components shall annually complete a disclosure statement regarding related party interests as required by UHS Administrative Memorandum 03.A.17.

DEFINITION

Conflict of Interest: A situation in which there is a divergence between the employee's private interests and professional obligations to the University, such that an independent observer might reasonably question whether the employee's actions or decisions are determined by considerations of private gain, whether financial or otherwise, to the University's detriment. Such a situation may result from consulting or other outside employment, a relationship defined as a related-party interest, or any other relationship that results in a gift or benefit to the employee.

Related Party Interest: A question of fact that results when an individual is in a position to personally benefit from transactions entered into by the University of Houston-Victoria or other System component. Transactions may include, but are not limited to (1) originating purchase requests, influencing purchasing decisions and/or consulting or professional relationships that are created or perceived as creating a conflict of interest.

PROCEDURE

The Related Party Disclosure will be completed annually online as part of UH System mandatory training and reporting process. In the event that online reporting is unavailable, Business Services will coordinate the reporting process using the Related Party Disclosure Form (Attachment A).

Related Party Disclosures are to be completed by all faculty and staff employees within any of the following categories:

(a) employees who have previously disclosed a related party interest;
(b) employees who serve in a supervisory capacity at a department level or higher;
(c) employees in a position to make final purchasing decisions. *This category includes all delegated departmental purchasers and ProCard users;*
(d) employees having signature authority on any university cost center;
(e) employees who could personally benefit from a relationship or business transaction.

The Business Services Department will initially review disclosure information and notify the Dean or Department head, appropriate Vice President and the President of those employees who may have a related party interest. The Dean or Department head shall inform any faculty or staff member whose outside activity is believed to represent a conflict of interest. Remedial action will be suggested when indicated. Disclosures which indicate potential conflicts of interest will also be forwarded to the UH System Chancellor.

Deans and department heads should, at least annually, discuss related party interests and potential conflict of interest with their employees. Employees are instructed to report in writing to their Dean or Department Head all facts about any activity or transaction and the potential conflicts of interest that may be involved before any such activity or transaction occurs.

Any purchase requisition, delegated departmental order form or ProCard that can be identified as a related party transaction must include the following information and be authorized by the Dean or Department Head, *"This is a Related Party Transaction. Reason for this purchase:_____"*

REFERENCES

UHS Administrative Memorandum, 03.A.17

Approved:

Signature Obtained 09/02/2011
Don Smith, Ph. D. Date
Interim President

Originating Department: Business Services Department

Next Review Date: August, 2014