

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.A.17

AREA: General

SUBJECT: Disclosure of Related Party Interests

1. PURPOSE

This document provides a means for disclosure of related party interests by faculty and staff.

2. DEFINITIONS

2.1. 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. Such a situation may result from consulting or other outside paid professional service, a relationship defined as a related-party interest, or any other relationship that results in a gift or other benefits to the employee.

2.2. 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.

3. PROCEDURE

3.1. There is an important 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 of Houston System. Whether such a transaction or relationship creates a conflict of interest requires a subjective evaluation of the facts and circumstances by the Chancellor.

3.2. All full-time faculty, all exempt staff, and non-exempt employees in a position to originate purchase requests or influence purchasing decisions shall annually complete a disclosure statement regarding related-party interests.

