SECTION: Human Resources **NUMBER: 02.A.29**

AREA: General

SUBJECT: Ethical Conduct of Employees

---

1. PURPOSE

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. This document sets forth standards of conduct for employees in accordance with Texas Education Code Section 51.9337, Texas Government Code Section 572.051, and Board of Regents Policies 57.01.2, 57.01.4, and 81.01. For purposes of this policy, the term "UHS" encompasses the University of Houston System and its universities, and the term "employee" refers to all employees of UHS and its universities.

2. POLICY

2.1. 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. Employees shall exercise the utmost good faith and honest dealing in all transactions, activities, and behaviors related to their duties to UHS and its property and resources.

2.2. Each employee is expected to obey all federal, state, and local laws and UHS and university policies, including this policy. Failure of an employee to comply with this policy or with applicable law shall constitute grounds for disciplinary action, up to and including termination of employment. An employee who violates any applicable federal or Texas law or rule may be subject to civil or criminal penalties in addition to any employment-related sanction.

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, travel, entertainment, employment, services, or other items of monetary gain or advantage.

3.2. Conflict of Commitment: A situation in which an employee's outside activities interfere with the employee's duties and responsibilities to UHS, including their commitment of time and intellectual energies.

3.3. Conflict of Interest: A situation in which an employee has a direct or indirect financial or other interest, engages in a business transaction or professional activity, or incurs any obligation that is in substantial conflict with the proper discharge of the employee's duties and responsibilities to UHS.

3.4. Financial Interest: For purposes of this policy, Financial Interest is defined as an interest in an individual or entity (other than a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation) in which a person:

3.4.1. Owns or controls, directly or indirectly, an ownership interest of at least one percent, including the right to share in profits, proceeds, or capital gains; or

3.4.2. Could reasonably foresee that a UHS or university contract with the individual or entity could result in a financial Benefit to the person.

3.5. Foreign Adversary: A foreign government or foreign non-government person on the U.S. Department of Commerce's foreign adversaries list under 15 C.F.R. § 791.4, which currently lists China (including Hong Kong and Macau), Cuba, Iran, North Korea, Russia, and Venezuelan politician Nicolás Maduro. For purposes of this policy, Foreign Adversary includes Venezuela under the Nicolás Maduro regime.

3.6. Procurement Activity: Activities undertaken by an employee involving the following:

- approvals, disapprovals, or recommendations concerning a procurement transaction, or selection of a vendor;
- preparation of any part of procurement actions;
- influencing the content of any specification or procurement standard; or
- advising, investigating, or auditing any procurement transaction.

3.7. Relative: A person related to another within the second degree of affinity or the third degree of consanguinity and includes the following relations:

3.7.1. Parent, grandparent, great grandparent, brother, sister, half-brother, half-sister, child, grandchild, great grandchild, aunt, uncle, niece, nephew;

3.7.2. Persons married to: parent, grandparent, brother, sister, half-brother, half-sister, child, and grandchild;

3.7.3. Spouse (as recognized under Texas law) and spouse's: parent, grandparent, brother, sister, half-brother, half-sister, child, and grandchild.

4. GENERAL STANDARDS OF CONDUCT

4.1. Improper Acceptance of Benefits, Privileges, or Exemptions

4.1.1. Use of Official Position to Secure Privileges or Exemptions. No employee shall use their position to secure special privileges or exemptions for themselves or others, except as is allowed by law.

4.1.2. Employment or Compensation That Could Impair Judgment. No employee shall accept other employment or compensation that could reasonably be expected to impair the employee's independence of judgment in the performance of the employee's official duties.

4.1.3. Benefits Given in Exchange for Official Action. No employee shall intentionally or knowingly solicit, accept, or agree to accept any Benefit for having exercised the employee's official powers or performed the employee's official duties in favor of another.

4.1.4. Benefits Given to Influence Decisions. No employee shall accept or solicit any gift, favor, or service that might reasonably tend to influence the employee 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.

4.1.5. Benefits Given by Vendor Who May Be Awarded Contract. No employee participating in a Procurement Activity shall solicit or accept any economic opportunity, employment, gift, loan, gratuity, special discount, trip, favor, or service from a person or entity to whom a contract may be awarded.

4.1.6. Benefits Given by Interested Party. Unless specifically allowed under Section 5 of this policy and applicable law, no employee who exercises discretion in connection with contracts, purchases, payments, claims, or other monetary transactions shall solicit, accept, or agree to accept any Benefit from a person or entity the employee knows is interested in or likely to become interested in such transactions.

4.1.7. Gifts Given by Foreign Adversary. No employee shall accept any gift regardless of value, including travel, from an entity associated with a Foreign Adversary. If an employee receives an offer of a gift from an entity associated with a Foreign Adversary, then the employee must promptly report the offer to their supervisor and the Export Control Office at exportcontrol@uh.edu.

4.1.8. Honorarium Given Because of Official Position or Duties. Unless specifically allowed under Section 5 of this policy and applicable law, no

employee shall solicit, accept, or agree to accept an honorarium in consideration for services that the employee would not have been asked to provide but for the employee's official position or duties. This prohibition includes a payment made to a third party in exchange for such services.

4.2. Conflict of Interest. No employee shall have a direct or indirect financial or other interest, shall engage in a business transaction or professional activity, or shall incur any obligation that is in substantial conflict with the proper discharge of the employee's duties and responsibilities to UHS. This includes, but is not limited to, the following:

4.2.1. Transacting UHS Business. No employee shall transact any business for UHS or any of its universities with any entity of which they are an officer, agent, employee, or member, or in which they have a direct or indirect financial or other interest.

4.2.2. Participating in Procurement Activity. No employee shall participate in a Procurement Activity if the employee has—or is aware that the employee's Relative has—an actual, potential, or perceived monetary interest in a procurement, including but not limited to, employment or prospective employment with an entity subject to the Procurement Activity.

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

4.2.4. Acting as an Agent. No employee shall act as an agent for another person in the negotiation of the terms of an agreement relating to the provision of money, services, or property to UHS or any of its universities.

4.2.5. Conducting Research. For federal and institutional requirements specific to potential financial conflicts of interest in research, see the applicable university's research policy.

4.3. Conflict of Commitment. No employee's activities outside UHS shall interfere with the employee's duties and responsibilities to UHS or to its programs, policies, and objectives. Outside obligations that represent actual or potential conflicts of commitment must be avoided.

4.4. Unauthorized Disclosure or Use of Confidential Information

4.4.1. No employee shall disclose without authorization confidential information gained by reason of their university position, nor shall they otherwise use such information for their personal gain or Benefit.

4.4.2. No employee shall accept other employment or engage in a business or professional activity that the employee might reasonably expect would require or induce the employee to disclose confidential information acquired by reason of their university position.

4.5. Misuse of UHS Property or Resources. Unless specifically allowed under Section 5 of this policy and applicable law, no employee shall use UHS property or resources, including the name of UHS or its universities, for any purpose other than university purposes. See SAM 01.C.04 – Reporting/Investigating Fraudulent Acts.

5. SPECIFIC EMPLOYEE CONDUCT

5.1. Benefits Employees May Accept Subject to the Prohibitions Above.

5.1.1. Gifts from Friends, Relatives, and Associates. Employees may accept gifts or other Benefits from a friend, Relative, or business associate with whom they have a relationship independent of the employee's official status, as long as the gift is given on account of the personal relationship and not on account of the official status.

5.1.2. Non-cash Items of Less than $50 in Value. Employees may accept non-cash items of less than $50 in value, as long as such items (1) are not solicited and not offered or accepted in exchange for any action or inaction on the part of the employee (2) are not to an employee participating in a Procurement Activity from a vendor who may be awarded a contract.

5.1.3. Other Benefits Allowed Under Texas Penal Code Section 36.10. Employees who exercise discretion in connection with contracts, purchases, payments, claims, or other monetary transactions may accept a Benefit from a person or entity the employee knows is interested in or likely to become interested in such transactions if the Benefit falls under an applicable exception under Texas Penal Code Section 36.10.

5.1.4. Honorarium. Employees may accept an honorarium in consideration for a non-recurring service for which a fee is not traditionally required—such as a speech, guest lecture, workshop, or seminar—if the service was requested for a reason unrelated to the employee's official position or duties. However, if the honorarium is offered for a service because of the employee's official position or duties, an honorarium may not be accepted.

Regardless of the reason for the service being requested, the employee can accept reimbursement for meals, transportation, or lodging in connection with the service as long as the service is more than merely perfunctory.

5.2. Outside Activities by Full-time Exempt Employees. Full-time exempt employees (both faculty and staff) who want to engage in the following activities must comply with the requirements in this Section, in addition to any other applicable provision in this policy or other university policy (e.g., SAM 02.D.07 – Expert Witness Services):

- Outside paid professional activity, such as consulting, for any company, organization, or individual where the work is for the same or similar types of activities or area of expertise for which the employee was hired by the university;
- Startup company activity (i.e., starting, or joining with others to start, a company) where the work is for the same or similar types of activities or area of expertise for which the employee was hired by the university;
- Outside board service as detailed in SAM 02.A.08;
- Any outside activity, regardless of compensation, that reasonably appears to create a Conflict of Interest or a Conflict of Commitment.

5.2.1. Prior Approval Required. The proposed activity must be disclosed and prior written approval obtained under the process outlined in SAM 02.A.08, unless it falls under the list of pre-approved outside activities in SAM 02.A.08.

5.2.2. Time Limitations. Except for the limited pre-approved outside activities outlined in Section 4.6 of SAM 02.A.08, the proposed activity should generally be not more than 8 hours per calendar week, but in no event exceed a maximum of 32 hours per month.

5.2.3. Other University Obligations. The proposed activity must not interfere with an employee's university obligations, such as a faculty member's regularly scheduled classes.

5.2.4. Authorization for Absences. Authorizations for absences from an employee's official place of duty shall be requested and approved in accordance with university policy governing leave entitlements.

5.2.5. Affiliation with University. Employees may not represent themselves as acting in the capacity of UHS or university employees when engaging in the activity. UHS bears no responsibility for any actual or implied obligations or liabilities incurred by the employee resulting from the activity.

5.3. Governmental Appearances. Employees appearing in their official capacity on behalf of UHS or any of its universities 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 must be expressly authorized do so by the Board of Regents or the Chancellor. Employees appearing in their individual capacity 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 UHS or any of its universities. See SAM 09.A.01 – Governmental Relations Communications and Appearances.

5.4. Political Activities

5.4.1. Elective Office. Employees may run for local elective office and serve as elected members of the governing bodies of school districts, cities, towns, or other local governmental district, but may not receive a salary for serving as members of such governing bodies except as allowed under Article XVI, Section 40(b) of the Texas Constitution.

5.4.2. Political Campaigns. Employees may work on a political campaign as long as university funds, equipment, work time, or other resources are not used for the campaign, and the employee does not use the employee's official authority or influence to affect the result of any election or nomination of a candidate or to achieve any other political purpose. See SAM 02.A.39 – Political Aid and Legislative Influence.

5.5. UHS Employment

5.5.1. Dual Employment. Employees may work for another state agency or for another UHS university while maintaining their current employment only if they have received pre-approval. The work performed for the state agency or other UHS university must be non-regular, part-time appointment or temporary appointment as defined in SAM 02.A.34 – Types of Staff Employment. Compensation must be made through the university's payroll system and are subject to withholding and other payroll deductions, and Benefits from the state must not exceed the Benefits provided for one full-time employee.

5.5.2. Compensation from Sources Other Than State of Texas. Employees may receive compensation for services to UHS from sources other than the State of Texas only if allowed by law.

A. Salary Supplement from Donor. Employees shall not ask their university or agree on behalf of their university to accept a gift, grant, donation, or other consideration to be used as a salary supplement for themselves or for another employee without receiving prior written approval under the process outlined in SAM 02.A.08.

B. Expert Witness Fees. Compensation for expert witness services to an employee called to appear in their official capacity on behalf of UHS or any of its universities shall be subject to the provisions of SAM 02.D.07 – Expert Witness Services.

5.5.3. Additional Compensation. Pay for special projects performed for a university outside the employee's normal duties and normal work hours must serve institutional purposes, be consistent with university policies, and comply with applicable law(s) with respect to employee compensation.

5.5.4. Nepotism. Employees shall not hire, appoint, reappoint, promote, or supervise their Relative and shall not recommend, approve, or otherwise act with regard to the hiring, appointment, reappointment, salary, promotion, or supervision of their Relative. Relatives shall not be employed in the supervisory-subordinate relationship even if it results from marriage after the employment relationship was formed. The requirements of nepotism statutes may be found in Board Policy 57.01.4 and SAM 02.A.21 – Nepotism.

5.6. Use of UHS Property and Resources

5.6.1. Incidental Use with No Direct Cost to University. UHS property or resources may be used for non-university purposes when such use is reasonable and incidental and does not result in any direct cost to UHS, such as use of telephones to make occasional local calls.

5.6.2. Financial Arrangement Prior to Use. UHS property or resources may be used for non-university purposes when an appropriate and equitable financial arrangement that adequately covers the university's costs has been concluded between the employee and the university prior to use. See SAM 01.B.06 – Facilities Reservation and Rental and SAM 03.A.05 – Contract Administration, for additional guidance.

6. PROCEDURES

6.1. Ethics Policy Distribution and Training. A copy of this policy, the Code of Ethics in Board of Regents Policy 57.01.2, and Texas Government Sections 572.051 and 2113.014 shall be provided to each new employee within three (3) business days after the start of their employment. To acknowledge receipt and understanding of these laws and policies, all employees must regularly complete Code of Ethics training.

6.2. Outside Activities/Interests Disclosures. Employees are responsible for disclosing outside activities and interests in accordance with SAM 02.A.08 – Outside Activities/Interests Disclosures.

6.3. Reporting Law and Policy Violations. Employees are responsible for reporting suspected violations of law and policy in accordance with SAM 01.C.04 – Reporting/Investigating Fraudulent Acts.

7. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice Chancellor, Human Resources
System-wide Compliance Officer

Review: Every five years

8. APPROVAL

Approved: /*Raymond Bartlett*/
Senior Vice Chancellor for Administration and Finance

/*Dona H. Cornell*/
Vice Chancellor for Legal Affairs and General Counsel

/*Renu Khator*/
Chancellor

Date: July 14, 2025

9. REFERENCES AND RELATED STATUTES, POLICIES, OR REQUIREMENTS

Texas Constitution:
Article XVI, Section 40(b)

Texas Statutes:
Education Code § 51.9337 – Purchasing Authority Conditional; Required Standards
Government Code Chapter 554 – Protection for Reporting Violations of Law
Government Code § 552.352 – Distribution or Misuse of Confidential Information
Government Code § 556.004 – Prohibited Acts of Agencies and Individuals
Government Code § 659.0201 – Gifts, Grants, and Donations for Salary Supplement
Government Code § 572.051 – Standards of Conduct; State Agency Ethics Policy
Government Code § 2113.014 – Employee Standards of Conduct
Government Code § 2155.003 – Conflict of Interest
Government Code § 2261.252 – Disclosure of Potential Conflicts of Interest; Certain Contracts Prohibited
Family Code Chapter 2 – The Marriage Relationship
Penal Code Chapter 36 – Bribery and Corrupt Influence
Penal Code §39.06 – Misuse of Official Information

Texas Administrative Code:
1 Texas Administrative Code § 45.3 (interpreting Texas Government Code § 2155.003)

Texas Executive Orders:
GA-48 (2024)

System Board of Regents Policies:
57.01.2 Code of Ethics
57.01.4 Nepotism
81.01 Governmental Appearances

System Administrative Memoranda:
01.B.06 Facilities Reservation and Rental
01.C.04 Reporting/Investigating Fraudulent Acts
01.D.06 Protection of Confidential Information
02.A.21 Nepotism
02.A.34 Types of Staff Employment
02.A.39 Political Aid and Legislative Influence
02.D.07 Expert Witness Services
03.A.05 Contract Administration
09.A.01 Governmental Relations Communications and Appearances

Other Agency Guides:
State of Texas Procurement and Contract Management Guide
Texas Ethics Commission Guide to Ethics Laws for State Officers and Employees