

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Human Resources

NUMBER: 02.A.08

AREA: General

SUBJECT: Consulting and Paid Professional Service

1. PURPOSE

- 1.1. The University of Houston System recognizes that consulting and other paid professional services are an accepted part of academic life, and that often such services by faculty or exempt staff benefit both the employee and the System, through enhanced knowledge, exposure, and experience. Outside consulting also, however, carries the potential to create conflicts between outside professional activities and an employee's primary duty to the University. This document prescribes the regulations to be followed to ensure compliance with Board Policy [57.02](#), *Consulting and Paid Professional Service*, as well as state laws, and to assist the employee in managing or eliminating potential conflicts.
- 1.2. For the purposes of this document, consulting and paid professional service is defined as an activity undertaken for remuneration from a third party, where the activity is related to the functions or expertise for which the individual is compensated by the System.
- 1.3. This document applies to all full-time, benefits-eligible faculty and exempt staff.

2. POLICY

- 2.1. The fundamental premise of this policy is that each full-time employee has an obligation to place their responsibilities to the System above any other professional responsibilities. Consulting or other paid professional service of employees is considered a secondary activity that may be engaged in only after their duties and responsibilities to the System are fulfilled. Outside activities should not absorb an undue amount of time and thereby interfere with the performance of an employee's duties with the System.
- 2.2. External consulting or other paid professional service by full-time, benefits-eligible members of the faculty and exempt staff is necessarily restricted to activities that do not create a conflict of interest, time, or commitment with System responsibilities. Such conflicts would include the inducement to disclose confidential information or the impairment of the employee's judgment in the performance of component university duties.

This privilege is subject in all instances to the conditions set forth below. Failure to comply with this policy may subject an employee to disciplinary action including reprimand, suspension, or termination.

- 2.2.1. The first responsibility of the individual is to the System. Outside professional obligations should not interfere with the employee's full-time commitment to the System.
- 2.2.2. No outside obligation should result in any conflict of interest involving the individual's responsibilities to the System or to its programs, policies, and objectives. Even the appearance of conflict may be detrimental to both the employee and the System, therefore the System seeks to assist employees in avoiding actual or potential conflicts of interest in their consulting and other professional agreements. See [SAM 02.A.09 – Conflict of Interest](#).
- 2.2.3. Use of System facilities, space, equipment, or support staff for consulting or other paid professional activities is permitted only if a financial arrangement that adequately covers the costs involved has been concluded between the individual and the administration prior to the employee's beginning the outside consulting or other paid professional service.
- 2.2.4. Individuals may not represent themselves as acting in the capacity of System employees when conducting consulting or other paid professional activities. The System bears no responsibility for any actual or implied obligations or liabilities incurred by the individual resulting from the consulting or other paid professional agreement or activity.
- 2.2.5. The responsibility to recognize and avoid conflicts of interest resides primarily with the individual employee. To assist in that endeavor, the System requires faculty who wish to arrange consulting or other paid professional activities to provide *prior written notification* to their respective dean. Review by their dean, or equivalent, of such activities shall include consideration of any real or apparent conflict of interest and the benefit of the proposed service to the System and the component university. The dean may disapprove such activities if they conflict with primary System duties. The Consulting and Paid Professional Service Application Form for documentation can be found at this location: <http://www.uh.edu/human-resources/forms/consulting.docx>.

Each faculty member who engages in consulting or other paid professional service, including teaching on a temporary basis at other institutions, must ensure that such activities do not require commitments of time averaging more than one day per calendar week (i.e., one day in seven), and must arrange such activities so as not to interfere with the employee's University obligations, including but not limited to regularly scheduled classes. As approved by the Senior Vice Chancellor for Academic

Affairs/Provost, faculty in the College of Architecture are exempt from this limit due to the fact that active faculty participation in professional practices is a critical element of the student design experience and is consistent with the mission and faculty performance policies of the College of Architecture.

- 2.2.6. Exempt staff wishing to arrange consulting or other paid professional activities must obtain *prior* [written approval](http://www.uh.edu/human-resources/forms/consulting.docx) from the appropriate supervisor; such outside consulting must be justified on an individual basis and may not create a conflict of interest, time, or commitment with System responsibilities. The Consulting and Paid Professional Service Application Form for documentation can be found at this location: <http://www.uh.edu/human-resources/forms/consulting.docx>.
- 2.2.7. When any of an individual's salary is paid from funds for externally sponsored activities, the time allowable for consultation or other paid professional activities must comply with sponsor requirements.
- 2.3. Authorizations for absences from an employee's official place of duty because of outside consulting or other paid professional service shall be requested and approved in accordance with component university regulations governing leave entitlements.
- 2.4. The Standards of Conduct of State Officers and Employees, which are provided by state law, deal with the conflict of an employee's private interests with the interests of the state of Texas. Any employee who violates such standards through a consultation or other paid professional service is subject to dismissal from employment with the System, regardless of whether an application to engage in such an activity has been approved. Such dismissal will be processed according to applicable discipline and dismissal procedures.
- 2.5. Unpaid public service is not included in this policy; occasional lectures that include fees are also not included, unless these activities require significant amounts of time or otherwise conflict with regular System obligations.
- 2.6. An employee may not accept an honorarium or any fees or gifts in consideration for any services performed in his or her official capacity on behalf of the component university (excluding travel expense reimbursements).
- 2.7. Each component university shall establish a process for monitoring outside paid professional activities of their faculty and exempt staff in order to ensure that such activities are consistent with this policy and also serve System purposes. The Chancellor will report to the Board annually on such activities.

3. ADDITIONAL COMPENSATION

Work performed for the component university outside the employee's normal duties and outside normal work hours is considered an overload assignment. Each component

university shall establish a process for monitoring assignments of its faculty and staff to ensure that such activities are consistent with this document, serve institutional purposes, and are compliant with applicable law(s) with respect to employee compensation.

4. MULTIPLE EMPLOYMENTS

Work performed for another component university of the System within the scope of activities, functions, or expertise for which the component university compensates the individual is considered consulting or outside employment. Consulting activities must be non-regular, part-time appointments or temporary appointments as defined in [SAM 02.A.34 - Types of Staff Employment](#). Prior [written approval](#) to engage in these activities is required. Compensation for these services must be made through the component university's payroll system and are subject to withholding and other payroll deductions.

5. DUAL OFFICE HOLDING

The chancellor (or designee) must give approval before any officer of the System or its component institutions may hold other non-elective state or federal office or position of honor, trust, or profit. Approval must include formal findings that the dual office holding is of benefit to the state or required by state or federal law, and creates no conflict of interest.

6. CONTRACT AND ATHLETIC DEPARTMENT STAFF

Annually, full-time and part-time employees (excluding secretarial and clerical personnel) of the intercollegiate athletics department shall provide a written detailed account to the component university president of all athletically-related income and benefits from sources outside the component university. The approval of such employment and income must occur within the guidelines of the component university in order to be in compliance with [NCAA](#) legislation, specifically [NCAA](#) Bylaw 11.2.2 (Athletically-Related Income).

7. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice Chancellor for Finance

Review: Every five years on or before September 1

8. APPROVAL

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

Renu Khator
Chancellor

Date: May 1, 2013

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	10/23/1995	Initial version (Original title was “Consulting and Other Outside Employment”)
2	09/17/2004	Applied revised SAM template to meet current documentation standards. Added Section 1.3 on compliance with Board Policy 49.10. Updated Section 2.2.e with the process to be used by each faculty member engaged in consulting or other outside employment, plus added an exemption to the College of Architecture faculty so they are not limited to the one day per calendar week requirement for consulting or other outside employment. Added information to Section 2.2.g on the proportionate time allowable for activities in terms of the FTE for payment from external sponsors. Added Section 3 on “Additional Compensation” and the component university’s responsibility for monitoring of “overload assignments.” Also added Section 4 on “Multiple Employment,” Section 5 on “Dual Employment,” and Section 6 on “Contract and Athletic Department Staff.” Changed the responsible party to Executive Director, Human Resources. Changed review period from odd numbered years on or before August 31 st to every three years on or before May 31 st . Added the Vice Chancellor for Administration and Finance to the approval process

Revision Number	Approval Date	Description of Changes
3	12/01/2010	Applied revised SAM template to meet current documentation standards. SAM 02.A.08's title was changed from "Consulting and Other Outside Employment" to "Consulting and Paid Professional Service." Executive management employees are no longer eligible for exemption from this policy through employment agreements. Section 2.2.7 was edited for clarity, and time reporting was removed as this topic is covered in another policy. Section 5 was updated to require Board approval before any officer may hold other non-elective state or federal office/position. The responsible party was revised to the Associate Vice Chancellor for Finance. The review cycle was changed from every three years on or before May 31 st to every five years on or before September 1 st . Removed Section 9, Indexing Terms
4	05/01/2013	Added new Revision Log. Applied the link to the official written request form for consulting and paid professional service to Sections 2.2.5, 2.2.6, and 4.0. Redlines were applied to various sections to emphasize the responsibility of the employee's duties with the System, plus information on managing or eliminating any actual or potential conflict of interest