

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Human Resources

NUMBER: 02.A.09

AREA: General

SUBJECT: Conflict of Interest

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 expected to obey all federal, state and local laws. This administrative memorandum presents requirements to avoid conflicts of interest in accordance with Texas Government Code [Section 572.051, Texas Education Code 51.9337](#), and Board of Regents Policies, including [57.01](#), [57.02](#), [57.04](#), [57.05](#) and [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 is allowed by law.
- b. No employee shall accept any privilege, benefit or thing of value that might tend to 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. No 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/her System position.
- 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/her 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 has a direct or indirect financial or other 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 to the University of Houston System from any source other than the State of Texas except as is 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.
- l. No employee shall ask the University to accept a gift, grant, donation, or other consideration to be used as a salary supplement without the prior written approval of the recipient's immediate superior, the office of the general counsel and the president, and written authorization of the internal auditor, who shall report the necessary information to the State Auditor.
- m. No employee shall 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.
- n. Each employee who is involved in procurement or in contract management shall disclose to the agency any potential conflict of interest specified by state law or University policy that is known by the employee with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor with the University.
- o. 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 for the institution.

- p. 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 the institution.
- q. Each employee shall use the resources of the University only in accordance with University policies and applicable law.
- r. Any employee who is an officer, agent, employee or member of, or owns a direct or indirect financial or other 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.

2.3. Failure of an employee to comply with the foregoing or with applicable law shall constitute grounds for disciplinary action, up to and including termination of employment.

3. REVIEW AND RESPONSIBILITIES

Responsible Party: 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: March 25, 2016

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	09/04/1990	Initial version
2	06/15/1992	Applied minor redlines to Section 2.1, plus added "him or her" phrase to each applicable section

Revision Number	Approval Date	Description of Changes
3	04/07/2008	Applied revised SAM template to meet current documentation standards. Changed the BOR Policy number from 07.09 to 57.08. Changed the responsible party to the Associate Vice Chancellor of Finance. Changed review cycle from annually on or before August 31 st to every five years on or before August 31 st
4	05/01/2013	Applied revised SAM template and added new Revision Log. Added Texas Government Code 572.051 to Section 1. Revised Section 2.3 to reflect current phrasing for disciplinary action and termination. Removed Section 5, Indexing Terms
5	03/25/2016	Proposed changes were made to comply with Senate Bill 20 of the 2015 Texas Legislature, which requires universities to add or include particular ethical provisions in their policies, and these redlines are in line with Board of Regents policies. Revised Section 1 to emphasize that System employees are expected to obey all federal, state, and local laws, and added Board policies 57.01, 57.02, 57.04, and 57.05. Revised Section 2.2.d to indicate owning an interest in a professional activity. Updated Section 2.2.g to reflect direct or indirect financial or otherwise interest. Added Sections 2.2.1 through Sections 2.2.r to reflect the current contents of Senate Bill 20. Updated Section 2.3 with the failure of employee to comply with applicable law as well as the contents of SAM 02.A.09 will constitute grounds for disciplinary action