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 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. 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 component 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.
3.3. To avoid timing problems associated with annual reporting, it is suggested that before engaging in such activities, administration, faculty and staff members disclose in writing through their department chairperson to the Chancellor the nature and extent of planned related-party interests.

3.4. Department chairpersons and the Chancellor shall review the disclosures and inform any faculty or staff member if their outside activity or relationship represents or is believed to represent a conflict of interest. Remedial action will be suggested when indicated.

4. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice Chancellor for Finance

Review: Every three years on or before June 1

5. APPROVAL

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

Renu Khator
Chancellor

Date: April 9, 2015
## REVISION LOG

<table>
<thead>
<tr>
<th>Revision Number</th>
<th>Approval Date</th>
<th>Description of Changes</th>
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<tbody>
<tr>
<td>1</td>
<td>09/04/1990</td>
<td>Initial edition (SAM number was 02.A.10, located in the Section “Personnel”)</td>
</tr>
<tr>
<td>2</td>
<td>08/24/1992</td>
<td>Changed location of disclosure statement forms from component Personnel Services Department to the university Departments of Human Resources in Section 2.5. Added UHS Related Party Disclosure Form example as Addendum</td>
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<tr>
<td>3</td>
<td>08/31/2006</td>
<td>Changed SAM number from 02.A.10 to 03.A.17, located in the section “Fiscal Affairs.” Applied revised SAM template to meet current documentation standards. Rewrote Section 2.1 and 2.2 as definitions. Added Section 3 as procedures, removing Section 3.5 on disclosure statement forms. Changed responsible party from VC for Administration and Finance to AVC for Finance. Changed review period from annually on or before August 31st to every three years on or before April 1st. Added Vice Chancellor for Administration and Finance to approval process. Removed UHS Related Party Disclosure Form Addendum</td>
</tr>
<tr>
<td>4</td>
<td>12/01/2010</td>
<td>Applied revised SAM template to meet current documentation standards. Defined faculty, staff, and non-exempt employees in Section 3.2. Changed review period from every three years on or before April 1st to every three years on or before June 1st. Removed Section 6, Indexing Terms</td>
</tr>
<tr>
<td>5</td>
<td>04/09/2015</td>
<td>Added new Revision Log. No additional changes were required per the Subject Matter Expert (SME)</td>
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