**Management of Outside Activities and Financial Interests**

**Policy and Rationale**

The University of Texas at Austin Dell Medical School (Dell Med) is governed by The University of Texas System rule, **UTS 180**. This rule requires that each school within the institution has a policy governing employee outside activities, including compensated employment and board service.

Dell Med has an obligation to ensure compliance with the law, and protect the credibility and reputation of the University of Texas t Austin and its employees, by providing this Policy. While the primary responsibility of Dell Med employees is to fulfill the responsibilities assigned to their Dell Med positions, we also recognize that employee participation in outside activities helps develop our employees and ultimately enhances the mission of Dell Med to the benefit of the health ecosystem. It is the intent of this Policy to inform, educate, and comply with **UTS 180** while maintaining the culture of innovation, entrepreneurship, and excellence that is equally important to Dell Med.

This Policy will educate and inform Dell Med employees about our responsibilities to **UTS 180** as well as provide a framework to address conflicts of interest, conflicts of commitment, and outside activities by such employees. This Policy specifically provides a transparent system of approval, disclosure, and documentation of employee outside activities that might otherwise raise concerns about conflicts of interest or conflicts of commitment.

**Scope**

This Policy substitutes for The University of Texas at Austin Handbook of Operating Procedure **HOP 5-2011**.This Policy applies to all Dell Med Staff, Clinicians, Faculty, Trainees, Supervisors, Decision Makers, and Investigators. Affiliate Faculty Members are subject only to Section 1 of this Policy (and are not required to seek prior approval of Outside Activities) and Section 7 of this Policy. Dell Med Staff who are not also Clinicians, Decision Makers or Investigators are subject only to Section 1 of this Policy (and are not required to seek prior approval of Outside Activities under this Policy). Investigators are also subject to Vice President of Research policies governing research conflicts of interest. In the event any portion of this Policy and **HOP 5-2011** conflict, this Policy controls for Dell Med.

**Definitions**

*Clinicians.* Covered Individuals and UT Health Austin contractors engaged in patient care activities as part of their Dell Med responsibilities*.*

*Conflict of Commitment*. As defined by **UTS 180**, a state in which the time or effort that a Covered Individual devotes to an outside activity directly or significantly interferes with the Covered Individual’s fulfillment of their institutional responsibilities, or when the Covered Individual uses state property without authority in connection with the Covered Individual’s outside employment, board service, or other activity (see Sec. 8, Regents’ Rule 30104). A Conflict of Commitment review will be triggered if a Covered Individual’s total compensation for Outside Activities exceeds 20% of the Covered Individual’s base salary during one year.

*Conflict of Interest (COI)*. A significant Outside Activity or Financial Interest that could directly and significantly influence (or be perceived to directly and significantly influence) the Covered Individual’s performance of his/her Institutional Responsibilities, including patient care or the design, conduct, and/or reporting of Research. As defined by **UTS 180**, the proper discharge of a Covered Individual’s institutional responsibilities could be directly or significantly affected if the Outside Activity or Financial Interest: (1) might tend to influence the way the Covered Individual performs his or her institutional responsibilities, or the Covered Individual knows or should know the interest is or has been offered with the intent to influence his/her conduct or decisions; (2) could reasonably be expected to impair the Covered Individual’s judgment in performing his or her institutional responsibilities; or (3) might require or induce the Covered Individual to disclose confidential or proprietary information acquired through the performance of Institutional Responsibilities.

*Covered Individual*. Dell Med Clinicians, Decision Makers, Faculty, Investigators, Staff, and Trainees. Affiliate Faculty Members and Trainees. Dell Med Staff who are not also Clinicians, Decision Makers or Investigators are subject only to Section 1 of this Policy (and are not required to seek prior approval of Outside Activities under this Policy). Investigators are also subject to Vice President of Research policies governing research conflicts of interest.

*Decision Makers.* The following Dell Med employees: (1) Vice President for Medical Affairs; (2) Deans, Vice Deans, Associate Deans, and Assistant Deans; (3) Institute, Center, and Department Chairs or Directors; (4) professionals in Texas Health CoLab with the authority to bind, negotiate, or execute agreements on behalf of Dell Med; (4) those authorized to execute contracts or other financial transactions on behalf of Dell Med or those who have the authority to exercise discretion with regard to the award of contracts or financial transactions; (5) those involved in procurement activities; (6) those involved in commercialization and innovation activities.

*Faculty.* Dell Med Regular and Affiliate Faculty, regardless of full-time or part-time appointment. Affiliate Faculty Members are subject only to Section 1 of this Policy. Affiliate Faculty and are not required to seek prior approval of Outside Activities, but their Outside Activities are subject to review after disclosure.

*Family Members*. A spouse, a dependent child or stepchild or other dependent, for purposes of determining federal income tax liability during the reporting period, and a related or non-related, unmarried adult who resides in the same household as the individual and with whom the individual is financially interdependent as evidenced, for example, by the maintenance of a joint bank account, mortgage, or investments.

*Financial Interest.* Anything of monetary value, including without limitation, salary or other payments for services, investment interests, intellectual property rights, reimbursements including travel expenses, gifts, or other income.

*Investigators.* An individual who, regardless of title or position, is responsible for the design, conduct, or reporting of research, including a principal investigator, a co-Investigator, collaborator, consultant, or project director. Individuals considered “responsible” in this definition include any person who is independently accountable for data, in any form, addressing the objectives of the funded or proposed research, as identified by the principal investigator. Investigators are considered Covered Individuals under **UTS 175** policy.

*Staff.* Dell Med administrative staff, including exempt and non-exempt classified employees, who are not Clinicians, Decision Makers, or Investigators. Staff remain subject to other applicable University policies regarding outside employment and activities.

*Trainees.* Postdoctoral fellows, clinical fellows, or residents.

*Outside Activity.* Any activity performed by an employee or Covered Individual, other than fulfilling employment obligations at Dell Med, or the University of Texas at Austin for which remuneration is received, including board service; distance teaching; any work for a third party, such as supervising, consulting, or advisory services; or other regular continuing employment for which compensation, regular or occasional, is received. Work for another state agency, if not part of employment obligations at Dell Med, is included in the definition of Outside Employment.

**Procedure**

1. Disclosure of Outside Activities and Financial Interests; Website Posting.
   1. Covered Individuals will complete or update the Disclosures of Outside Activities and Financial Interests, through the online portal (note, individuals involved in research activities have additional requirements)[[1]](#footnote-2):
      1. Not later than the 30th day of initial employment, covering the prior 12 months;
      2. Annually, not later than February 1st;
      3. If a Decision Maker, no later than the 30th day after acquiring a new Financial Interest that requires disclosure; or
      4. At the request of the Vice President for Medical Affairs or the Committee on Outside Activities.
   2. If prior approval is required for an Outside Activity, as set forth on the attached *Outside Activity Types and Approvals Chart*, the Covered Individual must obtain the required approval in accordance with Section 2 below. Common questions may be answered by consulting the attached *FAQs for Outside Activities & Clinicans Interactions with Industry*.
   3. In determining whether an Outside Activity should be disclosed, the Covered Individual must resolve all doubt in favor of disclosure.
   4. Participation (regardless of compensation) on outside boards or activities in which the service is primarily personal or religious rather than professional in nature and which is done on one’s own time does not have to be disclosed if it does not create a Conflict of Interest or a Conflict of Commitment with the Covered Individual’s Dell Med responsibilities.
   5. Information provided by Covered Individuals through the disclosure process will be maintained electronically, and the data collected may be shared with UT System as required to meet any reporting requirements of **UTS 180**.
   6. Dell Med may make information provided in the disclosure process available to the public through its Internet website. The disclosure categories and types of information are overviewed in the attached *Website Posting of Outside Activities*.
   7. If an employee wishes to engage in an activity for which some or all of the relevant information is confidential, the employee may request a disclosure and transparency exception from the Committee on Outside Activities.
2. Prior Approval Process.
   1. If the Outside Activity requires supervisor approval, per the attached *Outside Activity Types and Approvals Chart*, the Covered Individual must obtain such approval prior to engaging in the new Outside Activity, and annually as part of the portal disclosure process thereafter. If the Outside Activity requires both supervisor and Committee on Outside Activities approval, then the Covered Individual must obtain approval prior to engaging in the new Outside Activity, and as required by the Committee on Outside Activities thereafter. Upon request, the Covered Individual must provide a copy of any related agreement, contract, offer letter, or other documentation of the relationship with the outside entity. Actvities which are considered pre-approved must be disclosed within 30 days.
   2. Supervisors or the Committee on Outside Activity may request further information about the proposed outside activity in connection with the approval process.
   3. As part of the approval process, the supervisor or Committee on Outside Activities may explore whether the proposed Outside Activity would be better structured as part of the Covered Individual’s employment duties, as part of a discussion with the Covered Individual. This approach may be appropriate when the Outside Activity intersects with Dell Med commercialization efforts, the Outside Activity requires a significant commitment of Dell Med resources to structure and/or manage, or the Outside Activity provides the Covered Individual and Dell Med with a joint opportunity to serve Dell Med’s mission. The foregoing notwithstanding, Dell Med is not required to structure any proposed activity through the University.
   4. A Supervisor or the Committee on Outside Activities may deny an outside activities request if there is a real or perceived Conflict of Interest or Conflict of Commitment.
3. Funds Flow Presumption.
   1. If the Outside Activity involves clinical activities and the Covered Individual is a Clinician, the funds will flow to the Medical Service, Research and Development Plan (MSRDP) Institutional Trust per Article VIII of the MSRDP Bylaws.
   2. If a Covered Individual receives more than 20% of his or her base salary from Outside Activities, it is presumed that funds generated from the Outside Activity will flow to the Department or Program after an administrative tax is calculated, unless there is a reasonable justification for allowing the individual to keep the Outside Activity funds or there is prior approval from the Dean. The Committee on Outside Activities will defer to the MSRDP compensation plan to help decide whether Dell Med or a Covered Individual receives funds.
4. Appeal Process.
   1. Employees or Covered Individuals whose request for approval of Outside Activity is denied may request the denying authority reconsider and provide an explanation of the decision in writing. If the individual remains unsatisfied with the decision, he or she may appeal up one level of approval authority. For example, if approval is denied by a department chair, a faculty member could appeal to the dean. If the individual is still unsatisfied he or she may access standard grievance procedures to the extent they are applicable.
5. Management of Conflicts of Interest and Conflicts of Commitment.
   1. Conflicts of Interest or Commitment identified through the disclosure process shall be managed through a Conflict Management Plan where appropriate. In some circumstances, it may not be possible to manage the Conflict of Interest or Conflict of Commitment and the Covered Individual will not be permitted to engage in the Outside Activity.
   2. If, as part of the approval process, the Supervisor or Committee on Outside Activity creates a Conflict Management Plan, the Covered Individual shall fully and promptly comply with the plan and each person identified in the plan as having responsibility for monitoring compliance with the plan shall carefully and fully monitor that compliance.
   3. Notwithstnading the above, Clinicians and Covered Individuals with responsibilities related to the review or purchase of goods or services for use by the University, or negotiation of contracts with the University, may not have any financial interest in any company that might benefit from the institutional decision.
6. Standards of Conduct for Outside Activities.
   1. In general, Outside Activities must be performed on the Covered Individual’s own time, except as otherwise noted in this Policy. If the service occurs during normal office hours, the Covered Individual must use vacation time, compensatory time, or other appropriate leave while providing the service. The service should be without cost to the University, may not use University resources or facilities and must be disclosed and approved prior to engaging in such service.
   2. Covered Individuals should refer to the *Outside Activity Types and Approvals Chart* for applicable time limits and restrictions.
   3. Covered Individuals who undertake permissible Outside Activities must ensure that the names and marks of UT System, UT Austin, Dell Medical School, and UT Health Austin are not in any way connected with the performance of the Outside Activity, or imply in any way that the University or UT System is involved in the business or activities of the outside employer. For instance, employees may not use Dell Med stationery, give any University location as a business address in connection with outside work, and any use of University electronic resources, IT resources must comply with University acceptable use policy.
   4. Covered Individuals who engage in approved consulting or service Outside Activities must ensure that any contract or agreement with a third party for such Outside Activities meets the requirements in the attached *Terms for Consulting or Services Agreements*. It is recommended that Covered Individuals retain outside counsel as appropriate to negotiate these agreements; Dell Med will not agree to sign these agreements as a party, regardless of whether this is a condition imposed by the third party.
7. Clinicians Interactions with Industry.
   1. Clinicians may have interactions with Industry that occur as part of the duties and responsibilities assigned to their positions or during the course of training programs. Clinicians should ensure the integrity of clinical decision making is not compromised by financial or other personal relationships with Industry.
   2. Guidance is provided in the **Conflict of Interest: Clinicians Interactions with Industry** policy.

**Non-Compliance**

Timely, complete and accurate disclosure of Outside Activities consistent with this Policy is a condition of employment, faculty status, or affiliation, and a Covered Individual who does not comply with this Policy is subject to disciplinary action up to and including termination of employment, non-renewal of appointment, or termination of affiliation.

**Contacts**

Link to Portal

Timothy Boughal, Senior Compliance Officer

Kevin Bozic, Chair of Committee on Outside Activities

Leah Stewart, AVP for Legal Affairs

**Attachments**

Outside Activity Types and Approvals Chart

Conflict of Interest: Clinicians Interactions with Industry

Website Posting of Outside Activities

FAQs for Outside Activities & Clinicans Interactions with Industry

Terms for Consulting or Services Agreements

1. If involved in research activities, there are additional disclosure requirements required by the Vice President of Research. Please see: <https://research.utexas.edu/ors/conflict-of-interest/>. [↑](#footnote-ref-2)