



College of Osteopathic Medicine
SAM HOUSTON STATE UNIVERSITY

Element 1.4: Governance and Program Policies

- **1.4-2e Supporting Documentation**
 - Policies for Ethics, Incorporating the AOA Code of Ethics
 - SHSU-COM Ethics Policy including the AOA Code of Ethics – [link](#)
 - TSUS Rules and Regulations Chapter VIII – [link](#)



1. GENERAL

As a part of the Texas State University System (TSUS), the SHSU-COM follows the TSUS Rules and Regulations Chapter VIII. Ethics Policy, and the Texas Government Code, Title 5 after which the TSUS policy is modeled. In addition, SHSU-COM has adopted the Code of Ethics established by the American Osteopathic Association (AOA) formulated to guide its member physicians in their professional lives.

2. AOA CODE OF ETHICS¹

The standards presented are designed to address the osteopathic physician's ethical and professional responsibilities to patients, to society, to the AOA, to others involved in health care and to self. Further, the American Osteopathic Association has adopted the position that physicians should play a major role in the development and instruction of medical ethics.

Section 1. The physician shall keep in confidence whatever she/he may learn about a patient in the discharge of professional duties. The physician shall divulge information only when required by law or when authorized by the patient.

Section 2. The physician shall give a candid account of the patient's condition to the patient or to those responsible for the patient's care.

Section 3. A physician-patient relationship must be founded on mutual trust, cooperation and respect. The patient, therefore must have complete freedom to choose her/his physician. The physician must have complete freedom to choose patients who she/he will serve. However, the physician should not refuse to accept patients for reasons of discrimination, including, but not limited to, the patient's race, creed, color, sex, national origin, sexual orientation, gender identity, or handicap. In emergencies, a physician should make her/his services available.

Section 4. A physician is never justified in abandoning a patient. The physician shall give due notice to a patient or to those responsible for the patient's care when she/he withdraws from the case so that another physician may be engaged.

¹ The AOA Code of Ethics state herein is modified only to conform with Texas law as appropriate for state agencies and the TSUS Rules and Regulations.

Section 5. A physician shall practice in accordance with the body of systematized and scientific knowledge related to the healing arts. A physician shall maintain competence in such systematized and scientific knowledge through study and clinical applications.

Section 6. The osteopathic medical profession has an obligation to society to maintain its high standards and, therefore, to continuously regulate itself. A substantial part of such regulation is due to the efforts and influence of the recognized local, state and national associations representing the osteopathic medical profession. A physician should maintain membership in and actively support such associations and abide by their rules and regulations.

Section 7. Under the law a physician may advertise, but no physician shall advertise or solicit patients directly or indirectly through the use of matters or activities, which are false or misleading.

Section 8. A physician shall not hold forth or indicate possession of any degree recognized as the basis for licensure to practice the healing arts unless she/he is actually licensed on the basis of that degree in the state in which she/he practices. A physician shall designate her/his osteopathic school of practice in all professional uses of her/his name. Indications of specialty practice, membership in professional societies, and related matters shall be governed by rules promulgated by the American Osteopathic Association.

Section 9. A physician should not hesitate to seek consultation whenever she/he believes it advisable for the care of the patient.

Section 10. In any dispute between or among physicians involving ethical or organizational matters, the matter in controversy should first be referred to the appropriate bodies of the profession with authority to review such disputes.

Section 11. In any dispute between or among physicians regarding the diagnosis and treatment of a patient, the attending physician has the responsibility for final decisions, consistent with any applicable osteopathic hospital rules or regulations.

Section 12. Any fee charged by a physician shall compensate the physician for services actually rendered. There shall be no division of professional fees for referrals of patients.

Section 13. A physician shall respect the law. When necessary a physician shall attempt to help to formulate the law by all proper means in order to improve patient care and public health.

Section 14. In addition to adhering to the foregoing ethical standards, a physician shall recognize a responsibility to participate in community activities and services.

Section 15. It is considered sexual misconduct for a physician to have sexual contact with any current patient whom the physician-patient relationship currently exists.

Section 16. Sexual harassment by a physician is considered unethical. This policy adopts the definition of sexual harassment as defined in the Texas State University System Sexual Misconduct Policy.

Section 17. From time to time, industry may provide some AOA members with gifts as an inducement to use their products or services. Members who use these products and services as a result of these gifts, rather than simply for the betterment of their patients and the improvement of the care rendered in their practices, shall be considered to have acted in an unethical manner.

Section 18. A physician shall not intentionally misrepresent himself/herself or his/her research work in any way.

Section 19. When participating in research, a physician shall follow the current laws, regulations and standards of the United States or, if the research is conducted outside the United States, the laws, regulations and standards applicable to research in the nation where the research is conducted. This standard shall apply for physician involvement in research at any level and degree of responsibility, including, but not limited to, research, design, funding, participation either as examining and/or treating provider, supervision of other staff in their research, analysis of data and publication of results in any form for any purpose.

3. COVERAGE

This policy covers all faculty and professional employees at SHSU-COM and affiliated clinical sites to ensure timely review and updating of credentials to determine their qualifications are appropriate.

THE TEXAS STATE UNIVERSITY SYSTEM



RULES AND REGULATIONS

LAMAR UNIVERSITY
LAMAR INSTITUTE OF TECHNOLOGY
LAMAR STATE COLLEGE - ORANGE
LAMAR STATE COLLEGE - PORT ARTHUR
SAM HOUSTON STATE UNIVERSITY
SUL ROSS STATE UNIVERSITY
TEXAS STATE UNIVERSITY

Adopted September 1, 1980
Amended November 18, 2022

CHAPTER VIII. ETHICS POLICY FOR REGENTS
AND EMPLOYEES OF THE TEXAS STATE UNIVERSITY SYSTEM

1. ANTI-FRAUD POLICY AND REPORTING OF WRONGFUL OR FRAUDULENT CONDUCT.

- 1.1 Anti-Fraud Statement. The Texas State University System does not tolerate any type of fraud, waste, or abuse. The System is committed to ensuring that our organization maintains the highest standards of ethical conduct and integrity throughout all aspects of its operations. As public servants, System and Component faculty and staff are guardians of the resources entrusted to them and have a responsibility to students, parents, alumni, donors, and the citizens of Texas to ensure that those resources are used efficiently and for their intended purposes. The System does not tolerate any form of retaliation against individuals providing information concerning suspected fraud, material waste, abuse, or other unethical behavior.
- 1.2 Chancellor and President Responsibilities. If the Chancellor has reasonable cause to believe that Component or System financial or inventoried resources may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the Component or System, he or she shall timely and promptly report the reason or basis for the belief to the Chair of the Finance and Audit Committee and to the Chief Audit Executive. If a President has such reasonable cause, he or she shall report the same to the Chancellor and to the Chief Audit Executive.
- 1.3 Employee Responsibility. If an employee has reasonable cause to believe that Component or System financial or inventoried resources may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the Component or System, he or she shall timely and promptly report the reason or basis for the belief to the Component Internal Audit Director; to the System Chief Audit Executive; to *EthicsPoint*, the System's internet-based fraud reporting hotline; or to the State Auditor's Office.
- 1.4 *EthicsPoint* Fraud Reporting Hotline. The System has established, through a private contractor, an internet-based reporting hotline, *EthicsPoint*, to provide individuals with a confidential avenue for reporting concerns about potential waste, fraud, and abuse of resources, the lack of compliance with laws and regulations, or violations of the System's *Code of Ethics*. Reports filed through *EthicsPoint* are forwarded to and investigated by individuals who are independent of System management. *EthicsPoint* can be accessed through the Components' and the System Office's webpages. Except in rare circumstances, reports received through *EthicsPoint* will not be investigated if established complaint processes at the campus-level have not been utilized. The *Texas Public*

Information Act shall govern rules on disclosure of documents and records.

- 1.5 Reports to State Auditor's Office. The Texas State University System, through the Chief Audit Executive, will report suspected fraud or unlawful conduct to the State Auditor's Office (SAO) if he or she knows of facts pointing to fraud or unlawful conduct. Employees may report fraud involving state funds to the SAO through the System's Hotline; by accessing the SAO Fraud Reporting webpage; or by mail to the SAO.

2. BOARD EXPENSES AND ALLOWANCES.

2.1 Transportation, Meals, and Lodging.

2.11 Members of the Board of Regents are entitled to receive the following when traveling to conduct official business:

- (1) reimbursement of expenses for meals and lodging as provided by law; and
- (2) reimbursement for transportation and incidental expenses at rates specified in the General Appropriations Act for State employees.

2.12 Employees of The Texas State University System and its Components are entitled to receive the following when traveling to conduct official business:

- (1) Actual costs of lodging and meals for in-state travel, except that such reimbursements may not exceed the current maximum established by law;
- (2) For out-of-state travel, employees may receive actual costs for lodging and a per diem for meals not to exceed the locality-based allowance provided by the Federal Travel Regulations for lodging and meals unless the State Comptroller determines in advance of the travel that local conditions warrant a change in the lodging rate for a particular location.

2.2 Purpose of Travel. To qualify for travel reimbursements, the purpose of a trip must be "state business" or "official business" of The Texas State University System. State or official business is the accomplishment of a governmental function directly entrusted to The Texas State University System or one of its Components, including the reasonably necessary means and methods to accomplish that function.

2.3 Improper Travel Reimbursement. When a Regent or an employee engages in travel for which compensation is to be received from any source other than System funds, he or she shall not submit a claim under the provisions

of The Texas State University System travel regulations. A Regent or an employee who receives an overpayment for a travel expense shall reimburse The Texas State University System for the overpayment.

- 2.4 Travel Bonus (Frequent Flyer) Awards. Regents or employees who earn credit with airlines, hotels, car rental companies, etc. for official travel are not required to account for such credit or to use such for official travel only.
- 2.5 Official Travel by Spouses and Relatives of Regents or Employees. Spouses and other relatives of Regents or employees may qualify to have travel expenses paid by The Texas State University System if their presence at a function or on a trip is for an official purpose benefiting The Texas State University System and/or the State of Texas. In making a determination of whether the presence of a spouse or relative is for an official purpose, the factors to be considered are the nature and duties of the Regent's or employee's office, the traditional role, if any, of the spouse or relative, the purpose of the particular trip, and the spouse or relative's connection with that purpose.
- 2.6 Foreign Travel. A request by a Regent, System President, or System employee for travel outside of the United States, excluding Mexico or Canada, requires prior approval by the Chancellor.
- 2.7 Reimbursement of Expenses. Verified expense accounts shall be submitted to the Chancellor or appropriate Component official for processing and the same shall be subject to review and control of the Board.

3. CONFLICTS OF INTEREST.

- 3.1 Ethics Commission Financial Disclosure Statements. Each Regent, the Chancellor and the Presidents of the Components shall file a financial statement with the Texas Ethics Commission not later than April 30, each year in which such Regent, Chancellor or President has served in such capacity for any portion of the immediately preceding twelve (12) months on forms prescribed by the commission. Within thirty days of filing with the Texas Ethics Commission, each Regent and President shall notify the Vice Chancellor and General Counsel of their compliance with this provision.
- 3.2 Contracts Prohibited. Except as provided below, neither the System nor a Component thereof may enter into a contract in which a Regent or the Regent's spouse has a direct or indirect pecuniary interest.
- 3.3 Recusal Required for Certain Types of Contracts Involving Pecuniary Interests. If a Regent is a stockholder or director of a corporation seeking to enter into a contract with the System or a Component thereof, but owns or has a beneficial interest in no more than one percent of the corporation's outstanding capital stock, the contract may be executed so long as it is an affiliation agreement, license (including a license of intellectual property),

or sponsored research agreement, or it is awarded by competitive bidding or competitive sealed proposals. An interest owned by the Regent's spouse is considered to be a "beneficial interest." The affected Regent must disclose such interest in a public meeting of the Board of Regents and shall not vote on the contract or transaction.

- 3.4 Regent Disclosure of Personal or Private Financial Interest. A Regent who has a personal or private financial interest in a measure, proposal, or decision pending before the Board (other than a contract covered by *Subparagraph 3.3* of this *Chapter*) shall disclose such interest in a public meeting of the Board, and such disclosure shall be entered in the minutes of the Board. The Board may consider such measure, proposal, or decision, but any Regent having such an interest shall not vote or otherwise participate in such deliberation or action of the Board. This procedure may not be utilized for contracts covered by *Subparagraph 3.3* of this *Chapter*.
- 3.5 Potential Conflict of Interest of Regent. As soon as possible after becoming aware of any potential conflict of interest, a Regent shall disclose such fact and any other relevant information to the Board and to the Vice Chancellor and General Counsel. In such an event, the Vice Chancellor and General Counsel shall review the potential conflict and issue an opinion.
- 3.6 Contracts with Nonprofit Corporations. The Board is not precluded from entering into contracts or other transactions with nonprofit corporations merely because a Regent also serves on the board of or is a member of the nonprofit corporation. Other factors and interests, such as pecuniary or personal interests, may require disclosure and recusal, as described above.
- 3.7 Disclosure of Interest in Property to be Acquired. Regents, the Chancellor and the President of the Component are required to disclose any legal or equitable interest in property that is to be acquired with public funds. Such disclosure must be made at least 10 days before the date the property is to be acquired by purchase or condemnation.

4. CODE OF ETHICS.

- 4.1 Prohibited Actions of Regents. A Member of the Board of Regents shall not:
 - (1) Accept or solicit any gift, favor, or service that might reasonably tend to influence the Regent in the discharge of official duties or that the Regent knows or should know is being offered with the intent to influence the Regent's official conduct;
 - (2) Accept employment or engage in a business or professional activity the Regent might reasonably expect would require or induce him or her to disclose confidential information acquired by reason of his or her official position or otherwise withhold from the Board information in his or her possession that might

reasonably benefit him or her, financially or otherwise, whether directly or indirectly. Further, it is a violation of this *Rule* if the benefit inures to a third party or parties, in whose welfare the Regent is interested;

- (3) Accept other appointments or any employment or compensation that could reasonably be expected to impair the Regent's independence of judgment in the performance of official duties;
- (4) By his or her actions or through his or her silence, allow the Board to consider any matter in which he or she will benefit, financially or otherwise, whether directly or indirectly. Further, it is a violation of this *Rule* if the benefit inures to a third party or parties, in whose welfare the Regent is interested. The Regent shall refrain from commenting on the matter to the Board, its regents or employees; and leave the room while the Board deliberates and votes on the matter;
- (5) Make personal investments that could reasonably be expected to create a substantial conflict between the Regent's private interest and the public interest;
- (6) Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised his or her official powers or performed official duties in favor of another; or,
- (7) Commit acts of fraud, dishonesty, or illegality in office, including (by way of example and not limitation) assisting others to obtain personal or financial benefits to which they are not entitled by law or policy; forging or altering checks, bank drafts, or other documents, financial or otherwise; or, knowingly authorizing improper claims.

4.2 Prohibited Actions of Employees. An employee of The Texas State University System or any of its Components shall not:

- (1) Accept or solicit any gift, favor or service that might reasonably tend to influence the employee in the discharge of official duties;
- (2) Use an official position to secure special privileges or exemptions for the employee or others, except as may be otherwise authorized by law;
- (3) Accept employment or engage in any business or professional activity which might reasonably be expected to require or induce the employee to disclose confidential information acquired by reason of such employee's official position or impair the employee's independence of judgment in the performance of public duties;
- (4) Disclose confidential information gained by reason of one's employment, or otherwise use such information for personal gain or benefit;

- (5) Transact any business in an official capacity with any business entity of which the employee is an officer, agent, or member or in which the employee owns a controlling interest unless the Board of Regents has reviewed the matter and determined no conflict of interest exists;
- (6) Make personal investments in any enterprise which could reasonably be expected to create a substantial conflict between the private interests of the employee and the public interests of his or her employer;
- (7) Receive any compensation for services as a state employee from any source other than the State of Texas, except as otherwise permitted by law;
- (8) Commit any act of fraud, dishonesty, or illegality in office, including (by way of example and not limitation) assisting others to obtain personal or financial benefits to which they are not entitled by law or policy; forging or altering checks, bank drafts, or other documents, financial or otherwise; knowingly authorizing improper claims; or,
- (9) Engage in any form of sexual harassment or racial harassment as defined in these Rules and Regulations.

5. BENEFITS, GIFTS AND HONORARIA.

- 5.1 Definitions. A "benefit" is anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare a Regent or an employee has a direct and substantial interest.
- 5.2 Bribery. A Regent or an employee shall not solicit, offer, or accept any benefit in exchange for his or her decision, opinion, recommendation, vote, or other exercise of official power or discretion.
- 5.3 Prohibited Benefits. A Regent or an employee shall not solicit, accept, or agree to accept any benefit from any person the Regent or employee knows is interested in or is likely to become interested in any contract, purchase, payment, claim, or transaction involving the Regent's or employee's discretion. This prohibition does not apply to (1) gifts or other benefits conferred on account of kinship or a personal, professional, or business relationship independent of a Regent's or employee's status, respectively, as a member of the Board or as an employee; (2) a fee prescribed by law to be received by a Regent or employee or any other benefit to which he or she is lawfully entitled or for which he or she gives legitimate consideration in a capacity other than as a member of the Board or an employee of the System or a Component; (3) a gift, award, or memento that is received from a lobbyist who is required to make reports under Government Code, Chapter 305 and, (4) items having a value of less than

\$50, not including cash or negotiable instruments. A Regent or an employee who receives an unsolicited benefit that he or she is prohibited from accepting by law may donate the benefit to a governmental entity that has the authority to accept the gift or may donate the benefit to a recognized tax-exempt charitable organization formed for educational, religious, or scientific purposes.

- 5.4 Food, Lodging, Transportation, and Entertainment Received as a Guest. A Regent or employee may accept food, lodging, transportation, or entertainment from persons or entities he or she knows or reasonably should know are interested in or likely to become interested in a contract, purchase, payment, claim, decision, or transaction involving the exercise of the Board's discretion only if the Regent or employee is a "guest" as defined by Texas law. A Regent or an employee is a "guest" if the person or a representative of the entity providing the food, lodging, transportation, or entertainment is present at the time the food, lodging, transportation, or entertainment is received or enjoyed by the Regent or employee. Regents, the Chancellor and the Presidents of Components are required to report any such benefits valued at over \$250 on their annual disclosure statements filed with the Texas Ethics Commission.
- 5.5 Gifts or Benefits from Friends, Relatives, and Associates. Regents and employees may accept gifts or benefits from personal friends, relatives, or business associates with whom they have a relationship independent of their official status, so long as the benefit is not offered in exchange for official action or decision.
- 5.6 Gifts or Benefits from Outside Donors. A gift or benefit from an outside donor designated to supplement the salary of a specific Component or System employee shall be subject to approval by the Component or System CEO, before being presented to the Board of Regents for approval, as required by *Chapter III, Paragraph 1.33*. Gifts for the Presidents shall be subject to the Chancellor's approval, and gifts to the Chancellor shall be subject to the Board Chair and Vice Chair's approval prior to presentation to the full Board. Such gifts shall be made to the Component or System directly and earmarked for distribution to the employee through the payroll process. Salary supplements shall be reported to the State Auditor's Office and the U.S. Internal Revenue Service as required by law. The employee receiving the salary supplementation shall comply with the conflict of interest provisions for employees outlined in *Subparagraph 4.2* of the System's *Code of Ethics*, found in *Paragraph 4* of this *Chapter*.
- 5.7 Awards. Regents and employees may accept plaques and similar recognition awards.
- 5.8 Honoraria. Regents and employees may not solicit, accept, or agree to accept an honorarium in consideration for services they would not have been asked to provide but for their official position or duties. This prohibition includes a request for or acceptance of a payment made to a third party if made in exchange for such services. However, they may accept the direct provision of or reimbursement for expenses for transportation and lodging incurred in connection with a speaking engagement at a conference or similar event, provided the Regent's or

employee's participation is more than merely perfunctory. Meals provided as a part of the event or reimbursement for actual expenses for meals may also be accepted.

6. POLITICAL ACTIVITIES.

- 6.1 Use of System Funds, Personnel or Property. No Regent shall expend or authorize the expenditure of any State appropriated funds for the purpose of influencing the outcome of any election, or the passage or defeat of any legislative measure.
- 6.2 Political Contributions. Regents may make personal contributions to candidates for office and political organizations, with one exception. A Regent may not expend more than \$100 for the cost of correspondence to aid or defeat the election of a Speaker candidate.
- 6.3 Entertainment. If a System or Component employee provides tickets to a public official to allow the official and/or his guests to attend an event, an officer or employee of the System or a Component will serve as host to the official, and must attend the event.
- 6.4 Perishable Food Items. System or Component employees may provide Public officials with small, infrequent gifts of perishable food items delivered to their offices. These are not considered to be "benefits" for purposes of the provisions of the Penal Code prohibiting such.
- 6.5 Expenses for Public Officials. System Components may pay expenses in order to furnish information to state officials relevant to their official position, including presentations about the programs and services of The Texas State University System and its Components.
- 6.6 Use of Official Authority Prohibited. No System or Component employee may use his or her official authority or influence, or permit the use of a program administered by the System to interfere with or affect the result of an election or nomination of a candidate or to achieve any other political purpose. No System or Component employee may do any act or attempt to interfere with anyone who seeks to pay, lend, or contribute private funds or private property to a person or political organization for political purposes. Any System or Component employee who violates either of these provisions is subject to immediate termination of employment, in accordance with the Government Code.
- 6.7 Use of System Funds or Property. No System or Component employee shall expend or authorize the expenditure of any System or Component funds for the purpose of influencing the outcome of any election, or the passage or defeat of any legislative measure. No System or Component funds may be expended for the payment of full or partial salary of any employee who is also the paid lobbyist of any individual, firm, association, or corporation. System and Component facilities may be used as polling places for local, state, and national elections.

- 6.8 Voting and Political Participation. As employees of the State of Texas, System and Component employees have the rights of freedom of association and political participation guaranteed by the state and federal constitutions, except as limited by valid state laws. System and Component employees shall be allowed sufficient time off to vote in public elections without a deduction from pay or from accrued leave time.
- 6.9 Political Campaign Events on System Property. The Chief Executive Officers of the Components of The Texas State University System shall be responsible for promulgating rules for the regulation of political campaign meetings or speeches and other activities relating to political campaigns on property under their control. Such regulations shall be implemented by the Chancellor after approval by the Board of Regents.
- 6.10 Employees as Candidates and Officeholders. System and Component employees may run for election and serve as members of the governing bodies of school districts, cities, towns, or other local governmental districts. No campaign activities may be conducted during official business hours unless the employee has requested and received permission to use leave time for such purpose. Any employee elected to such a position may not receive any salary for serving as a member of such governing bodies.
- 6.11 Political Contributions from Employees. System and Component employees may make personal contributions to candidates for office and political organizations, with the exception that no state employee may contribute personal services, money, or goods of value to a candidate campaigning for speaker of the Texas House of Representatives.

7. USE OF AUTHORITY.

- 7.1 Misapplication of Property. A Regent shall not intentionally or knowingly misapply anything of value belonging to the government that comes into the Regent's custody or possession by virtue of his or her office with the intent to obtain a benefit or to harm another.
- 7.2 Nepotism. Regents are prohibited from appointing, voting for, or confirming the appointment of any person related to such Regent within the third degree by consanguinity (blood) or within the second degree by affinity (marriage) when the salary or compensation for such person is to be paid from public funds. All employment decisions must be made in compliance with *Chapter V, Subparagraph 2.2* of the System's *Rules and Regulations*.
- 7.3 Misuse of Official Information. A Regent shall not, in reliance on information to which he or she has access in his or her official capacity and which has not been made public: (1) acquire or aid another in acquiring a pecuniary interest in any property, transaction, or enterprise that may be affected by the information; or, (2) speculate or aid another in speculating on the basis of such information.

8. DUAL OFFICE HOLDING.

- 8.1 Non-Elective State or Federal Office. System and Component employees may hold non-elective offices with boards, commissions, and other state and federal entities provided that the holding of such office, (1) is of benefit to the State of Texas, or is required by state or federal law, and (2) is not in conflict with the employee's position. Such appointments must be approved by the responsible CEO of the Component. Prior to the Chancellor's or a CEO's accepting an invitation to serve in an additional non-elective office, the Board of Regents must determine that the appointment meets the two requirements stated above. The Board must also make an official record of any compensation to be received by the Chancellor or CEO from such appointment, including salary, bonus, per diem or other types of compensation.
- 8.2 Positions of Employment with Government Agencies. System and Component employees may hold other positions of employment with agencies, boards, commissions, or other entities of government so long as the holding of such positions is consistent with the prohibitions against dual office holding in the Texas Constitution. Special rules for multiple employments with the State are provided in *Chapter 667* of the *Government Code*. The person seeking dual employment must be informed of the special rules before that person becomes employed by more than one agency or institution. Consulting arrangements with federal, state, or local governmental agencies of a detached and independent advisory nature are not considered to be appointments with such agencies.

9. TRAINING.

- 9.1 Training of Regents. Each Regent shall receive training regarding the duties and obligations of the office as required by statute.
- 9.2 Training of Employees. The System Administration shall conduct, in even numbered years, training sessions for the personnel of each Component responsible for ethics training in the various departments of such institutions. These training sessions will provide the trainees with the methods, policies and materials necessary to allow them to train each employee within their supervision or responsibility. Each Component is responsible for training each employee in the provisions of this Chapter VIII of these Rules and Regulations each biennium. The CEO of each Component will notify the Chancellor upon completion of the ethics training each biennium.

10. PROVISIONS RELATED TO EMPLOYEES ENGAGED IN PROCUREMENT OF GOODS AND SERVICES.

- 10.1 Expansion of Code of Ethics. This *Paragraph 10* expands and supplements the Code of Ethics contained in *Paragraphs 1-9* of this *Chapter*, for Components' officials and employees, including those officials and employees authorized to execute contracts for a Component or to exercise discretion in awarding contracts.
- 10.2 Adherence to Policies Relating to Procurement. All officials and employees authorized to execute contracts for a Component or to exercise discretion in awarding contracts shall adhere to all System and Component policies, handbooks, guidelines and protocols designed to promote ethical and lawful behavior in the procurement process.
- 10.3 Disclosure of Conflicts of Interest. Employees and officials involved in procurement or contract management for a Component shall promptly disclose to the Component any potential conflict of interest specified by state law or System or Component policy that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor.
- 10.4 Prohibited Contracts. A Component may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following Component employees or officials have a financial interest:
- (1) A member of the Board of Regents, unless, pursuant to *Education Code, Section 51.923(e)*, the member does not have a "substantial interest" in the business entity or vendor;
 - (2) The Chancellor, President, Vice Chancellor and General Counsel, Chief Procurement Officer, or Procurement Director of the Component; or,
 - (3) A family member related to an employee or official described by *Subparagraph (2)* within the second degree of affinity or consanguinity.
- 10.41 A Regent, employee or official has a prohibited financial interest in a procurement if the Regent, employee or official:
- (1) Owns or controls, directly or indirectly, or otherwise has an ownership interest of at least one percent in the entity seeking the contract or procurement, including the right to share in profits, proceeds, or capital gains; or
 - (2) Could reasonably foresee that a contract with such an entity might result in a financial benefit to the employee or official or to a third party or parties in whose welfare the employee or officer is interested.

- 10.42 A financial interest prohibited by this *Subparagraph* does not include a retirement plan, a blind trust, insurance coverage, or an ownership interest of less than one percent in a corporation.
- 10.5 Notice to Employees and Officials of Expected Standards of Conduct. Employees and officials, including those engaged in procurement of goods and services, are hereby put on notice that their primary responsibility is to accomplish the duties and responsibilities assigned to the positions they hold. All employees and officials shall comply with the standards of conduct found in these System *Rules and Regulations*.
- 10.6 Compliance with Law Required. Each official or employee of a Component is expected to obey all federal, state, local laws, and these System *Rules and Regulations* regarding ethics and shall be subject to disciplinary action for violation of those laws, rules and regulations.
- 10.7 Conflict of Interest Prohibited. Each employee or official of a Component is prohibited from having a direct or indirect financial or other interest; engaging in a business transaction or professional activity; or incurring any obligation that conflicts with the proper discharge of the employee's or official's duties related to the public interest.
- 10.8 Conflict of Commitment Prohibited. Each employee or official of a Component is prohibited from participating in activities outside the Component which interfere with the employee's or official's duties and responsibilities to the Component.
- 10.9 Outside Employment or Activities. Engaging in outside employment or activities, including board service, is not a right or entitlement and may be permitted when, in the sole judgment of the President or his/her designee, the employment or activity does not:
- (1) Interfere with the employee or official's ability to perform his/her public responsibilities and duties because of demands upon the individual's time;
 - (2) Impair the employee or official's independence of judgment in fulfilling his/her public responsibilities and duties;
 - (3) Reasonably expect or require the employee or official to disclose confidential information acquired in or because of his/her public responsibilities and duties; or
 - (4) Reasonably expect or require the employee or official to advance a position or course of action that conflicts with his/her public responsibilities and duties or the best interests of the Component as determined by the President.

An employee or official, desiring to engage in outside employment or activities, shall, through his or her supervisor(s), make a written request to the President in which he/she addresses the above four factors with specificity, providing copies of pertinent documents and such other information as the President may require in order to make a decision.

- 10.10 Reporting of Conflicts of Interest. As soon as an employee or official discovers or learns that he/she may have a conflict of interest regarding a procurement or contract management, he/she shall:
- (1) Promptly disclose the same to the President through his/her supervisors, providing the specifics of the conflict, including but not limited to, disclosure of the name(s) of the person(s) or entity(ies) involved; the exact nature of the relationship; and such other information or documents as the President may require;
 - (2) Discontinue work on the procurement or contract management in question and recuse him/herself from involvement in the same; and
 - (3) Expect that his/her supervisors will deny physical or electronic access to files and documents related to the procurement.
- 10.11 Acting as Agent Not Permitted. An official or employee of a Component may not 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 Component.
- 10.12 Use of Component Resources. Component funds, personnel, facilities, property (real or personal) shall not be used for the personal use, benefit, or profit of any individual employee or official or for a third party in whose welfare the employee or official is interested. A more detailed policy governing use of Component resources shall be created.
- 10.13 Training Required. Training shall be mandated for officers and employees authorized to execute contracts for a Component or to exercise discretion in awarding contracts, including training in ethics, selection of appropriate procurement methods and information resources purchasing technologies.
- 10.14 Publication of Policies. The provisions of this *Chapter VIII, Paragraphs 4, 8, 9 and 10*, shall be included in the policies of all Components; published on their web pages; included in procurement contract manuals; and generally be made known to vendors seeking to provide goods and services.
- 10.15 Reporting to Board of Regents or Designee. A Component's contract management office or procurement director shall immediately report to the Chancellor, in his or her role as Secretary to the Board of Regents, any serious issue or risk that is identified with respect to a contract monitored under these *Rules and Regulations*.

11. DISCLOSURE, IN PUBLIC COMMUNICATIONS, OF SPONSORS OF CONTRACTED RESEARCH.

- 11.1 Disclosure Required. In any public communication the content of which is based on the results of sponsored research, a faculty member or other employee or appointee of a Component who conducted or participated in

conducting the research, shall conspicuously disclose the identity of each sponsor of the research.

11.2 Definitions. In this Paragraph:

- (1) "Component" refers to a System college, university, or institute that falls within the meaning of "institution of higher education" assigned by Section 61.003 of the Texas Education Code.
- (2) "Public communication" means oral or written communication intended for public consumption or distribution, including:
 - (a) Testimony in a public administrative, legislative, regulatory, or judicial proceeding;
 - (b) Printed matter including a magazine, journal, newsletter, newspaper, pamphlet, or report; or
 - (c) Posting of information on a website or similar Internet host for information.
- (3) "Sponsor" means an entity that contracts for or provides money or materials for research.
- (4) "Sponsored research" means research:
 - (a) That is conducted under a contract with, or that is conducted under a grant awarded by and pursuant to a written agreement with, an individual or entity other than the Component conducting the research; and
 - (b) In which payments received or the value of materials received under that contract or grant, or under a combination of more than one such contract or grant, constitutes at least 50 percent of the cost of conducting the research.

12. DISCLOSURE OF INTERESTED PARTIES CONTRACTING WITH SYSTEM COMPONENTS.

A System Component may not enter into a contract with an individual or business entity that requires an action or vote by the Board of Regents or that has a value of at least \$1 million, unless the business entity submits a disclosure of interested parties at the time the individual or business entity submits the signed contract to the Component. The Board will not approve any contract that is not accompanied by such disclosure statement and a representation by the Component that such statement was timely submitted to the Texas Ethics Commission as required by law.

- 12.1 Contracts Exempted. This *Paragraph 12* does not apply to a sponsored research contract, an interagency contract, or a contract related to health and human services if the value of the contract cannot be determined at

the time the contract is executed and any qualified vendor is eligible for the contract.

- 12.2 Disclosure Form. The disclosure of interested parties must be submitted on a form prescribed by the Texas Ethics Commission and shall include:
- (1) A list of each interested party for the contract of which the contracting business entity is aware; and
 - (2) The signature of the authorized agent of the contracting business entity, acknowledging that the disclosure is made under oath and under penalty of perjury.
- 12.3 Submission to Texas Ethics Commission. The Component shall submit a copy of the disclosure to the Texas Ethics Commission not later than the 30th day following the date the Component receives a disclosure of interested parties required under this *Paragraph 12*.