

Sam Houston State University
A Member of The Texas State University System

Finance & Operations Human Resources Policy HR-01 Conflicts of Interest

SUBJECT: Employee Conflicts of Interest

PURPOSE: To provide guidelines for preventing conflicts of interest in the workplace.

POLICY: Sam Houston State University (University) depends upon the integrity and discretion of its staff with respect to actual or apparent conflicts of interest. All employees are subject to the prohibitions of state law and applicable federal guidelines. This policy establishes guidelines to avoid conflicts of interest in accordance with Tex. Gov. Code, § 572.051 and Texas State University System Rules and Regulations..

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1. General

A conflict of interest occurs when an employee uses University employment to obtain unauthorized privileges, benefits, or things of value for oneself or others.

2. Employees shall avoid the following conflicts of interest:

- a. No employee shall use their position to gain, solicit, accept, or agree to accept any privilege, benefit (financial or otherwise), exemption, or thing of value for the employee or others in exchange for the exercise of the employee's discretion, influence, or powers as an employee except as allowed by law.
- b. No employee shall accept or solicit any privilege, benefit or thing of value that might influence the discharge of the employee's duties to the University.
- c. No employee shall accept employment or engage in any personal, business, or professional activity which might foreseeably require or induce disclosure of confidential information acquired by reason of the employee's University position.
- d. No employee shall disclose or use for personal gain confidential information gained by reason of the employee's University position.
- e. No employee shall transact any business for the University with any entity of which the employee or a relative of the employee within the second degree of consanguinity, is an owner, officer, agent, employee, or member, or may financially benefit from the transacted business unless the Board of Regents has reviewed the matter and determined no conflict of interest exists. Prior to the transaction of any such business for the University, the requesting employee must disclose such relationship in writing to the employee's immediate supervisor and divisional vice president for approval and to allow the University to request Board of Regent review on the employee's behalf.
- f. No employee shall make personal investments in any enterprise which foreseeably might create a substantial conflict between the employee's private interests and the University's interests.
- g. No employee shall exercise official authority in a manner that might foreseeably create a substantial conflict between the employee's private interests and the University's interests.
- h. No employee shall accept other employment or receive compensation for services from another source that might impair the employee's independence or judgment in the

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performance of duties to the University, or receive compensation for services as a state employee from any source other than the State of Texas.

- i. 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 (financial or otherwise), from a person or entity the employee knows, or should know, is or is likely to become financially interested in such transactions.

3. Consensual Relationships

A consensual relationship is a romantic, sexual, or other relationship that may create an actual conflict or the appearance of a conflict of interest yet is agreeable and welcomed by both parties. Such relationships (whether past or present) between supervisors and subordinates; instructors and students; and advisors and students reasonably may influence the discharge of the supervisor, instructor, or advisor's duties by:

- a. Dividing the supervisor, instructor, or advisor's loyalties;
- b. Providing the opportunity to use an employee's position to secure relational or sexual favors and advantages from subordinates or students; and/or,
- c. Inducing an employee to disclose confidential information gained by reason of the employee's University position.

For these reasons, such relationships are strongly discouraged. Should such a relationship develop, the supervisor, instructor, or advisor shall disclose to the employee's immediate supervisor that a conflict of interest may exist between the parties and cooperate in making alternative arrangements for the supervision, evaluation, teaching, grading, or advising of the employee, student, and/or student employee. The supervisor, instructor, or advisor disclosing the conflict is not required to explain the nature of the conflict only that a conflict of interest exists which must be remedied. Examples include, but are not limited to:

- A supervisor dating an employee within the supervisor's scope of authority;
- A faculty member developing a close and intimate relationship with a student currently enrolled in a class taught or supervised by the faculty member;
- An advisor becoming sexually involved with the student being advised; or
- A faculty evaluator reviewing the dissertation of a student who is a relative or close family friend.

4. Nepotism

- a. Nepotism is the practice of favoritism or the appearance of favoritism through the appointment or close supervision of an individual related by affinity or consanguinity through the third degree as defined below based on that person's kinship. Nepotism can create a conflict of interest.
- b. Relationships defined.
 - i. Consanguinity. Two persons are related to each other by consanguinity if one is a descendant of the other or if they share a common ancestor. Adoptive children are treated as natural children of the adoptive parents in this regard. Relationships within three degrees of consanguinity may create conflicts in the workplace. Examples of degrees of relationship are
 - a) First Degree – a child, parent, or spouse
 - b) Second Degree – a grandchild, sibling, or grandparent
 - c) Third Degree – a niece or nephew, aunt or uncle, great-grandparent/greatgrandchild

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- ii. Affinity. Two persons married to each other or when a spouse of one of the married persons is related by consanguinity to the other person. Termination of a marriage by divorce or the death of a spouse terminates relationships by affinity created by that marriage unless a child of that marriage is living, in which case the marriage is treated as continuing to exist.
- c. The University will not, absent prior presidential approval, employ, appoint, promote or transfer any person related by affinity or within three degrees of consanguinity of another employee when such employment causes one relative to have a direct supervisory relationship over the other relative.
- d. This policy does not prohibit the re-appointment or continued employment of any person related to another within either of the prohibited degrees who shall have been employed at the University before the adoption of this policy. However, no University employee may approve, recommend, or otherwise act with regard to the appointment, reappointment, promotion, or salary, or financial transactions of any person related by affinity or within three degrees of consanguinity.
- e. When a presidential exception to this policy permits an employee to be within the administrative supervision of a relative, all evaluations, reappointments, promotions, or salary decisions shall be the responsibility of the next highest administrative supervisor.

5. Outside Employment

- a. An employee's outside employment can create a conflict of interest and may, in some instances, violate laws regarding dual state employment. Therefore, full-time employees must receive prior written approval via the [Outside Employment Form](#) executed by the employee's supervisory authorities through the Division Vice President before engaging in outside employment.
- b. Approval of outside employment is for the fiscal/academic year in which requested and must be renewed for following years. It is the responsibility of all full-time employees to seek approval for any outside employment change occurring during the academic year.
- c. Outside employment must comply with the guidelines set forth in the *Texas State University System Rules and Regulations* Chapter V, 4.83 for faculty and 5.4 for staff.
- d. The Vice President of each division shall maintain records of outside employment on a fiscal year annual basis.

6. Compliance

Failure of an employee to comply with the foregoing policy shall constitute grounds for disciplinary action, up to and including termination of employment. Employees who are unsure whether an interest or relationship violates this policy should contact Human Resources for guidance.

Nothing in this policy shall alter the employment-at-will status of non-contractual University employees.

Cabinet Approval:

Reviewed by: Rhonda Beassie, AVP for Human Resources & Diversity
References: Tex. Gov. Code Title V, Subtitle B.
TSUS Rules & Regulations Ch. V. 2.2, 4.83, 5.4 and Ch. VIII