

07.03 Conflicts of Interest, Dual Office Holding and Political Activities

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Policy Statement

There are many statutory requirements the members of the Board of Regents (board) and employees of The Texas A&M University System (system) must follow to ensure no conflicts of interest exist while they carry out their public duties. Such requirements include filings with the Texas Ethics Commission and rules surrounding the holding of public and private office.

Reason for Policy

This policy lists the statutory requirements for filings with the Texas Ethics Commission, gives system board members and employees direction on when they may and may not hold public and private office, and provides guidance on their participation in the political process as it relates to their position within the system.

Procedures and Responsibilities

1. CONFLICTS OF INTEREST

- 1.1 System board members, the chancellor, the presidents of the member universities, the directors of the member agencies, and the president of the health science center are required by state law to file a financial statement with the Texas Ethics Commission annually. Forms prescribed by the commission shall be utilized. With the exception of board members, a copy of such forms shall be filed in the Office of the Board of Regents.
- 1.2 Deputy chancellors, vice chancellors, vice presidents, and all system employees who exercise discretion with regard to the investment of funds under the control of the system, shall file annually with their respective system member chief executive officers (CEOs) an Annual Financial Disclosure Report disclosing detailed information regarding themselves, their spouses, and their dependent children.

The Annual Financial Disclosure Form is maintained by the Office of General Counsel and is available online (see Related Statutes section).

- 1.3 Any outside employment of the chancellor, including serving on the board of directors of a corporation, shall be approved in advance by the chairman of the system board, or the chairman's designee.
- 1.4 As state officers, board members, the chancellor, presidents, and agency directors are required to disclose any legal or equitable interest in property that is to be acquired with public funds. Such disclosure shall be made by filing an affidavit containing specific information as required by Tex. Govt. Code §553.002. The affidavit must be filed with the county clerk of the county in which the individual resides and the county clerk of each county in which the property is located. Such filing must be completed within ten (10) days before the date on which the property is to be acquired by purchase or condemnation.
- 1.5 Except as provided in Section 1.5.1 below, the system may not enter into a contract or transaction in which a board member has a direct or indirect pecuniary or beneficial interest. A pecuniary interest owned by a board member's spouse is considered to be an "indirect pecuniary interest."
 - 1.5.1 If a board member is a stockholder or director of a corporation seeking to enter into a contract or transaction with the system, and the board member owns or has a beneficial interest in no more than five percent (5%) of the corporation's outstanding capital stock, and the contract or transaction is an affiliation, licensing, or sponsored research agreement, or it is awarded by competitive bidding or competitive sealed proposals, the affected board member must disclose such interest in a public meeting of the board and refrain from voting on the contract or transaction. Any such contract or transaction requiring board approval must be approved by an affirmative majority vote of the board members voting on the contract or transaction.
 - 1.5.2 A board member who has a personal or private interest in a measure, proposal or decision pending before the board – other than a contract in which a board member has a pecuniary interest – 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 member 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 in which a board member has a pecuniary interest.
 - 1.5.3 As soon as possible after becoming aware of any potential conflict of interest, a board member shall disclose such fact and any other relevant information to the general counsel. In such an event, the general counsel shall review the potential conflict and issue an opinion.
 - 1.5.4 The board is not precluded from entering into contracts or other transactions with nonprofit corporations merely because a board member also serves on the board 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.

1.6 System Policy *07.01, Ethics*, provides additional guidance on conflicts of interests system board members and employees must avoid.

2. DUAL OFFICE HOLDING

2.1 Non-elective State or Federal Office

2.1.1 System board members and 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 board member's or employee's position within the system. In the case of employees, such appointments must be approved by the system member CEO.

2.1.2 Prior to the chancellor or a system member CEO accepting an invitation to serve in an additional non-elective office, the board 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 system member CEO from such appointment, including salary, bonus, per diem or other types of compensation.

2.2 System employees may hold other positions of employment with agencies, boards, commissions, or other entities of government as long as the holding of such positions is consistent with the prohibitions against dual office holding in the Texas Constitution. 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.

3. POLITICAL ACTIVITIES

3.1 Use of Official Authority Prohibited

3.1.1 System board members and employees shall not 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.

3.1.2 System board members and employees shall not coerce, attempt to coerce, command, restrict, attempt to restrict, or prevent the payment, loan, or contribution of anything of value to a person or political organization for political purposes.

3.1.3 Violations of either of these provisions will result in immediate termination of employment.

3.2 As employees and public officers of the state of Texas, system board members and 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 board members and employees shall be allowed sufficient time off to vote in public elections without a deduction from pay or from accrued leave time.

3.3 Employees as Candidates and Officeholders

3.3.1 System 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.

3.3.2 If an employee wishes to announce as a candidate and seek election to other than a local office, such employee must seek approval to be granted an unpaid leave of absence until the final election is over. If the employee is elected, a resignation from employment is deemed to be automatic and the employment ends when the person assumes office. If the system member CEO is not willing to grant a leave of absence for the election process, the employee must choose between the position of employment and the desire to be elected to another position.

3.4 System board members and employees may make personal contributions to candidates for office and political organizations, with the exception that system employees may not contribute personal services, money, or goods of value to a speaker candidate for use in the campaign for speaker of the Texas House of Representatives. A system board member may expend a total of not more than \$100 for the cost of correspondence to aid or defeat the election of a speaker candidate.

Related Statutes, Policies, or Requirements

[Annual Financial Disclosure Form](#)

[Texas Constitution, Article XVI, Sec. 40](#)

[Texas Government Code Chapter 302, *Speaker of the House of Representatives*](#)

[Texas Government Code Chapter 553, *Public Disclosure*](#)

[Texas Government Code Chapter 572, *Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest*](#)

[Texas Government Code Chapter 574, *Dual Office Holding*](#)

[System Policy 07.01, *Ethics*](#)

[System Policy 07.04, *Benefits, Gifts and Honoraria*](#)

[System Policy 31.01, Compensation](#)

[System Regulation 33.01.01, Political Campaign Events on Property Under the Control of TAMUS](#)

[System Policy 31.05, External Employment and Expert Witness](#)

[System Policy 33.03, Nepotism](#)

Definitions

Public funds - includes only funds collected by or through a government.

Contact Office

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