

POLICY AND PROCEDURES ON OUTSIDE EMPLOYMENT **(REVISED MARCH 2006)**

I. Policy on Outside Employment

A. Outside Employment in General

1. UT Southwestern employees should not be discouraged from accepting outside employment of a consultative or advisory nature, so long as such employment does not adversely affect the amount of time, energy, and attention devoted to UT Southwestern activities, and so long as such employment does not create a conflict of interest. Both UT Southwestern and the individual employee benefit from such interactions by virtue of the employee's exposure to problems in the non-academic world. The primary responsibility of UT Southwestern employees, however, is the accomplishment of their UT Southwestern job duties and responsibilities.

2. Consequently, no UT Southwestern employee may engage in outside employment that:
 - could impair the employee's judgment in performing UT Southwestern duties;
 - actually or potentially results in a conflict of interest with or interferes with the employee's responsibilities to UT Southwestern;
 - might require or induce the employee to disclose confidential information

In connection with any approved outside employment, UT Southwestern employees must comply with the UT System Regents' Rules and Regulations and applicable UT System policies; UT Southwestern's Handbook of Operating Procedures and applicable UT Southwestern policies; and all other applicable state laws, rules, and policies governing the conduct of state employees.

3. No UT Southwestern employee may accept pay from private sources for tests, assays, chemical analyses, bacteriological examinations, or other such work involving the use of UT Southwestern property, without first obtaining written permission from the president to do so and making provision for the payment of appropriate compensation to UT Southwestern.

4. Part-time employees are not permitted to consult during the period of time in which they are working for UT Southwestern. For instance, an individual working 20 hours per week at UT Southwestern may not use any of that 20 hours to consult. Since it is still possible for a conflict of interest to arise between an individual's UT Southwestern employment and outside employment, however, such arrangements must be approved in accordance with the procedures outlined in this policy.
5. UT Southwestern employees who intend to engage in outside employment must notify their supervisor in writing of the nature and extent of the planned outside employment. No employee may engage in outside employment without first having obtained written administrative approval as provided in Section III of this policy.

B. Faculty Consulting Agreements

1. Faculty members must not sign consulting agreements (or agreements of any type for outside employment) without prior administrative approval as evidenced by the signed Request Form.
2. Consulting agreements with outside companies are personal agreements, signed in the faculty member's individual capacity and not as an employee of UT Southwestern. Faculty members have no authority to alter UT System or UT Southwestern rules and policies through the terms of their consulting agreements. Therefore, it is the faculty member's responsibility to advise companies with which they consult that their consulting agreements are not binding on UT Southwestern or the UT System. Further, it is the faculty member's responsibility to inform any company with which he or she consults of his or her obligations as an employee of UT Southwestern and the State of Texas.
3. Many consulting agreements provide that any new inventions or ideas related to the scope of consulting will be assigned to the company retaining the individual as a consultant. Under the UT System Regents' Rules and Regulations, however, rights to inventions or ideas within the scope of an employee's responsibilities to UT Southwestern, or that are developed using UT Southwestern facilities or funding, will be owned by UT Southwestern irrespective of the terms included in any consulting agreement. Consequently, faculty members are responsible for ensuring that no UT Southwestern facilities or resources are used in any way in the performance of outside employment, and that the subject matter of any inventions to be assigned to the company

under any agreement is not within the scope of the individual's responsibilities to UT Southwestern.

4. To ensure faculty members' compliance with UT Southwestern and UT System policies and guidelines, it is strongly recommended that the language of any consulting agreement be modified to include the following paragraph:

“The Company [*insert name of company*] acknowledges that Consultant is a full-time employee of UT Southwestern (and as such, an employee of the State of Texas), and is subject to UT Southwestern's policies, including policies concerning consulting, conflicts of interest, and intellectual property. If there is a conflict between Consultant's obligations under UT Southwestern policies and any of Consultant's obligations to Company under this Agreement, Consultant's obligations under UT Southwestern policies take priority over any obligations the Consultant may have to Company by reason of this Agreement. Company specifically recognizes that, under UT Southwestern's policy on intellectual property (<http://www.utsystem.edu/bor/rules/homepage.htm>), Consultant has an obligation to assign to UT Southwestern all intellectual property that is related to Consultant's employment responsibilities to UT Southwestern.”

Failure to include this paragraph in a consulting agreement may mean the agreement is not in compliance with UT Southwestern and UT System policies and guidelines, which potentially could subject the faculty member to disciplinary action. Further, failure to include the paragraph could potentially subject the faculty member to personal liability to the company involved and/or to UT Southwestern itself.

II. Definitions

- A. “*Conflict of Interest*” refers to any situation in which financial or other personal considerations may unduly influence a UT Southwestern employee's professional judgment in exercising UT Southwestern responsibilities.
- B. “*Consulting Agreement*” means any agreement in which a faculty member agrees to provide professional services of an advisory or consulting nature to a company for remuneration.

- C. “*Outside employment*” means providing a service or engaging in a professional activity, with or without remuneration, for any third party (including but not limited to governmental agencies, private industry, or other educational institutions).
1. Activities which are considered part of a faculty member’s academic duties—e.g., writing journal articles or book chapters, teaching grand rounds, serving on NIH or NSF study sections, teaching or giving a seminar as a visitor at a not-for-profit institution, or serving as an editor of a scientific journal—will not be considered outside employment.
 2. Examples of outside employment include but are not limited to consulting or advisory services (e.g., providing advice on a company’s marketing strategies), speaking on more than one occasion for or on behalf of for-profit companies, or non-MSP members serving as an expert witness in litigation.
 3. If an employee is providing a service or engaging in a professional activity on only one (1) or two (2) days during a calendar year for a profit or non-profit entity, then that service or activity will not be considered outside employment.
- D. “*Request Form*” means the “Request for Prior Approval of Outside Employment / Consultation / Appointment / Positions, Including Self Employment.”

III. Procedures for Requesting Approval of Outside Employment

Any employee contemplating outside employment must make a written request for approval according to the procedures outlined below.

- A. An employee contemplating outside employment must submit a completed Request Form to his or her department chair, center director, or department head for approval.
- B. The Request Form should be submitted to the department chair, center director, or department head thirty (30) days before initiation of the outside employment and before any binding commitment has been made to engage in the outside employment. No employee may engage in outside employment without first having obtained approval as outlined in these procedures.
- C. In completing the Request Form, the employee must include all requested information—including clear beginning and end dates for the activity—and other pertinent information, such as whether the outside employment has

any relationship to the employee's scope of employment at UT Southwestern. Incomplete Request Forms will be returned for completion without approval.

- D. A copy of any agreement, including consulting agreements, intended to be signed in connection with the outside employment must be attached to the Request Form.
- E. Upon approval by the department chair, center director, or department head, the Request Form must then be reviewed and approved by the appropriate dean (for faculty) or vice president (for staff and administrative/professionals). If there is a potential conflict of interest issue, the appropriate dean or vice president may refer the matter to the institutional Conflict of Interest Advisory Committee for review and recommendation.
- F. If there is any outside employment currently being undertaken for which prior approval has not previously been received, a request to continue such outside employment must be submitted immediately.
- G. Questions regarding requests for approval of outside employment from staff and administrative/professionals should be directed to the Office of Human Resources. Questions regarding faculty requests for approval of outside employment should be directed to the Office of the Associate Dean for Research.