

1. Title

Business Participation and Reporting

2. Rule and Regulation

Sec. 1 Approval to Serve as Officer or Director. Any employee of the U. T. System or any of its institutions who conceives, creates, discovers, invents, or develops intellectual property may serve, in his/her individual capacity, as a member of the board of directors or other governing board or as an officer or an employee (other than as a consultant) of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of that intellectual property only so long as the institution where the intellectual property was developed is in full compliance with the requirements to have, implement, and enforce for that employee an effective conflict of interest management plan approved by the institution's president as set forth in the U. T. System's *Procedure for Obtaining Approval of Plan to Manage Conflicts of Interest* (<http://www.utsystem.edu/ogc/IntellectualProperty/conflict.htm>). In any case where actual conflict of interest is found, the employee may be required to terminate the business relationship or the relevant research.

Sec. 2 Request for Employee to Serve as Officer or Director. When requested by the Board of Regents, an employee may serve on behalf of the Board of Regents as a member of the board of directors or other governing board of a business entity that has an agreement with the U. T. System or any of its institutions relating to the research, development, licensing, or exploitation of intellectual property, but may not accept any consideration offered for service on such board.

Sec. 3 Report of Equity Interest and Service as Officer or Director. Any employee covered by Regents' *Rules and Regulations*, Series 90103, Number 2, Section 2 concerning conflict of interest and Sections 1 or 2 above must report in writing to the president of the institution the name of any business entity in which the person has an interest or for which the person serves as a director, officer, or employee and shall be responsible for submitting a revised written report upon any change in the interest or position held by such person in such business entity. The Vice Chancellor and General Counsel will file a report by October 1 of each year with the Board of Regents as required

by *Texas Education Code* [Section 51.912](#) and include this information in the annual financial report sent to the State officials listed in *Texas Education Code* [Section 51.005](#).

3. Definitions

None

4. Relevant Federal and State Statutes

Texas Education Code [Section 51.005](#) – Reports

Texas Education Code [Section 51.912](#) – Equity Ownership: Business Participation

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Series 90101](#) – Rules for Intellectual Property: Purpose, Scope, Authority

Regents' *Rules and Regulations*, [Series 90102](#) – Property Rights and Obligations

Regents' *Rules and Regulations*, [Series 90103](#) – Equity Interests

Regents' *Rules and Regulations*, [Series 90105](#) – Execution of Legal Documents Related to Intellectual Property

Regents' *Rules and Regulations*, [Series 90106](#) – Income from Intellectual Property

6. Who Should Know

Administrators
Faculty
Staff
Students

7. System Administration Office(s) Responsible for Rule

Office of General Counsel

8. Dates Approved or Amended

February 8, 2007

9. Contact Information

Questions or comments regarding this rule should be directed to:

- bor@utsystem.edu