

05.800 Service on Outside Boards

- 05.801 Outside Board. For the purposes of this Regents Rule, an outside board means the governing body of a corporate, civic, professional, social, or religious organization, whether for-profit or nonprofit and whether compensated or uncompensated.
- 05.802 No Conflict of Interest or Commitment. The primary responsibility of System Administration and Institution employees is the accomplishment of the duties and responsibilities of their respective positions. Service on an outside board is not permitted when a conflict of interest exists, when service is so substantial or demanding that it interferes with the employee's duties or responsibilities, or when service is otherwise in violation of these Regents Rules or System Administration or Institution policy.
- 05.803 Compensated Board Service and Non-Beneficial Service. Service on an outside board for which an employee is compensated and service that does not benefit the System Administration or an Institution must be on an employee's own time. If such service occurs during normal office hours, the employee must use vacation time, compensatory time, or other appropriate leave while providing the service and must obtain approval to use such leave in accordance with System Administration or Institution policy.
- 05.804 Uncompensated Board Service and Service to a Religious Organization. In accordance with System Administration or Institution policy and with supervisory approval, time spent on uncompensated service on a non-religious board may not require the use of vacation, compensatory time, or other leave even though it occurs during normal office hours if such service is beneficial to the System Administration or the Institution and the amount of time is reasonable. In instances where a supervisor determines that uncompensated service to a religious organization does not intertwine the public interests and religious interests, time spent on such service may not require the use of vacation, compensatory time, or other leave even though it occurs

during normal office hours if such service is beneficial to the System Administration or the Institution and the amount of time is reasonable. In instances where such service reasonably may create a conflict with the public and religious interests and occurs during normal office hours, the employee must use vacation time, compensatory time, or other appropriate leave while providing the service and must obtain approval to use such leave in accordance with System Administration or Institution policy.

05.805        Liability. Employees serving on outside boards, whether compensated or uncompensated and whether approved by a supervisor or not, are presumed to be serving in a personal capacity and are not entitled to indemnification or legal defense by the State of Texas, the System, the System Administration, or the Institutions. The Board, in its sole discretion, will determine whether service on an outside board is of substantial benefit to the System Administration or an Institution and may on this basis authorize the Office of General Counsel to seek a determination from the Attorney General of Texas regarding representation and indemnification at such time as litigation is reasonably anticipated.

05.806        Substantial Benefit. An employee's service on an outside board must be of substantial benefit to the System, the System Administration, or an Institution in order to be considered for indemnification and legal representation as set forth in Section 05.805 of these Regents Rules. Service will be considered to be of substantial benefit if it significantly advances or is fundamentally important to the mission of the System, the System Administration, or an Institution and it is performed as an integral part of the employee's job duties and responsibilities.

05.807        Policies. The System Administration and each Institution shall adopt a policy addressing service on outside boards in compliance with this Regents Rule as well as federal and state law and regulations. At a minimum, the policies shall include the following:

1. a requirement that employee requests to serve on outside boards be made and approved in writing prior to the commencement of service;

2. an exemption from notification requirements for any service on an outside board which is personal rather than professional in nature and which does not require time away from an individual's responsibilities as an employee, such as service with a neighborhood association; local, private, or parochial school; sports or recreation league; affinity group such as a garden club; or other similar organization;
3. written notice to employees of the potential risk of liability associated with outside board service and the need to evaluate those risks and obtain appropriate insurance or indemnification; and
4. a requirement that permission to serve on an outside board on behalf of the System, the System Administration, or an Institution as a function of an employee's position entitling the employee to seek representation and indemnification by the State of Texas shall not be effective unless approved by the Board.

Adopted: November 15, 2007  
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