

**Regulation on External Professional Activities by
Faculty and EHRA Non-Faculty Employees**

I. Purpose. In accordance with the Board of Governors' policy on Conflict of Interest and Commitment (UNC Policy Manual, Section 300.2.2), UNC faculty and EHRA non-faculty employees (together "Covered Employees" as further defined in UNC Policy Manual, Section 300.2.2) sometimes may engage in activities that are not a part of University employment. Through such opportunities, employees apply their specialized knowledge and experience to activities outside of their University employment, thereby enhancing their own capabilities in teaching and research and contributing significant societal benefits, including economic development through technology transfer. These activities are encouraged if the intended activity complies with sections III and IV of the corresponding UNC Policy, Section 300.2.2, and do not create an unmanageable conflict of interest or unmanageable conflict of commitment (see UNC Policy Manual, Section 300.2.2, Paragraph I, Definitions¹).

Covered Employees, as defined by the Constituent Institution, who wish to engage in an External Professional Activity must adhere to these regulations to provide satisfactory assurances that such activity will not interfere with University employment obligations. Covered employees not complying with these regulations or policies implemented by their Constituent Institution will be subject to disciplinary action.

Constituent Institutions may exclude certain External Professional Activities, such as secondary professional and scholarly activities, from the reporting obligations provided in Section II of this Regulation and may define and require other reporting requirements for such activities. External Professional Activities that are for pay should generally be limited to no more than the equivalent of twenty percent (20%) of the Covered Employee's contracted time during the appointment; however, Constituent Institutions may adopt differing standards dependent upon a Covered Employee's full-time status equivalent.

II. Notice, Approval, and Appeal Requirements

A. Notice Requirements

1. Any Covered Employee who plans to engage in an External Professional Activity shall complete the "Notice of Intent to Engage in External Professional Activity" (hereinafter referred to as "Notice of Intent"). A separate "Notice of Intent" shall be filed for each such activity in which a Covered Employee proposes to engage. At a minimum, the "Notice of Intent" must include the following elements:

- a. Date of filing.
- b. Name of Covered Employee.

- c. Name and address of contracting organization.
- d. Nature of the proposed activity.
- e. Beginning date and anticipated duration of activity.
- f. Average number of hours per week to be devoted to the activity within the fiscal or academic year.
- g. Total number of hours to be devoted to the activity.
- h. Identification of classes, meetings, or other university duties that will be missed because of involvement in the proposed activity and identification of what arrangements have been made to cover such duties.
- i. Identification of any university resources to be used for the activity or affirmation that university resources are not being used for the activity.
- j. Determination if the contracting organization listed in the "Notice of Intent" is providing funding which directly supports the Covered Employee's University Duties.
- k. Determination if the Covered Employee has any additional financial interests in the company beyond that which is being disclosed, including determination if the Covered Employee or member of their immediate family owns an equity interest in the contracting organization, and determination if the Covered Employee holds an office in the contracting organization.
- l. Certifying statement by Covered Employee that information disclosed on the "Notice of Intent" is consistent with the Board of Governors' policy on Conflict of Interest and Commitment (Section 300.2.2 of the UNC Policy Manual).

2. Unless there are exceptional circumstances, or if the Constituent Institution has implemented a different time period for filing, the "Notice of Intent" shall be filed no fewer than ten (10) calendar days before the date the proposed external professional activity is to begin.

3. The Notice of Intent shall be filed with the appropriate administrator in accordance with the Constituent Institution's implementing procedures and may include the head of the department in which the Covered Employee is employed, the Conflict-of-Interest Officer, and/or the Conflict-of-Interest Committee.

4. Additionally, Covered Employees must disclose their Financial Interests consistent with the Board of Governors' policy on Conflict of Interest and Commitment (UNC Policy Manual, Section 300.2.2), and the Constituent Institution's implementing policies and procedures.

B. Review and Approval Requirements.

1. Except as set out in paragraph B.2., below, the “Notice of Intent” shall be reviewed and considered as follows:

a. If, after a review of the “Notice of Intent” and consultation with the Covered Employee, the department head (or Supervisor, as defined in UNC Policy Manual, Section 300.2.2) determines that the proposed activity is consistent with the policy statements of the institution or Board of Governors, an approval of a “Notice of Intent” may be granted for a period not to exceed the balance of either (1) the fiscal year (in the case of 12-month employees and employees with contract service periods that include the summer session), or (2) the academic year (in the case of nine-month employees with no summer session contract period) remaining as of the date of approval. The Covered Employee shall be notified in writing of the approval within ten (10) calendar days of the date the “Notice of Intent” is filed. If the approved activity will continue beyond the end of the relevant fiscal or academic year in which it was begun, the Covered Employee must file an additional “Notice of Intent” at least ten (10) calendar days before engaging in such activity in the succeeding relevant year unless the Constituent Institution has adopted another time period for filing.

b. If, after a review of the “Notice of Intent” and consultation with the Covered Employee, the department head (or Supervisor, as defined in UNC Policy Manual, Section 300.2.2) determines that the proposed activity is not consistent with the policy statements of the institution or Board of Governors, the Covered Employee shall be notified in writing of that determination within ten (10) calendar days of the date the “Notice of Intent” is filed.

c. A department head (or Supervisor), in consultation with Provost’s office, may revoke its approval of an External Professional Activity and provide the employee an opportunity to wind down the activity.

2. If the “Notice of Intent” discloses (1) a proposed activity for an entity that provides funding that directly supports the Covered Employee’s University Employment Responsibilities or Duties, or (2) a proposed activity for a private entity in which the Covered Employee or member of the Covered Employee’s immediate family (see UNC Policy Manual, Section 300.2.2, which includes the person’s spouse and dependent children) holds an equity or ownership interest or holds an office, the review and consideration procedure set out in item B.1., above, shall be modified as follows:

a. The decision of the department head or Supervisor to approve the activity shall be reviewed promptly and approved or disapproved within ten (10) calendar days of receipt by the administrative officer to whom the department head or Supervisor reports, or their designee.

b. An appeal of a disapproval by that officer shall be to the chancellor or the chancellor’s designee (or, for the System Office, to the president or the president’s designee). The decision of the chancellor or chancellor’s designee (or of the president or president’s designee) shall be final.

C. Appeal Requirements

1. In the event of such notification by the department head or Supervisor, the Covered Employee shall not proceed with the proposed activity but may appeal that decision to the administrative officer to whom the department head or Supervisor reports, and then to the chancellor or the chancellor's designee (or, at the System Office, to the president or the president's designee). Appeals shall be made in writing within the time frame implemented by the Constituent Institution.

2. A decision on any such appeal shall be given by the administrative officer of the chancellor or chancellor's designee (or, at the System Office, to the president or the president's designee) to the Covered Employee within ten (10) calendar days of the date on which the appeal is received.

3. The decision of the chancellor or chancellor's designee (or of the president or president's designee) shall be final.

III. Reporting Requirements

A. At least annually, approved "Notices of Intent" shall be submitted by department heads, Supervisors, or other relevant employee with this responsibility (e.g. COI Officer or similar position) to the chancellor or the chancellor's designee (or, at the System Office, to the president or the president's designee).

B. Upon request, the UNC System Office may initiate the submission of annual summary reports from the chancellors to the president.

IV. Special Provisions

A. External Professional Activities performed for another UNC institution should be established through a written agreement. In such situations, the parent institution of the employee shall provide any compensation to the employee through its payroll and financial systems and shall invoice the borrowing institution for the expense. Exceptions to this must be approved by the appropriate authorized officer of both institutions. External Professional Activities performed for an agency of the State of North Carolina also must comply with State policies governing dual employment and compensation, unless an exception to those State policies is expressly authorized by the chancellor or the chancellor's designee (or, at the UNC System Office, to the president or the president's designee).

B. When a Senior Academic and Administrative Officer (SAAO) who engages in external professional activities, such as sit on boards of directors of various private corporations, pursues opportunities that fall within the Board of Governor's definition of external professional consulting, or conducts official duties as a state employee for which an honorarium is received, the following shall apply:

1. Pursuit of Private Interests in Which Activities are Compensated. For SAAOs who pursue external activities that are not a part of their University employment, it is

important that overlapping compensation be avoided. If an SAAO engages in an activity from which external income is earned, that is not a part of their University employment, annual leave must be used if such activities take place within the conventional work week (i.e., between 8:00 a.m. and 5:00 p.m., Monday through Friday) SAAOs must also file appropriate disclosures of financial interests and "Notices of Intent," in accordance with Board of Governors' policies and Constituent Institution implementing policies and procedures to provide satisfactory assurances that such activity will not interfere with University employment obligations.

2. Activities for Which an Honorarium is Received. SAAOs may engage in employment-related activities for which an honorarium is received. In those instances when State-reimbursed travel, work time, or resources are used or when the activity can be construed as related to the employee's State position or official duties on behalf of the State, the employee shall not receive an honorarium. In these instances, the employee may request that the honorarium be paid to the University. The honorarium may be retained by the employee only for activities performed during non-working hours or while the employee is on annual leave, if all expenses are the responsibility of the employee or a third party that is not a State entity and the activity has no relation to the employee's State duties.

C. These regulations shall not be required of Covered Employees serving on academic year appointments, if the External Professional Activity is wholly performed and completed outside of the academic year, provided that the Covered Employee does not engage in sponsored research and the activity does not conflict with the policy statements of the Constituent Institution or Board of Governors and is not conducted concurrently with a contract service period for teaching, research, or other services to the institution during a summer session. Notwithstanding this regulation, such employees will disclose their financial interests in accordance with the Board of Governors' policy on Conflict of Interest and Conflict of Commitment (UNC Policy Manual, Section 300.2.2), and the implementing policies and procedures of the Constituent Institutions.

V. Other Matters

A. Effective Date. The requirements of this regulation will be effective on the date of adoption of this regulation by the president.

B. Relation to State Laws. The foregoing regulation as adopted by the president is meant to supplement, and does not purport to supplant or modify, those statutory enactments, regulations, and policies which may govern the activities of public officials.

¹ This regulation incorporates by reference the definitions used in Section 300.2.2, UNC Policy Manual.