

DATE: May 12, 1993

MEMORANDUM TO: Chancellors Caffey, Darling, Davis, Day,
Martin, O'Brien, Rigby, Smith
and Executive Director Bray

SUBJECT: Outside Employment of University Employees

This memorandum rescinds PM-11 dated October 4, 1991 and
PM-66 dated March 22, 1988.

I. INTRODUCTION

Louisiana State University recognizes that certain outside employment activities are of benefit to the University, to the State of Louisiana and to the private sector as well as to individual employees. Although the University recognizes a right of employees to engage in outside employment, it has established policies and procedures requiring that such outside employment be disclosed and submitted for administrative review and approval.

A. All full-time employees of the University including faculty, other academic, unclassified and classified, are required to abide by this presidential memorandum at all times, including during regular and summer term and while on paid or unpaid leave.

B. Outside employment is defined as any non-University activity for which economic benefit is received, including but not limited to:

1. Employment with any non-University employer.
2. Contracts to provide consulting, personal or professional services to non-University individuals or entities, including publishing agreements or arrangements.
3. Self-employment or operation of a business.

C. Economic benefits include cash payments or such other non-cash economic benefit, e.g., share of profits, shares of

stock, equity participation, etc. as the employee and outside employer may agree; provided that such non-cash economic benefit shall not have a present value significantly in excess of fair compensation for the services rendered. Compensation rates for outside employment need not be related to University salary rates but should be negotiated fairly based on normal private sector levels for similar services.

D. Outside employment shall be performed only outside of assigned working hours or responsibilities or during a period of paid or unpaid leave. During paid sabbatical, special or educational leave, outside activities may be permitted only in exceptional circumstances.

E. Outside employment shall not conflict, delay or in any manner interfere with instructional, scholarly and/or other services which the employee is obligated to render to the University.

II. OUTSIDE EMPLOYMENT WHICH WILL BE CONSIDERED FOR APPROVAL

The following types of outside employment will be considered for approval:

A. General consulting, other outside employment or business activities.

B. Serving as an expert witness in an area based upon the employee's training and experience.

C. Consulting on a non-University research project. A University employee may be engaged as a consultant on a non-University research project or projects conducted by an outside employer, provided the employee neither supervises the research nor performs the research.

III. OUTSIDE EMPLOYMENT WHICH WILL NOT BE APPROVED

A. A University employee may not receive compensation to assist (As used herein, the term "assist" shall mean to act in

such a way as to help, advise, furnish information to, or aid a person with the intent to assist such person.) in the passage or defeat of legislation during the fiscal year in which the legislation is pending in the legislature, except from the Louisiana Legislature or any department, institute or agency within the legislative branch.

B. If the University employee supervises non-University research or performs the research, he/she is considered a participant or a part of the outside research team rather than a consultant. In such instances, the employee may not be employed by nor contract directly with the outside agency unless it is not feasible or practical to seek a contract through the University under established procedures for sponsored research, as determined by the appropriate Chancellor.

C. Blanket approvals for outside employment will not be granted.

D. Employment or contractual relationships which are considered to be a violation of the Louisiana Code of Governmental Ethics will not be approved.

IV. EMPLOYEE RESPONSIBILITIES

Full-time employees contemplating outside employment or engaged in outside employment shall:

A. Disclose outside employment in accordance with PM-11, and procedures established therefor.

B. Submit a list of all contracts or other agreements between the University and the outside employer in which the employee is involved on behalf of LSU. Such list is to include, to the extent the information is known to the employee, the owners, directors, majority shareholders, or affiliates of the outside employer. Additional information about such contracts may be required by the University upon request.

C. Provide notification to the outside employer that he/she accepts such employment as an individual and not, in any manner, as a representative of the University. It is recommended that employees do this by including with any

oral testimony or written reports a statement to the effect that the views expressed are those of the employee and do not necessarily reflect the views of the University. In no case may the individual concerned use the name of the University or his/her University affiliation, title or address officially or in any other way in support of any position he/she may take. Biographical data, including a statement of employment by the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, may be included as introductory material to written reports or orally in the case of expert witness statements, but may not be incorporated into the body of the written report.

D. Comply with any other provisions of PM-11.

V. APPROVAL LEVELS

Certain types of outside employment require approval of a Chancellor and/or the President as follows:

A. Approval by a Chancellor. Under the Louisiana Code of Governmental Ethics, certain outside employment requires review and approval by a Chancellor and may be approved only for academic, administrative and professional employees.

1. Outside employment which requires approval by a Chancellor includes:

a. Outside employment with an individual or entity currently doing or actively seeking to do business with the employee's unit at the University or under circumstances in which the employee is collaborating with, or on special assignment to, a unit within the University with which the entity is doing or is actively seeking to do business.

b. Outside employment involving teaching which will

result in university level credit for the student, which will be conducted on University time or which will utilize University property or services.

c. Outside employment which ordinarily would be performed as part of the public service aspect of the University insofar as that employee's job duties and responsibilities are concerned.

d. Outside employment yielding results which advance a theory or practice in the employee's field.

e. Outside employment activity which could be accomplished more appropriately by a contract through the University. This activity shall be the subject of a University contract unless it is not feasible or practical to do so.

f. Outside employment activity for an individual or entity that has substantial economic interests which may be materially affected by the way in which the employee performs his or her duties and responsibilities as a University employee.

2. If such proposed outside employment is with a third party that is contracting with or is seeking to contract with the University, the employee must remove himself or herself from any relationship in which he or she would:

- a. Approve payments by the University to the third party pursuant to any contract between the University and the third party.
- b. Evaluate any work performed by the University pursuant to a contract between the University and the third party.
- c. Negotiate and/or approve any subsequent contracts between the University and the third party.
- d. Approve the purchase of University equipment pursuant to the contract with the third party in an amount in excess of \$2,000.00.

The above actions must be carried out by the employee's immediate supervisor and that approving supervisor's next immediate supervisor.

3. Outside employment requiring the approval of a Chancellor also requires a written agreement between the employee and the outside entity which shall contain the following explicit information:

- a. General technical area of endeavor.
- b. Specific employment or consulting activities.
- c. Duration of employment agreement.
- d. Estimated time in hours per week or days per month required for the employment.
- e. Employee's compensation rate and method of payment.

f. Statement that agreement is between employee and outside entity, that employee is not acting as an agent of the University and that the University bears no liability in the relationship.

g. Statement that the use of the University name in connection with the employment activities shall be only upon written authorization of the University.

h. Statement that the rights to any intellectual property, i.e., inventions, materials subject to copyright, etc. resulting from the employment activity, to the extent that they would vest in the employee in the absence of any other agreement, will be assigned to the University and disposed of in the manner prescribed by Chapter 7.2 and 7.3 of the By-Laws and Regulations of the LSU Board of Supervisors and such other University policy as may be applicable.

4. The outside entity and the employee shall negotiate and draft an agreement meeting all of the requirements herein. If the contract involves consulting with respect to research or technology, the appropriate University office primarily responsible for licensing and transfer of technology, e.g., Office of Research, Office of Technology Transfer, etc. should be consulted during the negotiating process. If the contract involves trade secrets and commercial or financial information obtained from the outside employer pertaining to research or

to the commercialization of technology, such information may be removed from the agreement before its submission for administrative review.

5. For such agreements, a Chancellor must certify to the following prior to the execution of any contract approved pursuant to this policy:

a. The outside employment activities are not within the employee's duties and responsibilities to the University for which the employee is being compensated by the University.

b. The outside employment activities do not conflict, delay or in any manner interfere with instructional, scholarly and/or other services which the employee is obligated to perform for the University.

c. The consulting activities to be performed are within the academic or professional discipline of the employee or are related to the area of expertise in which the employee is employed by the University.

6. Following approval and execution, the appropriate Chancellor shall receive a copy of the executed agreement. Copies of approval forms, certifications and the executed agreement shall be kept in a permanent file by the Chancellor or his designee until at least three years beyond the expiration of the agreement.

B. Approval by the President. The following types of outside

employment require review and approval by the President in addition to campus approval:

1. Outside employment involving public policy.
2. Outside employment of a Chancellor.
3. Outside employment or contracts by employees for professional, personal, consulting and social services with a department, commission, council, board, office, bureau, committee, institution, agency, government, corporation, or any other establishment of the Executive Branch of the State of Louisiana.

C. Approval by Chancellor or Designated Administrative Officer. All other outside employment may be approved through normal administrative channels by the Chancellor or by a campus administrative officer designated by the Chancellor.

D. Joint Appointments. If the outside employment involves employees from more than one department or campus, or if it involves an employee holding joint appointments, action by the appropriate administrative officers of the affected campuses is required.

VI. USE OF UNIVERSITY EQUIPMENT, MATERIALS AND SERVICES

The appropriate campus administrators, including chairs, directors, deans and vice chancellors, are responsible for determining the circumstances under which University personnel, laboratories, services and equipment may be used in connection with outside employment of University employees. When University owned facilities, equipment or other resources are needed or required for any reason, a contract between the University and the private third party may be executed separately. Compensation to the University must be paid at the fair market rate or, if different, at the same rate that such services, facilities, equipment or technology would be available to any qualified non-University user.

VII. PROCEDURES

Each campus head shall develop such written procedures and approval forms as are necessary to provide for compliance with this policy and submit such campus procedures and approval forms to the President for review and approval.

VIII. REPORTING REQUIREMENTS

Annually, the Chancellor shall prepare an information report listing all outside employment approved by the Chancellor and currently in force under this policy and any other details which may be requested. Copies of this report shall be sent to the President of the System and to the Board of Supervisors.

IX. CODE OF ETHICS REQUIREMENT

Compliance with the provisions of this policy is required by the Louisiana Code of Governmental Ethics. Violation of this policy may result in a violation of the Ethics Code and penalties applicable thereto and/or appropriate sanctions by the University. All employees, both full-time and part-time, are reminded that they are subject to the Ethics Code.

Allen A. Copping
President

xc: System Officers

(FILE NOTE: PM-11 Forms available in offices of Academic Affairs at the various campuses or System Office of Academic Affairs.)

NOTE: On the LSU and A&M Campus the forms are available at the Office of Research & Graduate Studies (<http://www.research.lsu.edu>).