



Ethics Commission Reporting Internal Guidelines

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that Texas Tech University System (TTUS) or any component Institution may not enter into certain Contracts with a Business Entity unless the Business Entity submits a disclosure of interested parties (Form 1295) to TTUS at the time the business entity submits the signed contract to the governmental entity or state agency. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

The law applies only to a Contract between TTUS or a component institution that either:

- (1) requires an action or vote by the governing body of the entity or agency; or
- (2) has a value of at least \$1 million (value of a Contract is based on the amount of consideration received or to be received by the Business Entity from the Institution).

Definitions

- (1) **Business Entity** includes an entity through which business is conducted with a governmental entity or state agency, regardless of whether the entity is a for-profit or nonprofit entity. The term does not include a governmental entity or state agency, including a state Institution of higher education.
- (2) A **Contract** is a legally binding written agreement executed between the TTU System or a component Institution and other third parties in which the parties agree to perform in accordance with the obligations therein. Contracts include, but are not limited to: letter agreements, co-operative agreements, memorandums of understanding (MOU), interagency Contracts, Interlocal Contracts, easements, licenses, leases, and purchase orders. Regents' Rules Chapter 07. A **Contract** includes an amended, extended, or renewed Contract.
- (3) A **Controlling Interest** means:
  - (a) an ownership interest or participating interest in a Business Entity by virtue of units, percentage, shares, stock, or otherwise that exceeds 10 percent;
  - (b) membership on the board of directors or other governing body of a Business Entity of which the board or other governing body is composed of not more than 10 members; or
  - (c) service as an officer of a Business Entity that has four or fewer officers, or service as one of the four officers most highly compensated by a Business Entity that has more than four officers.
- (4) An **Interested Party** is:
  - (a) a person who has a controlling interest in a Business Entity with whom TTUS contracts; or
  - (b) an intermediary.
- (5) **Intermediary** for purposes of this rule, means, a person who actively participates in the facilitation of the Contract or negotiating the Contract, including a broker, adviser, attorney, or representative of or agent for the Business Entity who:
  - (a) receives compensation from the Business Entity for the person's participation;
  - (b) communicates directly with the governmental entity or state agency on behalf of the Business Entity regarding the Contract; and
  - (c) is not an employee of the Business Entity.
- (6) **Institution(s)**: The Texas Tech University System (TTUS) and its components including: Texas Tech University (TTU), Texas Tech University Health Sciences Center (TTUHSC), Angelo State University (ASU), Texas Tech University Health Sciences Center at El Paso (TTUHSC El Paso) and any future components that may be added to TTUS through statutory enactment.

**Governing body approval:**

A Contract does not require an action or vote by the governing body if:

- (1) the governing body has legal authority to delegate to its staff the authority to execute the Contract;
- (2) the governing body has delegated to its staff the authority to execute the Contract; **and**
- (3) the governing body does not participate in the selection of the Business Entity with which the Contract is entered into.

**Form completion instructions:**

- The Business Entity must file Form 1295 electronically with the Texas Ethics Commission using the online filing application: [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm)
- The form must be prepared by the Business Entity.
- The Business Entity may include more than one Institution in field #2 if multiple Institutions are utilizing the same Contract.
- The Business Entity must prepare either field #4 or check field #5. The Interested Parties (not the name of the Business Entity) shall be listed in field #4.
- The authorized agent for the Business Entity must sign the affidavit in field #6.
- The form must be notarized.
- Once complete, the Business Entity shall submit the form to the Texas Ethics Commission.
- After submittal, the Business Entity shall provide the Institution(s) with certificate number.
- The Institution(s) has/have 30 days from the receipt of the certificate (with the certificate number) to acknowledge the form on the Texas Ethics Commission website.

For assistance with completing the form please contact:

Texas Tech University System	<a href="mailto:techbuy.purchasing@ttu.edu">techbuy.purchasing@ttu.edu</a>
Texas Tech University	<a href="mailto:techbuy.purchasing@ttu.edu">techbuy.purchasing@ttu.edu</a>
TTU Health Sciences Center	<a href="mailto:purchasing@ttuhsc.edu">purchasing@ttuhsc.edu</a>
TTU Health Sciences Center at El Paso	<a href="mailto:ElpContractDept@ttuhsc.edu">ElpContractDept@ttuhsc.edu</a>
Angelo State University	<a href="mailto:asu_purchasing@angelo.edu">asu_purchasing@angelo.edu</a>