

UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Fiscal Affairs

NUMBER: 03.A.03

AREA: General

SUBJECT: Business Travel

1. PURPOSE

- 1.1. The University of Houston System recognizes business travel is essential to its operations. This document provides guidelines for business travel on behalf of the System, paid from all sources of [university](#) funds, and is intended to be equitable to both the traveler and the institution. Information in this document provides basic regulations to be followed by each component university in formulating a travel policy and related procedures specific to its operations in accordance with [Board policy 55.03](#), and [Texas Government Code, Chapter 660](#).
- 1.2. These regulations cover travel by faculty, staff, students, group travel and individuals not employed by the institution who are traveling on official component university business. Exceptions to these guidelines may be permitted with the approval of the Chancellor, president or their designees but must comply with state law. These guidelines are intended to work in concert with the [State Travel Management Program \(STMP\)](#) and [Textravel](#) (state travel laws and rules provided by the Texas State Comptroller to state agencies and institutions of higher education), and are subject to amendment either at the discretion of the System or when additional federal or state regulations which impact the policy are issued. Amendments to this policy will be issued through the System.
- 1.3. The System recognizes that in certain situations, an employee's spouse can play a vital role in representing the component university, and guidelines for appropriateness, reimbursement and approval of travel expenditures are discussed in [SAM 03.A.21 - Employee's Family Travel Expenses](#).
- 1.4. The System and its component universities have the responsibility to ensure that the operation of the System is not hindered due to the sudden loss of key executives. Guidelines are provided in [SAM 01.C.05 - Executive Travel](#).
- 1.5. Certain conditions must be met before travel expenses will be authorized as a necessary and reasonable operating expense of the System. These conditions, general categories of business travel, and specific documentation requirements of such expenses are set forth in the following sections of this document.

1.6. Internal Revenue Service rules and regulations have specific requirements to determine if travel payments are considered to be part of an “accountable plan” and therefore non-taxable to the employee traveler. See [US Treasury Regulations](#), Subchapter A, Sections 1.162-2, 1.212-1, and 1.274-4, which are summarized in [IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses](#). All System and component travel guidelines must be in compliance with accountable plan rules.

2. GENERAL GUIDELINES

2.1. Travel must be for official System business. An individual of higher authority than the employee who submits the request to travel must approve all travel requests. The Chancellor, or designee, will approve business travel for the component university presidents.

2.2. The System requires that its employees participate in the [STMP](#) and use the state contracts mandated by the Texas Comptroller of Public Account (CPA) for travel services when paying for these services with state-appropriated funds. Required contracts include rental car companies, airlines, and hotels. Any exception must be approved and on file with the applicable [travel document for reimbursement voucher](#).

2.3. To assure insurance coverage, a travel request for any employee overnight business travel, including foreign travel, regardless of source of funding or whether reimbursement will be sought, must be completed and filed according to the appropriate component university’s guidelines.

~~2.4. Travel expenditures must be documented to include the following:~~

~~a. A statement regarding travel purpose, indicating the general relationship of the trip to the requirements of the System.~~

~~b. An itemized list of all travel expenses and the required supporting documents for those expenditures.~~

~~c. Verification of use of state contract travel vendors for airlines, hotel, and car rental, as required by the , when using state appropriated funds. If state vendors are not used, reason codes or a justification must be indicated on the Travel Voucher or travel agency invoice/itinerary.~~

~~2.5. Deadline for Submission of Travel Reimbursements~~

~~a. Employees, prospective employees, and students must submit their request for reimbursement, including required documentation, to the department business office no later than 60 days after travel is completed. Requests submitted after 60 days may not be~~

- forwarded to Accounts Payable for reimbursement, unless approved by the appropriate component vice president.
- b. ~~Requests for non-overnight transportation reimbursement (local funds only) must be submitted to the department business office no more than one calendar year after the date of the first non-overnight transportation expense incurred. Note that non-overnight transportation expenses are not considered a travel expense and should be processed on a regular non-travel voucher. Requests for non-overnight transportation reimbursement may be submitted to the department business office within one calendar year from the date of the first non-overnight transportation expense incurred. This is to facilitate the cost effective reimbursement process by allowing employees to accumulate enough mileage and other non-overnight transportation expenses.~~
 - c. ~~Reimbursement requests submitted to the department after the above deadlines may not be forwarded to Accounts Payable for reimbursement, unless approved by the appropriate component vice president.~~
 - d. ~~In accordance with Internal Revenue Service requirements for an accountable plan (), all reimbursement requests submitted to the department business office after the above deadlines will be treated as taxable income to the payee. These vouchers must be routed through the Tax Department and must include a completed Taxable Payments or Reimbursements to Employees form (Exhibit B, SAM 03.D.06). On the form, "Other Taxable Wage Benefits" (Payroll Earnings Code 443) should be indicated, but the voucher should contain the appropriate accounts that describe the expense (not account 54814, Other Taxable Wage Benefits).~~
 - e. ~~The department should make every effort to submit vouchers for employee, prospective employee, and student travel reimbursements to Accounts Payable as soon as possible, but no later than 15 days following receipt of all required documentation from the traveler.~~
- 2.6. ~~Payments cannot be made for travel expenditures unless the documentation is complete.~~
- 2.7. ~~When an employee's travel is funded by a grant or contract with guidelines more restrictive than the state, System, or component university business travel policy document, those guidelines take precedence.~~
- 2.8. ~~Designated state issued travel cards are available to approved System employees. A state issued travel charge card may not be used for personal expenditures or any other type of expenditure which is not necessitated by or incidental to state business travel. Violation of this provision will result in loss of charge card privileges.~~
- 2.9. ~~The and/or component universities of the System have designated specific travel agencies to support this travel program. Any airline tickets billed directly to System state appropriated funds must be purchased through a designated agency. State contract airfares may be purchased only with the state's contract charge card. Travelers may purchase airline tickets through these agencies in one of two ways:~~

- a. ~~With the state contracted Corporate Card held by individual employees (for which the employee is personally liable); or~~
- b. ~~Through one or more component university Travel Cards, which are billed directly to the university.~~

~~The designated travel agency will offer travelers the lowest logical airfare within a requested two-hour departure or a requested two-hour arrival time.~~

~~2.10. The State of Texas has also negotiated rates with hotels and car rental agencies. These rates are available to System employees traveling on official University business. To comply with state reporting requirements for business travel, the person making such arrangements should request the state contracted rate, if available, when using state-appropriated funds.~~

2.114. The Chancellor, by letter on file in the Board of Regents office, may delegate the authority to approve travel reimbursements to his/her designee, vice chancellors, presidents, the Chief Audit Executive, and their designees.

2.125. Each component university has been delegated the responsibility for approval of travel ~~vouchers~~ documents along with the responsibility for providing more detailed guidelines for travel reimbursements and payments. The guidelines include descriptions of authorized travel expenditures, restrictions, and specific procedures for processing travel reimbursements and payments. and may provide for a more detailed description of authorized travel reimbursements, restrictions on travel reimbursement and a specific procedure for processing routine travel reimbursements, as well as exception or infrequent travel activities. Travel reimbursements and payments shall be consistent with all federal, state and System governing regulations pertaining to travel.

2.136. Each component university's chief executive officer will designate an appropriate office to disseminate guidelines to be followed by all divisions of the component university. Within such guidelines will be specific provisions for approval of travel, travel expense reimbursement, and other matters related to employee travel; and will include provisions for approval by the employee's supervisor or higher authority. Component university presidents' travel expenditures, as well as all non-travel expenditures, must be reviewed and approved by the Chancellor or designee. Chancellor meals and lodging paid with local funds will be paid or reimbursed based on actual expenses that are supported by receipts.

2.147. All airfare for System employees and prospective employees must be purchased at the lowest price available (i.e., coach class as well as fees for carry-on bags and luggage). No-cost upgrades to business class or first class airfare are acceptable, as long as the airfare receipt provided by the airline or travel agency clearly indicates that there is no additional cost for the upgrade. However, due to the extensive travel schedule and the additional responsibilities incurred for this

travel, the Chancellor is authorized to upgrade airfare paid with local funds to business class or first class.

3. FOREIGN TRAVEL

3.1. Foreign travel is defined as travel by System employees or prospective employees to/from all countries outside the United States, Canada, Mexico, and U.S. possessions. The UH System Board of Regents delegated authority to approve foreign travel to the Chancellor, and the Chancellor delegated this authority to the component university presidents.

3.2. Requests for foreign travel for System employees or prospective employees that will be paid from state-appropriated funds require the approval of the component university president or designee. ~~Requests must be submitted on a travel request reflecting a complete and accurate estimate of the travel cost. The travel request must be approved by the traveler's supervisor before forwarding to the component university president for approval. Foreign travel to be paid with state-appropriated funds is not authorized until the component university president has approved the travel request.~~

~~3.3.~~ Requests for foreign travel for System employees or prospective employees that will be paid from local funds (i.e., not state-appropriated) require the approval of the responsible component university vice president or designee. ~~Requests must be submitted on a travel request reflecting a complete and accurate estimate of the travel cost. The travel request must be approved by the traveler's supervisor before forwarding to the component university vice president for approval. Foreign travel to be paid with local funds is not authorized until the component university vice president has approved the travel request. Each component university is responsible for providing guidelines for more detailed procedures.~~

3.4.3. The Fly America Act requires that foreign air travel funded by Federal funds, including Federal pass-through funds, be conducted on U.S flag air carriers. There are limited [exceptions](#) where the use of a foreign-flag air carrier is permissible.

4. EXPORT CONTROLS AND EMBARGO RESTRICTIONS

4.1 All travel by System employees to destinations outside the United States are subject to the Department of Commerce's Export Administration Regulations (EAR) and the Department of State's International Travel in Arms Regulations (ITAR), which are known as export controls, regardless of the type of funds used to pay for the travel. Export controls prohibit the transport or transfer of certain equipment, materials, software, and technical data to foreign countries, governments, businesses, organizations, or individuals. In addition, the Department of the Treasury's Office of Foreign Assets Control may restrict travel to embargoed countries even when export controls do not apply.

4.2. Each component university will develop procedures to ensure that export controls and restrictions on travel to embargoed countries are followed by its employees.

5. TRAVEL TO WASHINGTON D.C. USING STATE-APPROPRIATED FUNDS

5.1. When travel to Washington D.C. or the surrounding area will be paid in part or in whole from state-appropriated funds, the Office of State-Federal Relations must be notified no later than seven calendar days prior to the beginning of travel. The responsible unit must complete the Report of State Agency Travel to Washington D.C. at the following Internet address: <https://gov.texas.gov/organization/osfr> <http://www.osfr.state.tx.us>.

5.2. If notification is not given within seven days of departure, an explanation letter must be faxed to the Office of State-Federal Relations at (512) 463-1984.

6. REVIEW AND RESPONSIBILITY

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every two years on or before March 1

7. APPROVAL

Approved: Carl P. Carlucci
~~Executive~~ Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: May 1, 2013

REVISION LOG

| Revision Number | Approval Date | Description of Changes |
|-----------------|---------------|--|
| 1 | 09/01/1990 | Initial version |
| 1 | 01/03/1995 | Added Sections 1.4 and 1.5. Expanded Section 2, General Guidelines. Added Section 3, Foreign Travel. Added "Foreign Travel" to Indexing Terms |
| 2 | 10/24/2000 | Applied revised SAM template to meet current documentation standards. This SAM was revised to address an Internal Auditing recommendation (AR99-24) to document infrequent or exceptional travel activity, such as post-season athletic travel, and to address changes in business practice for spousal travel. Changed responsible party to AVC for Finance |
| 3 | 03/22/2004 | Applied revised SAM template. Documentation was added to include language requiring the Chancellor to approve all reimbursements to other component university Presidents |
| 4 | 08/01/2005 | Revision was made to allow for the purchase of business or first class foreign travel using state funds if it is medically necessary or a lower fare is not available. This revision also allows for the purchase of first class foreign and airfare with local funds, provided that it is medically necessary, if a lower fare is not available, or if it enables the traveler to rest so that they can begin work more quickly following the flight |
| 5 | 01/13/2010 | Applied revised SAM template. Updated documents numbers and added Textravel for providing travel guidelines. Replaced Texas Building and Procurement Commission (TBPC) with Comptroller of Public Account (CPA). Removed the statement allowing employees to purchase airline tickets through state contracted agencies with personal funds. Changed review period from odd numbered years on or before August 31 st to every two years on or before June 1 st |
| 6 | 09/07/2011 | Applied revised SAM template and added new revision log. Updated documentation to include disallowance of business class and first class airfare, and added export controls and embargo restriction information pursuant to an audit finding. Added Section 3.4 on the Fly America Act |
| Interim | 10/11/2012 | Added Section 2.5 on deadline for submittal of travel reimbursements. The Chancellor's meals and lodging information was added to Section 2.13, and airfare information was added to Section 2.14 |
| 7 | 05/01/2013 | This SAM is being submitted for review and approval to remove the Interim designation. Added Section 1.6 regarding travel payments and accountable plan rules. Modified Section 2.5.d to include accountable plans |

| Revision Number | Approval Date | Description of Changes |
|-----------------|---------------|---|
| <u>8</u> | <u>TBD</u> | <u>Corrected titles and hyperlinks as applicable. Removed voucher and replaced with travel document in Section 2.2. Removed Sections 2.4 through Section 2.10 on travel guidelines. New Section 2.5 emphasizes travel documents, and removes vouchers. New Section 2.7 adds fees for carry-on bags and luggage to be purchased at the lowest price available. Removed specific information from Section 3.2 and combined information from Section 3.3 to make a new Section 3.2</u> |