

**UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM**

**SECTION: Fiscal Affairs**

**NUMBER: 03.A.25**

**AREA: General**

**SUBJECT: Representation Allowance**

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1. PURPOSE

The purpose of this administrative memorandum is to establish guidelines for the allocation and disbursement of University of Houston Foundation funds from the Chancellor to the Vice Chancellors, component Presidents, and the General Counsel.

2. DEFINITIONS

Representation allowance: UH Foundation funds are allocated by the Chancellor to each Vice Chancellor, component President, and the General Counsel at the beginning of the fiscal year. This allowance is to be used for business-related entertainment expenses that are not specifically authorized and which, by regulation or by custom, are not reimbursable from or chargeable to appropriated funds.

2.1. Examples:

- Meals and other occasions involving alcoholic beverages.
- Business-related gifts and flowers.

2.2. Comments:

- The representation allowance is considered a privileged fund to be used solely for extraordinary kinds of business expenses. Under no circumstances can the allowance be construed as a supplement to executive compensation or be used for personal benefits, explicit or implied.
- Under these guidelines, expenses accrued for spousal travel (in accordance with [SAM 03.A.21](#) - If the attendance of an employee's family member at an event furthers a legitimate public purpose, his or her expenses may be reimbursed. The presence of an employee's spouse must further business objectives.), political contributions, and personal entertainment expenses are not to be considered a payable/reimbursable expense.

3. ESTABLISHMENT OF ACCOUNT

- 3.1. At the beginning of the fiscal year, the Chancellor will allocate a representation allowance to each Vice Chancellor, component President, and the General Counsel.
- 3.2. The Chancellor/President's Business Office will be responsible for tracking expenditures submitted against the individual's representation allowance account and for notifying accountholders of monthly balances.
- 3.3. The guidelines established in [System Administrative Memorandum 03.A.02](#), Entertainment Expenditures, will be followed for documenting and reporting requests for representation allowance reimbursement.

4. GENERAL GUIDELINES

- 4.1. The purpose of the entertainment must be UH System business.
- 4.2. Forward documentation for reimbursement to the Chancellor (or designee) for approval.
- 4.3. Accompany all requests for reimbursement with a completed [Foundation Payment Request Form](#)
  - a. Include appropriate support documents with the [Foundation Payment Request Form](#).
  - b. Foundation Payment Requests will normally be paid within 10 working days.
  - c. Checks will be sent directly from the UH Foundation to the individual requesting payment.
- 4.4. Only original itemized receipts and cancelled checks or credit card statements will be accepted as support documents.

Payment will not be made for entertainment expenditures unless documentation is complete.
- 4.5. Entertainment expenditures must be documented to show the following:
  - a. Identification of the persons or group being entertained. If the group is 10 or fewer, list the names of all persons attending. For large groups, only name or names of the honored guests should be listed, along with the number of persons attending.

- In accordance with [SAM 03.A.02 - Entertainment Expenditures](#), expenses of the Office of Governmental Relations may be reimbursed without receipts or other documentation normally required, provided that the Vice Chancellor for Governmental Relations maintains appropriate records of expenses on behalf of the UH System.

- b. State the reason for the expense and indicate how it benefits the UH System. Clarify the relationship of the persons in attendance to the particular aspects of the UH System’s programs or activities which will be benefited. (Titles, reason for person being entertained, purpose of gift, etc.)
- c. The place of entertainment.

5. REVIEW AND RESPONSIBILITY

Responsible party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before August 31

6. APPROVAL

Approved: Jim McShan  
Senior Vice Chancellor for Administration and Finance

Renu Khator  
Chancellor

Date: May 15, 2018

7. REFERENCES

[Foundation Payment Request Form](#)

[System Administrative Memorandum \(SAM\) 03.A.02 – Entertainment Expenditures](#)  
[System Administrative Memorandum \(SAM\) 03.A.21 – Employee’s Family Travel Expenses](#)

**REVISION LOG**

<b>Revision Number</b>	<b>Approval Date</b>	<b>Description of Changes</b>
1	02/14/2000	Initial version
2	10/16/2007	Applied revised SAM template. In Section 3.2, “The Office of the Vice Chancellor for Administration and Finance” has been replaced with the “Office of Business Services,” as the expenditure tracking for UH Foundation Check requests is handled by this office
3	05/25/2011	Applied revised SAM template and added new Revision Log. In Section 2.1b, added a reference to SAM 03.A.21. “Office of Business Services” has been replaced with “Chancellor/President’s Business Office” to reflect current operating requirements. Added hyperlinks to documents
4	12/04/2015	Removed Section 1.1 formatting. Added “payable” to reimbursable expense in Section 2.1.b. In Section 3.1, removed the President’s Business Office from allocation of allowance; also removed the information on the beginning balance being allocated by the Chancellor. Added the Foundation Payment Request Form as part of the method for requesting reimbursements in Section 4.3, including link to form. Added requirement for itemized receipts, cancelled checks or credit card statements being accepted as support documentation in Section 4.4. Removed Section 4.4.a. on faxed reports. Removed Section 7, Indexing Terms, and added Section 7, References
5	05/15/2018	Replaced “money” with “funds” in Section 1. Updated titles as applicable. No additional redlines were incorporated by the Subject Matter Expert (SME)