

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.A.25

AREA: General

SUBJECT: Representation Allowance

1. PURPOSE

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

2. DEFINITIONS

- 2.1. Representation allowance: UH Foundation funds 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.

a. Examples:

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

b. 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, political contributions, and personal entertainment expenses are not to be considered a reimbursable expense.

3. ESTABLISHMENT OF ACCOUNT

- 3.1. At the beginning of the fiscal year, the Vice Chancellor for Administration and Finance will establish a representation allowance account for each Vice Chancellor, component President, and the General Counsel. The beginning balance in each account will be allocated by the Chancellor.
- 3.2. The Office of Business Services will be responsible for tracking expenditures submitted to the individual's representation allowance account.
- 3.3. The Office of the Vice Chancellor for Administration and Finance will be responsible for notifying account-holders of monthly balances.
- 3.4. The guidelines established in 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 for approval.
- 4.3. Accompany all requests for reimbursement with a completed check request.
 - a. Include appropriate support documents with check requests.
 - b. Check 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 receipts and cancelled checks will be accepted as support documents.
 - a. Faxed reports are not considered to be acceptable documentation.
 - b. 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 Expenses, 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: Associate Vice Chancellor for Finance

Review: Every three years on or before August 31.

6. APPROVAL

Approved: Jim McShan
Interim Vice Chancellor for Administration and Finance

John M. Rudley
Interim Chancellor

Date: October 16, 2007

7. INDEXING TERMS

Entertainment expense
Expenditure restrictions
UH Foundation