

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: General Administration

NUMBER: 01.C.13

AREA: Risk Management

SUBJECT: Business Use of Vehicles

1. PURPOSE

This document outlines the policy covering the business use of vehicles owned, leased, or rented by universities of the System or their employees.

2. POLICY FOR USE OF SYSTEM-OWNED AND LEASED VEHICLES

2.1. Only persons authorized by the universities may drive vehicles owned, leased or rented by the universities. Vehicles may be used for university business only, except where specifically authorized otherwise. In accordance with statute and the university's fleet management program, no employee shall use any state-owned vehicle except on official university business. Authorized persons are responsible for complying with all guidelines set forth in this document and in System Administrative Memorandum [03.E.07, Fleet Management Plan](#).

2.2. Where vehicles are allowed for personal use, costs associated with personal use shall be reported as income, in accordance with Internal Revenue Service regulations and System Administrative Memorandum [03.D.06, Taxable Fringe Benefits](#).

2.3. Authorization of drivers shall, in most cases, be restricted to university employees, except in those cases where students or spouses may be authorized for limited use of certain vehicles.

2.4. Motor vehicle records shall be checked prior to extending an offer of employment to anyone required to operate a university owned, leased or rented vehicle and annually (which will be the authorization date) thereafter for anyone authorized to operate a vehicle that is owned, leased or rented by the university.

2.5. Due to the level of risk associated with them, the purchase, lease, or rental of fifteen (15) passenger vans is strictly prohibited.

3. MOTOR VEHICLE RECORD EVALUATION (MVR) PROCEDURE

3.1. The MVR consists of the Texas driving record for the past three years.

- 3.2. MVRs can be obtained by the university or may be requested from the System Risk Management Department, using the request form available on the System Risk Management Web site (<https://uh.edu/risk-management/index.php>).
- 3.3. Prior to extending the offer of employment to any person whose duties and responsibilities require operating a university owned, leased or rented motor vehicle, each dean/department head will notify their university's Risk Management Department (or appropriate university department) when MVRs should be obtained for new drivers. Post employment requests are acceptable when driving is incidental to the person's primary job responsibilities.
- 3.4. No employee, potential employee, student or volunteer is allowed to operate a System vehicle until authorization has been approved.

4. STANDARDS FOR GRANTING DRIVING PRIVILEGES

- 4.1. The minimum standards for determining whether a person can be granted driving privileges are as follows. (Universities may adopt more stringent standards, if desired.)

4.1.1. Acceptable Driver:

- Valid Texas driver license;
- No more than two moving violation convictions or at-fault accidents within the past year, or five within the past three years;
- No Driving While Intoxicated or Driving Under the Influence convictions within the past three years;
- No driving under revocation;
- No involuntary manslaughter convictions;
- No hit-and-run convictions; and
- No felony with a vehicle conviction.

- 4.1.2. Each year, one moving violation or at-fault accident may be offset by presenting proof of completion of a state-approved defensive driving course. The cost of the course is paid by the employee and must be taken on the employee's own time.

4.2. Deviations from Acceptability Criteria

Department managers of any persons not meeting the above acceptability criteria will receive written notification from their university Risk Management Department (or equivalent), and a copy of the notification will be forwarded to the university Human Resources Department for placement in the employee's file.

Employment-related driving is forbidden at that time. If current duties cannot be performed without driving responsibility, the employee may be reassigned to an available, non-driving position for which the employee is qualified. If no such position is available, the employee will be terminated.

Each university will adopt a process by which exceptions to this policy may be granted. On a quarterly basis, each university will send a report to the System Director of Risk Management explaining any exceptions granted to the acceptability criteria and the rationale for the exceptions.

5. POLICY FOR USE OF VEHICLES RENTED OR LEASED BY THE EMPLOYEE FOR UNIVERSITY BUSINESS

5.1. The State Comptroller's Office contracts with car rental agents for use by employees conducting business away from their primary business location. Most rates include unlimited free mileage within the state of rental, free Loss Damage Waiver, and free primary liability coverage. University employees are required to use a state-contracted car rental agent if that vendor can provide the type of vehicle required in the needed location. An exception may be allowed when a less expensive rate for the same vehicle and coverage can be obtained from a non-state contracted vendor (the Loss Damage Waiver and primary liability coverage must be purchased).

5.2. A vehicle shall be rented or leased in the name of any university of the System only if its use is for university business.

6. POLICY FOR USE OF PERSONAL VEHICLES

6.1. The employee's personal insurance is expected to cover driver liability, comprehensive, and collision damage to the vehicle. Because of this exposure, university employees are encouraged to use vehicles that are owned, leased, or rented by the university rather than personal vehicles for university business.

6.1.1. Should the employee's insurance carrier deny coverage or should any legal action by a third party exceed the primary liability limit, the university's automobile coverage will provide excess liability protection.

6.1.2. The university's automobile insurance does not provide comprehensive or collision coverage for an employee's personal vehicle.

7. INSURANCE COVERAGE

7.1. Liability insurance is purchased through Risk Management to cover authorized drivers of university-owned or leased vehicles. All other types of University owned or leased motor driven equipment such as golf carts, riding lawn mowers, boats, aircraft, or any other type of motor driven vehicle must be insured for at least liability coverage. Details on coverage, limits, or how to obtain a quote for insurance may be obtained from Risk Management.

- 7.2. Physical Damage coverage for University owned or leased vehicles must be scheduled onto the policy. As such, all vehicles that require physical damage coverage must be reported to Risk Management by either the department that has the vehicle or Fleet Management.
 - 7.3. Payment of insurance premiums is the responsibility of the department that currently owns the vehicle or motor driven equipment.
 - 7.4. When a System employee rents a vehicle or uses their personal vehicle while traveling in the course and scope of employment and the proper Travel Request (or other documentation that substantiates business purpose) is provided, university coverage includes university liability and workers' compensation. When renting vehicles while traveling on university business, the employee should purchase the optional liability and physical damage coverage offered by the rental car company if this coverage is not already included in the base rate. Vehicles rented from state-contracted vendors usually include liability and physical damage coverage in the base rate, so it is normally not necessary to purchase this coverage when using state-contracted rental car companies. Information about state-contracted rental car companies is available on the Comptroller's web site:
<https://comptroller.texas.gov/purchasing/programs/travel-management/rental/>.
 - 7.5. University employees while on official university business are covered for bodily injuries by Workers' Compensation insurance, administered through the State Office of Risk Management.
 - 7.6. The university is not responsible for damage or loss of personal property in rental vehicles or university-owned or leased vehicles.
8. REPORTING ACCIDENTS AND LOSSES WHEN ON UNIVERSITY BUSINESS
- 8.1. Each university will develop policies requiring that accidents and losses be properly reported in accordance with state law and university policy. This includes accidents involving university-owned or leased vehicles, as well as personal vehicles or rental cars used for university business. Failure to report accidents and losses in accordance with the prescribed guidelines may result in loss of authorization to drive university vehicles and may result in disciplinary action, up to and including dismissal.
 - 8.2. The university risk management liaison will ensure that accidents are reported to the System Risk Management Department as soon as possible after the accident.
 - 8.3. If the accident or loss occurs on property owned by the System, the university campus police or appropriate law enforcement authority should be contacted immediately. If the accident occurs outside the jurisdiction of the campus police, the incident should be reported to the appropriate law enforcement authority.

8.4. Reports involving job-related accidental injury are filed by the employee or supervisor with the university workers' compensation representative.

9. ACCIDENT REVIEW PROCEDURE

Universities shall have a mechanism for reviewing vehicle accidents by authorized university drivers and recommending corrective actions. The review shall determine whether there is anything the driver could have reasonably done or anticipated that would have prevented the occurrence. The universities may designate a board, department, or individual with these responsibilities. The vehicle accident review group or individual may recommend one or more of the following to the appropriate executive administrator, when it is appropriate:

- a. A cautionary letter
- b. Enrollment in a defensive driving course
- c. Restricted use of a university vehicle
- d. Attendance in traffic court with written report of proceedings
- e. Assessment of part or all damage cost to university property
- f. Transfer to non-driving assignment
- g. Other disciplinary action, up to and including dismissal

If this recommendation results in any type of personnel and/or disciplinary action, university officials will follow established System or university policies and procedures pertaining to that type of personnel action.

10. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice Chancellor for Finance

Review: Every five years

11. APPROVAL

Approved: /Raymond Bartlett/
Senior Vice Chancellor for Administration and Finance

 /Renu Khator/
Chancellor

Date: November 10, 2023