

**UNIVERSITY OF HOUSTON SYSTEM  
ADMINISTRATIVE MEMORANDUM**

**SECTION: Fiscal Affairs**

**NUMBER: 03.A.21**

**AREA: General**

**SUBJECT: Employee's Family Travel Expenses**

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1. PURPOSE

This document establishes the guidelines for employee's spousal or other immediate family member(s)' travel. For purposes relating to travel expenses, immediate family is defined as those individuals who reside in the same household and are related by kinship, adoption, or marriage, as well as foster children.

2. POLICY

2.1. If the attendance of an employee's family member at an event furthers a legitimate public purpose, their expenses may be reimbursed. .

2.2. Travel expenses of an employee's family member, on occasion when their presence can be demonstrated to serve a legitimate public purpose, may be reimbursed when pre-approved by the university president and documented according to standard policies and procedures pertaining to employees' travel expenses. The Chancellor must approve family member travel of university presidents. The Chancellor's approval authority for their own family member travel expenses is delegated to the Senior Vice Chancellor for Administration and Finance. If the travel for the Chancellor's family member is approved, the same rules that apply to the Chancellor's travel arrangements, payments, and reimbursements, in accordance with [SAM 03.A.03](#), Section 2.7 will also apply to the Chancellor's accompanying family member.

2.3. There may be cases in which the business purpose of the family member travel serves the university and for which reimbursement is appropriate, but the business purpose does not meet the higher standard set by existing tax law. If the purpose of the family member's travel does not qualify as a "bona fide business purpose" under federal tax law, the amount reimbursed or paid directly is considered to be taxable income to the university's employee.

2.4. Each travel reimbursement for an employee's family member must be evaluated on a case-by-case basis to determine if it will be considered taxable income to the employee. The following guidelines should be used to make that determination:

2.4.1. Expenses are more likely to be taxable when:

- There is no formal request for family member to attend the event(s);
- Family member(s) are not required to attend meetings, be given advanced assignments, or make presentations at the event(s);
- Family member(s) will perform only “helpful” services, such as limited note taking, secretarial services, attendance only at social functions, etc.;
- Only System employees and family member(s) will attend the event(s);
- Family member(s) will participate in substantial tourist activities (shopping, sightseeing, etc.); and
- Children or other family member(s) will make the trip.

2.4.2. Expenses are more likely “bona fide” when:

- Formal or official correspondence requests for the spouse or other family member(s) of System employee to make the trip or attends event(s);
- Spouses are required to attend meetings, be given advanced assignments, or make presentations at the event(s);
- Family member(s) will perform “necessary” services by acting as a representative of the university in a substantial manner;
- Non- System individuals (donors, alumni, recruits, etc.) will attend event(s);
- Family member(s) will not participate in tourist activities; and
- Children or other family member(s) will not make the trip.

Questions regarding these guidelines should be directed to the System Tax Director.

- 2.5. Generally, expenses that may be taxable include transportation, lodging, and meals. However, travel by a spouse or other family member in a System chartered aircraft in which over 50 percent of the aircraft capacity is comprised of System employees or team members traveling for business reasons is generally not taxable. Also, if there is no additional cost for a spouse or other immediate

