UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM

SECTION: Fiscal Affairs **NUMBER: 03.A.03**

AREA: General

SUBJECT: Business Travel

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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 and foundation 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 System 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 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

1.2. 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 family member can play a vital role in representing the 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 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. All System expenditures shall be consistent with applicable state and federal laws and regulations; with any restrictions, rules or regulations placed on the use of the funds by donors and granting or contracting agencies; and with prudent management practices. In addition, all expenditures must be reasonable and necessary for carrying out the programs and activities of the System, and shall be documented in a way that clearly substantiates such reasonableness and necessity.

~~1.6.~~1.7. 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 university 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 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.

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 university's guidelines.

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

2.5. Each university has been delegated the responsibility for approval of travel 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. Travel reimbursements and payments shall be consistent with all federal, state and System governing regulations pertaining to travel.

2.6. Each university's chief executive officer will designate an appropriate office to disseminate guidelines to be followed by all divisions of the 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. 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.

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2.7. 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 or foundation 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 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 university president or designee prior to the trip. Requests for foreign travel for System employees or prospective employees that will be paid from local or foundation funds (i.e., not state- appropriated) require the approval of the responsible university vice president or designee prior to the trip. Each university is responsible for providing guidelines for more detailed procedures.

3.3. 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~~ source 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 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 .

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: Associate Vice Chancellor for Finance

Review: Every five years

7. APPROVAL

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

~~*/Renu Khator/*~~
Chancellor

Date: ~~August 31, 2021~~