

1. Title

Expenditures for Travel, Entertainment, and Housing by Chief Administrators

2. Rule and Regulation

- Sec. 1 Purpose. The University of Texas System Administration and U. T. System institutions are governed by state law and rules and regulations promulgated under those laws, as well as Systemwide and institutional policies and procedures, concerning expenses incurred by officials for travel, entertainment, and housing. While recognizing the unique role of the Chancellor and presidents in representing the U. T. System and the institutions, the Board of Regents also recognizes the importance of oversight and accountability, transparency, and fiscal responsibility. The purpose of this *Rule* is to prescribe, clarify, and provide uniformity in the approval, review, and audit process for travel, entertainment, and housing expenses incurred by the Chancellor and presidents.
- Sec. 2 Prudent Use of Funds. In the performance of their unique roles, the chief administrators are frequently called upon to travel on behalf of the U. T. System and the institutions, to extend official hospitality to important visitors, and to entertain guests in conjunction with alumni and development activities, campus events, and other official functions. As a public institution, the U. T. System must make the most efficient and effective use of funds entrusted to it by various constituencies when making expenditures for those purposes and must be able to demonstrate compliance with applicable laws and rules. Additionally, the U. T. System must ensure that expenditures support the mission and purpose of the System and that the expenditures are not made for a private purpose.
- Sec. 3 Travel Expenditures. All expenditures for travel by a chief administrator or his or her spouse must be for a business purpose of the U. T. System or the institution and must comply with all laws and policies of the institution and the U. T. System. All foreign travel, excluding travel to Canada or Mexico, must be approved in advance by the Chairman of the Board of Regents for the Chancellor and by the appropriate Executive Vice Chancellor for the presidents.

- Sec. 4 Housing Expenditures. All expenditures that exceed \$10,000 for the furnishing, maintenance, or repair of a residence or its grounds owned by the U. T. System must be approved in advance by a committee composed of the Executive Vice Chancellor for Business Affairs, the Vice Chancellor and General Counsel, and the General Counsel to the Board of Regents. Prior approval by the committee is not required for expenditures made on an emergency basis to prevent damage to property.
- Sec. 5 Documentation and Review. Each chief administrator shall comply with all documentation requirements imposed by law and System Administration and institutional policies for travel, entertainment, and housing expenses, including providing detailed receipts and information on the purpose of the expense and the individuals or groups attending the event.
- 5.1 Each chief administrator shall take all necessary and reasonable steps to ensure that all employees follow applicable procedures for expense reimbursement.
- 5.2 Reimbursements to the Chancellor must be reviewed and approved by the General Counsel to the Board of Regents before payment. Reimbursements to a president of a U. T. System institution must be reviewed and approved by the institution's chief business officer before payment. Evidence of review must be documented in writing.
- Sec. 6 Timeliness of Requests for Reimbursements. A chief administrator must request any reimbursement for travel, entertainment, or housing expenses within 90 days of the date on which the expense was incurred.
- Sec. 7 Reporting. Each chief administrator shall file quarterly reports of travel, entertainment, and housing expenses in a format to be developed by the Executive Vice Chancellor for Business Affairs. The Chancellor shall file the report with the General Counsel to the Board of Regents for review by the Chairman of the Board of Regents. Each president shall file the report with the appropriate Executive Vice Chancellor. The reports are due not later than the 30th day of January, April, July, and October.
- 7.1 Quarterly Reporting on Travel, Entertainment, and Housing. The quarterly reports must include each expense that exceeds \$100 and that is reimbursed to the chief administrator during the

quarter or directly paid to a vendor on the chief administrator's behalf. (This does not apply to events hosted by a chief administrator for development activities or to honor faculty, staff, or other guests, at which more than 10 individuals are present.) The report must include the payee, the date and amount of the expense, the type and, if applicable, the location of the event/expense, the participants if any, the business purpose of the expense, and the account to be charged for the expense.

- 7.2 Reporting on Reimbursable Spousal Expenses. The quarterly reports must include each travel, meal, or incidental expense that exceeds \$100 and that is reimbursed to a chief administrator's spouse during the quarter or directly paid to a vendor on the spouse's behalf. The report must include the information specified by Section 7.1 above.
- 7.3 Annual Summary. A summary of the expense reports will be provided to the Board of Regents annually in a format to be developed by the Executive Vice Chancellor for Business Affairs.

Sec. 8 Audits. Within 90 days after the end of each fiscal year, the System Audit Office shall audit the travel, entertainment, and housing expenses for which the Chancellor or spouse has been reimbursed or that have been directly paid on the Chancellor's or spouse's behalf. Within 90 days after the end of each fiscal year, the office that performs internal audits at each institution shall audit the travel, entertainment, and housing expenses for which the president or spouse has been reimbursed or that have been paid directly to a vendor on the president's or spouse's behalf. The U. T. System Chief Audit Executive shall provide guidance and direction to the institutional auditors as appropriate.

- 8.1 The System Audit Office shall submit the results of the audit to the Chairman of the Board with a copy to the General Counsel to the Board of Regents. The institutional audit offices shall submit the results of the audit to the System Audit Office with copies to the appropriate Executive Vice Chancellor.
- 8.2 All audits shall be submitted to the Audit, Compliance, and Management Review Committee for review during a quarterly meeting of the Committee.

3. Definitions

Chief Administrator – means the Chancellor and the president of each U. T. System institution.

Entertainment Expenses – includes expenses for meals and events involving others.

Housing Expenses – includes expenses related to any state-owned residence, but does not include the salary supplement described by the Regents' *Rules and Regulations*, [Rule 20202](#).

Travel Expenses – includes transportation, lodging, meals, and other expenses incurred in connection with travel, but does not include any meals or other entertainment expenses for others.

4. Relevant Federal and State Statutes

Texas Education Code [Section 65.31](#) – General Powers and Duties

Texas Government Code, [Chapter 660](#) – Travel Expenses

Texas Government Code [Section 2203.004](#) – Requirement to Use State Property for State Purposes

5. Relevant System Policies, Procedures, and Forms

Regents' *Rules and Regulations*, [Rule 20202](#) – Cash Compensation for Chief Administrative Officers

Regents' *Rules and Regulations*, [Rule 20203](#) – Compensation for Key Executives

[The University of Texas System Administration Policy UTS120, Spousal Travel Policy](#)

[The University of Texas System Administration Policy INT114, Travel Policy](#)

[The University of Texas System Administration Policy INT115, Administrative Policy on Entertainment Expenses and Guidelines on Other Uses of Institutional/Gift Funds](#)

[Request for Payment of Business Expense Form](#)

[Travel Reimbursement Forms](#)

6. Who Should Know

Chancellor
Chief Business Officers
General Counsel to the Board of Regents
Chief Audit Executive
Executive Vice Chancellors
Internal Audit Directors
Presidents

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

Editorial amendment to Section 8 made March 17, 2008
May 11, 2006

9. Contact Information

Questions or comments regarding this Rule should be directed to:

- bor@utsystem.edu