

1. Title

Expenditures for Travel and Entertainment by Chief Administrators and for the Maintenance of University Residences

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 and entertainment expenses incurred by the Chancellor and presidents and for expenses for the maintenance of University residences.
- 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, individuals seeking reimbursement must certify that expenditures support the mission and purpose of the U. T. 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 must be approved in advance by the Chairman of the Board of Regents for the Chancellor and spouse and by the appropriate Executive Vice Chancellor for the presidents and spouses. Requests for approval of foreign travel must include a specific business purpose and an estimate of funds to be expended by U. T. System or by the institution.

- Sec. 4 Maintenance of University Residences. 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 U. T. System Administration and institutional policies for travel and entertainment expenses and for expenses for the maintenance of University residences, 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 and travel and entertainment expenses and expenses for the maintenance of University residences directly paid to a vendor on the Chancellor's behalf must be reviewed and approved by the General Counsel to the Board of Regents to assure compliance with applicable laws before payment. Reimbursements to a president of a U. T. System institution and travel and entertainment expenses and expenses for the maintenance of University residences directly paid to a vendor on the president's behalf 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 and entertainment expenses or expenses for the maintenance of University residences within 90 days of the date on which the expense was incurred.
- Sec. 7 Reporting. Each chief administrator shall file quarterly reports, based on fiscal year, of travel and entertainment expenses and expenses for the maintenance of University residences in a standard format. 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 and are to be reviewed by the appropriate Executive Vice Chancellor for compliance.

- 7.1 Quarterly Reporting on Travel and Entertainment Expenses and the Maintenance of University Residences. 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 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 Certification. The Executive Vice Chancellor for Academic Affairs or Health Affairs will provide an annual certification to the Chancellor and the Board of Regents documenting review of the presidents' quarterly expense reports.

Sec. 8 Audits. Within 90 days after the end of each fiscal year, the System Audit Office shall audit the travel and entertainment expenses and expenses for the maintenance of University residences 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 and entertainment expenses and expenses for the maintenance of University residences 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 of the president and the president's spouse's expenditures 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 or the president at each U. T. System institution.

Entertainment Expenses – includes all expenses associated with meals and events involving others.

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

Foreign Travel – travel to, in, or from a destination that is neither in the United States nor a possession of the United States.

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

4. Relevant Federal and State Statutes

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

Texas Government Code [Section 660.003](#) – Applicability of Travel Expenses

Texas Government Code [Section 660.024](#) – Advance Approval for Certain International Travel

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

Regents' *Rules and Regulations*, [Rule 20801](#) – Travel

[The University of Texas Systemwide Policy UTS120, *Spousal Travel Policy*](#)

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

[The University of Texas System Administration Internal 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](#)

[International Travel Approval Form for Presidents and Spouses](#)

6. Who Should Know

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

7. System Administration Office(s) Responsible for Rule

Office of the Board of Regents

8. Dates Approved or Amended

Editorial amendments made October 24, 2012
Editorial amendments to Number 1, Sections 1, 4, 5, 6, 7, 8, and Number 3 made on December 8, 2010
Editorial amendment to Section 5.2 made September 9, 2010
Editorial amendment to Number 5 made January 8, 2010
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