

Guidelines for Disbursement of Funds

Texas A&M University System Health Science Center

February 2, 2006

Future revisions will be made to the Internet version only.

<http://www.tamhsc.edu/departments/finance-admin/index.html>

Guidelines for Disbursement of Funds
Texas A&M University System Health Science Center
February 2, 2006

TABLE OF CONTENTS

I.	<u>INTRODUCTION</u>	4
II.	<u>PURCHASING EXPENDITURES</u>	5
II.A.	<u>Minimum Requirements</u>	5
II.A.1.	<u>Purchase Vouchers</u>	5
II.A.2.	<u>State of Texas Prompt Payment Law</u>	6
II.A.3.	<u>Disputed Payments</u>	7
II.A.4.	<u>Vendor on Hold</u>	8
II.A.5.	<u>Discounts</u>	9
II.A.6.	<u>Purchasing Authority</u>	9
II.B.	<u>SPECIFIC INFORMATION</u>	10
II.B.1.	<u>Advance Payments</u>	10
II.B.2.	<u>Advertising</u>	10
II.B.3.	<u>Aircraft Rental</u>	10
II.B.4.	<u>Alcoholic Beverages</u>	11
II.B.5.	<u>Alumni Activities</u>	12
II.B.6.	<u>Charitable Organizations</u>	12
II.B.7.	<u>Christmas Cards</u>	12
II.B.8.	<u>Conference Registration Fees</u>	13
II.B.9.	<u>Contracts</u>	13
II.B.10.	<u>Deaths and Funerals</u>	13
II.B.11.	<u>Employee Certification/Licensure</u>	14
II.B.12.	<u>Federal and State Taxes</u>	15
II.B.13.	<u>Flowers, Floral Arrangements, and Plants</u>	15
II.B.14.	<u>Food Purchases</u>	16
II.B.15.	<u>Fuel Cards</u>	17
II.B.16.	<u>Gifts and Awards</u>	18
II.B.17.	<u>Interagency Agreements/Contracts</u>	19
II.B.18.	<u>Memberships – Non-Professional Organizations</u>	19
II.B.19.	<u>Memberships – Professional Organizations</u>	21
II.B.20.	<u>Moving Expenses</u>	21
II.B.21.	<u>Notary Fees</u>	23
II.B.22.	<u>Parking Permits</u>	23
II.B.23.	<u>Payment to Non-U.S. Citizens</u>	23
II.B.24.	<u>Private Consultants/Independent Contractors/Outside Attorney/Professional Services</u>	25
II.B.25.	<u>Publications</u>	28
II.B.26.	<u>Recruitment of Students</u>	29
II.B.27.	<u>Speakers</u>	29
II.B.28.	<u>State Employee Training Act</u>	29
II.B.29.	<u>Subscriptions</u>	30
II.B.30.	<u>Tips and Gratuities</u>	30
II.B.31.	<u>Vendor Payments</u>	30
II.B.32.	<u>Visa Fees</u>	31
II.B.33.	<u>Working Funds</u>	31
III.	<u>TRAVEL EXPENDITURES</u>	33
III.A.	<u>MINIMUM REQUIREMENTS</u>	33
III.A.1.	<u>Travel Vouchers</u>	33
III.A.2.	<u>Reimbursements for Travel</u>	34

III.A.3.	State Travel Management Program	34
III.A.4.	Combining State and Personal Business	35
III.B.	SPECIFIC INFORMATION	37
III.B.1.	Air Travel	37
III.B.2.	Central Billing Accounts (CBA)	38
III.B.3.	Contracted Hotel/Motel Establishments	43
III.B.4.	Contracted Rental Car Companies	43
III.B.5.	Excess Travel Expenses	43
III.B.6.	Foreign Travel	44
III.B.7.	Funeral Attendance	45
III.B.8.	Hotel Tax	46
III.B.9.	In-State Tax Calculation Formula	47
III.B.10.	Incidental Expenses	47
III.B.11.	Meals and Lodging	48
III.B.12.	Mileage	48
III.B.13.	Parking	50
III.B.14.	Prospective Employee – Travel	51
III.B.15.	Receipt Requirements	51
III.B.16.	Recruitment of Students	57
III.B.17.	Spousal Travel	57
III.B.18.	Student Travel	57
III.B.19.	Washington, D.C. Travel (including surrounding areas)	58
III.B.20.	Travel Advances	58
III.B.21.	Direct Bills	59
III.B.22.	Travel Rules & Procedures, HSC Rule 25.02.01.Z1	60
IV.	APPENDIX	63
IV.A	HELP AND CONTACT INFORMATION	63
IV.A.1.	Accounts Payable Help Numbers	63
IV.A.2.	Accounts Payable Department	64
IV.A.3.	Business Officer’s Mailing List	64
IV.A.4.	Purchasing Services	64
IV.B.	GLOSSARY	65
IV.B.1.	State Funds	65
IV.B.2.	Institutional Funds	65
IV.B.3.	Summary of Accounts	67
IV.C.	EXPENSE OBJECT CODES	69
IV.D.	REFERENCES	70

I. Introduction

Disbursement training will be required of all personnel who are involved with voucher preparation or approval. Each department must establish a procedure by which vouchers are only processed/paid if certification is on file that the creator and approver have received voucher training and that such signers understand the responsibility that accompanies the signature authority. With the Purchasing Module in FAMIS, each department must establish procedures by which vendor payments are initiated/approved only by individuals who have received Disbursement training.

A training certificate will be provided to each employee at the completion of training. A copy of the training certification should also be retained in each employee's personnel file.

The A&M System HSC Office of Finance & Administration is responsible for the maintenance of these Guidelines for Disbursement of Funds. These Guidelines are largely based on the TAMUS Guidelines for Disbursement of Funds unless otherwise noted. In the event that the Federal or State government issues bills or statutes, or the TAMUS issues regulations, or the A&M System HSC issues rules that conflict with these guidelines, those bills, statutes, regulations, or rules will take precedence.

Definitions of terms used to describe the various sources of funds available for disbursement are included in the Glossary, Section IV.B. The discussion that follows applies to both state and institutional funds. We have identified those instances in which expenditures can be made only from specific funding sources. In general, institutional funds are less restrictive than state funds.

Questions or comments relating to the Guidelines for Disbursement of Funds should be directed to the **Texas A&M University System Health Science Center, Office of Finance & Administration (979) 458-7267.**

For help and contact information, please see Help and Contact Info, Section IV.A.

II. Purchasing Expenditures

II.A. Minimum Requirements

II.A.1. Purchase Vouchers (revised 11/15/04)

II.A.1.a. Guidelines for Reviewing Purchase Vouchers

The [State of Texas Purchase Policies & Procedures Guide](#) can be accessed on the State Comptroller's web site. State agency personnel are responsible for reviewing each purchase voucher for accuracy and completeness. The following guidelines must be followed to ensure the prompt and accurate processing of vouchers:

- 1) A purchase must be made in accordance with the Texas and United States Constitutions, applicable statutes and regulations, the State Comptroller's rules, the TAMUS regulations, and A&M System HSC rules.
- 2) A purchase voucher must contain accurate data and a complete and accurate description of the goods or services being purchased.
- 3) Proper supporting documentation must be attached to a purchase voucher to support the legality of a payment or to accurately describe the goods or services being purchased. Vendor certification is acceptable in lieu of supporting documentation. In the case of contracts, a copy of the contract with the proper approval signatures should be attached to the voucher. Having a contract does not necessarily exempt you from the respective purchasing guidelines.
- 4) The signatures on a purchase voucher must be original. The approval signatures must be identical to the signatures on the signature card for paper vouchers. In the Purchasing Module within FAMIS, departments will be required to establish procedures to ensure that vendor payments are initiated/approved only by individuals who are properly authorized and have completed Disbursement training.
- 5) When the authority for a purchase is not obvious or self-evident, a citation of the relevant statutory authority must be included on the purchase voucher. Whenever a statement is required, the agency must ensure that the statement is true and complete. Such statements are vital to supporting the legality of payments.
- 6) The processing of a voucher in error does not obligate the finance office to process all similar, subsequent vouchers. Each voucher must stand on its own merit. Therefore, the department should not assume that the processing of a particular voucher indicates the finance office's decision to process all similar, subsequent vouchers.

II.A.1.b. Items Included on Purchase Vouchers

A purchase voucher must include the following information:

- 1) A&M System HSC department reference # (on paper vouchers);
- 2) Taxpayer ID # (vendor identification number);
- 3) Customer accounts receivable number;
- 4) Name and address of the vendor or payee;
- 5) Requisition or purchase order number (where applicable);
- 6) Contact name, phone number, mail stop number and email address;
- 7) Paying account(s) #;

- 8) Agency object code;
- 9) Payment amount;
- 10) Vendor invoice number;
- 11) Invoice date;
- 12) Order date;
- 13) Date invoice was received;
- 14) Delivery date;
- 15) Description of goods or services; and
- 16) Agency approval.

II.A.1.c. Invoices/Receipts

Except for those instances where advance payment is specifically authorized by statute, payment must be made only after authorized personnel have certified that the goods or services for which payment is being made have been received. Original invoices/receipts are required to process a voucher. Carbonless copies of original invoices retained by the vendor are also acceptable. If the original invoice/receipt is not available, a statement must be typed on the voucher stating that the original invoice is not available. When processing documents on-line, a copy of the invoice is acceptable. However, it is the department's responsibility to confirm that this is not a duplicate payment by following through with the appropriate and necessary research to determine whether prior payment has been made to the vendor on this invoice. If the duplicate invoice message is overridden on screen 341 you must document why this was done in Doc Notes. When the claim of a vendor is not supported by an adequate invoice, the vendor will be required to complete the vendor certification section of the purchase voucher or to sign the Vendor Certification section of the Transmittal/Certification form and attach a screen print of the items. ([System Regulation 21.01.03, section 3.2](#))

II.A.1.d. Required State Documentation

The State Comptroller's Office requires that documentation be made available during a Post Payment Audit that shows that payment made on a purchase voucher does not exceed the agreed upon purchase price. Therefore, written documentation of prices, such as phone or written price quotes, copies of catalog items, or internal order forms must be maintained and readily available. Written documentation should include the order date, quantity and price of goods purchased.

II.A.2. State of Texas Prompt Payment Law ([Government Code Chapter 2251](#)) (revised 11/15/04)

II.A.2.a. Payment Due Date

State of Texas Prompt Payment Law requires that for any contract executed after August 31, 1987, a state agency's payment is due by the 30th calendar day after the latest of the following:

- 1) The day the agency received the goods;
- 2) The day the services were completed by the vendor for the agency; or
- 3) The day the agency received the invoice for the goods or services. Invoices received by the department need to be stamped with the date the invoice was received.

II.A.2.b. Interest on Late Payments

If a state agency does not mail or electronically transmit a payment to a vendor or the vendor's financial institution by the applicable due date, the agency is liable to the vendor for interest in compliance with the following provisions:

- 1) Beginning on the day after the payment is due, interest accrues on the unpaid balance at the rate of 1.0% per month. The interest ceases to accrue on the date the state agency mails or electronically transmits the payment to the vendor or the vendor's financial institution. Payments that become overdue on or after September 1, 2004, will accrue interest at the rate in effect on September 1 of the fiscal year in which the payment originally becomes overdue. The rate in effect on September 1 is equal to the sum of 1 percent plus the prime rate as published in the Wall Street Journal on the first business day in July of the preceding fiscal year.
- 2) Interest will automatically be included to the vendor for all late payments. This applies to state and local accounts, but local accounts will only pay interest if it is over \$5.00. Interest will be charged to the account that paid the principal, unless screen 8 has been set up to charge the interest to another account. If the department requests that prompt payment interest not be paid, facts to substantiate the request must be included and clearly identified in the supporting documents submitted with the purchase voucher. Interest cannot be refused if inadequate documentation is provided.
- 3) All invoices must be stamped with the date it was first received by the agency.
- 4) The State of Texas schedules payments to vendors on state funds because they want to maximize the time that funds are held by the State. Payments made from State funds will not be released until just before the payment becomes due.

II.A.3. Disputed Payments

II.A.3.a. Notification and Documentation

A state agency that believes an invoice from a vendor is erroneous shall notify the vendor not later than the 21st day after the date the agency receives the invoice. It is critical that all details regarding a dispute with a vendor concerning an invoice or the goods/services received be documented. This documentation should include the nature of the dispute, the dates surrounding the dispute, dates and explicit details of any communications with the vendor concerning the dispute as well as the names of individuals involved in the communications, and when and in whose favor the dispute was resolved.

II.A.3.b. Resolution in Favor of the Vendor

If a dispute between a state agency and a vendor is resolved in the vendor's favor, then the agency is liable to the vendor for interest on all invoices for which the vendor has not received payment. This interest must be calculated from the original due date of the payment, as if no dispute ever existed.

II.A.3.c. Resolution in Favor of the Agency

If a dispute between a state agency and a vendor is resolved in the agency's favor, then the vendor that submitted the original invoice must submit a corrected invoice to the agency. Interest starts accruing if the corrected invoice is not paid by the appropriate date.

When the invoice is incorrect, there are 4 options available:

- 1) Vendor can send new corrected invoice
- 2) Vendor can send a credit memo
- 3) Vendor can sign vendor certification located either at the bottom of the paper purchase voucher or on the Transmittal/Certification form
- 4) If vendor refuses all 3 above, then the department can use their documentation of who was contacted, when they were contacted, that they agree with the amount the department is changing the invoice to, and that they cannot/will not send a new invoice, credit memo, or sign the vendor certification.

II.A.4. Vendor on Hold (revised 11/15/04)

II.A.4.a. Policy

House Bill 2914, and [section 2252.903 of the Government Code](#) states that agencies and institutions have to verify whether or not a vendor is on warrant hold with the Comptroller's office to be able to enter into a contract with them. You can verify this no earlier than the seventh day before and no later than the date of entering into the contract. If the vendor is on hold, you cannot sign the contract unless the vendor agrees to a contract clause under which any payments owed to the vendor will be applied to the debt/delinquent taxes owed to the state until paid in full. Similarly, you cannot make a spot purchase without first determining that the vendor is not "on hold." (A spot purchase is defined as a purchase made and picked up directly at the vendor's establishment.)

The state has established a web site designed to allow agencies to determine a vendor's status with a single inquiry. The Taxpayer and Vendor Account Information web site is located at <http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html>. After entering the vendor's 11-digit TIN (tax identification number) and clicking the "Search" button, the message "Taxpayer is not on vendor hold" or "Taxpayer is on vendor hold" will be displayed. If the message displayed is "Taxpayer is not on vendor hold," you can proceed with the bidding process. If the message displayed is "Taxpayer is on vendor hold" and you wish to contract with them, your contract must require payments to be applied toward eliminating the debt or delinquency. To clear up the issue, you should advise the vendor to contact the Comptroller's office.

II.A.4.b. “Term” Contracts

Agencies such as the Texas Building and Procurement Commission and the Department of Information Resources approve “term” contracts for estimated quantities under which state agencies may elect to purchase goods and services for a guaranteed price for a specific period of time. The comptroller will no longer require state agencies making purchases under “term” contracts to check a vendor’s debt and tax status with each order, if all of the following conditions exist:

- 1) The purchase is under a “term” contract;
- 2) The vendor for the “term” contract was not on warrant hold when the contract was approved; and
- 3) The “term” contract contains a clause stating that any payment owed under the contract will be applied toward eliminating any indebtedness to the state.

If all three conditions have not been met the agency must verify a vendor’s debt and tax status for each purchase order.

II.A.5. Discounts

When discounts are offered by a vendor, it is the department’s responsibility to ensure that the voucher will be paid in a timely manner in order to take advantage of the discount. These vouchers must be red-tagged and sent to Accounts Payable with sufficient time to process.

II.A.6. Purchasing Authority (revised 02/02/06)

II.A.6.a. Dollar Limits

Each department has been delegated the authority to make purchases up to \$5,000 with both state and local funds. Once a purchase is going to exceed \$5,000 a requisition or request for proposal is required to be processed prior to making the purchase. Large purchases may not be divided into small lot purchases in order to meet the specified dollar limits (V.T.C.S., Article 601b, Section 3.08e, State Purchasing and General Services Act.)

II.A.6.b. Purchasing Departments

The HSC Purchasing Department will be used by all A&M System HSC components, please contact the HSC Purchasing Department for additional information at (979) 458-7250.

II.B. Specific Information

II.B.1. Advance Payments

II.B.1.a. Acceptable Advance Payment Situations

A state agency may not pay for goods or services before their delivery to the agency, except:

- 1) A state agency may pay rent for leased space up to 7 days before the payment due date; a copy of the lease or rental agreement should be attached to the voucher.
- 2) A state agency may pay the cost of a periodical subscription a maximum of six weeks before it begins.
- 3) A state agency may process a purchase voucher for the purchase of real property anytime during the seven days before the closing date if the check/state warrant will be delivered to the seller no earlier than the closing date.
- 4) A state agency may pay in advance the entire cost of a maintenance contract.
- 5) A state agency may make an advance payment to a federal agency or another state agency for goods purchased from the agency if the advance payment will expedite the delivery of the goods.
- 6) A state agency may pay tuition directly to an institution of higher education not earlier than the 42nd day before the class begins. However, a state agency may not reimburse a state employee for tuition before the class begins.
- 7) An institution of higher education may pay for books, software, videos, and other published library materials before receiving them if reasonably necessary for the efficient operation of the institution's libraries.
- 8) A state agency may make an advance payment if significant cost savings would result from making the payment in advance.
- 9) A state agency may make an advance payment to a vendor who is selling specialized or proprietary goods or services to the agency if the vendor requires the payment to be made in advance.

II.B.1.b. Advance Payment Authorization

If your department must make an advance payment for a reason not listed above contact the HSC Office of Finance & Administration for additional guidance on this issue.

II.B.2. Advertising

All vouchers must have the original tear sheet of the advertisement attached when paying from state funds. A copy of the advertisement will be accepted on institutional accounts. Types of advertising include, but are not limited to, newspapers, magazines, books, internet, radio, etc.

II.B.3. Aircraft Rental

II.B.3.a. Rental of Non-System Aircraft

When a state agency submits a purchase voucher for the lease or rental of non-System or non-Aircraft Pooling Board aircraft, the agency must attach to the voucher a copy of the Aircraft

Pooling Board's approval, and the voucher must state the trip's purpose and the agency's compliance with permissible uses of aircraft.

II.B.3.b. Acceptable Leasing/Operating Situations

An authorized state agency may lease or operate an aircraft only if:

- 1) The purpose of each flight of the aircraft is official state business;
- 2) Each passenger on each flight of the aircraft is a state officer or employee, a person in the care or custody of a state officer or employee, or a person whose transportation furthers the official state business purpose of the flight;
- 3) The destination of each flight of the aircraft is not served by a commercial airline, the time required to use a commercial airline interferes with other obligations, or the number of state officers and employees on each flight of the aircraft makes using the aircraft more cost effective than using a commercial airline;
- 4) The events attended by each passenger on each flight of the aircraft are not sponsored by a political party and are not for the promotion of a political party;
- 5) No passenger on any flight of the aircraft receives a fee or honorarium unless each passenger receiving a fee or honorarium reimburses the state for the passenger's travel cost;
- 6) The business of each passenger on each flight of the aircraft does not involve raising money for private or political purposes; and
- 7) The business of each passenger on each flight of the aircraft does not involve the charging of a fee or an admission charge to see or hear a passenger.

II.B.4. Alcoholic Beverages

II.B.4.a. State Funds

- 1) State funds may not be used to purchase alcohol or alcoholic beverages for personal consumption or entertainment. The funds appropriated by the General Appropriations Act may not be used to compensate an officer or employee who uses alcoholic beverages while on active duty.
- 2) The following excerpt is from an August 29, 1995 Memorandum from the Office of the Vice Chancellor and General Counsel regarding use of alcoholic beverages and active duty:

It may be presumed that the underlying rationale behind the ban on consumption is that state employees will perform their official duties less effectively if they consume alcohol while doing so. If an employee of The Texas A&M University System is required by the System or one of its components to work at hours other than 8:00 am to 5:00 p.m. as a regular part of their duties, the employee would only be affected by Article IX, Section 10 if he or she consumed alcohol while actively engaging in those activities that comprise the essential functions of their position. There does not appear to be any authority for the proposition that social and entertainment events are to be treated the same as teaching, research, service, and administrative activities for this purpose.

II.B.4.b. Authority to Buy Alcohol

- 1) Alcohol purchases may be made using gift funds or other institutional funds (designated and auxiliary funds) as permitted by State law, with the written recommendation of the Vice President with authority over the funds and final approval from the Vice President for Finance & Administration (or designee). Continuing Education accounts do not require any additional approval process. Approved accounts will be coded in FAMIS on screen 8 or 803 to accept expense object 6341.
- 2) Contract and grant funds for legitimate scholarly research and/or testing that requires the use of alcoholic beverages may purchase alcohol if the guidelines stipulated in the grant or contract are followed.
- 3) Funds collected by the A&M System HSC as registration fees from participants in a conference or similar event may be used to purchase alcoholic beverages to be served as a part of the event.

All alcohol purchases must be in support of events and activities that further the mission of the institution or agency as determined by the Chief Executive Officer, approved by the Chancellor, and reported to the Board of Regents. Such events and activities, as well as locations, are confirmed annually by the Board of Regents.

Vouchers for purchase of alcoholic beverages must clearly show that alcohol was purchased. This amount must be coded using expense object code 6341.

II.B.5. Alumni Activities

State funds may not be used for the support or maintenance of alumni organizations or activities.

II.B.6. Charitable Organizations

A state agency may not provide money, a good, or a service to a charitable organization unless:
the agency has specific or implied statutory authority to provide it; and
providing it would serve a proper public purpose; and
the agency would receive adequate consideration for it; and
the agency adopts adequate controls to ensure that the public purpose is achieved.

It is unlikely that a state agency would be able to show compliance with the preceding conditions.

II.B.7. Christmas Cards

A state agency may not purchase and mail Christmas cards unless the agency receives an adequate benefit or quid pro quo.

II.B.8. Conference Registration Fees

II.B.8.a. Advance Payments for Conference Fees

Advance payment of conference registration fees is made by issuing a purchase voucher directly to the organization sponsoring the conference for the registration fee only. If the registration fee includes non-optional meals this has to be clearly stated on the voucher. Optional expenses such as meals and lodging cannot be paid for in advance. Payment for registration fees cannot be made more than six weeks in advance, except when registration is required further in advance to reserve space or to obtain a substantially reduced rate. The name of the person, full name of the conference (no abbreviations), dates of the conference and the reason for prepaying must be on the voucher.

II.B.8.b. Reimbursement of Conference Fees

Conference registration fees may also be paid directly by the employee and then reimbursed by the state agency, but only after the conference. Advance payment is only allowed when the voucher is payable to the organization sponsoring the conference.

II.B.9. Contracts

All contracts, regardless of amount, negotiated by any component of the Texas A&M University System must be reviewed by the TAMUS Office of General Counsel before it can be finally approved. Forward them to the Contracts and Grants Office, MS 1361. Attach the Contracts and Grants Office's approval and a copy of the contract to the invoice/voucher when submitting for payment. Agreements made by A&M System HSC departments for the reservation of hotel and/or conference facilities should not be routed through the Contracts and Grants Office nor be reviewed by the Office of General Counsel.

Purchases made through a contract that exceed the delegated dollar limits—\$5,000 on state and local accounts—are not exempt from A&M System HSC purchasing guidelines. These will still require a requisition or a Request For Proposal (RFP) #. This should be done prior to the contract being signed. Delegation of authority may be seen at [HSC Rule 25.07.01.Z1.01](#).

II.B.10. Deaths and Funerals

II.B.10.a. Appropriate Acknowledgement of an Employee's Death, Employee's Loss of a Family Member or Student's Death

Employee's Death or Loss of Family Member:

Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket, or appropriate item for family of an employee who has passed away or for an employee who had an immediate family loss. (Employee's spouse or the employee's or spouse's child, parent, brother, sister, grandparent, or grandchild.) Must comply with A&M System HSC Rule regarding allowable de minimus benefits.

Student's Death:

Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket or appropriate item for the family of a student who has passed away.

II.B.10.b. Payment for Travel Expenses for Funeral Attendance

The importance to A&M System HSC to attend these funerals must be documented on the travel reimbursement voucher.

1) Funeral of an Employee:

Per the [State of Texas Travel Allowance Guide](#) "...a state agency may pay or reimburse the employee for a travel expense the employee incurs while attending the funeral of an individual who was a state employee, a board member, or a legislator if: the agency determines that the employee's attendance at the funeral is appropriate under the circumstances; and the expense is paid or reimbursed only to the extent it could have been paid or reimbursed had it been incurred while conducting official state business."

The department head must approve employee(s) for attendance.

2) Funeral of Employee's Spouse or Child:

Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for an employee's travel expenses to attend the funeral of a co-worker's spouse or child as determined appropriate by the department head.

3) Funeral of a Student:

Accounts that are **not** funded by mandatory student fees (excluding Student Service Fees), contract or grants, state appropriations or restricted by donors may pay for an employee's travel expenses to attend the funeral of a student as determined appropriate by the department head.

4) Other Circumstances:

Departments may use their unrestricted gift, practice plan, or discretionary funds to pay for travel expenses of an employee to attend the funeral of an individual the President, Vice Presidents, Deans or Directors deem appropriate to attend.

This may include but is not limited to:

- Death of a student's parent
- Death of a TAMUS, Texas A&M Foundation, HSC Foundation, Baylor Oral Health Foundation, Scott & White, Development Council or Research Foundation employee or member
- Death of a donor

II.B.11. Employee Certification/Licensure

Employees may be reimbursed for fees required to maintain professional certification or licensure. The authority for such payment is contained in [Attorney General Opinion No. JM-1063 \(1989\)](#), which states that a state agency may constitutionally pay professional fees or occupation taxes on behalf of its employees "if the responsible agency authority determines that the agency will receive adequate return on such expenditures, that is, that such expenditures would be directly and substantially related to the agency's governmental function."

If a state agency elects to pay the fees on behalf of CPA's in its employ, the \$200.00 professional fee normally paid by the agency becomes a zero amount. A state employee engaged in outside practice would be personally responsible for the \$200.00 professional fee. Reimbursements will be made only for fees needed to maintain a job-related certificate or license; incidental or non job-related certifications do not qualify. Costs such as examination or course fees to initially obtain a license or certificate, late payment penalties, discretionary membership fees, or other related professional costs will not be subject to reimbursement as a professional membership fee.

II.B.12. Federal and State Taxes

II.B.12.a. Tax Exemption Exceptions

The Texas A&M University System is exempt from most federal and Texas state taxes. We are also exempt from other states' sales tax if the goods are being shipped to us. Business meals that are direct billed to the state agency are tax-exempt. Despite its tax-exempt status, an A&M System member may pay taxes in the following situations:

- 1) Reimbursement of sales tax can be made to an individual who has purchased goods for an A&M System Member, except for Texas hotel occupancy taxes, only on gift, practice plan, or discretionary account. State employees should carry a tax exemption form with them when making a purchase. Individuals may be reimbursed for sales tax on business meals at restaurants with any account that is allowed to purchase business meals. Refer to the travel voucher section of these Guidelines for additional information on sales tax on lodging.
- 2) State agencies are required to pay the federal tax and may be required to pay certain state tax on bulk fuel purchases. State agencies are exempt from paying federal tax on telephone bills and regular fuel purchases that are not required to be purchased on the fleet card.

II.B.12.b. Telecommunications Fees, Taxes and Surcharges Chart

See the [Accounts Payable homepage](#), under Accounts Payable "Telecommunications Fees, Taxes and Surcharges" chart.

II.B.13. Flowers, Floral Arrangements, and Plants (revised 11/15/04)

II.B.13.a. State Funds

A state agency may not use state funds to purchase flowers, floral arrangements, or decorative plants for a state officer or employee or for the friends or family of a state officer or employee. Similarly, state funds may not be used to purchase, lease, or maintain live or artificial indoor plants unless the plants are to be used for educational or research purposes. Purchases from state funds are limited to vegetation dirt, potting soil, fertilizer, seeds, and plants needed for erosion prevention, research, teaching, or agriculture. The purpose must be clearly documented.

II.B.13.b. Institutional Funds

- 1) Decorative plants can be purchased with institutional funds.
- 2) Unrestricted gift, practice plan, and discretionary accounts may purchase flowers and plants for individuals.
- 3) Restricted gift accounts may also purchase flowers and plants for individuals if it relates back to the account purpose.
- 4) A “[Request for Tax Withholding](#)” form is required if the purchase for an individual is in excess of \$100.
- 5) Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket, or appropriate item for an employee in celebration of a birth or adoption of a child, illness, or special honor. Must comply with A&M System HSC Rule regarding allowable de minimus benefits.
- 6) Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket, or appropriate item for family of an employee who has passed away or for an employee who had an immediate family loss. (Employee’s spouse, or the employee’s or spouse’s child, parent, brother, sister, grandparent, or grandchild.) Must comply with A&M System HSC Rule regarding allowable de minimus benefits.
- 7) Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket or appropriate item for the family of a student who passed away.

II.B.14. Food Purchases

II.B.14.a. State Funds

The use of state funds for the purchase of food is very limited. State funds cannot be used for the purchase of food, coffee or related items for consumption by employees or departmental visitors. State funds can, however, be used to pay for food purchases related to research or teaching in a class or lab setting and should be coded using expense object code 4050. The purpose must be clearly documented.

II.B.14.b. Institutional Funds

- 1) Expenditures for food and/or refreshments from institutional funds are authorized to the extent such expenditures enable the state agency to carry out an educational function, promote education in the State of Texas, or perform public service. All food purchases will follow [System Policy 25.05](#). Food purchases for business meals should be coded using expense object code 6340. Food purchases for seminars, conference, workshops, or other allowable purposes should be coded 6339.
- 2) Expenditures on institutional accounts for food and/or refreshments must comply with one or more of the following direct purposes:
 - a) The recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a component of the System or the State;
 - b) The promotion of the communication of intellectual ideas among students, faculty, staff, administrators and/or representatives of the public;

- c) The support of student events and activities which are sponsored by a component of the System;
 - d) The recruitment of highly qualified faculty, staff, and in-state students;
 - e) The promotion of the exchange of ideas with community leaders regarding the role of a component of the System in the community;
 - f) The assistance of the Regents, accrediting agencies, officials from other universities and/or public officials in inspecting and reviewing the facilities and programs of a component of the System;
 - g) The support of a program of continuing education sponsored by a component of the System; or
 - h) The conduct of staff conferences and receptions or other events designed to recognize and honor employees.
- 3) The following categories of funds may be used to purchase food and/or refreshments for the purposes listed above:
- a) Balances in accounts funded from student service fees, bookstore allocations, and University/College concessions may be used to purchase food and/or refreshments to the extent that such funds have been budgeted.
 - b) Donated unrestricted funds and funds received as registration fees for continuing education conferences and short courses may be used to purchase food and/or refreshments where provisions have been included in the registration fee.
 - c) Funds raised and/or earned by student organizations may be used for the purchase of food and/or refreshments.
 - d) Other locally generated income not restricted to Administrative, Education and General, Research, Plant Expansion, Loan, Endowment, and/or Scholarship programs may be used to purchase food and/or refreshments.
- 4) Vouchers or payments requesting reimbursement for business meals or entertainment must contain sufficient documentation to satisfy the Internal Revenue Service's "five W's": who, what, where, when, and why. If the voucher is paid without sufficient documentation to satisfy the "five W's", then amounts are taxable and should be included in taxable compensation on the employee's W-2.

II.B.15. Fuel Cards

II.B.15.a. Fuel Card Policy

By mandate of the [Council on Competitive Government](#), all state agencies must have a fuel card program.

II.B.15.b. Vehicles leased/rented from the Texas A&M University Transportation Center

Fuel, parts or maintenance purchased within Bryan/College Station are to be purchased from the Transportation Center on Agronomy Rd. and fuel, parts or maintenance purchased outside the Bryan/College Station area are to be purchased with fuel cards issued by the Transportation Center.

II.B.15.c. Purchasing Fuel for Non State-Owned Vehicles

Per the Council on Competitive Government, all retail fueling credit card purchases must be made using the Voyager Fleet Systems credit card, when purchasing fuel for a state-owned vehicle.

II.B.16. Gifts and Awards (revised 02/02/06)

Employee gifts fall into two categories, gifts and achievement awards.

II.B.16.a. Gifts

Accounts that are **not** funded by mandatory student fees, contracts or grants, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket, or appropriate item for an employee in celebration of a birth or adoption of a child, illness, or special honor. Must comply with A&M System HSC Rule regarding allowable de minimus benefits.

De minimis fringe benefits are those that are both low in cost and given on an infrequent basis. For the A&M System's purposes, gifts, awards, and presentations costing \$100 or less will generally be considered *de minimis*. In addition, the frequency of presentations should be determined on an individual employee basis (no more than two times per year). Flowers, books, fruit baskets, plaques, certificates (not gift certificates), or similar items given for a special purpose such as family death or illness, recognition of special effort, or outstanding performance may be excepted from the \$100 ceiling, with adequate documentation supporting exclusion from income. Cost and frequency must still be considered and explained in documentation concerning these types of items. Departments should contact the office of the Vice President for Finance and Administration with further questions.

Therefore, any employee gifts in excess of \$100 per year constitute additional taxable compensation to the recipient. Gifts in excess of \$100 and gift certificates for any amount require a "[Request For Tax Withholding](#)" form.

Retirement gifts may be excluded from income as length of service awards or as *de minimis* fringe benefits. To qualify as a length of service award, the retiree may not have received a length of service award during the previous five years. Retirement gifts proportionate to the retiree's length of service may be excepted from income as *de minimis*, without regard to the \$100 ceiling. Documentation of the relationship between the retiree's length of service and the value of the gift is essential. Retirement gifts may be purchased on any institutional account.

II.B.16.b. Achievement Awards

- 1) Cash awards must go through payroll. State funds may not be used to pay cash awards.
- 2) A state agency may expend appropriated or institutional funds to give service achievement awards to its employees and officers at periodic intervals under rules adopted by the agency. These awards in excess of \$100 per year constitute additional compensation (please refer to the de minimus definition above) to the recipient and a "[Request for Tax Withholding on Non-Salary Compensation Items](#)" form is required. Awards for length of service or safety are not taxable up to \$400.

- 3) There are two limitations on a state agency's authority to give employee achievement awards purchased with state funds:
 - a) The awards must be given to employees and officers who are still employed by the state.
 - b) Can purchase any type of award that the agency feels is appropriate, provided the **cost of the award is \$100 or less** per employee or officer.

II.B.16.c. Gifts for Non-A&M System HSC Employees

Gifts for non-A&M System HSC employees require documentation stating the recipient's name, address, and social security number, if in excess of \$100. Any gift may be taxable to the recipient through the 1099 process. Gifts and awards for students and non-A&M System HSC employees are coded 5241, do not use 6335.

II.B.17. Interagency Agreements/Contracts

II.B.17.a. Interagency Contract Policy

State agencies are authorized by the Texas Interagency Cooperation Act to enter into and perform written contracts with other agencies of the State for furnishing special or technical services. The contract may be for employee services, materials, and/or equipment. Proposals for interagency contracts will be approved by the President or Director of the A&M System Member, or authorized designee, prior to expenditure of funds related to the contract. Approval of the contract by the Texas Building and Procurement Commission is not required. Written contracts are required only when the total amount of the transaction is expected to exceed \$50,000. In situations where the amount of the transaction is \$50,000 or less, the agencies may use an informal letter of agreement instead of a contract. Interagency Agreements/Contracts must follow the Prompt Payment Act, and Contract Workforce regulations also apply.

II.B.17.b. Review of Contracts

All contracts, regardless of amount, negotiated by any component of Texas A&M University System must be reviewed by the TAMUS Office of General Counsel before it can be finally approved. Forward them to the Contracts and Grants Office, MS 1361. Attach the Contracts and Grants' approval and a copy of the contract to the invoice/voucher when submitting for payment. Delegation of authority may be seen at [HSC Rule 25.07.01.Z1.01](#).

II.B.18. Memberships - Non-Professional Organizations (revised 11/15/04)

II.B.18.a. Membership Fees to Non-Professional Organizations

A state agency may pay a membership fee to a non-professional organization if:

- The agency has specific or implied statutory authority for the payment; and
- The payment would serve a proper public purpose; and
- The agency would receive adequate consideration in exchange for the payment.

II.B.18.b. Required Documentation and Funding

A state agency may pay a membership fee to a private entity so that they may purchase goods or services at a discount only if the agency shows the cost of the goods or services plus the membership fee is less than the cost of purchasing these same items somewhere else. The purchase voucher must state the proper public purpose that will be served by paying the membership fee and how the payment relates to the statutory duties of the agency.

The full name of the non-professional organization has to be entered in document notes or description for on-line invoices or in the description on paper vouchers. This applies to both purchase and travel vouchers. Abbreviations are not acceptable. The beginning and ending dates of the membership must be documented on the voucher. These are coded 5213.

The General Appropriations Act says that a state agency may not use appropriated money to pay membership dues to an organization that pays part or all of the salary of a registered lobbyist. Therefore, membership fees can be paid with state funds only if there is written documentation that you have checked the State of Texas ethics web site, <http://www.ethics.state.tx.us/dfs/loblists.htm> and confirm that the organization is not listed under “Lobby List-Registered Lobbyists and Clients, sorted by Clients”.

We are not allowed to pay the portion of the membership due that goes toward lobbying, the A&M System HSC has no funds that can pay this portion of the membership. This portion would have to be deducted, and the non-lobbying portion would be paid from local/institutional funds. You may attach a personal check for the lobbying portion or use another source of funds to pay it other than the A&M System HSC.

II.B.18.c. Membership Fees to Social Clubs

Depending on individual TAMU System member policies, expenditures for certain employee social club memberships are allowable from unrestricted gift, practice plan, or discretionary funds. If restricted gift funds are used the purpose of the membership must relate to the purpose of the account. However, payments for the portion of the membership not used for business purposes are considered taxable income to the employee and a “[Request For Tax Withholding on Non-Salary Compensation Items](#)” form is required. In order for the A&M System HSC to comply with the IRS regulations, a log must be provided to the Office of the Vice President for Finance & Administration annually by each affected employee. Please contact the Office of the Vice President for Finance & Administration for additional guidance on this issue. These are coded 5212 if the membership is in the department’s name and 1940 if the membership is in the individual’s name.

II.B.18.d. Membership Fees to Chambers of Commerce

Memberships to Chambers of Commerce are allowed on unrestricted gift, practice plan, or discretionary funds only. These are coded 5212.

II.B.19. Memberships - Professional Organizations (revised 11/15/04)

II.B.19.a. Membership Fees to Professional Organizations

A state agency may pay a membership fee to a professional organization if:

- 1) The agency has specific or implied statutory authority for the payment; and
- 2) The payment would serve a proper public purpose; and
- 3) The agency would receive adequate consideration in exchange for the payment.

II.B.19.b. Approval of Membership Fees

A state agency may not use appropriated money to pay a recurring membership fee or dues to a professional organization unless the head of the agency, or his/her designee, reviews and grants prior approval for the expenditure.

II.B.19.c. Required Documentation and Funding

Memberships in professional organizations should be in the name of the state agency and not in the name of an individual. The purchase voucher/payment request must state the public purpose that will be served by the expenditure and how the expenditure relates to the specific statutory duties of the department or HSC.

Payments for membership fees must state the full name of the professional organization in document notes or description for on line invoices or in the description on paper vouchers. This applies to both purchase and travel vouchers. Abbreviations are not acceptable. The beginning and ending dates of the membership must be documented on the voucher. These are coded 5211.

The General Appropriations Act says that a state agency may not use appropriated money to pay membership dues to an organization that pays part or all of the salary of a registered lobbyist. Therefore, membership fees can be paid with state funds only if there is written documentation that you have checked the State of Texas ethics web site, <http://www.ethics.state.tx.us/dfs/loblists.htm> and confirm that the organization is not listed under “Lobby List-Registered Lobbyists and Clients, sorted by Clients”.

We are not allowed to pay the portion of the membership due that goes toward lobbying, the A&M System HSC has no funds that can pay this portion of the membership. This portion would have to be deducted, and the non-lobbying portion would be paid from local/institutional funds. You may attach a personal check for the lobbying portion or use another source of funds to pay it other than the A&M System HSC.

II.B.20. Moving Expenses (revised 11/15/04)

II.B.20.a. Current A&M System HSC Employees

A state agency may use any source of funds to pay the reasonable, necessary, and resulting costs of moving the household goods and effects of a state employee. However, the costs are payable only if:

- 1) The employee is being transferred from one designated headquarters to another within the same agency; and

- 2) The agency determines that the transfer is in the best interests of the state; and
- 3) The distance between the boundaries of the two designated headquarters is at least 25 miles.

State-owned equipment must be used to move the household goods and effects of the transferring employee. However, if state-owned equipment is not available a state agency may pay for the services of a commercial transportation company or for self-service vehicles to make the move. A state agency may directly pay a commercial transportation company or the owner of a self-service vehicle instead of reimbursing a state employee.

II.B.20.b. New Employee Moving Expenses

Only institutional funds may be used in the situation where a new employee's moving expenses are being paid in fulfillment of the employment contract. In order to pay for moving expenses for new state employees these expenses must be made under an accountable reimbursement plan, which requires that original receipts be obtained. These expenses are exempt from HSC purchasing guidelines. To qualify as a moving expense, the new job location must be at least 50 miles farther from the old residence than the old job location was from the old residence. Where an employee didn't have a former place of work, then the new job location must be at least 50 miles from the old residence. In addition, the employee must generally be employed full-time by the same employer for at least 39 weeks during the 12-month period immediately following arrival at the location.

II.B.20.c. Qualified Moving Expenses

Qualified moving expenses are:

- 1) Travel (including lodging but not meals) to the new residence; and
- 2) Moving of household goods and personal effects which include rental of moving vehicles or paying a moving company, boxes, tape, packaging material, etc.

If you use your car to take yourself, members of your household, or your personal effects to your new home, you can figure your expenses by deducting **either**:

- 1) Your **actual expenses**, such as gas and oil for your car if you keep an accurate record of each expense; or
- 2) The **standard mileage rate** of \$.14 per mile.

Qualified moving expenses should be coded 1925 and are not taxable to the employee. These expenses must be paid from a local account. Some examples of qualified moving expenses are transportation to the new home for the employee and immediate family members, movers, hotel costs while driving to the new home, and rental of a moving truck. See list on IRS web site, <http://www.irs.gov/pub/irs-pdf/p521.pdf>.

II.B.20.d. Non-Qualified Moving Expenses

Non-qualified moving expenses should be coded 1926 and are taxable income to the employee. A "[Request for Tax Withholding](#)" form must be submitted with the voucher. These expenses may only be paid from accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations, tobacco funds or restricted by donors. Some examples of non-qualified moving expenses are house-hunting trips and all expenses associated with that trip,

meals, temporary lodging while finding a place to live, car rental at the new home city, and temporary storage. See list on IRS web site, <http://www.irs.gov/pub/irs-pdf/p521.pdf>. Amounts received by an employee as payment for, or reimbursement of, moving expenses which are attributable to employment, must be included in gross income as compensation for services except where deductible as qualified moving expenses.

II.B.21. Notary Fees

Effective September 1, 2002, the State of Texas no longer requires employees designated as notaries to purchase notary bonds. The following quote outlines the state's stance on notaries in relation to being bonded:

NOTE: The state will defend and reimburse a state employee for damages, attorney's fees and court costs adjudged against them when the damages are based on an act or omission in course and scope of the person's employment (Civil Practice and Remedies Code Section 104.001). So when notarizing documents outside the course and scope of your work duties, you will not have the protection for your actions unless you personally purchase the notary bond.

All notary applications are to be submitted to the State Office of Risk Management (SORM) with a check for \$11.00 made payable to the Secretary of State. Procedures and applications for notaries can be found at the [SORM's website](#).

II.B.22. Parking Permits

Visitor parking or a departmental parking space on either state or local funds is allowed as long as the visitor is conducting business here and as long as the departmental space is used for visitors to the department who are conducting business here or for a state-owned vehicle.

The state will not pay for an employee's parking permit. If a department wants to pay for an employee's parking permit, they can do so using an unrestricted gift, practice plan, discretionary funds, or restricted gift account, that will allow for this type of purchase.

II.B.23. Payment to Non-U.S. Citizens (revised 02/02/06)

II.B.23.a. GLACIER

GLACIER is a nonresident alien tax compliance system designed to allow institutions to efficiently and effectively collect information, make tax residency and treaty determinations, manage paperwork, maintain data, and file reporting statements with the IRS. The A&M System HSC accounts payable office is now using this web-based tool to insure tax compliance on payments made to, or on behalf of, foreign nationals.

GLACIER will allow the nonresident alien to login to Glacier and process the following information:

- * Tax Summary Report (Formerly History of Presence Form)
- * W-7 Form (Application for ITIN)
- * 8233 Form or W8BEN Form (if visitor is eligible for tax treaty)
- * Honoraria Statement (only required for B1/B2 and WB/WT visa holders)

All payments involving foreign nationals must go through GLACIER before the payment can be made. To ensure a timely check issuance, please have the foreign national begin the GLACIER process as soon as you know they are coming.

Please send an email to the email address below to obtain a password for the nonresident alien to access Glacier. Your email will need to include the name of the Non-U. S. Citizen as well as their email address. Once received, our office will email the Non-U.S. Citizen with an id and password, so they may enter the web-based GLACIER system.

fawcett@tamhsc.edu

If you have any question on the above information please contact Karen Fawcett at (979) 458-7267.

II.B.23.b Payment Policy

All payments to non-employee foreign nationals for services performed or expenses being paid or reimbursed on behalf of that individual must include a copy of the foreign individual's entry visa or evidence of temporary non-immigrant status. There are different types of visas and the federal government has determined what type of expenses can be paid for services provided. In some instances, scholarships may be subject to withholding. See chart of "A Summary of Visa Options For Schools With International Students and Scholars" on the [Accounts Payable homepage](#). When a visa only allows for reimbursement of expenses, we can only reimburse if the actual receipts are attached.

Payments to individuals who are non-resident aliens require either a Social Security Number or an Individual Taxpayer Identification Number (ITIN) **prior** to being paid from A&M System HSC funds. This includes payments being made on behalf of that individual (i.e. direct bills for hotels, airlines). If an individual is not eligible for a Social Security Number he/she should apply for an ITIN. For guidance on obtaining an ITIN, please contact the Office of the Vice President for Finance & Administration.

II.B.23.c. Tax Treaties

To identify the countries included on the List of Tax Treaties, access the IRS website at <http://www.irs.gov>. In the "Search IRS Site for" field type in tax treaties, then click on the first link "Income Tax Treaties". This will take you to a list of treaties.

If the country is on the List of Tax Treaties, then the individual may choose to exercise the treaty by filling out an Internal Revenue Service Form 8233 located on the [Accounts Payable homepage](#) under Forms. In order to comply with IRS rules, our office must review the 8233 and

then submit it to the IRS for review. We are required to wait 10 days for the IRS to review this form before we are to make payment.

If the country is not on the list, then the United States does not have a tax treaty with that country. In this instance, the individual will receive 70% of the amount due and a second purchase voucher, made payable to the Internal Revenue Service (on an institutional account), will need to be prepared for the remaining 30% of the payment.

II.B.23.d. Reimbursement Policy

If we are only reimbursing the individual for their expenses and have all original receipts, simply use the appropriate code from the 5695 – 5699 range. The above section pertaining to the tax treaties is not applicable, as reimbursements with original receipts are not taxable.

II.B.23.e. Reimbursement Codes

The fee or expenses without receipts being paid to the individuals will be coded with the appropriate code according to the services they provided. If there is mileage and it is broken out (10 miles @ .35 = 3.50) it is also not taxable and can be coded 5697. Reimbursement may be made for meal and lodging allowances up to the state limit and is subject to a 30% withholding rate.

II.B.23.f. Signature Requirements

We must have the individual's signature on the voucher. If the department did not get all the forms signed, they can be faxed to the individual but must be mailed back so that we can have the original signatures.

II.B.24. Private Consultants/Independent Contractors/Outside Attorney/Professional Services

II.B.24.a. Consultants

- 1) "Consulting service" means a study conducted for a state agency or advice provided to a state agency under a contract that does not involve the traditional relationship of employer and employee. The term does not include a routine service that is necessary to the functioning of a state agency's programs. The key words are "studying" and "advising," rather than "performing."
- 2) Private/outside consultants may be used if there is a substantial need and such services cannot be adequately performed by A&M System personnel or through contract with another state agency. Such contracts may be entered into by following normal contracting procedures. See [HSC Rule 25.07.01.Z1.01](#), for exemptions, requirements, and procedures related to the contracting process.
- 3) Funds may not be used, regardless of source, to enter into a consultant contract or pay professional services with any individual who is currently employed by an A&M System Member or who has been employed by an A&M System Member within the past 12 months.

II.B.24.b. Former TAMUS Employees

Payments to individuals who are currently not an active TAMUS employee but have been employed by TAMUS within the last 12 months must go through Payroll. These individuals must be appointed to a wage position, paid what they are due, and then be terminated from that wage position. Please contact the Payroll office for specific instructions on how to proceed.

II.B.24.c. Outside Attorney

In the event payment is requested to an outside attorney, the invoice must be forwarded to the Office of System General Counsel accompanied by the current Outside Counsel Agreement previously approved by the Attorney General's office. Please contact the Office of the Vice President for Finance & Administration for additional information.

II.B.24.d. Independent Contractors

- 1) State agencies are exempt from paying Social Security, deducting income tax, reporting earnings to the Texas Employment Commission, and providing employee benefits to bona fide independent contractors or outside consultants. However, if an individual is incorrectly classified as an independent contractor, the state agency may be in violation of one or more federal and state laws including the Federal Unemployment Tax Act, the Texas Unemployment Compensation Act, and the Texas Workers' Compensation Insurance Law.
- 2) Penalties for violating these laws can include payment of back wages plus liquidated damages, court costs and attorney's fees, declaratory injunctive relief as defined by a court, and other monetary penalties. The U.S. Department of Labor has stressed the following six factors as the criteria to be used in determining whether an individual is an employee or independent contractor:
 - a) The extent to which the services provided are an integral part of the contractor's business;
 - b) The permanency of the employment relationship;
 - c) The amount of the contractor's investment in facilities and equipment;
 - d) The nature and degree of control and supervision by the employer;
 - e) The contractor's opportunities for profit and loss; and
 - f) The amount of initiative, judgment, or foresight in open market competition with others required for the success of the claimed independent enterprise.
- 3) If an individual is employed to perform unskilled labor, is paid an hourly rate, and is closely supervised, he/she probably would not meet the test of an independent contractor and, therefore, should be treated as an employee. Refer to "Employee vs. Independent Contractor" in the following section for additional guidance on determining whether an employer-employee or independent contractor relationship exists.

II.B.24.e. Employee vs. Independent Contractor

- 1) The Internal Revenue Code provides that employment taxes are imposed on wages received by employees. The Code defines the term "employee" for FICA purposes as any individual whose employment status meets the common law requirements for an employer-employee relationship. Generally, an employer-employee relationship exists if the person for whom the services are performed has the right to control and direct the individual who performs the services, not only as to the results of the work but also the

details and means by which the results are accomplished. It is unnecessary for the employer to actually direct or control the manner in which the services are performed; it is sufficient if the employer has the right to do so.

- 2) If an employer-employee relationship exists, the designation of the parties as anything other than that of employer and employee is immaterial. Thus, if that relationship exists, it is of no consequence that the employee is designated as a partner, co-venturer, agent, or independent contractor.
- 3) Twenty factors have been identified by the courts in indicating whether sufficient control is present to establish an employer-employee relationship under the common-law rules. The importance of each factor varies depending on the occupation, the factual context in which the services are performed, and even the interpretation of the particular IRS examiner. As expected, the IRS leans toward classifying individuals as employees. A worker will generally be deemed an employee if the individual:
 - a) Must comply with an employer's instructions about the work;
 - b) Receives training from or at the direction of the employer;
 - c) Provides services that are integrated into the business;
 - d) Provides services that must be rendered personally;
 - e) Hires, supervises, and pays assistants for the employer; (An independent contractor usually must have the right to choose whether and who to hire as assistants.)
 - f) Has a continuing relationship with the employer;
 - g) Must follow set hours of work;
 - h) Works full-time for an employer;
 - i) Does the work on the employer's premises;
 - j) Must work in a sequence set by the employer;
 - k) Must submit regular reports to the employer; (If a contract between the employer and an independent contractor specifies that the job must be completed to the satisfaction of the customer, the employer may avoid the need for reports from the independent contractor. Reports are usually indications of employee status.)
 - l) Receives payments of regular amounts at set intervals; (If the worker is an independent contractor, the contract should call for payment by the job. Payment by the hour, week, or month usually indicates an employer-employee relationship. Additionally, fringe benefits are generally paid by employers to employees.)
 - m) Receives payments for business or traveling expenses;
 - n) Relies on the employer to furnish tools and materials;
 - o) Lacks a major investment in facilities used to perform the service; (An independent contractor usually has a significant investment in his/her own business.)
 - p) Cannot make a profit or suffer a loss from the services; (An indication of independent contractor status is being subject to real risk of economic loss. Thus, independent contractors usually have control over the economic results and contractually agree to bear the risk of loss.)
 - q) Works for one employer at a time;
 - r) Does not offer services to the general public; (Any requirement of exclusivity detracts from the argument that the worker is an independent contractor. Advertising by the independent contractor that he/she is available to the general public is an indication of independent contractor status.)

- s) Can be fired by the employer; (The general common-law rule is that only employees may be terminated immediately; independent contractors cannot be fired as long as they live up to their contractual obligations.)
- t) May quit work at any time without incurring liability. (According to the IRS, only employees may terminate without incurring any liability; independent contractors are contractually bound to complete the specific job.)

II.B.24.f. Professional Services

- 1) Professional services are services within the scope of the practice of accounting, architecture, optometry, medicine, land surveying, real estate appraising or professional engineering or those services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant, land surveyor, real estate appraiser or professional engineer in connection with his/her professional employment or practice.
- 2) The selection and engagement procedures for professional services are subject to the Professional Services Procurement Act ([Chapter 2254, Subchapter A, Texas Government Code](#)). Selection should be based on demonstrated competence and qualifications for the type of professional services to be performed and at fair and reasonable prices, as long as professional fees are consistent with and not higher than the published recommended practices and fees of the various applicable professional associations and do not exceed the maximum provided by law. Any contract or agreement for professional services in violation of any provisions of the Professional Services Procurement Act is void and of no effect. Professional service contracts are not subject to the same notification, publication, and reporting requirements as private consultant contracts.

II.B.25. Publications

II.B.25.a. Acceptable/Unacceptable Publications

State funds may not be used for the publication, recording, production, or distribution of any item or matter unless the publication, recording or production is: (1) essential to accomplish or achieve a strategy or outcome target established by the General Appropriations Act; or (2) required by law. This includes lists, notices, pamphlets, videotapes, audiotapes, microfiche, films, or other electronically produced information or records.

II.B.25.b. Publications Including Names/Pictures of State Employees

State funds may not be expended to print a publication of any type that prominently displays the name or picture of a statewide elected official, any appointed officer of the state or employee. If a state agency wants to distribute a publication that includes a photograph of a state official or employee or displays the name of a state official or employee in large type or on a repetitive basis, then the agency must provide an advance copy of the publication to the State Comptroller for review.

II.B.25.c. Date of Publication

Each state publication must clearly reflect the date that the publication is produced or initially distributed by a state agency in a conspicuous location at or near the beginning of the publication.

II.B.26. Recruitment of Students

No state funds may be used for recruiting out-of-state students. This would include transportation costs for out-of-state prospective students or transportation costs for the A&M System HSC employees to recruit out of state prospective students. Institutional funds may be used for recruiting out of state students.

II.B.27. Speakers (revised 02/02/06)

Title of lecture, date of lecture, and to whom the lecture was presented is required. Speakers who are State of Texas employees must sign the “State of Texas Employee Statement” concerning conflict of interest. Per the Texas Ethics Commission publication, [A Guide to Ethics Laws for State Officers and Employees](#), you may not solicit, agree to accept, or accept an honorarium in consideration for services you would not have been asked to provide but for your official position. It is permissible to accept food, transportation, and lodging in connection with a speech or other service performed in an official capacity. Payments to individuals (when the check is made payable to the employee instead of the department) currently employed by TAMUS must go through Payroll. The Payroll contact person for the PIN where the individual is employed will provide details of what is required to process these payments. Payments to individuals who are currently not an active TAMUS employee but have been employed by TAMUS within the last 12 months must also go through Payroll. These individuals must be appointed to a wage position, paid what they are due, and then be terminated from that wage position. Please contact the Payroll office for specific instructions on how to proceed.

II.B.28. State Employees Training Act

II.B.28.a. State Employees Training Act Policy

The State Employees Training Act allows agencies to expend state funds to provide training and education for its administrators and employees. However, the program must relate to the current or prospective job duties of each administrator or employee who is trained under the program.

II.B.28.b. Eligibility

Each state agency is required to adopt rules concerning the eligibility of its administrators and employees for training and education and the obligations assumed by them upon receiving the training and education. These rules must be approved by the Governor’s Budget and Planning Office before any expenditures can be made under the program. If a state employee receives state-paid training that results in absence from their duties for three or more months, the employee must be required to work for the agency for a specific period following the training or pay the agency back for the cost of training.

II.B.28.c. Allowable Expenses

Allowable expenses include salary, tuition and other fees, travel and living expenses, training materials costs, and other necessary expenses of the instructor, student, or other participant. A

copy of the governor's approval must be submitted to the State Comptroller's office before payments are approved under the program.

II.B.29. Subscriptions

Subscriptions should be in the name of the applicable A&M System Member. In general, payment cannot be made more than six weeks before the start of the subscription period. If payment is required earlier than six weeks, an explanation must be included on the voucher. Give the beginning and ending date of the subscription on the voucher. The voucher must state the exact campus address where the subscription is to be mailed.

II.B.30. Tips and Gratuities (revised 11/15/04)

The A&M System HSC may reimburse tips and gratuities incurred for official business using institutional accounts. Payments of mandatory service charges imposed by the vendor may be paid from any institutional fund under the same requirements applicable to food purchases. Tips and gratuities cannot be paid or reimbursed from state funds. The tip should be coded the same object code as the item purchased, i.e. when tipping for a business meal, code the entire meal cost plus the tip as entertainment, 6340.

II.B.31. Vendor Payments

We encourage all vendors to be set up for direct deposit with us. Their payments will then be sent directly to their bank account by electronic transfer/ACH. The money is in their account within two days rather than all the time it takes by mail to reach them and then for them to actually deposit it in their account. Vendors can fill out the "[Vendor Direct Deposit Authorization](#)" form, print it, have their financial institution fill out Section 4, sign and date it. Mail the completed form to Office of the Vice President for Finance & Administration, Mail Stop 1361

A&M System HSC employees are encouraged to have their reimbursement amounts deposited directly in any financial institution that is a member of the Automated Clearing House Network. Their reimbursement will be in their account within two days. No mail time or taking the check to the bank. Simply fill out the "[Direct Deposit Authorization Form for Employee Reimbursements-Travel and Purchase](#)", print it, sign and date it, attach a void check for a checking account or a copy of account number card for a savings account and mail to Office of the Vice President for Finance & Administration, Mail Stop 1361.

If you have any questions concerning direct deposit/ACH, please feel free to contact our offices.

Sometimes a vendor requests that a payment be sent to them by wire transfer. We require the following information in order to process a wire transfer:

- 1) Vendor's bank name
- 2) Vendor's bank address
- 3) Vendor's bank account number

- 4) Name on the vendor's bank account
- 5) Swift code
- 6) Sort code (for United Kingdom only)
- 7) Vendor's address
- 8) Amount to be paid in foreign currency

II.B.32. Visa Fees

Visa processing fees for new hires and visa renewal fees for current employees can be paid with state or local funds. Payments of visa fees for an employee's spouse/dependents must be made with an unrestricted gift, practice plan, or discretionary account and are taxable to the employee. A "[Request for Tax Withholding](#)" form must be submitted with the payment. Payments made directly to the Immigration and Naturalization Service must be picked up by the department and taken to International Services to be mailed with the proper paperwork. Employees seeking reimbursement for payments they have made to INS must provide proof of payment. Visa processing fees are coded 5245.

II.B.33. Working Funds

II.B.33.a. Requesting a Working Fund

To request a working fund send a request to Raye Milburn including the following information:

- 1) Purpose of working fund
- 2) Account name and number to be charged
- 3) Dollar amount requested
- 4) Temporary or permanent
- 5) Date it is required
- 6) Date it will be repaid
- 7) Department head signature

II.B.33.b. Receiving Funds

The department will be notified by letter if the working fund is rejected; otherwise, the money may be picked up by the date it was required, at the Office of the Vice President for Finance & Administration located on the 6th floor of the John B. Connally building.

II.B.33.c. Submitting a Purchase Voucher for the Working Fund

Once the working fund is spent, prepare a purchase voucher with the working fund number on the voucher and a copy of the working fund request with Raye Milburn's approval attached. The pay to name on the voucher should be "Working Fund". A receipt is required for each purchase of goods or services and all receipts must be included on the voucher. If there is not a receipt available the cash custodian, who is the person responsible for the money, must certify on the voucher that the money was used for a purchase. It is possible that this amount would become taxable to the cash custodian. This voucher should be submitted to the Office of the Vice President for Finance and Administration, Accounts Payable department, prior to or on the date it

is to be repaid. Any money not spent should be returned to the Office of the Vice President for Finance and Administration. DO NOT send money with the purchase voucher.

II.B.33.d. Student Signatures

If students are given a specific amount of money, each student must sign for the amount received.

II.B.33.e. State and University Guidelines

Working funds have to follow all State and A&M System HSC guidelines.

III. Travel Expenditures

III.A. Minimum Requirements

III.A.1. Travel Vouchers

III.A.1.a. Definition of a Travel Voucher

A travel voucher is a voucher submitted by a state employee or prospective employee for reimbursement of travel expenses relating to official state business after travel has occurred. TAMUSHSC uses the State of [Texas Travel Allowance Guide](#) (TAG) as their foundation for travel guidelines. The information contained in this manual should only be used as a supplement to the TAG when using local funds. Please refer to the TAG for travel guidelines first. Additional travel-related information is available in [System Regulation 25.02.01](#).

III.A.1.b. Materials That May Be Needed to Prepare a Travel Voucher:

- 1) [Travel Certification/Exemption Form](#) (on state accounts only)
- 2) [Travel Voucher](#)
- 3) [Out-of-State Meal/Lodging Rates](#)
- 4) [State of Texas Travel Allowance Guide](#) - dated July 2004.
- 5) [State Travel Management Program](#)
- 6) [Mileage Guide](#)

III.A.1.c. Two Part Forms

Travel vouchers paid on **state & institutional accounts** should be submitted in the following manner:

- 1) Green (A&M System HSC Accounts Payable copy) - must contain original signatures, original receipts, and if necessary, the certification form.
- 2) White (Department Copy) - kept in department's file and should contain copies of all backup.

III.A.1.d. Items to be Provided on Travel Voucher

The following items need to be provided when preparing the travel voucher:

- 1) Agency approval;
- 2) Agency object code;
- 3) Agency voucher number;
- 4) Certification by traveler;
- 5) Comptroller payee identification number (vendor identification number);
- 6) Department to which trip expenses will be charged and departmental voucher number; where applicable
- 7) Departure and arrival times;
- 8) Designated headquarters of person claiming reimbursement;
- 9) Destination;

- 10) Mode of travel;
- 11) Name and title of person claiming reimbursement;
- 12) Statement as to reason for the trip and how it will benefit the agency; and
- 13) Contact name, phone number, mail stop number, and e-mail address.

Where applicable, this information also should be included:

- 1) Lodging cost breakdown per day;
- 2) Receipts for lodging costs;
- 3) Meal cost breakdown per day;
- 4) Receipts to support claims for reimbursement of public transportation, other than mass transit, parking, or taxis; public accommodations; registration fees, etc.;
- 5) Travel advance information; and
- 6) Point to point mileage breakdown.

III.A.2. Reimbursements for Travel

Reimbursements for travel from A&M System HSC Education and General accounts will be made in compliance with the [System Policy 25.02](#), [System Regulation 25.02.01](#), the [State of Texas Travel Management Program](#) and [State of Texas Travel Allowance Guide](#).

III.A.3. State Travel Management Program (revised 02/02/06)

The State of Texas has developed the State Travel Management Program in an effort to reduce the cost of travel expenditures. All travel expenditures paid on State Accounts are required to adhere to the Program guidelines, unless the specific exemptions mentioned below apply. A summary of the various aspects of the Program is in Specific Information (Section III.B.) under Air Travel, Contracted Hotel/Motel Establishments, and Contracted Rental Car Companies.

The following travel vendor contract exceptions are allowed and when valid should be claimed on either the [HSC Certification Form for Contract Travel Vendor Exceptions](#), or at the bottom of the travel voucher. Valid exceptions are...

- 1) Contract travel agency alternative – Use of an authorized alternative method is allowable because the state traveler is already in travel status which renders the use of a contract travel agency impractical or unnecessary; airline reservations are not required; reservations can be secured through a different source that results in a lower overall cost to the state; or travel in undertaken as part of a group program for which reservations must be made through a specified source to obtain a particular rate and/or service.
- 2) Lower total cost to the state – Use of a non-contract travel vendor is less than the contract fare or rate which is offered to the general public, and/or when all trip expenses are evaluated, including ground transportation, insurance fees, parking fees, taxes, and travel time, the use results in a lower total cost to the state. If the contract travel vendor offers the same lower fare or rate, the contract travel vendor must be used, unless a valid exception exists.
- 3) Efficient use of services – Use of a non-contract travel vendor is necessary because the contract travel vendor is sold out, is not available to provide services at the time or

location necessary to accomplish the purpose of the trip, has a real or anticipated labor disruption, or is providing negotiated rates for group travel.

- 4) Health and safety issues – Use of a non-contract travel vendor may be allowed when a state traveler finds that the accommodations provided by the vendor may reasonably present a risk to the state traveler or person under the state’s custody in the following circumstances:
 - a) Accommodations may lack a reasonable amount of security or safety, and/or may present a health risk based on the state traveler’s individual need;
 - b) Accommodations fail to provide an adequate amount of services required for a person with disabilities; or
 - c) Accommodations have limited availability of medical emergency facilities or equipment that may be required by a state traveler or person under the state’s custody.
- 5) Corporate travel charge card alternative – Use of a personal charge card for airline tickets is allowable only if the personal charge card offers more than \$500,000 in travel insurance.

III.A.4. Combining State and Personal Business

If a traveler combines personal travel with official state business travel, the traveler is only allowed reimbursement amounts that fall under the [State of Texas Travel Allowance Guide](#) (TAG) Section 3.03, Subsections A & B; Section 3.07, Subsections A & B; and Section 5.07, Subsections A & B. Any meals, lodging, or car rental that was incurred on personal days cannot be reimbursed.

Overnight meal and lodging expenses incurred while traveling to and staying at a duty point the day before official state business begins at the duty point are reimbursable. Overnight meal and lodging expenses incurred while traveling to and staying at a duty point more than one day before official state business begins at the duty point are not reimbursable unless:

- 1) the expenses are incurred to qualify for a discount airfare according to Section 2.11 (TAG); or
- 2) traveling to the duty point reasonably requires more than one day and the expenses are reimbursable under Section 3.11 (TAG)

Overnight meal and lodging expenses incurred while staying at and traveling from a duty point the day after official state business ends at the duty point are reimbursable. Overnight meal and lodging expenses incurred while staying at and traveling from a duty point more than one day after official state business ends at the duty point are not reimbursable unless:

- 1) the expenses are incurred to qualify for a discount airfare according to Section 2.11 (TAG); or
- 2) traveling to the duty point reasonably requires more than one day and the expenses are reimbursable under Section 3.11 (TAG)

If the requirements of Section 5.07, Subsection A do not apply, then generally, a state employee who uses a rented a motor vehicle for both personal business and official state business may be reimbursed only for the portion of the rental charges that is attributable to official state business.

A state employee may not be reimbursed for the rental of a motor vehicle if the rental was necessary only because the employee combined personal business with state business.

For Example: A traveler goes to San Diego, California on state business. The dates for official state business are 09/01/03 to 09/05/03. The traveler decides to go a day early on 08/31/03 and returns on 09/07/03 to his/her designated headquarters. Any expenses incurred on the personal day of 09/06/03 cannot be reimbursed. According to the State of Texas Travel Allowance Guide in Sections 3.03, 3.07 and 5.07 the traveler can be reimbursed for meals and lodging expenses or rental car expenses for 08/31/03 and 09/07/03 if it follows the guidelines under these rules.

III.B. Specific Information

III.B.1. Air Travel (revised 02/02/06)

III.B.1.a. Policy

When travel requirements allow, booking and purchasing airline tickets at least 14 days in advance will aid in obtaining lower fares. Flexibility in your departure and arrival times will also impact your ability to price the lowest cost available fares. When possible compare two or three airlines in order to check for the lowest airfare available. Remember that non-refundable tickets may incur a penalty charge to cancel or make changes to the airline ticket.

III.B.1.b. Procurement for Payment

Airfare must be charged to either a departmental JP Morgan Chase Central Billing Account (CBA) or to an employee's State of Texas JP Morgan Chase MasterCard. The only exception allowed is in the instance where an employee charged an airline ticket to a personal card that provides the traveler with more accident insurance coverage than the departmental CBA or the Corporate Card. Both the departmental CBA and the Corporate Card provide door-to-door, \$500,000 accident insurance for business trips.

III.B.1.c. Contract Airfare

There are no contract airfares in effect at this time. Therefore, an exception is not required. Please obtain the fare basis code if available, or as required by State guidelines.

III.B.1.d. Use of Discounts/Bonuses for Private Purpose

In 1984, the State Ethics Advisory Commission issued an opinion about whether a public servant may use a travel discount or bonus for a private purpose if the discount or bonus is earned because of travel paid with public funds. The commission said that the personal use of a travel discount or bonus under these circumstances would not violate Section 39.01(a), Penal Code, if the discount or bonus cannot be used for a public purpose. The determination of whether a discount or bonus can be used for a public purpose must be made by each public entity. Section 39.02, Penal Code, effective September 1, 1994, addresses the issue further. Frequent flier miles and other awards or discounts given for frequent use of a commercial airline (or motor vehicle rental company) are not "things of value" belonging to state government because of the administrative difficulty and cost involved in recapturing the award for state government.

III.B.1.e. Use of Free Tickets for Private Purpose

However, occasionally, an employee purchases a ticket from a commercial transportation company (for state business) and receives a free second ticket under a promotional program sponsored by the company. The employee may not use the free ticket for a private purpose until the state agency determines whether the use is prohibited by law.

III.B.2. Central Billing Accounts (CBA) (revised 02/02/06)

III.B.2.a. Policy

With Department Head or designee's approval on non-educational and general funds, use of the State Travel Management Program is not required. [HSC Rule 25.02.01.Z1](#)

III.B.2.b. Definition of Central Billing Accounts

Central Billing Accounts (CBA) are charge accounts which allow departments to charge airline and railway tickets. The CBA can be used for all travelers in the department whether or not they have a JPMorgan Chase Corporate Card. The CBA must be used to pay for prospective employees, and can be used for A&M System HSC guests.

III.B.2.c. Procedure for Payment

The [State Travel Management Program](#) mandates that all airfares must be charged to either an individual JP Morgan Chase Corporate Card or to a JP Morgan Chase Central Billing Account. The only exception allowed is when an employee purchases an airfare ticket with a personal credit card that offers higher insurance coverage than the JP Morgan Chase Corporate Card.

III.B.2.e. Voucher Requirements for Payment of CBA's

Voucher Requirement	State Funds						Institutional Funds					
	State Employee		Prospective Employee		TAMUS HSC Guest		State Employee		Prospective Employee		TAMUS HSC Guest	
	A	P	A	P	A	P	A	P	A	P	A	P
A =Payment of CBA after travel has occurred P =Payment of CBA prior to travel-if reservations are made 4 or more weeks prior to travel												
Completed Purchase Voucher	X	X	X	X	X	X	X	X	X	X	X	X
Original "Passenger Receipt" from Ticket Booklet	X		X		X		X		X		X	
Original "Passenger Receipt" from Ticket Booklet and statement on voucher certifying that the fare was the lowest available and the reason prepayment is required, or a photocopy of the itinerary on letterhead with the pre-pay statement on the photocopy from the Travel Agency		X		X		X		X		X		X
Multivendor Voucher Detail	X	X	X	X			X	X	X	X		
CBA Statement	X	X	X	X	X	X	X	X	X	X	X	X
Certification Form	X	X	X	X	X	X						
State on voucher front the position/title for which the prospective employee is being interviewed			X	X					X	X		
For Lectures, use Lecture Fee Object Code 5434 on Purchase Voucher					X	X					X	X

III.B.2.f. Voucher Requirements - Other Issues:

1) Travel on the CBA by non-U.S. Citizens

- Restrictions on the use of state funds for international travel apply.
- For payment with institutional funds, follow guest or prospective employee guidelines.
- Payments to Non US Citizens requirements apply.

2) Charges for Cancellations or Reservation Changes

- Payment allowed on either state or institutional funds with clear statement of **business** reason, illness or personal emergency for change or cancellation of travel plans.

3) Payment on the CBA when only partial funding is provided by the Department

- Preferred procedure is for Travel Agency to charge the CBA for only that portion of travel expense that will be paid by the Department. The remainder is payable directly to travel agency by the traveler.
- It is **not** permitted for the Department to pay the full amount of the charge and then seek reimbursement from the traveler.

4) Prospective Employees

- Prospective employees who make their own travel arrangements can only be reimbursed up to the contracted airfare rate and their personal card insurance coverage must exceed the coverage on the CBA. A statement must be added on the front of the voucher indicating that the prospective employee made their own travel arrangements. Prospective employees should be advised about this information. Departments should use their CBA and make their travel arrangements for them.

5) Student Travel

- Cannot be paid by state funds unless they are considered employees (must be on the A&M System HSC payroll). Follow the same guidelines used for a state employee. If they are not considered an employee, student travel can only be paid from institutional funds on an account that allows student travel. Follow the same guidelines used for a state employee except state the purpose and dates of travel on the front of the purchase voucher.

6) Change Charge

- This is a charge for changing your flight arrangements. This only applies to non-refundable airfares. When you encounter a change charge you need to do the following:
 - a. State on front of voucher the business, illness or personal emergency reason for the change.
 - b. Attach the change slip to the voucher.

7) Canceled trips on a CBA

- When travel arrangements must be canceled, contact the travel agency and JP Morgan Chase immediately to begin the process to receive credit or a refund. If airfare was prepaid, apply credit to future payments and state on front of voucher the business reason for cancellation.

Figure A – Certification Form

The Texas A&M System HSC
Certification Form
Contract Travel Vendor Exceptions

Name: _____ Department: _____

Phone Number: _____ Dates of Travel: _____

Travel Voucher # _____ Voucher Amt: _____

_____ NO EXCEPTIONS CLAIMED

I hereby certify that, as authorized under the State Travel Management Program policies and procedures, the following exception(s) is (are) being claimed for the use of non-contract vendors.

LODGING	CAR RENTALS	AIRFARE	
_____	_____	_____	Contract travel agency alternative
_____	_____	_____	Lower total cost to the state
_____	_____	_____	Efficient use of services
_____	_____	_____	Health and safety issues
_____	_____	_____	Corporate travel charge card alternative

Signature of Traveler

Date of Signature

Figure B - Sample of Bank of America (now JP Morgan Chase) CBA Statement



**Bank of America
Corporate Card
Cardholder Statement**

Statement Date 08-04-02 Payment Due Date 08-29-02
 Credit Limit \$30,000.00 Available Credit \$26,804.39
 Cash Limit \$0.00 Days in Billing Cycle 31
 Cash Advance Balance \$0.00 Total Payment Due \$3,195.61

Corporate Card News

TAMU SYSTEM HSC-709

Account Number:
5567

Page 1 of 3

CARDHOLDER MESSAGES

Your account is past due \$275.01. Past due amount is included in the minimum payment. Please remit immediately.

CORPORATE T & E ACTIVITY

Posting Date	Tran Date	Reference Number	Transactions	Amount
05-08	05-06	69417342127561271204757	AGNT FEE 89081357840812 BRYAN TX DEPARTURE 05/06	\$50.00
05-08	05-06	69410192127927624213035	XAA XD Y XAO CONTINEN 0057254267053 BRYAN TX DEPARTURE 05/22	\$285.50
05-13	05-10	69417342131561311070030	AGNT FEE 69061358750333 BRYAN TX DEPARTURE 05/10 XAA XD Y XAO	\$50.00

Customer Service
1-888-449-2273, 24 hours

Outside the U.S.
1-888-449-2273, 24 hours

For Lost or Stolen card:
1-888-449-2273, 24 hours

Send Billing Inquiries to:
BANK OF AMERICA
PO BOX 53101
PHOENIX AZ 85072-3101

Finance Charge on Past Due Balance
Purchase Average Daily Balance \$0.00
Purchase Daily Periodic Rate 0.00%
Purchase Annual Percentage Rate 0.00%
Purchase Finance Charge \$0.00

Cash Average Daily Balance
Cash Daily Periodic Rate 0.00%
Cash Annual Percentage Rate 0.00%
Cash Finance Charge \$0.00

Cash Advance Fees 0.00%
Total Annual Percentage Rate \$0.00

Account Summary

Previous Balance	\$4,210.53
Payments	-
Credits	\$721.00
Purchases / Other	\$3,641.60
Debits / Other Fees	
Overlimit Fee	\$0.00
Late Payment Fee	\$0.00
Cash Advances	\$0.00
Finance Charge	\$0.00
New Balance	\$3,195.61

Please see the reverse side for information about your account.
R-07/01

Please return coupon with your payment.

Corporate Card Payment Coupon



Check box and indicate address change below.

Street _____
 City _____
 State _____
 Home Phone _____ Business Phone _____

Account No. 5567
 Payment Due Date 06-29-02
 Total Payment Due \$3,195.61

Please Enter Amount Enclosed \$ _____

Make check or money order payable to:
BANK OF AMERICA
Mail payment to address below.



TAMU SYSTEM HSC-709
 COLLEGE STATION TX 77843

M00028
000

BANK OF AMERICA
 PO BOX 53121
 PHOENIX AZ 85072-3121

5567

Figure C- Sample of Travel Agency Itinerary w/Pre-pay Statement



CARLSON WAGONLIT TRAVEL
 2406-B TEXAS AVENUE SOUTH
 COLLEGE STATION TX 77840
 979 696 1550

AGENT CB/CB BOOKING REF YFTMSY
 25798

██████████
 COLLEGE OF MEDICINE
 ██████████
 ██████████ REYNOLDS MED BLDG
 COLLEGE STATION TX 77843

DATE: NOV 16 2001

SERVICE	DATE	FROM	TO	DEPART	ARRIVE
CONTINENTAL AIRLINES CO 659 B	02DEC SUN	WASHINGTON DC R REAGAN NAT	HOUSTON TX G. BUSH INTERCO	840A	1058A
		AIRCRAFT: BOEING 737-300			
		SEAT 09B CONFIRMED			
AIR FARE 143.26		TAX 17.99	TOTAL USD	161.25	
			SERVICE FEE/MCO USD	30.00	
			INVOICE TOTAL USD	191.25	

TICKET PAYMENT CCCA5567 ██████████ /A000789
 MCO PAYMENT: CCCA5567 ██████████ /A099850

RESERVATION NUMBER(S) CO/UCHVWM

TICKET: CO/ETKT 005 7248800340
 MCO: 890 8134170495

CO FREQUENT FLYER ██████████

 PLEASE RECONFIRM YOUR DOMESTIC FLIGHTS 24 HRS
 PRIOR TO DEPARTURE.
 PLEASE CHECK-IN 2 HRS PRIOR TO DEPARTURE

 *****SERVICE FEE WILL APPEAR AS A SEPARATE*****
 *****CHARGE ON YOUR CREDIT CARD STATEMENT*****
 *****THE AIRLINE/AGENCY CHARGES MUST BE*****
 *****BILLED SEPARATELY*****
 ADV PURCH NECESSARY TO SECURE LOW AIRFARE
 MATCHED STATE RATE ON CONTINENTAL AIRLINES

 THANKS FOR CHOOSING CARLSON WAGONLIT...CARI
 -FARE ASSURANCE V8.0.1- 14NOV 9:22 PM EST

INVOICE NUMBER 0000025798 ITINERARY 1 / 1
 218.257NEW

III.B.3. Contracted Hotel/Motel Establishments

III.B.3.a. Policy

With Department Head or designee's approval on non-educational and general fund, use of the State Travel Management Program is not required. [HSC Rule 25.02.01.Z1](#)

III.B.3.b. Exceptions to Using Contracted Lodging

The State of Texas has contracted with numerous lodging establishments to provide state employees with discounted hotel rates. These can be found on the [State Travel Management Program](#) website. These hotel/motel establishments should be used whenever possible. The following exceptions to the use of contracted hotel/motel establishments are allowed:

- 1) Contract travel agency alternative.
- 2) Lower total cost to the state.
- 3) Efficient use of services.
- 4) Health and safety issues.
- 5) Corporate travel charge card alternative.

III.B.4. Contracted Rental Car Companies

III.B.4.a. Policy

With Department Head or designee's approval on non-educational and general fund, use of the State Travel Management Program is not required. [HSC Rule 25.02.01.Z1](#)

III.B.4.b. Exceptions to Using Contracted Rental Cars

State of Texas employees must use Advantage Rent-a-Car, Avis or Enterprise, except as noted:

- 1) Contract travel agency alternative.
- 2) Lower total cost to the state.
- 3) Efficient use of services.
- 4) Health and safety issues.

III.B.4.c. Contract Identification Numbers

Upon making reservations at Advantage, Avis or Enterprise, be sure to give them our state contract identification number: Advantage is 709-TXC, Avis is F999709 and Enterprise is TX709. Rental car rates and contract provisions are located on the [State Travel Management Program](#) website.

III.B.5. Excess Travel Expenses

Contact the Office of the Vice President for Finance & Administration for additional guidance on this issue. [HSC Rule 25.02.01.Z1](#).

III.B.6. Foreign Travel

III.B.6.a. Policy

A state agency may not pay or reimburse a state employee or prospective employee for travel expenses incurred while traveling to or from or staying at a duty point in a foreign country other than Canada and Mexico unless the Board of Regents has provided advance written approval for the travel when paying with state funds and the President or President's designee has provided advance written approval for the travel when paying with local funds.

III.B.6.b. Procedure for Collecting More Than the Specified Amount

This approval of travel is often conditioned on the cost of travel not exceeding a specified amount. If a voucher requests the payment or reimbursement of travel expenses in an amount that exceeds the approved amount by five percent, then either:

- 1) The voucher must be reduced to the approved amount; or
- 2) The Board of Regents (for state funds), President or President's designee (for local funds) written approval of the excess must be obtained before the excess may be paid or reimbursed.

III.B.6.c. Information

Questions from departments should be directed to the foreign travel representative in your office. Questions from foreign travel representatives should be directed to the A&M System HSC Accounts Payable Office. Helpful foreign travel information can be accessed from the [Office of Finance & Administration's homepage](#).

III.B.6.d. Reimbursement Policy

Reimbursements for foreign travel from A&M System HSC Education and General accounts will be made in compliance with [HSC Rule 25.02.01.Z2](#), from the [State of Texas Travel Management Program](#) and [State of Texas Travel Allowance Guide](#) – see Figure H.

Figure D - Foreign Travel 25.02.01.Z2

1. GENERAL

All foreign travel by state employees on state business, except for travel to Canada, Mexico or any state or possession of the United States, must be approved in advance.

- 1.1 Foreign travel for which state funds are used, must be approved by the Board of Regents or, when timely approval by the full Board is not possible, by the Chairman of the Board of Regents. State funds are those funds appropriated by the General Appropriations Act and held within the State Treasury. (Accounts 1XXXXX and 23XXXX)
- 1.2 Foreign travel paid from funds other than state funds shall be approved by the appropriate Dean or designee (for academic units) or the appropriate Vice President/Director or designee (for non-academic units).
- 1.3 Approval should be requested using an HSC Travel and Leave form.

2. PRESIDENT'S APPROVAL

In order to obtain the President's approval for state funded foreign travel, a "[Request for Approval for State Employees Traveling to Foreign Countries Form](#)" shall be completed in full

and forwarded to the HSC President's office at least 60 days prior to the date of the employee's departure. In addition, this authorization form must be attached to the travel voucher when requesting reimbursement.

3. PERSONAL BENEFIT

Foreign travel by any state employee on state business must be for the benefit of the State of Texas and any personal benefit thereby accrued must be solely incidental to the official purpose of the travel. It is the obligation of both the individual employee who is traveling and his or her supervisors to ensure that all foreign travel conforms to this mandate.

4. TRAVEL ADVISORIES

Regardless of the funding source, persons requesting approval of travel to a nation that is subject to a Travel Advisory issued by the U. S. State Department constituting a warning against or restriction on travel by United States citizens must include the following:

- 4.1 A separate written and signed statement indicating that the traveler has been briefed on the travel warning and understands the conditions and potential risks associated with travel to the nation under the advisory.
- 4.2 All travel to nations with travel advisory conditions must be approved by the President.

Lists of countries for which there are current travel warnings are maintained on the [State Department](#) web site. If Internet access is unavailable, a current printed list may be requested from the offices of division vice presidents or college deans. Questions regarding this policy should be directed to the foreign travel representative located in each college, or the vice president's office in non-academic departments.

OFFICE OF RESPONSIBILITY:

Vice President for Finance and Administration

III.B.7. Funeral Attendance

The importance to the A&M System HSC to attend these funerals must be documented on the travel reimbursement voucher.

III.B.7.a. Funeral of an Employee

Per the [State of Texas Travel Allowance Guide](#) "...a state agency may pay or reimburse the employee for a travel expense the employee incurs while attending the funeral of an individual who was a state employee, a board member, or a legislator if:

- 1) The agency determines that the employee's attendance at the funeral is appropriate under the circumstances; and
- 2) The expense is paid or reimbursed only to the extent it could have been paid or reimbursed had it been incurred while conducting official state business.

The department head must approve employee(s) for attendance.

III.B.7.b. Funeral of Employee's Spouse or Child

Accounts that are **not** funded by mandatory student fees, contract or grants, state appropriations or restricted by donors may pay for an employee's travel expenses to attend the funeral of a co-worker's spouse or child as determined appropriate by the department head.

III.B.7.c. Funeral of Student

Accounts that are **not** funded by mandatory student fees (excluding Student Service Fees), contract or grants, state appropriations or restricted by donors may pay for an employee's travel expenses to attend the funeral of a student as determined appropriate by the department head.

III.B.7.d. Other Circumstances

Departments may use their unrestricted gift funds to pay for travel expenses of an employee to attend the funeral of an individual the President, Vice Presidents, Deans or Directors deemed appropriate to attend. This may include but is not limited to:

- 1) Death of a student's parent
- 2) Death of a TAMUS, Texas A&M Foundation, HSC Foundation, Baylor Oral Health Foundation, Scott & White, Development Council or Research Foundation employee or member
- 3) Death of a donor

III.B.8. Hotel Tax

III.B.8.a. Policy

Hotel tax is not included in the maximum lodging allowance. It is calculated as a percentage of the maximum lodging amount allowed. The expenditure object code for in-state hotel tax is 3025 and for out-of-state hotel tax it is 3125.

III.B.8.b. Out-of-State Travel

All hotel taxes, including state tax, may be claimed for out-of-state travel, but it also must be calculated as a percentage of the maximum lodging amount claimed.

III.B.8.c. Tax Exemption Procedure

All employees of The A&M System are considered to be employees of an educational organization. As such, they are exempt from paying the state portion of the hotel occupancy tax. Upon checking into the hotel, the traveler must submit a [State Hotel Occupancy Tax Exemption Certificate](#). If the traveler fails to do so, he/she will not be reimbursed. Reimbursements for Texas hotel occupancy tax charged on lodging will be made only in those instances where the traveler attempted to claim exemption (as an employee of an educational organization) but was denied by the lodging establishment. In this case, we must report the hotel to the Comptroller's office.

III.B.9. In-State Tax Calculation Formula (revised 11/15/04)

1. Hotel room tax
----- = tax percentage
Hotel room charge

If the tax percentage is above 11%, this indicates state and local taxes were combined. The only exception to this is cities that charge a sports revenue tax.

2. Deduct the state tax of 6% if the tax percentage is above 11%.
Tax percentage - 6% state tax = percent local tax
3. (Percent local tax) X (room amount you are claiming) = tax allowed per night

EXAMPLE

Hotel room charge \$90.00

Hotel room tax \$15.00

Amount you are claiming = \$80.00

1. $\frac{15.00}{90.00} = 16.67\%$
2. $16.67\% - 6\% = 10.67\%$ local tax rate
3. $\$80.00 \times 10.67\% = \8.54 allowed per night

III.B.10. Incidental Expenses (revised 11/15/04)

A state employee is entitled to be reimbursed for the following expenses if they are incurred for an official state business reason. This is only a partial list.

1. Telephone calls
2. Gasoline charges when rented or state-owned or leased vehicles are used.
3. Repair charges when a state-owned motor vehicle is used.
4. Copying charges
5. Freight charges for state equipment or materials
6. Foreign travel: airport boarding passes, departure taxes, or inoculations.
7. Postage
8. Notary Fees
9. Charges to exchange U.S. currency for foreign currency and vice versa
10. Mandatory charges by a commercial lodging establishment other than the room rate and additional person charges.
11. Books or documents purchased for and while attending a seminar or conference.
12. Mandatory service charges for loading and unloading state equipment.
13. Fax charges
14. Service charges validly imposed by a travel agency

The following expenses are not reimbursable:

1. Any expense that does not relate to official state business.
2. Excess baggage charges for personal belongings
3. Personal expenses, such as rental of purchase of video tape for personal entertainment, dry cleaning, or laundry.
4. Kennel expenses for a pet.

III.B.11 Meals/Lodging

III.B.11.a. Reimbursements

Each employee who travels on state business will be reimbursed on the basis of actual expenses for meals and lodging to a maximum amount; for in-state travel, the maximum daily amount allowed is established by the State Legislature. The current rate is \$80 for lodging and \$30 for meals. Employees traveling out-of-state receive up to a maximum flat rate for meals and lodging based on [federal travel regulations](#). If the duty point and the county in which the duty point is located are not listed in the federal travel regulations, then the median rate for that state applies when traveling to the duty point. Employees are only reimbursed for meals when they stay overnight. We do not pay a partial per diem.

III.B.11.b. Out-of-State Increases in Maximum Allowance for Lodging

On out of state travel only, there are two ways to increase the maximum allowance for lodging:

- 1) Traveler may voluntarily decrease meal allowance to increase lodging rate (cannot decrease lodging rate to increase meal allowance).
- 2) Traveler may send a request to the State Comptroller, through the HSC travel coordinator, requesting a higher rate if reasonable lodging is unavailable or they can prove they will save money overall. The request must be done on a “Request to Increase Maximum Out of State Lodging Rate” form. Please request this form by contacting Kristin Nace (979) 458-7267. The completed form must be received by the comptroller not later than the 10th working day before travel begins.

III.B.11.c. Reimbursement to the Presidents and Agency Directors

The State has authorized reimbursement to the Presidents, and Agency Directors for actual meal and lodging expenses, up to twice the maximum allowed for other state employees.

III.B.11.d. Allowable Expenses

Allowable expenses from non-education and general accounts; refer to [HSC Rule 25.02.01.Z1](#)

III.B.12. Mileage (revised 02/02/06)

III.B.12.a. Policy

Mileage can be reimbursed anytime a personally owned vehicle is used for official State business. Mileage rates in effect for FY06 are \$0.405 for travel from 09/01/05 through 09/30/05, \$0.485 for travel from 10/01/05 through 12/31/05, and \$0.445 for travel from 01/01/06 through 08/31/06, which are the State allowed rates. Use the on-line [mileage guide](#), or record your

odometer readings. Mileage must be broken down from point to point on the voucher. For example, see Figure I.

Figure E – Point to Point Mileage Breakdown from odometer readings:

College Station to conference site	101.4
Conference site to hotel	5.0
Hotel to College Station	<u>106.4</u>
Total	212.8

III.B.12.b. Expenditure Object Codes for Mileage

The expenditure object code for in-state mileage is 3016 and for out-of-state mileage it is 3116. Gasoline is not reimbursable if mileage is being claimed; however, gasoline may be reimbursed in lieu of mileage, but reimbursement may not exceed what the mileage would have cost. In this case, you must show the mileage comparison on the voucher.

III.B.12.c. Multiple Employees on the Same Itinerary

When two or more employees are traveling with the same itinerary on the same dates, they are required to coordinate their travel and ride together. Mileage can only be claimed for one car for every four people.

III.B.12.d. Travel Outside Texas

A state employee is entitled to be reimbursed for mileage when the employee uses a personally owned or leased motor vehicle to travel to and from a duty point outside Texas, including a duty point in a foreign country. The mileage reimbursement must be equal to the actual miles traveled between the employee's designated headquarters and the duty point multiplied by the mileage rate, subject to the limitations specified in this section.

In this section, "expenses necessary to complete the flight" means the sum of:

- The number of miles between the employee's place of employment and the airport multiplied by the mileage rate; and
- Necessary and reasonable expenses that would have been incurred at the airport had the employee flown, including parking fees.

In those instances where the out-of-state duty point is served by commercial airlines, a mileage reimbursement for travel may not exceed the lesser of:

- The reimbursement that the employee would have received had the employee flown, which is equal to the average coach airfare (including taxes, security surcharges, and facilities fees) plus the expenses necessary to complete the flight; and
- The actual miles to and from the duty point multiplied by the mileage rate.

In those instances where the out-of-state duty point is not served by commercial airlines, a mileage reimbursement for travel may not exceed the sum of:

- The average coach airfare (including taxes, security surcharges, and facilities fees) to the locale served by a commercial airline that is closest to the duty point; and

- The number of miles between the locale and the duty point multiplied by the mileage rate; and
- The expenses necessary to complete the flight.

When at least two state employees travel together to and from a duty point outside Texas in a personally owned or leased motor vehicle, the mileage reimbursement to the owner or lessee of the motor vehicle is equal to the lesser of:

- The mileage rate multiplied by the number of miles between the place of employment of the owner or lessee and the employees' duty point; and
- The limit established by the two preceding discussions.

III.B.21.e. Allowable Expenses

Allowable expenses from non-education and general accounts; refer to [HSC Rule 25.02.01.Z1](#)

III.B.13. Parking

[Travel Allowance Guide](#), section 4.09 states that except as otherwise provided by this section, a state agency may reimburse a state employee for a parking expense incurred when the employee travels in a personally owned or leased motor vehicle, a state-owned or leased motor vehicle, or a rented motor vehicle.

A state agency may not reimburse a state employee for a parking expense incurred at a location if none of the mileage incurred to reach the location is reimbursable. This paragraph applies only if the expense is incurred while operating a personally owned or leased motor vehicle.

A parking expense incurred by an individual while dropping off or picking up a state employee at the airport is reimbursable.

Voucher and Documentation Requirements:

1. The supporting documentation for the reimbursement of a parking expense must satisfy all the following requirements.
 - a. The supporting documentation must list each day the expense was incurred. The listing of a range of days satisfies this requirement, except that a listing may not cover more than one fiscal year.
 - b. The supporting documentation must list the amount of the expense that was incurred each day. If the amount was the same for each day, then listing the amount only once satisfies this requirement.
 - c. A receipt for the expense is not required to be included in the supporting documentation.
2. Object code 3045 must be used for travel within Texas.
3. Object code 3145 must be used for travel outside Texas but within the United States, U.S. possessions, Canada, or Mexico.
4. Object code 3310 must be used for all other travel.

III.B.14. Prospective Employees – Travel

III.B.14.a. Reimbursement of Travel Expenses

When a state agency requests a prospective state employee to travel to the agency's offices for an interview or evaluation, the agency may reimburse the prospective employee for travel expenses in the same manner as a state employee other than a key official. A prospective employee is not exempt from hotel occupancy taxes. Those taxes may be reimbursed as an incidental expense. If the lodging establishment is billing the A&M System HSC directly then we are tax exempt and should not be charged for the state hotel occupancy tax.

III.B.14.b. Prospective Employee Guest(s) Travel during Interview Process

Spouses and other relatives of prospective employees may qualify to have travel expenses paid by HSC if their presence at a function is for an official purpose and benefiting HSC and/or the State of Texas. Official travel by spouses and relatives of prospective employees must have prior written approval from the President. Only institutional funds may be used for approved reimbursements. Please refer to [HSC Rule 25.02.01.Z1](#).

III.B.15. Receipt Requirements (revised 02/02/06)

Reimbursement will not be made from state funds for the purchase of alcohol or for tips. Always subtract meal tips and taxi tips.

III.B.15.a. Airline

The original airline ticket receipt from the airline ticket booklet must be attached. An itinerary alone is unacceptable. The expenditure object code for in-state air travel is 3011 and for out-of-state air travel it is 3111. Figure L is an excerpt from the [State of Texas Travel Allowance Guide](#), Chapter 5, Travel by Rented or Public Conveyance, Section 5.01, Receipt requirements, Subsection A, Commercial air transportation. Since there are no State of Texas contract airfares any longer, please obtain the fare basis if available, or as required by State Guidelines.

Figure F - 5.01 Receipt requirements

A. Commercial air transportation.

Except as otherwise provided by this subsection, a passenger receipt issued by a commercial airline company must be included in the supporting documentation for a reimbursement of the cost of transportation on the airline.

Unless otherwise authorized by this subsection, the passenger receipt must be original and complete. A receipt that has been altered by any person other than the airline is unacceptable. A receipt to which additional information has been added is considered unaltered for the purpose of this paragraph if the additional information does not conflict with the original information on the receipt.

The name of the employee and airline, the ticket number, the class of transportation, the fare basis code, the travel dates, the amount of the airfare, and the origin and destination of each flight must be included on the receipt.

If the passenger receipt is unavailable, then the supporting documentation must include the canceled check or credit card slip used to pay for the transportation, the credit card billing on which the transportation charges appear, or a copy of the receipt, check, slip, or billing. Neither a statement nor an affidavit is acceptable. If a copy of the receipt is included in the supporting documentation, then the name of the employee and airline, the ticket number, the class of transportation, the fare basis code, the travel dates, the amount of the airfare, and the origin and destination of each flight must be included on the copy. If the original or a copy of a canceled check, credit card slip, or credit card billing is included in the supporting documentation, then the name of the employee and airline, the ticket number, the class of transportation, the fare basis code, the travel dates, the amount of the airfare, and the origin and destination of each flight must be included in the documentation. For the purpose of this paragraph, a "copy" of a receipt, canceled check, credit card slip, or credit card billing includes a photocopy, an electronically stored version, a microfiche, or a microfilm of it.

III.B.15.b. Lodging

The expenditure object code for in-state lodging is 3030 and for out-of-state lodging it is 3130.

Figure M is an excerpt from the [State of Texas Travel Allowance Guide](#), Chapter 3, Meals and Lodging Expenses, Section 3.13, Receipt requirements.

Figure M - 3.13 Receipt requirements

B. Lodging expenses.

Except where specifically provided otherwise in the guide, the supporting documentation for the payment or reimbursement of a lodging expense incurred by a state employee must include:

- A lodging receipt that satisfies the requirements of this subsection; or
- Other documentation that satisfies those requirements.

A lodging receipt issued by a commercial lodging establishment or its central reservations office is acceptable if the establishment provided the lodging. A lodging receipt issued by a travel agency is acceptable if the agency was used to reserve the lodging. A lodging receipt issued by a broker is acceptable if the lodging was purchased from the broker.

Unless otherwise authorized by this subsection, the lodging receipt must be original and complete. A receipt that has been altered by any person other than the entity issuing the receipt is unacceptable. The paper version of a receipt delivered through the Internet or electronic mail by a commercial lodging establishment or its central reservations office or by a travel agency or broker is considered original for the purpose of this paragraph. A receipt to which additional information has been added is considered unaltered for the

purpose of this paragraph if the additional information does not conflict with the original information on the receipt.

The name and address of the commercial lodging establishment, the name of the employee, the single room rate, and a daily itemization of the lodging charges must be included on the lodging receipt.

If the lodging receipt is unavailable, then the supporting documentation must include the canceled check or credit card slip used to pay the lodging expense, the credit card billing on which the lodging charges appear, or a copy of the receipt, check, slip, or billing. Neither a statement nor an affidavit is acceptable. If a copy of the receipt is included in the supporting documentation, then the name and address of the commercial lodging establishment, the name of the employee, the single room rate, and a daily itemization of the lodging charges must be included on the copy. If the original or a copy of a canceled check, credit card slip, or credit card billing is included in the supporting documentation, then the name and address of the establishment, the name of the employee, the single room rate, and a daily itemization of the lodging charges must be included in that documentation.

This paragraph applies if the individual listed on a lodging receipt is different from the state employee named on the voucher. The lodging receipt is acceptable if the supporting documentation includes proof that the employee paid the lodging expenses for which the employee is claiming reimbursement. The proof may be in the form of a credit card slip, a credit card billing, a canceled check, or a receipt from the individual. If the slip, billing, check, or receipt is unavailable, only a copy of it may be included in the supporting documentation in lieu of the original. Neither a statement nor an affidavit is acceptable.

For the purpose of this subsection, a "copy" of a credit card slip, credit card billing, receipt, or canceled check includes a screen print out, a photocopy, an electronically stored version, a microfiche, or a microfilm of it.

Voucher Requirements:

If a copy of the lodging receipt or a copy of the canceled check or credit card slip that was used to pay a commercial lodging establishment is attached to a voucher, then the voucher must contain a statement that the lodging receipt is unavailable.

Figure G is an excerpt from the [State of Texas Travel Allowance Guide](#), Chapter 3, Meals and Lodging Expenses, Section 3.12, Sharing lodging:

Figure G - 3.12 Sharing lodging

A. Each person sharing lodging is a state employee.

This subsection of the guide applies when at least two individuals share lodging and each of them is a state employee. A state agency shall reimburse each state employee for the employee's share of the lodging expense not to exceed the applicable maximum lodging

reimbursement rate. In this subsection, “state employee” means only a state employee who is not prohibited by Section 1.14 from being reimbursed for the expense.

For example, if two state employees share lodging in Texas and the total cost of the lodging is \$100, then each state employee would be entitled to receive a lodging reimbursement of \$50.

Each state employee must submit a travel voucher to the Comptroller to receive reimbursement.

B. At least one of the individuals sharing lodging is not a state employee. This subsection applies when at least two individuals share lodging, at least one of them is a state employee, and at least one of them is not a state employee. In this subsection, “state employee” means only a state employee who is not prohibited by Section 1.14 from being reimbursed for the expense.

Only one of the individuals sharing lodging is a state employee.

If only one of the individuals sharing lodging is a state employee, then the amount that a state agency must reimburse the employee for lodging expenses incurred each day is the lesser of:

- the room rate for a single occupancy; and
- the applicable maximum lodging rate.

Note: Single rate must be stated on the voucher. (Not part of excerpt).

At least two of the individuals sharing lodging are state employees.

If at least two of the individuals sharing lodging are state employees, then the amount that a state agency must reimburse each employee for lodging expenses incurred each day per commercial lodging establishment is the lesser of:

- a quotient:
 - the numerator of which is equal to the difference between the total cost of the lodging and the additional person charges, if any, for the non-state employees sharing the lodging; and
 - the denominator of which is equal to the number of state employees sharing lodging; and
- the applicable maximum lodging rate.

The following example illustrates this subdivision. Three individuals share lodging at a duty point in Texas. Two are state employees and the other works for a private person. The total cost of the lodging is \$105 per day, including the \$15 additional person charge that is imposed because three individuals are staying in the room. Under these facts, each state employee is entitled to be reimbursed for lodging expenses of \$45 per day.

III.B.15.c. Meals

Receipts are not required as long as a single meal is under \$75.00. IRS guidelines require original receipts for meals if a single receipt is for \$75.00 or more. However, employees are encouraged to keep a record of meal expenses incurred since each employee will be reimbursed only for actual expenses incurred, up to the maximum rate allowed. The expenditure object code for in-state meals is 3030 and for out-of-state meals it is 3130.

III.B.15.d. Parking

Receipts are not required; however, charges must be itemized on a daily basis and you have to document where parking was incurred. The expenditure object code for in-state parking is 3045 and for out-of-state parking it is 3145.

III.B.15.e. Registration and Membership

A&M System HSC requires registration receipts to be attached to travel vouchers. If possible, they must separately itemize all charges included in the registration. If the registration fee includes non-optional meals, this must be stated on the voucher. Dates of conference are required. The expenditure object code for registration is 5215.

When reimbursing an employee for a registration or membership fee, proof of payment is required. The State Comptroller's office does not allow a copy of the registration form or order form as proof of payment. Required forms for proof of payment are a receipt, a copy of the employee's credit card receipt or statement, or a copy of the front and back of the cancelled check.

III.B.15.f. Rental car

The original car rental receipt must be attached. The receipt must separately itemize all charges, include the starting and ending dates of the rental, and specify the name of the renter. We can pay for Loss Damage Waiver (LDW) – no personal insurance. Most state contracts include unlimited free mileage within state, free LDW and liability. The expenditure object code for in-state car rental is 3010 and for out-of-state car rental it is 3110. Figure O is an excerpt from the [State of Texas Travel Allowance Guide](#), Chapter 5, Travel by Rented or Public Conveyance, Section 5.01, Receipt requirements, Subsection B, Rental of motor vehicles:

Figure H - 5.01 Receipt requirements

B. Rental of motor vehicles.

Except as otherwise provided by this subsection, the receipt issued by a motor vehicle rental company must be included in the supporting documentation for a reimbursement of the cost of renting a motor vehicle from the company.

Unless otherwise authorized by this subsection, the receipt must be original and complete. A receipt that has been altered by any person other than the company is unacceptable.

The receipt must show the starting and ending dates of the rental, specify the name of the motor vehicle rental company, specify the name of the renter, and itemize the expenses

incurred. If the receipt does not provide all the preceding items and the rental contract provides the missing items, then the contract may be included in the supporting documentation. The contract must also be original, complete, and unaltered.

A receipt or contract to which additional information has been added is considered unaltered for the purposes of the two preceding paragraphs if the additional information does not conflict with the original information on the receipt or contract.

If the receipt and the contract are both unavailable, then the supporting documentation must include a copy of the receipt or contract, the original or a copy of the canceled check or credit card slip used to pay for the rented motor vehicle, or the original or a copy of the credit card billing on which the rental charges appear. Neither a statement nor an affidavit is acceptable. If a copy of the receipt or contract is included in the supporting documentation, then the starting and ending dates of the rental, the name of the motor vehicle rental company, the name of the renter, and an itemization of the expenses incurred must be included on the copy. If the original or a copy of a canceled check, credit card slip, or credit card billing is included in the supporting documentation, then the starting and ending dates of the rental, the name of the motor vehicle rental company, the name of the renter, and an itemization of the expenses must be included in the documentation.

This paragraph applies if the individual listed on the receipt is different from the state employee named on the voucher. The receipt is acceptable if the supporting documentation includes proof that the employee paid the expenses for which the employee is claiming reimbursement. The proof may be in the form of a credit card slip, a credit card billing, a canceled check, or a receipt from the individual. If the slip, billing, check, or receipt is unavailable, only a copy of it may be included in the supporting documentation in lieu of the original. Neither a statement nor an affidavit is acceptable.

For the purpose of this paragraph, a "copy" of a contract, receipt, canceled check, credit card slip, or credit card billing includes a photocopy, an electronically stored version, a microfiche, or a microfilm of it.

III.B.15.g. Taxi, bus, or limousine

Receipts are not required; however, trip-by-trip itemization is required, including date, destination and fare for each trip. The expenditure object code for in-state transportation is 3011 and for out-of-state transportation it is 3111.

Figure I is an excerpt from the [State of Texas Travel Allowance Guide](#), Chapter 5, Section 5.01, subsection C, Travel by mass transit, taxi, or limousine:

Figure P – Receipt Requirements

C. Travel by mass transit, taxi, or limousine.

A receipt is not required to be included in the supporting documentation for a reimbursement of travel by bus, subway, other mode of mass transit, taxi, or limousine.

If limousine is used, it must be documented that this was the most cost efficient means of transportation.

III.B.16. Recruitment of Students

No state funds may be used for recruiting out-of-state students. Out of state transportation costs are not allowable for out of state prospective students or the A&M System HSC employees to recruit out of state prospective students. Institutional funds may be used for recruiting out of state students.

III.B.17. Spousal Travel

III.B.17.a. Reimbursement for Spousal Travel

U.S. Treasury Regulation Section 1.132-5(t)(l) allows reimbursement for travel expenses of an employee's spouse traveling with the employee by qualifying the expense as a working condition fringe benefit if the following conditions are met:

It can be adequately shown that the spouse's presence on the employee's business trip has a bona fide business purpose, and

The employee properly substantiates the travel.

III.B.17.b. Conditions for Reimbursement

The presence of the spouse must be essential, not just beneficial. Business functions performed by the spouse should be documented.

III.B.17.c. Prior Approval Required

Prior written approval is required by the President. Only institutional funds may be used for approved reimbursements. Please refer to [HSC Rule 25.02.01.Z1](#)

III.B.18. Student Travel (revised 03/09/05)

If a student is also a TAMU System employee, then the determination has to be made as to whether the travel expenses being reimbursed are for them traveling as a student or as an employee. If they are traveling as a student, the following paragraphs apply. If as an employee, then they are reimbursed on a travel voucher and employee travel guidelines apply.

Reimbursements to or direct payment of student travel expenses cannot be paid with state funds. Students are not reimbursed on a travel voucher, instead they are reimbursed for their travel expenses by using a purchase voucher with unrestricted gift funds or an account that allows for student travel. If student travel (examples would be field trips, competitions or conferences) is required for a class, the specific class number must be documented. Student travel does not require Student Financial Aid approval.

Receipt requirements are different from employee requirements. Students are required to submit all receipts for their travel expenses. We do not pay a per diem for meals for students.

III.B.19. Washington, D.C. Travel (including surrounding areas) (revised 02/02/06)

The policy regarding travel to Washington, D.C. and surrounding areas...

For Texas fiscal years 2006-2007, only state travelers who intend to confer on legislative or appropriations issues with US Congress/the Federal government, staff or officials, should submit travel information to OSFR.

Notification of travel to Washington, D.C. or to an area directly surrounding Washington D.C. (including Virginia and Maryland) must be received by OSFR and Dr. Peddicord at least 7 days in advance of departure. An "[Office of State-Federal Relations Report For State Agency Travel To Washington D.C.](#)" must be submitted to the Austin office. This can be done through the Office of State and Federal Relations web site. Once submitted, please print a copy of the confirmation page. A copy of this confirmation will need to be sent to Dr. Peddicord's office, either via campus mail (ms 1122) or fax (# 979 458-6044). A copy is also required to be attached to the travel voucher.

Noncompliance with this request may result in non-reimbursement of travel expenses. The intent of the legislation was to facilitate coordination of Texas/Federal Activities. This applies to all accounts. Use code 3114 for taxi and airfare.

III.B.20 Travel Advances

III.B.20.a. Travel Advance Process

Travel advances are available to HSC employees who are traveling on university business.

Below is the process for obtaining a travel advance:

- 1) Complete the [Travel Advance Request](#) form and fax to HSC-Accounts Payable at (979) 458-7279 or deliver to the Accounts Payable Office (6th floor, John B Connally Building) **at least two working days prior to date of departure** (2:00 p.m. deadline for next day check).
- 2) The form will be processed by Accounts Payable.
- 3) The check will be either mailed or the department will be notified that the check is ready to be picked up as indicated on request form.
- 4) Travel occurs.
- 5) Travel voucher must be prepared and submitted to Accounts Payable within 30 days of return from travel or cancellation of travel. Travel voucher must clearly show the amount of the travel advance and the reference number from the processed travel advance.
 - a. If travel advance exceeds expenses incurred, the difference must be submitted with the voucher.
 - b. If expenses incurred exceed the travel advance, the difference will be paid to the traveler.

- c. If travel advance is equal to expenses incurred, a travel voucher must still be completed and submitted.

III.B.20.b. Travel Advances can be given for...

1) Employees who have the JP Morgan Chase Corporate Card:

- a) ...\$20 a day for incidental expenses. The total amount of the advance must be at least \$100.
- b) ...the amount of airfare charged on the traveler's JP Morgan Chase card (or any credit card if using non-E&G funds) after receiving the bill if this is before the departure date of the trip.
- c) ...estimated expenses for lodging and meals if the employee is going to a foreign country where the JP Morgan Chase card may not be accepted.
- d) ...foreign currency payment of a registration fee (all other registration fees should be paid by regular purchase voucher).
- e) ...required deposits (such as for hotels).

2) Employees who do *not* have the JP Morgan Chase Corporate Card (*Employees requesting a travel advance who travel more than once every two years are required to apply for the JP Morgan Chase Corporate Card.*):

- ...estimated expenses for lodging and meals for the traveling area and \$20 a day for incidental expenses. The total amount of the advance must be at least \$20.
- ...foreign currency payment of a registration fee (all other registration fees should be paid by regular purchase voucher).
- ...the amount of airfare charged on the traveler's credit card if using non-E&G funds after receiving the bill if this is before the departure date of the trip. The departmental CBA must pay for the airfare when using E&G funds.

III.B.20.c. JP Morgan Chase Corporate Card

- 1) All employees are eligible for a state-issued JP Morgan Chase Individual Corporate Card. **Employees requesting a travel advance who travel more than once every two years are required to apply for the JP Morgan Chase Individual Corporate Card.** Call (979) 458-7264 for latest application form.
- 2) The state issued JP Morgan Chase Individual Corporate Card is to be used for **business related charges only**. Related business and incidental expenses are allowed even if reimbursement is not going to be requested by the traveler. For example, if you are traveling with you spouse and your hotel bill includes a double occupancy rate that is higher than the single occupancy rate, the JP Morgan Chase Individual Corporate Card may be used to pay for the complete hotel bill.
- 3) On individual card accounts, the individual whose name appears on the card is solely responsible for payment of the account.

III.B.21. Direct Bills

III.B.21.a. Necessary Information for Submitting Payments for Direct Bills

When submitting payments for direct bills (invoices paying directly to hotels and car rental agencies) for employee related travel expenses, the following information must be attached:

An original itemized bill

A [Contract Travel Vendor Exception Form](#), if needed

Date invoice was received

The employee's vendor id number has to be entered in the Vendor field and the hotel, car rental agency, or Bank One vendor id number has to be entered in the Reimburse ID field on screen 240.

III.B.21.b. Description of Duties

The following information must be provided in the "description of duties" area on a paper voucher or in the description on screen 241 if processing the payment on-line (if you need more than two lines for the information on screen 241 you can press F6 for additional lines):

- 1) Dates of travel
- 2) Purpose and benefit of travel
- 3) Document the designated headquarters
- 4) Title of the employee

III.B.22. Travel Rules & Procedures, [HSC Rule 25.02.01.Z1](#)

III.B.22.a. Travel Rules

Figure J is a direct quote from Health Science Center Rule 25.02.01.Z1

1) Figure J

1. APPROVAL OF TRAVEL

All employees shall obtain written approval from an appropriate supervisor prior to traveling (this approval may be delegated). Approval shall be requested on a standard HSC Travel and Leave form.

2. ALLOWABLE EXPENSES FROM EDUCATIONAL AND GENERAL ACCOUNTS (ACCOUNTS 100000 – 199999)

Reimbursements for travel from Health Science Center education and general accounts will be made in compliance with the [System Policy 25.02](#), [System Regulation 25.02.01](#), the [State of Texas Travel Management Program](#) and [State of Texas Travel Allowance Guide](#). Nothing in this rule should be interpreted as altering these requirements.

3. ALLOWABLE EXPENSES FROM NON- EDUCATIONAL AND GENERAL ACCOUNTS (ACCOUNTS 200000 – 599999)

- 3.1. Expenses incurred on behalf of the state and submitted for payment should be reasonable, necessary, and appropriate for the account being charged as determined by the Department Chair or designee. All reimbursements are subject to Department Chair or designee approval. Transfers or partial transfers cannot be made to move paid travel reimbursements to an educational and general account when the State of Texas Travel Allowance Guide and/or the State of Texas Travel Management Program are not followed.

3.2. Health Science Center departments using non-educational and general sources to pay travel reimbursements are not required to use the State of Texas Travel Management Program.

3.3. Department Chairs

- 3.3.1. Employees or prospective employees may be reimbursed for the actual cost of meals and lodging on overnight travel. However, gratuities may only be reimbursed from local funds. IRS guidelines must be followed for required receipts for meal reimbursements.
- 3.3.2. Employees or prospective employees may be reimbursed for actual intra-city mileage (using the odometer readings) at the current state rate. Only mileage that is paid for with federally funded accounts may be reimbursed at the federal rate. Mileage can be calculated from place of work or other appropriate location as approved by department head or designee.
- 3.3.3. Employees or prospective employees may be reimbursed for justifiable travel expenses incurred when state required procedures are not utilized (i.e., personal credit card instead of a corporate card).
- 3.3.4. Employees may be reimbursed for approved travel expenses incurred on behalf of another employee or prospective employee if the person being reimbursed incurred the expense.
- 3.3.5. If using non-educational and general funds to reimburse travel expenses for training seminars sponsored by the HSC for HSC employees, certification is required. The President must certify that HSC does not possess interactive television or videoconference facilities, have available at a lesser cost than the travel, or have available at another agency. If using non-educational and general funds this certification is not required.
- 3.3.6. A Department Chair has the authority to determine if it is necessary to send more than one employee to the same event, meeting, seminar, conference, or other travel destination.
- 3.3.7. Employees or prospective employees may be reimbursed for travel expenses incurred that are normally not reimbursable when such expenses result in a cost saving.

3.4. Spouses and other relatives of employees may qualify to have travel expenses paid by HSC if their presence at a function or on a trip is for an official purpose benefiting HSC and/or the State of Texas. Official travel by spouses and relatives of employees or prospective employees must have prior written approval from the President. (See [System Ethics Policy 07.01](#) for definitions of official business and spousal travel)

4. FOREIGN TRAVEL

See [HSC Rule 25.02.01.Z2](#) and [System Regulation 25.02.01](#).

OFFICE OF RESPONSIBILITY:

Vice President for Finance and Administration

III.B.22.b. Travel Procedures

GENERAL

This procedure will provide guidance and instruction in following the [HSC Rule 25.02.01.Z1](#)

PROCEDURES

- 2.1 Original receipts must be submitted with the travel voucher when reimbursement is to be made for lodging.
- 2.2 Original receipts for meals must be submitted with travel voucher if a single receipt is for \$75 or more. Business meals should be reimbursed on a purchase voucher, not a travel voucher.
- 2.3 When reimbursement is to be made for the actual mileage, the beginning and ending odometer readings and the duty points must be documented on the travel voucher.

Example:

Beginning Odometer Reading: 12,345.5

From College Station, headquarters, to IBT in Houston, and Houston Intercontinental Airport then return to College Station.

Ending Odometer Reading: 12,630.2

Total Miles 284.7

- 2.4 When reimbursement is made to one employee for another employee's travel the travel voucher must reflect the expenses of all travelers. The travel voucher must be submitted with information reflecting who received benefit of the goods/services and who incurred the expense of the goods/services, signed by all travelers, or a memo signed by all travelers. Non-employees and prospective employees do not have to sign the memo.
- 2.5 When reimbursement is to be made for travel expenses that would normally not be paid the cost savings must be documented on the travel voucher.
- 2.6 When reimbursement is to be made for travel by a spouse, or a relative of the employee or prospective employee, approval of the Health Science Center President must be attached to the travel voucher or on file in the Accounts Payable Department of the Health Science Center.

CONTACT

For additional information regarding this procedure contact the Office of the Vice President for Finance & Administration.

IV. Appendix

IV.A. Help and Contact Information

IV.A.1. Accounts Payable Help Numbers

Voucher Status	Any A/P Staff Member
Account Balance	Any A/P Staff Member
CBA's	Jenny Caddel 979.458.7269
Copy of state warrant or warrant information	Any A/P Staff Member or Pat Gilbert 979.458.7265
Copy of Local Check	Any A/P Staff Member or Pat Gilbert 979.458.7265
Payments/Reimbursement to Individuals	Kay Leonard 979.458.7266
State & Local Travel	Abigail Ruiz 979.458.7270 or Jenny Caddel 979.458.7269
Travel Advances	Jenny Caddel 979.458.7269
Vendor ID # Local & State	Pat Gilbert 979.458.7265 or Kathy Nelson 979.458.7250
Encumbrances	Karen Fawcett 979.458.7267
Corrections	Karen Fawcett 979.458.7267

IV.A.2. Accounts Payable Department

Health Science Center Office of Finance & Administration Accounts Payable

- Karen Fawcett, Financial Manager – Accounts Payable
fawcett@tamhsc.edu
Phone: (979) 458-7267
- Jenny Caddel, Financial Accountant I
caddel@tamhsc.edu
Phone: (979) 458-7269
- Kay Leonard, Financial Accountant I
leonard@tamhsc.edu
Phone: (979) 458-7266
- Wendi Brewer, Financial Specialist II
wbrewer@tamhsc.edu
Phone: (979) 458.7284
- Abigail Ruiz, Financial Specialist II
ruiz@tamhsc.edu
Phone: (979) 458-7270
- David Cortez, Data Entry Clerk II
Cortez@tamhsc.edu
Phone: (979) 458-7271

IV.A.3. Business Officer's Mailing List

IV.A.3.a. Mailing List

The Office of Finance and Administration communicates to its HSC customers via a listserv. If you are an employee of A&M System HSC and work with any of the following, then you are welcome to subscribe to the listserv as you see fit. This listserv includes information

- for any FAMIS user about changes that occur with FAMIS,
- related to Endowments for chair holders, fellows and professorships,
- for departmental bookkeepers regarding changes in processes and laws that are fiscally related,
- for Accountable Property Offices and their alternates about changes and processes related to Property Management, and
- that is pertinent to travelers and those who prepare travel vouchers.

IV.A.3.b. To Subscribe and Unsubscribe

Please send your requests to Jeff Burton at JBurton@tamhsc.edu.

IV.A.4. Purchasing Services (revised 02/02/06)

The HSC Purchasing Department will be used by all A&M System HSC components, please contact the HSC Purchasing Department for additional information at (979) 458-7250.

IV.B. Glossary

IV.B.1. State Funds

State funds include General Revenue (found in the 1XXXXX account range) and Tobacco funds (found in the 23XXXX account range) appropriated to the institution or agency by the legislature and on deposit with the State Treasury until disbursement. Local Funds held in the State Treasury are also considered to be "State Funds" for purposes of these guidelines. Local Funds Held in the State Treasury include "net tuition; special course fees charged under Sections 54.051(e) and (l), Education Code; lab fees; student teaching fees; hospital and clinic fees; organized activity fees; proceeds from the sale of educational and general activities or equipment; and indirect cost recoveries." All State Funds must follow State expenditure requirements.

IV.B.2. Institutional Funds

Institutional funds are all funds collected at the institution that are not "State Funds." Once funds are deposited at A&M System HSC, they are considered HSC's funds and must follow TAMUS regulations and A&M System HSC rules. There are various types of institutional funds:

IV.B.2.a. Concessions

Revenues generated from vending machine and pay station telephone operations are called concession funds.

IV.B.2.b. Gift Funds - Unrestricted

Unrestricted gift funds are eligible for expenditure for any legally allowable institutional purpose. They may be used for any institutional purpose in carrying out official duties and responsibilities, with the following exceptions:

- 1) No funds may be used for influencing the outcome of any election or the passage or defeat of any legislative measure.
- 2) No funds may be used directly or indirectly to hire employees or in any other way to fund or support candidates for the legislative, executive, or judicial branches of State or Federal government.
- 3) No funds may be used to pay the salary for full-time employment of any state employee who is also the paid lobbyist of any individual, firm, association, or corporation
- 4) No funds may be used by a state agency to publicize or direct attention to any individual, official, or employee of any state agency.
- 5) No funds may be used to purchase insurance policies covering claims arising under the Texas Tort Claims Act.
- 6) No funds may be spent by a state agency to carry on functions for which funds have been appropriated to the Office of State-Federal Relations.
- 7) No funds may be used to enter into a consultant contract with any individual who has been employed by the department or agency within the past 12 months.

IV.B.2.c. Gift Funds - Restricted

Restricted gift funds are eligible for expenditure only as allowed by the donor's wishes.

IV.B.2.d. Grants and Contracts

These funds must be spent in accordance with applicable statutes and provisions of the grant or contract.

IV.B.2.e. Other

These funds represent all other locally collected funds. These funds are eligible for expenditure for any legally allowable institutional purpose. This category includes Auxiliary Enterprise funds, student fees, short course and registration fees, etc.

IV.B.3. Summary of Accounts

Account Range	Type of Funds	Purchase Guidelines	What's New
1xxxxx	State Funds	Must follow state guidelines for all purchases. Foreign travel allowed with Board of Regents' approval. Must follow State Travel Management Program. Must follow HSC Purchasing guidelines.	Prior approval from Office of the Board of Regents required for foreign travel.
23xxxx	Designated Tobacco Funds	Must follow state guidelines for all purchases. Foreign travel allowed with Board of Regents' approval. Must follow State Travel Management Program. Must follow HSC Purchasing guidelines.	Prior approval from Office of the Board of Regents required for foreign travel.
200xxx	Designated University Authorized Tuition	Accounts which are set up for a specific purpose that relates to the educational mission of the university. These are funded by University Authorized Tuition (formerly called General Use Fee). It is important to remember that these funds are tuition paid by students who attend HSC and we are accountable to the students for each of the expenditures on these accounts.	Follows the same guidelines as other Designated accounts. Transfers into and out of these accounts can only be from other 200xxx accounts. No income may be deposited into these accounts.
203xxx-204999	Practice Plan Funds	Will have Practice Plan in title of account. Follow same guidelines as unrestricted gift accounts. May purchase malpractice insurance for the MD. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
206xxx	Designated Continuing Education	Fees from conferences and short courses. Must relate to the conference or short course. Surplus funds may be used for the furtherance of continuing education and public service efforts for the sponsoring academic unit unless otherwise authorized by the dean. Alcohol is allowed on these accounts. This is not indicated on Screen 8 of FAMIS. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
207xxx-249999 and 26xxxxx, except 23xxxx	Designated Funds	Accounts which are set up for a specific purpose that relates to the educational mission of the university. Must be a legitimate expense that relates to the purpose of the account.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
25xxxx	Departmental Discretionary Accounts	Must relate to the mission of the HSC. May pay actual expenses for travel at the Department Head's discretion. May reimburse sales tax to individuals. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)

280xxx	Designated Service Centers	Set up to provide a service to HSC departments. Supported primarily by internal transfers. Must be a legitimate expense related to the income generating business of the account. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
3xxxxx	Auxiliary Funds	Account generates its own income to cover the expenses. Must be a legitimate expense related to the income generating business of the account. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
4xxxxx	Contract/Grant	Must follow the budget set up for the contract or grant. Must relate bank to the purpose of the contract or grant. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
50xxxx-519999	Gifts-Unrestricted	Must relate to the mission of the HSC. May pay actual expenses for travel at the Department Head's discretion. May reimburse sales tax to individuals. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
53xxxx-549999	Gifts-Restricted	Must relate to purpose of the gift and to the mission of the HSC. May pay actual expenses for travel at the Department Head's discretion. May reimburse sales tax to individuals. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
576xxx	Other Restricted - BOHF	Must relate to the mission of the HSC. May pay actual expenses for travel at the Department Head's discretion. May reimburse sales tax to individuals. Must follow HSC Purchasing guidelines.	Is not required to follow State Travel Management Program. Not required to follow State Travel Allowance Guide if cost savings to HSC (pay for another's travel expenses, pay for non-commercial lodging)
6xxxx	Scholarship and Fellowship	Must be a scholarship or fellowship payment	Must be a scholarship or fellowship payment
8xxxxx	Plant Funds	Funds to acquire long-lived assets for the institution, renewal and replacement of property, debt service charges and retirement of debt.	Must be used for the purpose the account was set up for
94xxxx	Agency Funds	Funds held by HSC for another entity	The money is deposited with The institution for safekeeping. Typically held on behalf of students or organizations.

IV.C. Expense Object Codes

Please refer to screen 806 in FAMIS for a current listing of expense object codes. Screen 306 can be viewed for exempt expense object codes. For more descriptions on object codes, please visit <http://apps.system.tamus.edu/objcodes/>.

IV.D. References

The following items/publications were consulted during the preparation of this manual and should be considered for further reference:

[State of Texas Purchase Policies and Procedures Guide](#)

[State Travel Allowance Guide](#)

[General Appropriations Act, 77th Legislature, Regular Session, Senate Bill No. 1](#)

The Texas A&M University System Policy Manual (SPM):

<u>Section 21.01.03</u>	Disbursement of Funds
<u>Section 21.01.05</u>	Service Departments
<u>Section 25.02.01</u>	Travel Regulations
<u>Section 25.05</u>	Guidelines for the Use of Funds for the Purchase of Food and/or Refreshments
<u>Section 25.99.03</u>	Contracting for Private Consultants and Professional Services
<u>Section 25.99.05</u>	Interagency and Intrasystem Transactions
<u>Section 34.03</u>	Purchase, Service, and Consumption of Alcoholic Beverages

[A&M System HSC Rules](#)

[IRS Regulations and Publications](#)

"Current Employment Tax Issues In Higher Education" Laura Kalick, Director, Coopers & Lybrand, Washington, D.C.