

Guidelines
for
Disbursement of Funds

Texas A&M University
May 1, 2005

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<http://finance.tamu.edu.tamu.edu/fms/disbursement/default.asp>

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Texas A&M University

Last Revision: May 1, 2005

TABLE OF CONTENTS

I. INTRODUCTION (REV. 10/01/04)	1
II. PURCHASING EXPENDITURES	1
II.A. MINIMUM REQUIREMENTS.....	1
II.A.1 Purchase Vouchers (Rev. 05/01/05).....	1
II.A.2. State of Texas Prompt Payment Law (Rev. 10/01/04).....	3
II.A.3. Vendor Information (Rev. 05/01/05).....	4
II.A.4. Discounts (Rev. 09/23/02).....	6
II.A.5. Purchasing Authority (Rev. 10/08/03).....	6
II.B. SPECIFIC INFORMATION.....	7
II.B.1. Advance Payments (Rev. 09/17/03).....	7
II.B.2. Advertising (Rev. 11/08/00).....	7
II.B.3. Alcoholic Beverages (Rev. 09/17/03).....	8
II.B.4. Athletics / Performing Arts Ticket Purchases (Added. 10/01/04).....	9
II.B.5. Conference Registration Fees (Rev. 09/23/02).....	9
II.B.6. Contract Workforce (Rev. 10/16/03).....	9
II.B.7. Contracts (Rev. 10/16/03).....	10
II.B.8. Credit Memos (Rev. 09/17/03).....	10
II.B.9. Deaths and Funerals (Rev. 10/08/03).....	11
II.B.10. Disputed Payments (Rev. 09/17/03).....	12
II.B.11. Enclosures (Added 09/17/03).....	12
II.B.12. Encumbrances (Rev. 05/03/04).....	12
II.B.13. Federal and State Taxes (Rev. 10/01/04).....	14
II.B.14. Flowers, Floral Arrangements, and Plants (Rev. 10/01/04).....	14
II.B.15. Food Purchases (Rev. 09/17/03).....	15
II.B.16. Fuel Cards (Rev. 09/17/03).....	16
II.B.17. Gifts and Awards (Rev. 05/01/05).....	17
II.B.18. GLACIER (Rev. 05/01/05).....	18
II.B.19. HUB Vendors (Added 10/01/04).....	19
II.B.20. Interagency Agreements/Contracts (Rev. 10/16/03).....	19
II.B.21. Interagency Transaction Voucher (Rev. 09/17/03).....	20
II.B.22. Memberships - Chamber of Commerce (Rev. 05/01/05).....	20
II.B.23. Memberships - Non-Professional Organizations (Rev. 09/17/03).....	20
II.B.24. Memberships - Professional Organizations (Rev. 09/17/03).....	21
II.B.25. Moving Expenses (Rev. 05/01/05).....	22
II.B.26. Notary Fees (Added 09/17/03).....	24
II.B.27. Parking Permits (Added 05/03/04).....	24
II.B.28. Payment to Non-U.S. Citizens (Rev. 05/03/04).....	24
II.B.29. Printing and Copying (Rev. 10/18/99).....	25
II.B.30. Private Consultants/Independent Contractors/Outside Attorney/Professional Services (Rev. 05/03/04).....	26
II.B.31. Procurement Card (Rev. 05/03/04).....	28
II.B.32. Publications (Rev. 09/22/97).....	30
II.B.33. Recruitment of Students (Rev. 11/08/00).....	31
II.B.34. Refunds (Added 10/01/04).....	31
II.B.35. Required State Documentation (Added 09/23/02).....	31
II.B.36. Speakers (Rev. 09/23/02).....	31
II.B.37. State Employees Training Act (Rev. 10/18/99).....	32
II.B.38. Student Organizations (Rev. 10/16/03).....	32
II.B.39. Submission Fees (Added. 10/01/04).....	32
II.B.40. Subscriptions (Rev. 11/08/00).....	32
II.B.41. Telecommunication Equipment and Services (Rev. 10/01/04).....	33

II.B.42. Tips and Gratuities (Rev. 09/23/02).....	33
II.B.43. Visa Fees (Added 10/01/04)	33
II.B.44. Working Funds (Rev. 05/01/05)	33
III. TRAVEL EXPENDITURES.....	35
III.A. MINIMUM REQUIREMENTS.....	35
III.A.1. Travel Vouchers (Rev. 10/01/04).....	35
III.A.2. Reimbursements for Travel (Rev. 10/01/04).....	36
III.A.3. State Travel Management Program (Rev. 10/18/99).....	36
III.A.4. Combining State and Personal Business (Added 06/01/02).....	36
III.B. SPECIFIC INFORMATION	38
III.B.1. Air Travel (Rev. 10/01/04).....	38
III.B.2. Central Billing Accounts (CBA) (Rev. 05/03/04)	39
III.B.3. Contracted Hotel/Motel Establishments (Rev. 10/16/03).....	50
III.B.4. Contracted Rental Car Companies (Rev. 10/16/03)	50
III.B.5. Excess Travel Expenses (Rev. 09/23/02)	50
III.B.6. Foreign Travel (Rev. 10/04/04).....	51
III.B.7. Funeral Attendance (Rev. 12/18/00).....	53
III.B.8. Hotel Tax (Rev. 10/01/04).....	54
III.B.9. In-State Tax Calculation Formula (Rev. 06/01/02)	54
III.B.10. Meals/Lodging (Rev. 05/01/05).....	55
III.B.11. Mileage (Rev. 05/03/04).....	56
III.B.12. Texas Travel Allowance Guide on Parking (Rev. 06/01/02).....	57
III.B.13. Prospective Employees – Travel (Rev. 10/01/04)	58
III.B.14. Receipt Requirements (Rev. 09/23/02).....	58
III.B.15. Recruitment of Students (Rev. 09/30/97)	63
III.B.16. Spousal Travel (Rev. 09/30/97).....	63
III.B.17. Student Travel (Rev. 05/01/05)	63
III.B.18. Washington, D.C. Travel (Rev. 10/01/04).....	64
III.B.20. Direct Bills (Rev. 10/01/04)	68
III.B.21. Travel Rules & Procedures (Rev. 05/01/05).....	68
IV. APPENDIX.....	72
IV.A. HELP AND CONTACT INFORMATION	72
IV.A.1. Accounts Payable Help Numbers (Rev. 10/01/04).....	72
IV.A.2. Accounts Payable Financial Management Operations (Rev. 10/013/04)	72
I.V.A.3 PURCHASING SERVICES (REV. 10/01/04).....	72
IV.A.4 Mailing Lists (LISTSERV) (Rev. 11/08/00).....	72
IV.B. GLOSSARY	73
IV.B.1. State Funds (Rev. 06/01/02).....	73
IV.B.2. Institutional Funds (Rev. 06/01/02).....	74
IV.B.3. Summary of Accounts (Rev. 06/01/02).....	75
IV.C. EXPENSE OBJECT CODES (REV. 10/01/04)	79
IV.D. REFERENCES (REV. 02/01/96)	80

Revised Guidelines

The following sections of this manual have been revised.

Effective: 05/01/2005

- I. Purchasing Expenditures
- II.A.3. Vendor Information
- II.B.17 Gifts & Awards
- II.B.18 Glacier
- II.B.22 Memberships- Chamber of Commerce
- II.B.25 Moving Expenses
- II.B.28 Payments to Non-U.S. Citizens
- II.B.44 Working Funds
- III.B.10 Meals / Lodging Rates
- III.B.17 Student Travel
- III.B.19 Travel Advances
- III.B.21.b Travel Rules and Procedures

I. Introduction (Rev. 10/01/04)

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 approver has 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.

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 Financial Management Operations/Accounts Payable Office at (979) 845-8772.

For help and contact information, please see <http://finance.tamu.edu/contact/default.asp?a=d&dept=75>, Section IV.A.

II. Purchasing Expenditures

II.A. Minimum Requirements

II.A.1 Purchase Vouchers (Rev. 05/01/05)

Guidelines for Reviewing Purchase Vouchers

The [State of Texas Purchase Voucher 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, and the [TAMUS regulations](#) and [TAMU 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 TAMU Purchasing guidelines.
- 4) Persons authorized to prepare or approve disbursement documents are those individuals who have attended TAMU disbursement training, which is based on the Guidelines for Disbursement of Funds prepared by the System Office of Budgets and Accounting (SOBA). The Chief Executive Officer (CEO) shall ensure that all individuals involved in the disbursement process have received the necessary training on an annual basis and that a record of the training is maintained. Each CEO shall provide continuing education on an annual basis for all key fiscal personnel. Such training may consist of updates to the Guidelines for Disbursement of Funds training, as provided by SOBA, and /or training in other fiscal office or accounting responsibilities.
- 5) The signatures on a purchase voucher must be original. The approval signatures must be identical to the signatures on the Financial Management Operations form FD860. 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 received Disbursement training.
- 6) 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.
- 7) The processing of a voucher in error does not obligate Financial Management Operations/Accounts Payable to process all similar, subsequent vouchers. Each voucher must stand on its own because an improper type of payment is not made proper by the fact that it was made one or more times. Therefore, a department/entity should not assume that the processing of a particular voucher indicates the Accounts Payable office's decision to process all similar, subsequent vouchers.

Items Included on Purchase Vouchers

A purchase voucher must include the following information:

- TAMU department reference # (on paper vouchers);
- Taxpayer ID # (vendor identification number);
- Customer accounts receivable number;
- Name and address of the vendor or payee;
- Requisition or purchase order number (where applicable);
- Contact name, phone number, mail stop number and email address;
- Paying account(s) #;
- Agency object code;
- Payment amount;
- Vendor invoice number;
- Invoice date;
- Order date;
- Date invoice was received;
- Delivery date;
- Description of goods or services; and
- Agency approval.

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. The original invoice should always be submitted to Accounts Payable and a copy should be kept in the departmental files. 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 voucher. (System Regulation 21.01.03)

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 in FAMIS to see whether prior payment has been made on this particular invoice to this vendor. Reconciling monthly FAMIS statements is critical to detecting and preventing duplicate and erroneous payments to vendors. If the duplicate invoice message is overridden on screen 341 you must document why this was done in Doc Notes.

Rushes

Any documents requiring "Rush" processing in Accounts Payable must be mailed in a red interoffice mail envelope. These envelopes can be obtained through the normal office supply ordering procedure using the Office Max / Boise contract. Accounts Payable will be glad to recycle any envelopes that we have on hand. Just contact Carla Zapalac at mcz@vpfn.tamu.edu. "Rush" invoices should never be mixed with regular invoices in standard interoffice mail envelopes, as they will be delayed in processing.

In addition to mailing the invoices in a red envelope you will need to attach a red "Rush" tag to the invoice or voucher, or stamp it with a "Rush" stamp before submitting it for payment. Stamping it is preferred due to the imaging process. It is not sufficient to just add "Document" or "Invoice" notes on-line. These notes will not be viewed by the auditor until the document goes through the normal processing flow; which will prevent it from being rushed. Just writing "Rush" on the outside of the mail envelope is not sufficient.

The only documents being rushed should be items involving discounts, any payments that will have a due date prior to the 10-working day guarantee according to prompt payment law, and certain payments where the due date supersedes the prompt payment law.

Mail Received at FMO

All mail received after 3:00 pm will be considered received the next business day.

II.A.2. State of Texas Prompt Payment Law (Rev. 10/01/04)

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:

The day the agency received the goods;

The day the services were completed by the vendor for the agency; or

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.

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.
- 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. If you request that prompt payment interest be refused from calculating you must clearly document all the facts to substantiate your request. We cannot refuse interest if you do not provide adequate documentation.
- 3) All invoices must document the date they were first received by the agency. The goods/services received date must be documented on the appropriate online receiving screens or on the paper voucher.
- 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 will not be released until just before the payment becomes due. Payments are not scheduled on local funds.
- 5) Departments have 90 days from the month end closing, where prompt payment interest appeared on their account, to send a request to FMO to transfer the amount of interest to an FMO account; when it is determined that FMO was responsible for the interest calculating. FMO will only be responsible for 30 days of interest. It is the department's responsibility to reconcile items they have submitted for payment. These are considered Payables. Departments must reconcile their FAMIS statements on a monthly basis, to see what documents have paid (See screen 272). To request that interest be moved to an FMO account, contact Pam Knight at: pjk@vpfn.tamu.edu.

II.A.3. Vendor Information (Rev. 05/01/05)

Policy

In order to process a payment to a vendor they must be set up in FAMIS. If you are using state funds the vendor must also be set up in the state system. In order to be in compliance with IRS regulations, TAMU requires all companies and individuals who are not employees or students of TAMU to have a Substitute W-9 form on file with Financial Management Operations/Accounts Payable before they are set up in FAMIS. You can obtain the Substitute W-9 form from the FMS website at <http://finance.tamu.edu/fms/ap/forms/SubstituteW9.pdf>. Give this website to the vendor or fax or mail the form to them. The vendor must fill out the form completely and mail the original to:

Texas A&M University
Financial Management Operations-Accounts Payable
6000 TAMU
College Station, TX 77843-6000

You can submit your request to have a vendor set up in FAMIS online at <http://finance.tamu.edu/fms/ap/forms/vendor-form.asp> or email to APVID@vpfn.tamu.edu. Please contact Brandi Thorp at 845-8286 if you have any questions.

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”](#), print it, have their financial institution fill out Section 4, sign and date it. Mail the completed form to Brandi Thorp, Texas A&M University, Financial Management Operations/Accounts Payable, 6000 TAMU, College Station, TX 77843-6000. If you have any questions you can contact Brandi at 845-8286.

Reimbursements to TAMU Employees

TAMU 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 voided check for your checking account or a copy of the account number card for a savings account, and mail to Texas A&M University, Financial Management Operations/Accounts Payable, 6000 TAMU, College Station, TX 77843-6000. If you have any questions concerning direct deposit/ACH, please call Brandi Thorp at 845-8286.

Wire Transfers

In some instances vendors will request funds to be wired to their account and specific bank information is required to process a wire transfer. This bank information should be treated as confidential, so **please do not send the information via e-mail (unless password protected) and do not enter the bank information into FAMIS. Please send the banking information along with the invoice or payment documentation and mark as “Confidential”**. We require the following information in order to process a wire transfer:

Domestic:

- Vendor’s bank name
- Vendor’s bank address
- Vendor’s bank account number
- Vendor’s ABA / Routing number

Name on the vendor's bank account
Vendor's address
Amount to be paid

Foreign / International

Currency type (U.S. dollars or foreign)
Payment amount
Beneficiary name on account
Beneficiary address
Beneficiary bank account number
Beneficiary bank name
Beneficiary bank address
SWIFT code
Additional beneficiary bank information (UK sort code, Germany BLZ, Italy CAB, etc.)

Vendor on Hold

House Bill 2914 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. 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 or purchasing 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.

"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.4. Discounts (Rev. 09/23/02)

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.5. Purchasing Authority (Rev. 10/08/03)

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. Goods or services expected to exceed \$5,000 on an annual basis need to be processed through the Purchasing Department on a requisition. Please refer to TAMU rule 25.99.02.M1 for purchasing procedures and requirements. 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.)

Purchasing Web Site

The Purchasing Department web site can be accessed at <http://purchasing.tamu.edu>.

II.B. Specific Information

II.B.1. Advance Payments (Rev. 09/17/03)

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 a maximum of seven 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 pay a rental fee for a meeting room or exhibit booth or a registration fee in advance if there is a legitimate public purpose for making the advance payment. Examples of legitimate reasons include significant cost-savings or reserving a space when enrollment is limited.
- 4) 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.
- 5) A state agency may pay an annual maintenance agreement in advance, provided the contract does not extend beyond the current fiscal year on state funds. Institutional funds may cross fiscal years.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) A state agency may make an advance payment if significant cost savings would result from making the payment in advance.
- 10) 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.

Advance Payment Authorization

If your department must make an advance payment for a reason not listed above contact your fiscal office for additional guidance on this issue.

II.B.2. Advertising (Rev. 11/08/00)

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. Alcoholic Beverages (Rev. 09/17/03)

State Funds

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.

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.

Authority to Buy Alcohol for Entertainment on Departmental Accounts

Accounts funded from concessions or investment income, contract residual (461xxx), and gift accounts not restricted by donor (50xxxx, 51xxxx) may be used to purchase alcohol for entertainment purposes with written recommendation of the Vice President with authority over the funds and final approval from the Vice President for Finance (or designee). Continuing Education accounts (25xxxx) do not require any additional approval process. Approved accounts will be coded in FAMIS on screen 8 to accept expense object 6341.

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.

No accounts under the control of the Athletic Department may be used to purchase alcohol.

Study Abroad Programs and International Field Trips should review [University Rule 21.01.03.M0.01](#), section 3.4.

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, were confirmed by the Board on September 23, 1994, Minute Order 294-94.

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

Alcohol can be purchased on the procurement card as long as it is on an account that allows for the purchase of alcohol and only if the department has a trained Pathway Net user. The Pathway Net user must reallocate the alcohol purchase to expense object code 6341 within 10 working days of the close of the Bank One procurement card statement where the alcohol purchase appears.

Participant registration fees for a conference or similar event may be used to purchase alcohol if the alcohol is to be served as part of the event.

II.B.4. Athletics / Performing Arts Ticket Purchases (Added. 10/01/04)

To ensure tax compliance you must document: the business reason, and whom the attendees are, when purchasing Athletic or any Performing Arts tickets. These purchases should be coded 5236. If this information is not available at the time of purchase it must be kept on file, by document number, in your department, so it can be pulled in the case of an audit. If you have any question in regards to this rule, please see the Standard Administrative Procedure at: <http://rules.tamu.edu/saps/200/259999m003.htm> or contact Stacie Sodolak at: saw@vpfn.tamu.edu.

II.B.5. Conference Registration Fees (Rev. 09/23/02)

Advance Payments for Conference Fees

Advance payment of conference registration fees is made by charging the fee on the procurement card or 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.

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.6. Contract Workforce (Rev. 10/16/03)

Since September 1, 1999, state agencies and institutions have been required to track and report information on their workforce contracts of \$10,000 or more on state appropriated funds. "Contract worker" means an independent contractor, a temporary worker supplied by a staffing company, a contract company worker, or a consultant. These requirements apply to interagency and intra-System contracts.

The General Appropriations Act (GAA) says that an agency or institution may not expend the funds appropriated by the GAA for payment of a contract workforce under a contract that is executed, amended, or renewed after August 31, 2001, until the agency or institution:

develops comprehensive policies and procedures for its contract workforce; and examines the legal and personnel issues related to the use of a contract workforce; and conducts a cost benefit analysis of its current contract workforce before hiring additional contract workers or amending or renewing existing contracts; and documents why and how the use of contract workers fits into agency staffing strategies, including consideration of agency mission, goals and objectives, existing and future employee skills needed, compensation costs, productivity, nature of services to be provided, and workload.

Each agency shall consult the Best Practices and Guidelines for Effectively Using a Contract Workforce (State Auditor's Office Report No. 99-326) when planning for and implementing the requirements described in this section. TAMU System regulations 33.99.16 and 25.99.03, Section 1.5, and TAMU standard administrative procedure 33.99.16.M0.01 must be followed.

II.B.7. Contracts (Rev. 10/16/03)

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 Office of Contract Administration and Regulatory Compliance, ATTN: Mike Huddleston, MS 1260. The P, L or E # must be documented on the Contract Transmittal Form submitted to CARC. Attach the Office of Contract Administration and Regulatory Compliance's approval and a copy of the contract to the invoice/voucher when submitting for payment. Agreements made by TAMU departments for the reservation of hotel and/or conference facilities should not be routed through the Office of Contract Administration nor be reviewed by the Office of General Counsel. Purchases made through a contract that exceed the delegated dollar limits—\$5000 on state and local accounts—are not exempt from TAMU 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 [University Rule 25.07.99.M1](#).

II.B.8. Credit Memos (Rev. 09/17/03)

Credit Memo Policy

The procedures listed below are for processing credit memos. Credits should be entered into FAMIS upon receipt. Do not hold them in your department. As soon as the credit memo is processed by Accounts Payable the account(s) listed will reflect the entry. The next payment to the vendor will be combined with the credit memo. Both the invoice and the credit memo will be listed on the check stub to the vendor.

On-line Purchasing Module procedure for processing credit memos:

- 1) It is the department's responsibility to first verify that the credit memo has **not** previously been used **or** that the original invoice was not "short paid" by the credit memo amount. The credit should always be processed using the same account and expenditure codes as the original invoice.
- 2) Create a new Limited Purchase document (FAMIS screens 240-242) for the credit memo:
 - On screen 241 use a processing code of "V" to create a negative amount.
 - The description must reference the original invoice number AND the original purchase document number (limited, exempt, or purchase requisition). If the original purchase was made prior to processing online purchases then reference the department voucher number (i.e. 270420-0120).
 - The description must also explain why a credit memo was issued by the company.
- 3) Mark the new Limited Purchase document number on the credit memo and forward to Financial Management Operations, Accounts Payable, Mail Stop 6000.

Paper voucher procedure for processing credit memos:

- 1) It is the department's responsibility to first verify that the credit memo has **not** previously been used **or** that the original invoice was not "short paid" by the credit memo amount. The credit should always be processed using the same account and expenditure codes as the original invoice.
- 2) List all required information on the paper voucher using the same account and expenditure code as when the original invoice was paid, the amount of the credit and the invoice number of the credit memo. The description must reference the original invoice number AND the original purchase document number (limited, exempt or purchase requisition). If the original purchase was made on a paper voucher then reference the department voucher number (ie. 270240-0120).
- 3) Submit voucher to Financial Management Operations, Accounts Payable, Mail Stop 6000.

II.B.9. Deaths and Funerals (Rev. 10/08/03)

Appropriate Acknowledgement of Employee's Death or Loss of Family Member:

Accounts that are **NOT** funded by mandatory student fees, contract or grants, Available University Fund, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket, or appropriate item for the 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 [Standard Administrative Procedure 31.01.99.M0.01.2](#)**

Student's Death:

Accounts that are **NOT** funded by mandatory student fees, contract or grants, Available University Fund, 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.

Payment for Travel Expenses for Funeral Attendance

The importance to TAMU to attend these funerals must be documented on the travel reimbursement voucher.

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.

Funeral of Employee's Spouse or Child:

Accounts that are **NOT** funded by mandatory student fees, contract or grants, Available University Fund, 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.

Funeral of a Student:

Accounts that are **NOT** funded by mandatory student fees (excluding Student Service Fees), contract or grants, Available University Fund, 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.

Other Circumstances:

Departments may use their unrestricted gift funds (50xxxx accounts) 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, Association of Former Students, 12th Man Foundation, Development Council or Research Foundation employee or member

- death of a donor

II.B.10. Disputed Payments (Rev. 09/17/03)

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.

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.

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 should submit a corrected invoice to the agency. If they choose not to submit a corrected invoice and request that we pay from the original with the proper adjustments, then this has to be documented. Interest starts accruing if the corrected invoice is not paid by the appropriate date.

II.B.11. Enclosures (Added 09/17/03)

The term "enclosure" means that a copy of the invoice is to be mailed with the check to the vendor. The purchase order number (L, E or P #), the vendor's invoice number and the vendor's customer or account number assigned to you on the invoice is printed on our check stub for every invoice paid. Therefore, it is our policy not to send a copy of the invoice with every check. If you feel that a copy of the invoice needs to be mailed with the check you must clearly document the extenuating circumstances on your invoice.

II.B.12. Encumbrances (Rev. 05/03/04)

An encumbrance is a reserve of funds set aside for a particular purchase. Encumbrances are used in order to " earmark" funds so the funds are not used for other expenses.

Encumbrances in the FAMIS purchasing module are established when a document is closed. The encumbrances are created at the account and object code level. An encumbrance is generated for each account and object code combination on a document.

There are three types of purchase orders that may be used to encumber funds: limited (L), exempt (E), and requisition (R, P). Limited purchase orders encumber funds for purchases that do not exceed \$5,000. The funds are encumbered once the document is closed on screen 242. Exempt purchase orders encumber funds for purchases that exceed \$5,000, but do not require a requisition. The funds for exempt documents are encumbered when the document is closed on screen 237.

Requisitions are purchase orders that may exceed \$5,000 and must be approved through the Purchasing Department. A requisition (R number) is first established at the department level and the funds are encumbered when the document is closed on screen 256. The R number is then approved and transferred to a P number by the Purchasing Department. Any encumbrance established by the R number is released and transferred to the P number.

All encumbrances entered into the FAMIS purchasing module may be reviewed on the following Open Commitment screens.

Screen 20 – OC 10 Digit List

This screen requires an object code for a 6-digit account. It shows a summary amount for a specific object code and the detail, which makes up the total. The “REF” field contains the document number where the funds are encumbered.

Screen 21 – OC File List

All encumbrances for a 6-digit account are listed on this screen.

Screen 22 – OC File List by User Ref or PO Number

This screen allows the encumbrances to be viewed either by the document number or by the user reference number entered on the header of the document. You have to select either UR (user reference) or PO (purchase order) to specify your search.

Screen 26 – OC Inquiry by Reference

This screen lists the encumbrances for a particular reference number. The reference number for purchasing encumbrances is the 7-digit document number assigned by the system when the document was entered. The 7-digit number can be an L, E or P number.

Releasing Encumbrances

Encumbrances may have to be released for a variety of different reasons. The most common reasons are:

The vendor invoices for less than the encumbered amount. The order was cancelled. Only part of the order could be fulfilled and an alternate vendor was used. Unspent encumbrances have rolled over from a previous fiscal year. If the encumbrance was established using a limited or exempt purchase order then the encumbrance release can be completed at the department level. First, make sure no invoice headers exist for the document number by using screen 350. If the document appears on screen 350 and the status is "IP" (In Process) then you must cancel the invoice header before releasing the encumbrance. Canceling the invoice header can be done on screen 341 using the Function 11 key, "Cncl". After the invoice header has been cancelled proceed to screen 243 for limited purchase orders and 238 for exempt purchase orders. Use the "Complete PO" field at the bottom of the screen by typing a "Y" in the field. When this is done the encumbrance will be released back into the account.

If the encumbrance was established using a requisition (P number) then only the Purchasing Department or a designated person in Accounts Payable may release the encumbrance. If the Purchasing Department is needed to release an encumbrance, you will need to contact the buyer who created the requisition.

You will need to contact Purchasing to release an encumbrance if an order is cancelled or if the vendor cannot fulfill the terms of the agreement. Contact Accounts Payable to release encumbrances that have rolled over from previous fiscal years, if the vendor invoices for less than the encumbered amount, or if the vendor was paid by a paper voucher and the requisition was not referenced on the paper voucher to release the encumbrance. Please contact 845-4570 ext. 110 in the Purchasing Department or 845-8362 in Accounts Payable if you have any questions.

II.B.13. Federal and State Taxes (Rev. 10/01/04)

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. Business meals charged to the procurement card are considered direct billed. Some of the exceptions are as follows:

- 1) Reimbursement of sales tax can be made to an employee who has purchased goods for an A&M System Member, except for Texas hotel occupancy taxes, only on gift accounts. State employees should carry a tax exemption form with them when making a purchase. An example of the "[Texas Sales Tax Exemption Certificate](http://finance.tamu.edu/fmo/ap.forms/tx-sales-tax-exemption.pdf)" form can be found on the Accounts Payable homepage under Forms at <http://finance.tamu.edu/fmo/ap.forms/tx-sales-tax-exemption.pdf>. 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.14. Flowers, Floral Arrangements, and Plants (Rev. 10/01/04)

State Funds

A state agency may not use state funds to purchase flowers, floral arrangements, or plants for a state officer or employee or for the friends or family of a state officer or employee. A state agency may not use appropriated money to purchase, lease, or maintain a live or artificial indoor plant unless:

- the agency is an institution of higher education; and

- the plant is used for educational or research purposes.

If the above criteria are met the plants would be coded 4070. Do not use 6335.

Institutional Funds

- Decorative plants can be purchased with institutional funds. They would be coded 5750.
- Unrestricted gift accounts may purchase flowers and plants for individuals.
- Restricted gift accounts may also purchase flowers and plants for individuals if it relates back to the account purpose.
- A [“Request for Tax Withholding”](#) form is required if the purchase for an employee is in excess of \$100.
- Accounts that are **NOT** funded by mandatory student fees, contract or grants, Available University Fund, 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 [Standard Administrative Procedure 31.01.99.M0.01](#)**. This should be coded 5240. Do not use 6335.
- Accounts that are **NOT** funded by mandatory student fees, contract or grants, Available University Fund, state appropriations or restricted by donors may pay for a card and/or flowers, plant, basket, or appropriate item for the 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 [Standard Administrative Procedure 31.01.99.M0.01](#)**. This should be coded 5240. Do not use 6335.
- Accounts that are **NOT** funded by mandatory student fees, contract or grants, Available University Fund, 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. This should be coded 5241. Do not use 6335.
- Plants or flowers purchased for decorations at events such as a luncheon or conference or meeting should be coded 6335. Do not use 4070.

II.B.15. Food Purchases (Rev. 09/17/03)

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.

Institutional Funds

Expenditures for food and/or refreshments from institutional funds are authorized to the extent such expenditures enable the state agency to carry out their educational function, serve to promote education in the State of Texas, and provide an important public service. All food purchases will follow [System Policy 25.05](#). Food purchases for business meals or entertainment should be coded using expense object code 6340. Allowable food purchases other than for business meals should be coded 6339.

Expenditures on institutional accounts for food and/or refreshments must comply with one or more of the following direct purposes:

- 1.The recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a component of the System or the State;
- 2.The promotion of the communication of intellectual ideas among students, faculty, staff, administrators and/or representatives of the public;
- 3.The support of student events and activities which are sponsored by a component of the System;
- 4.The recruitment of highly qualified faculty, staff, and students;
- 5.The promotion of the exchange of ideas with community leaders regarding the role of a component of the System in the community;
- 6.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;
- 7.The support of a program of continuing education sponsored by a component of the System; or
- 8.The conduct of staff conferences and receptions or other events designed to recognize and honor employees.

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.

Reimbursements to employees for business meals should be coded 6340. Vouchers requesting reimbursement for business meals 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. The Internal Revenue Service's "five W's" are required for business meals purchased on the procurement card. This documentation needs to be on the procurement card log or attached to it.

II.B.16. Fuel Cards (Rev. 09/17/03)

Fuel Card Policy

By mandate of the Council on Competitive Government, all state agencies must have a fuel card program. The Transportation Center has been designated the responsibility for administering the fuel card program for Texas A&M University.

Purchasing Fuel, Parts or Maintenance for State-Owned Vehicles

For state-owned vehicles, 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. If the Transportation Center is not able to perform the work in a timely manner, the Center will be responsible for sub-letting the work. All fuel

cards are to be issued by the Transportation Center. Please contact the Transportation Center if your department has a fuel card that was not issued by the Transportation Center.

Purchasing Fuel, Parts or Maintenance for Non State-Owned Vehicles

If purchases of fuel, parts or maintenance are made for non state-owned vehicles or off-road vehicles, indicate this in the note section of the payment request. These purchases are not required to be made at the Transportation Center on Agronomy Rd. or on the fuel cards.

II.B.17. Gifts and Awards (Rev. 05/01/05)

Gifts for employees must adhere to the following guidelines.

Gifts

Accounts that are **NOT** funded by mandatory student fees, contracts or grants, Available University Fund, 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 [Standard Administrative Procedure 31.01.99.M0.01](#).**

However, any employee gift in excess of \$100 per year constitutes additional taxable compensation to the recipient. Gifts in excess of \$100 and gift certificates for any amount require a [“Request For Tax Withholding”](#) form. When processing the payment for a gift in any dollar amount the employee’s name and social security number must be provided and the employee must be set up in FAMIS. Gifts and awards for employees are coded 5240. Do not use 6335.

Retirement gifts may be excluded from income if the dollar amount of the gift relates to the retiree’s length of service. Documentation is to be provided describing the relationship between the retiree’s length of service and value of the gift. Retirement gifts may be purchased on any institutional account.

Gifts for employees may be purchased on the procurement card and the recipient information listed above must be entered into Pathway Net by the departmental user.

Achievement Awards

Awards for employees must adhere to the following guidelines:

Cash awards must go through payroll. The [Request for Compensation for Award to Faculty or Staff form](#) must be filled out and submitted to Payroll. State funds may not be used to pay cash awards.

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 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.

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 \$50 or less** per employee or officer.

Gifts and awards for employees are coded 5240. Do not use 6335.

Contact Leanne Phillips at 845-8774 for additional guidance on this issue and related tax implications.

Gifts for Non-TAMU Employees

Gifts for students and non-TAMU employees require documentation stating the recipient's name, address, and social security number and they must be set up in FAMIS. A gift in excess of \$100, gift certificates for any dollar amount and cash gifts in any dollar amount may be taxable to the recipient. 1099s will be issued to those individuals. Taxable gifts for students and non-employees may be purchased on the procurement card and the Pathway Net user in the department must enter the required recipient information listed above in Pathway Net for these transactions. Gifts and awards for students and non-TAMU employees are coded 5241. Do not use 6335.

II.B.18. GLACIER (Rev. 05/01/05)

What is 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. Texas A&M University is now using this web-based tool to insure tax compliance on payments made to foreign nationals. This will allow the foreign national 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)

For a foreign national to obtain a password to access GLACIER please go to <http://www.online-tax.net/>.

A new Individual Reimbursement Form has been completed to reflect the above change. It is located at http://finance.tamu.edu/fmo/ap/forms/ind_reimbursement.pdf. Please use this form for all individual reimbursements and payments.

When is a scholarship, fellowship, or grant taxable income?

All amounts paid to nonresident aliens in the form of scholarships, fellowships, grants, or financial aid which are not excludible from gross income as a “qualified scholarship” under IRS code 117 must be reported to the IRS regardless of amount paid unless the grant is from sources outside the United States.

*Taxable portion is subject to 30% withholding

*Taxable portion is subject to 14% withholding if payee is an F, J, M, or Q

What is a “qualified scholarship”?

Those portions of the scholarship, fellowship, or grant used to pay for tuition, fees, books, supplies, or equipment are not includable in the gross income if the recipient is a candidate for a degree.

*Room, board, and travel (even if receipts are provided) are taxable income

*Students can apply for a tax treaty if there is one between the United States and their country by completing a W8BEN through GLACIER

In order for FMS to comply with this IRS regulation we must be informed of the status of each student in student travel status. Please be sure to answer all questions in the bottom portion of the Individual Reimbursement Form regardless of employee status. This will help avoid payment delays and possible penalties from the IRS. If the student is not sure of their status (resident vs. nonresident), have them complete/update their record in GLACIER. If the student does not have a record in GLACIER, please provide the student’s email address with the voucher submitted.

If you have any questions you may contact Leanne Phillips at 845-8774.

II.B.19. HUB Vendors (Added 10/01/04)

In 1994, the Texas Legislature affirmed the economic importance of minority-owned and small business in the state by creating the Historically Underutilized Business (HUB) program. A state agency shall make a good faith effort to increase the contract awards for the purchase of goods or services that the agency expects to make during a fiscal year to historically underutilized businesses. Departmental purchases through the use of the delegated dollar limits and the procurement card should be made with HUB vendors whenever possible. Please see System regulation 25.06.01 for further guidance.

The HUB website is located at <http://finance.tamu.edu/hub/>. You are able to access the HUB Directory, <http://finance.tamu.edu/hub/directory/public/default.asp>, to help you locate HUB vendors for your products and services as well as contact information, training/workshops, HUB forum information, resources, useful websites and more.

II.B.20. Interagency Agreements/Contracts (Rev. 10/16/03)

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 their authorized designee prior to the 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. Contract workforce regulations apply, also.

Review of 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 they can be finally approved. Forward them to the Office of Contract Administration and Regulatory Compliance, ATTN: Mike Huddleston, MS 1260. Attach Office of Contract Administration and Regulatory Compliance's approval and a copy of the contract to the invoice/voucher when submitting for payment. Delegation of authority may be seen at [University Rule 25.07.99.M1](#).

II.B.21. Interagency Transaction Voucher (Rev. 09/17/03)

An Interagency Transaction Voucher (ITV) may be used when buying goods or services from a state agency that will deposit this payment into the state treasury. A voucher is submitted to the Accounts Payable section using the ITV, agency invoice, or agency memorandum as an invoice. A Reoccurring Transaction Index (RTI) number is required on the document.

II.B.22. Memberships - Chamber of Commerce (Rev. 05/01/05)

Memberships to the Bryan-College Station Chamber of Commerce are only allowed on unrestricted gift funds (50xxxx) and gift funds with a purpose (51xxxx), as long as that account allows that type of purchase.

Memberships to any other Chamber of Commerce must be approved by the Associate Vice President and Controller.

II.B.23. Memberships - Non-Professional Organizations (Rev. 09/17/03)

Membership Fees to Non-Professional Organizations

A state agency may pay a membership fee to a non-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.

Required Documentation

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.

State Funds

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 you provide 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”.

Local Funds

Memberships can be paid on local funds if the organization is not listed on the State of Texas ethics web site. If the organization is listed then we have to have written documentation from them stating how much of the membership fee goes toward lobbying. We are not allowed to pay that portion with any TAMU funds. You would have to deduct that amount and attach a personal check for it or use another source of funds to pay it other than TAMU.

Membership Fees to Social Clubs

Depending on individual TAMU System member policies, expenditures for certain employee social club memberships are allowable from unrestricted gift funds (50xxxx accounts). If restricted gift funds (51xxxx accounts) 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 TAMU to comply with the IRS regulations, a log must be provided to the Financial Management Operations department annually by each affected employee. Social Club memberships are not allowed on the procurement card due to required 1099 reporting. Contact your fiscal office 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.24. Memberships - Professional Organizations (Rev. 09/17/03)

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.

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 reviews and grants prior approval for the expenditure. This approval is verified by the TAMU Financial Management Operations office. Due to this requirement memberships to

professional organizations are prohibited on your state accounts when using the procurement card. They are allowed on any local account on the procurement card. These are coded 5211.

Required Documentation

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.

Maintaining Professional Certification or 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.

State Funds

The General Appropriation 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 you provide 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".

Local Funds

Memberships can be paid on local funds if the organization is not listed on the State of Texas ethics web site. If the organization is listed then we have to have written documentation from them stating how much of the membership fee goes toward lobbying. We are not allowed to pay that portion with any TAMU funds. You would have to deduct that amount and attach a personal check for it or use another source of funds to pay it other than TAMU.

II.B.25. Moving Expenses (Rev. 05/01/05)

Current TAMU 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.

New Employee Moving Expenses

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 TAMU 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.

Qualified Moving Expenses

Qualified moving expenses are:

- travel (including lodging but not meals) to the new residence; and
- 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 \$.15 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.

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 must be paid from an unrestricted gift account (50xxxx). 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. 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.

Please refer to IRS publication 521 located at <http://www.irs.gov/pub/irs-pdf/p521.pdf>. If you have any questions please contact Leanne Phillips at 845-8774.

II.B.26. Notary Fees (Added 09/17/03)

Effective September 1, 2002, the State of Texas no longer requires that employees designated as notaries 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). Therefore, 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 with a check for \$11.00 made payable to the Secretary of State. If a notary bond was in the process of being secured prior to September 1st, a one-time exemption can be obtained.

Procedures and applications can be found at the following website:

<http://www.sorm.state.tx.us/notary/notaryforms.htm>

If you have any questions or need additional information, please contact Debbie Smith, Insurance Specialist, Office of Risk Management, at 458-6249.

II.B.27. Parking Permits (Added 05/03/04)

We can pay for visitor parking or a departmental parking space on either a state or local account 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 with unrestricted gift funds (50xxxx) or restricted gift funds (51xxxx) that allow for that type of expense.

II.B.28. Payment to Non-U.S. Citizens (Rev. 05/03/04)

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. See chart of "[A Summary of Visa Options For Schools With International Students and Scholars](#)" on the Accounts Payable homepage at <http://finance.tamu.edu.tamu.edu/fms/ap/default.asp>. When a visa only allows for reimbursement of expenses, we can only reimburse if 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 University 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. To see how an ITIN can be obtained, please see [Standard Administrative Procedure 21.01.99.M0.02](#), <http://rules.tamu.edu>.

In order to be in compliance with IRS rules we can no longer expedite payments for services provided by non-resident aliens wishing to claim a tax treaty. We are required to wait 10 days so that the IRS can review the 8233 Form before we are to make payment. If you are able to receive the documents required for payment prior to the service and Accounts Payable is allowed this extra 10 day holding period, then payment can be made at the completion of the service when your visitor is still in the United States. The only other option would be for the contractor not to claim the tax treaty and we would then be required to withhold 30% of the payment. Otherwise, we will need to pay by direct deposit or mail their payment. This change in procedure was effective 11/3/03. We realize that this may create an inconvenience for you and your visitors but we must follow IRS rules. If you have any questions, please contact Leanne Phillips at 845-8774.

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 we have a tax treaty with that country and the individual will need to fill out an [Internal Revenue Service Form 8233](#) located on the Accounts Payable homepage under Forms at <http://finance.tamu.edu.tamu.edu/fms/ap/default.asp>.

Countries Not Included on the List of Tax Treaties

If the country is not on the list, we do not have a tax treaty with that country and a second voucher made payable to the IRS (on an institutional account) for 30% of their payment will have to be submitted.

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 preceding requirements do not apply and these expenses are not taxable.

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 @ .28 = 2.80) 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.

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.29. Printing and Copying (Rev. 10/18/99)

All requests for printing and copying regardless of source of funds, with the exception of work done at MSC Print N Copy, are to be routed directly to the Graphic Arts Center.

II.B.30. Private Consultants/Independent Contractors/Outside Attorney/Professional Services (Rev. 05/03/04)

Consultants

“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.

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 [University Rule 25.07.99.M2](#), <http://rules.tamu.edu>, for exemptions, requirements, and procedures related to the contracting process.

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.

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 your Payroll office for specific instructions on how to proceed.

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 System General Counsel for additional information.

Independent Contractors

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.

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.

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.

Employee vs. Independent Contractor

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.

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.

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:

1. Must comply with an employer's instructions about the work;
2. Receives training from or at the direction of the employer;
3. Provides services that are integrated into the business;
4. Provides services that must be rendered personally;
5. 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.)

6. Has a continuing relationship with the employer;
7. Must follow set hours of work;
8. Works full-time for an employer;
9. Does the work on the employer's premises;
10. Must work in a sequence set by the employer;
11. 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.)
12. 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.)
13. Receives payments for business or traveling expenses;
14. Relies on the employer to furnish tools and materials;
15. Lacks a major investment in facilities used to perform the service; (An independent contractor usually has a significant investment in his/her own business.)
16. 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.)
17. Works for one employer at a time;
18. 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.)
19. 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.)
20. 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.)

Professional Services

Professional services are services within the scope of the practice of accounting, architecture, landscape architecture, land surveying, medicine, optometry, professional engineering, real estate appraising or professional nursing provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant, an architect, a landscape architect, a land surveyor, a physician (including a surgeon), an optometrist, a professional engineer, a state certified or state licensed real estate appraiser, or a registered nurse. For more requirements refer to section 5.024 of the State of Texas Purchase Voucher Guide, http://www.window.state.tx.us/comptrol/san/fm_manuals/puchvouguid/ppptoc.html.

II.B.31. Procurement Card (Rev. 05/03/04)

Procurement Card Policy

The procurement card is a MasterCard credit card that the departments are encouraged to use for most purchases under their delegated authority. All purchases must follow the guidelines appropriate to the account being charged. A procard transaction log is required for each card. Record each transaction and attach itemized invoices, receipts and other supporting documentation to the log. All purchase voucher requirements apply to procard transactions. The procard log must be reconciled to the monthly Bank One statement and then signed by the department head or

designee and the cardholder. The cardholder is not allowed to sign as department head approval. Someone else with signature authority on that account has to sign as department head approval.

Authorized Purchases

Examples of charges that are allowed on the procurement card are: student travel expenses for required field trips; office, janitorial and lab supplies; tools/hardware; memberships on local funds; conference registration fees; florist on allowable accounts; subscriptions; books and controlled equipment. When you submit your voucher to Accounts Payable for the state account procard you must use the correct expense object code for the controlled equipment and FAMIS will require you to create the fixed assets on line.

Unauthorized Purchases

Purchases NOT authorized: items for personal use; capital equipment; printing/copying; fuel for state owned vehicles; employee travel and travel related expenses (except while in Qatar); cash advances, instruments or refunds; student tuition and fees; and controlled/hazardous/radioactive materials.

Procedure

Please see the online Users Guide at <http://purchasing.tamu.edu/customers/procard/card/> for procedures on reconciling, controlled equipment and processing vouchers on state accounts for HUB procedures.

Purchases on local accounts will be automatically charged on FAMIS. The department will be the official record holder for these purchases on local accounts. The State of Texas records retention law requires that you keep these records for the current fiscal year plus three fiscal years prior.

Purchases on state accounts will require the department to submit a purchase voucher to Financial Management Operations within 30 days of receipt of the Bank One procard statement. All items have to be coded to the correct expense object code. We cannot use code 6250 on state accounts. All procard payments should use vendor ID # 13608998250,

Departments that utilize the procard are required to designate someone in their department to have access to the Bank One software program Pathway Net and to make the required monthly reallocations within the reallocation period.

Purchases that require reallocation and/or additional documentation in Pathway Net are:

Alcohol(6341)

Books, films and reference materials(5765)

Books for Sterling Evans or Medical Sciences Libraries(8510)

Business meals(6340)

Controlled/inventoried equipment(5775-5799 + see Users Guide)

Employee gifts(5240 + name and social security number)

Food not for business meals(6339)

Lecturer/speaker travel expenses with receipts(5434)

Memberships(local funds only, 5211 or 5213)

Non-employee gifts(5241 + name, social security number and address)

Postage(5655)

Registration fees(5215)

Rentals(not employee travel rentals, 5810-5880)

Services(except consulting services, appropriate code)

Social club memberships(5212 + employee's name and social security number)

Student travel(except airfare, 3410)

Subscriptions, periodicals and information services(4025)

Travel for employees in Qatar only(3310)

Information

For general questions, to obtain or cancel a procard, or for cardholder information – call Colleen Locke at 845-3425 ext. 143, or see <http://purchasing.tamu.edu>.

Billing Questions

For billing and reconciliation questions call Monica Poehl at 862-1341.

Pathway Net Software

With a trained Pathway Net user the department can move charges on the procard to other accounts/support accounts and change the expense object code from 6250 to the correct expense object code which is required on certain types of transactions.

Alcohol can be purchased on the procard if the account allows it and if the department has a trained Pathway Net user. The Pathway Net user is required to reallocate the alcohol purchase to the 6341 expense object code.

TAMU must endeavor to increase their use of HUB (Historically Underutilized Business) vendors as mandated by the State and the Board of Regents. You are encouraged to seek out HUB vendors as often as possible for your procard purchases.

Memberships can be charged on any local account procard if the department has a trained Pathway Net user. The Pathway Net user is required to reallocate the membership charges to the 5211, 5212 or 5213 expense object codes.

All reallocations, either those required or voluntary, must be made by the trained Pathway Net user within 10 working days of the close of the Bank One statement on which the charges appear.

II.B.32. Publications (Rev. 09/22/97)

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.

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.

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.33. Recruitment of Students (Rev. 11/08/00)

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 University employees to recruit out of state prospective students. Institutional funds may be used for recruiting out of state students.

II.B.34. Refunds (Added 10/01/04)

When we refund money to a vendor or an individual that they have previously paid to TAMU, the revenue code that was used when the original payment was deposited should be used as the object code for this refund. This is not considered an reimbursement.

II.B.35. Required State Documentation (Added 09/23/02)

State Comptroller's Office auditors now require that documentation must be attached to the invoices/vouchers paying with state appropriated funds showing the payment does not exceed the agreed upon purchase price. As a result of this, state account purchases need to have written documentation of prices attached to the voucher, such as phone or written price quotes, copies of catalog items, or internal order forms. Written documentation should include the order date, quantity and price of goods purchased. This will ensure that TAMU is not overcharged for goods or services beyond those TAMU has agreed to purchase. This is effective beginning fiscal year 2003.

Another option would be to use the procard for purchases needed on state accounts. The procard log meets the state requirements. Therefore, additional documentation is not needed for these transactions.

Spot purchases will not require this additional documentation but the document will need to be noted that it is a spot purchase. This notation should be made in the document notes or description for on line invoices and in the description for paper vouchers. A spot purchase is defined by the State Comptroller's Office auditors as a purchase made and picked up directly at the vendor's establishment such as Wal-Mart.

II.B.36. Speakers (Rev. 09/23/02)

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 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 your Payroll office for specific instructions on how to proceed.

II.B.37. State Employees Training Act (Rev. 10/18/99)

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.

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.

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.38. Student Organizations (Rev. 10/16/03)

We can only pay to a student organization for services that they have performed for us. We cannot reimburse a student organization for goods that they have purchased since they do not follow TAMU purchasing guidelines. We cannot donate money to them. In order to pay an invoice on behalf of a student organization it must be clearly documented what the benefit to TAMU is by doing so and it must be paid with an account that relates to that purpose and allows for that type of payment.

II.B.39. Submission Fees (Added. 10/01/04)

Article submission fees to journals for publication can be paid with state or local funds. These expenses should be coded 5230. The title of the article, and the name of the journal should be listed in the description, if it isn't already listed on the invoice. If an employee is reimbursed for submission fees and the journal later refunds this fee, it is the responsibility of the employee to pay the money back to TAMU.

II.B.40. Subscriptions (Rev. 11/08/00)

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.41. Telecommunication Equipment and Services (Rev. 10/01/04)

All purchases of telecommunication equipment as well as services are to be processed through the Telecommunication Department at the Physical Plant. If your department is receiving any invoices for these types of payments you should contact the Telecommunication Department in order for them to process those payments for you. As a state agency Texas A&M University is exempt from paying many of the taxes and surcharges associated with telecommunication billings. As a state agency we are also obligated to obtain the best value for funds expended for all of our purchases. Our Telecommunication Department has put into place many contracts and agreements with telecommunication providers in order to obtain the lowest possible costs for us as well as ensuring that we do not obligate ourselves or pay taxes and surcharges from which we are exempt. For a listing of telecommunication fees, taxes, and surcharges from which we are exempt, please see the following link:
<http://www.dir.state.tx.us/store/tsd/oagtaxexempt.htm#fusf>.

II.B.42. Tips and Gratuities (Rev. 09/23/02)

Texas A&M University may reimburse tips and gratuities incurred for official business using institutional accounts (200000 – 599999, except 29xxxx). 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. [Standard Administrative Procedure 25.02.01.M205](#).

II.B.43. Visa Fees (Added 10/01/04)

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 account (50xxxx) and are taxable to the employee. A ["Request for Tax Withholding"](#) form must be submitted with the payment.

Payments made directly to the Bureau of Citizenship and Immigration Services must be picked up by the department and taken to International Faculty and Scholar Services to be mailed with the proper paperwork. Employees seeking reimbursement for payments they have made to Bureau of Citizenship and Immigration Services must provide proof of payment.

Visa processing fees are coded 5245.

II.B.44. Working Funds (Rev. 05/01/05)

Requesting a Working Fund

To request a working fund send a ["Working Fund Request" form](#) to Debbie Phair 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

Please allow five working days for processing your request. These forms can be sent to Beverly Wilson at mailstop 6000.

Receiving Funds

The department will be notified if the working fund is rejected; otherwise, the money can be picked up at the Cashiers in the Pavilion by the date it was required.

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 Debbie Phair'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 Financial Management Operations Department, Accounts Payable section prior to or on the date it is to be repaid. Any money not spent should be taken directly to the Cashiers in the Pavilion to be applied back to the working fund. DO NOT send money with the purchase voucher.

Student Signatures

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

State and University Guidelines

Working funds have to follow all State and University guidelines.

III. Travel Expenditures

III.A. Minimum Requirements

III.A.1. Travel Vouchers (Rev. 10/01/04)

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. TAMU 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](#).

Materials Needed to Prepare a Travel Voucher:

- 1) Travel Certification/Exemption Form (on state accounts only) ()
- 2) Travel Voucher (<http://finance.tamu.edu/fmo/travel/forms/travel-voucher.asp>)
- 3) Out-of-State Meal/Lodging Rates (<http://finance.tamu.edu.tamu.edu/fms/travel/default.asp>)
- 4) State of Texas Travel Allowance Guide - dated 2/02 (<http://finance.tamu.edu.tamu.edu/fms/travel/default.asp>). A hard copy may be purchased at Graphic Arts Center.
- 5) State Travel Management Program, <http://www.tbpc.state.tx.us/travel/index.html>
- 6) Mileage Chart (provided on-line) (<http://finance.tamu.edu.tamu.edu/fms/travel/default.asp>)

Two Part Forms

Travel vouchers (<http://finance.tamu.edu/fmo/travel/forms/travel-voucher.asp>) paid on **state & institutional accounts** should be submitted in the following manner:

- 1) Financial Management Operations copy – should be printed on white paper, must contain original signatures, original receipts, and certification form when paying from a state account. (Exception: the business office in Qatar will retain all originals and submit copies to FMS.)
- 2) Department Copy - kept in department's file and should contain copies of all backup.

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;
- 7) Departure and arrival times;
- 8) Designated headquarters of person claiming reimbursement;
- 9) Destination;
- 10) Name and title of person claiming reimbursement;
- 11) Statement as to reason for the trip and how it will benefit the agency; and
- 12) Contact name, phone number, mail stop number, and e-mail address of individual who prepared the voucher.

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;
- 5) Travel advance information; and
- 6) Point to point mileage breakdown.

III.A.2. Reimbursements for Travel (Rev. 10/01/04)

Reimbursements for travel from Texas A&M University 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 (Rev. 10/18/99)

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. Various fiscal offices throughout the A&M System have developed a Travel Exemption Form, which they require to be completed for all travel. Contact your fiscal office for additional guidance on this issue. 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.

III.A.4. Combining State and Personal Business (Added 06/01/02)

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:

the expenses are incurred to qualify for a discount airfare according to Section 2.11 (TAG); or
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 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 09/01/01 to 09/05/01. The traveler decides to go a day early on 08/31/01 and returns on 09/07/01 to his/her designated headquarters. Any expenses incurred on the personal day of 09/06/01 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 08/31/01 and 09/07/01 if it follows the guidelines under these rules.

III.B. Specific Information

III.B.1. Air Travel (Rev. 10/01/04)

Policy

With Department Head or designee's approval on non-educational and general fund, use of the State Travel Management Program is not required. [University Rule 25.02.01.M2](#), <http://rules.tamu.edu>.

Procurement for Payment

Airfare must be charged to either a departmental Bank One Central Billing Account (CBA) or to an employee's State of Texas Bank One MasterCard. The only exception allowed is in the instance where an employee receives a fare lower than the contracted airfare if a contracted airfare exists and an airline ticket charged to a personal card 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 \$500,000 accident insurance for business trips. Bank One information may be found on the Financial Management Operations travel home page at http://finance.tamu.edu/fmo/travel/bank_one.asp under State of Texas Travel Management Program.

Contract Airfare

When the state has a contract airfare between two cities, the contract airline must be given preference when making reservations to travel between those cities. Contract airfare tickets must be purchased with either the departmental CBA or the Corporate Card. The exception for use of personal credit cards that offer higher insurance rates does not apply to contract airfare rates. Exceptions to the requirement to use contract airfare are as follows:

- 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.

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.

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) (Rev. 05/03/04)

Policy

With Department Head or designee's approval on non-educational and general fund, use of the State Travel Management Program is not required. [University Rule 25.02.01.M2](#), <http://rules.tamu.edu>.

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 Bank One Corporate Card. The CBA must be used to pay for prospective employees, and can be used for University guests.

Procedure for Payment

The State Travel Management Program mandates that all airfares must be charged to either an individual Bank One Corporate Card or to a Bank One Central Billing Account. The only exception allowed is when an employee receives a fare lower than the contracted airfare if a contracted airfare exists and airfare is charged to a personal credit card that offers higher insurance coverage than the Bank One Corporate Card. Instructions for online CBA payments can be located at http://finance.tamu.edu/fmo/travel/bank_one.asp. All CBA payments should use vendor ID # 13608998255.

Instructions for Processing Bank One Credits

Bank One cannot apply a credit to one CBA and process a debit for another CBA. When you have a credit on your CBA, the L document needs to be set up with two line items. One line item should be for a charge for the same amount as the credit or for an amount higher than the credit. The second line item should be for the credit amount. Remember to use the “v” processing code so that it will be a negative amount in FAMIS. FMS will not combine these invoices with others. The S/L account for the payment and the credit must be the same type of funds, i.e. State with state and local with local. Credits should be processed against the CBA that the original payment was made from. For cancelled flights, a copy of the ticket is required for documentation. Documentation for overpayments should include the original voucher number, check number and check issue date. If you need further assistance or have any questions, please contact Kyle Metcalf at 862-3017.

Contracted Airfares

- 1) Who is required to use contracted fares? (Statewise Newsletter from the General Services Commission, 11/94)
 - All state employees working for State agencies, including heads of agencies.
 - Members of boards, including members of advisory committees.
 - Prospective state employees.
 - Witnesses appearing in court on behalf of the State.
- 2) Who is prohibited from use of contracted fares? (Statewise Newsletter from the General Services Commission, 11/94)
 - Persons providing professional, consulting, or contracted services may not use the contracted airfare if the State is paying any amount for the persons' time or services. If the State is just paying for their travel expenses then they are eligible to use the contract rates.
- 3) What are the benefits of using contracted fares? (Statewise Newsletter from the General Services Commission, 11/94)
 - No advance purchase requirement.
 - No minimum/maximum length of stay requirement.
 - No fee or penalty for changing or canceling a reservation.
- 4) What is a contracted fare? (STMP, <http://www.tbpc.state.tx.us/travel/index.html>)

- The State of Texas has entered into a contract with airlines to provide travel to or from specific destinations at a fixed rate. These fares are one-way, in alphabetical order only, and applicable in both directions. Domestic contract airline fares listed include the Federal Excise Ticket Tax, but do not include segment fees, passenger facility charges (PFCs are additional fees assessed by many airports and/or cities which airlines must collect for them.), or any other mandatory fees assessed by the airlines, airports, and/or local governments. The taxes and fees will be itemized separately on the ticket/itinerary receipt. All of these fees are reimbursable.
 - If the flights on your ticket do not show the destinations from the State Travel Management Program website at <http://www.tbpc.state.tx.us/travel/index.html>, then you do not have a contracted airfare rate and an exception will have to be claimed.
- 5) How to get contracted fares? (STMP, <http://www.tbpc.state.tx.us/travel/index.html>)
- Make your reservations through a travel agency. Be sure to identify yourself as a State of Texas employee to receive the State contract rate.
- 6) How to know if you are getting the contracted fare? (Statewise Newsletter from the General Services Commission, 11/94)
- The codes “YCATX” or “_CATX” will be on the ticket under FARE BASIS. The “YCATX” fare is last seat availability. The “_CATX” fare basis code indicates a market that is capacity-controlled by the airline with a limited number of seats available at the contract rate. The far right hand column includes the fare code for those city-pairs that were awarded a “_CATX” fare.
 - If all flight segments are not the same code then “MULTI” will appear under FARE BASIS. When this occurs the individual fare basis codes are located at the end of the itinerary line after the date, for example: “From: OLBB WN866 Y 03JANYCATX”. “MULTI” can mean that only part of the flight is on a contracted airfare. When this occurs an exception must be completed for the part of the flight that is not a contracted airfare. See Figures [A](#), [B](#), and [C](#) for examples.
 - By using the contracted fares you can be assured that you do not pay more than you will be reimbursed. Effective January 1, 1994 the purchase or reimbursement of commercial air transportation may not exceed the contract airfare unless an exception applies. See [Figure D](#) for Certification Form - Contract Travel Vendor Exceptions.
- 7) How to pay for the contracted fare?
- Tickets may be purchased only with the State’s contracted Bank One charge accounts, which are the department’s CBA or an individual’s Corporate Card. The individual Corporate Card can only be used by the person to whom it is issued. Expenses allowed are for business travel only; personal expenses are prohibited. The traveler will be reimbursed on a travel voucher after the trip has been completed. The only exception allowed is when your Bank One bill comes in before the trip has been taken, you can request a travel advance to pay the bill. In order to receive a travel advance you need to do the following:
 - a) Complete the Travel Advance Request form, <http://finance.tamu.edu/fmo/travel/forms/travel-advance.pdf>
 - b) Fax completed form to Financial Management Operations-Accounts Payable at 458-4193 **or** deliver to the Business Management Services Building, 1501 Texas Avenue South.
 - If you have a Bank One Corporate Card then you are allowed to request a travel advance of \$20.00 a day to cover incidental expenses. The total of this advance must be at least \$100.00.
 - For those who do not qualify for the Bank One Corporate Card, you can request a travel advance to cover the meal and lodging rates based on your destination of travel. You need to indicate on the travel advance request form “Not Eligible for Corporate Card”.
 - The department’s CBA covers the following persons:
 - a) State employees
 - b) Prospective employees

- c) Students
- d) Speakers - may not be eligible for the contracted airfare
Professional Services - may not be eligible for the contracted airfare

Voucher Requirements for Payment of CBA's

Voucher Requirement	State Funds						Institutional Funds					
	State Emp		Prosp Emp		Univ Guest		State Emp		Prosp Emp		Univ Guest	
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	A	P	A	P	A	P	A	P	A	P	A	P
Completed on line document	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 from Travel Agency 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		
Use Lecture Fee Object Code 5696 on Purchase Voucher					X	X					X	X

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 TAMU 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-contracted 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 Bank One 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 - Sample Airline Ticket Passenger Receipts – Single flight or all segments are the same fare basis code

1. The State contract fares are designated by the Fare Basis Codes of YCATX or CATX.

PASSENGER TICKET AND BAGGAGE CHECK
SUBJECT TO CONDITIONS OF CONTRACT
NOT REFUNDABLE

D 7501-I-1C

467591 0163308 ASH
X BOARDING PASSES

PASSENGER RECEIPT

ISSUED BY: SOUTHWEST AIRLINES
NAME OF TRAVELER: SAITOTRAVEL
NAME OF PASSENGER: [REDACTED]
AGE: [REDACTED]
SEX: [REDACTED]
NO. OF CHILDREN: [REDACTED]

VOLUNTARY CHANGE: XXXXX

YOUR CODE: ①

AGENCY CODE: A45970562

PLACE OF ISSUE: AUSTIN TX
DATE OF ISSUE: US20DEC93

FARE BASIS CODE: SFPDGS/AA YCATX

NO. OF SEGMENTS: 2
FARE BASIS CODE: 0 0011/

ISSUE AMOUNT TO: 7210*71

NAME OF PASSENGER: [REDACTED]

AGE: [REDACTED]

SEX: [REDACTED]

ISSUE DATE: 06JANYCATX
07JANYCATX

CARRIER: *****
FLIGHT CLASS: *****
DATE: *****
SEAT: *****
STATUS: *****

NOT VALID FOR TRAVEL
0 526 1818868342 1
AA45970562

FP AX3752 [REDACTED] / 000000 / FCAMA WN DALGE
.73 WN ANA62.73YCATX 125.46 END

ISSUED BY: USD 125.46
ISSUED BY: USD 12.54
TOTAL: USD 138.00

ISSUE NAME: 30487162204

ISSUE NUMBER: 0 526 1818868342 1

Figure B - Sample Airline Ticket Passenger Receipts - "MULTI"

Fare Basis Code is indicated as "Multi" if all flight segments are not the same code.

Itinerary (up to four flight segments) is identified here on the Passenger Receipt. The Fare Basis Code for each flight is indicated at the end of the line after the date. In this example the first flight is a contract fare and is designated by YCATX. The second flight is an advance purchase fare designated by the Fare Basis Code of MX21NR.

PASSENGER TICKET AND BAGGAGE CHECK
SUBJECT TO CONDITIONS OF CONTRACT
NOT REFUNDABLE

D 1655-004122-454391129

467655 0163196 A74
X BOARDING PASSES

PASSENGER RECEIPT

ISSUED BY: SOUTHWEST AIRLINES
NAME OF TRAVELER: SAITOTRAVEL
NAME OF PASSENGER: [REDACTED]
AGE: [REDACTED]
SEX: [REDACTED]
NO. OF CHILDREN: [REDACTED]

VOLUNTARY CHANGE: XXXXX

YOUR CODE: ①

AGENCY CODE: A45970562

PLACE OF ISSUE: AUSTIN TX
DATE OF ISSUE: US19DEC93

FARE BASIS CODE: SUCGRH/AA MULTI

NO. OF SEGMENTS: 2
FARE BASIS CODE: 0 0011/

ISSUE AMOUNT TO: 7210*71

NAME OF PASSENGER: [REDACTED]

AGE: [REDACTED]

SEX: [REDACTED]

ISSUE DATE: 03JANYCATX
07JANYMX21NR

CARRIER: *****
FLIGHT CLASS: *****
DATE: *****
SEAT: *****
STATUS: *****

NOT VALID FOR TRAVEL
0 526 1818868257 0
AA45970562

FP AX3757 [REDACTED] / 000037 / FCAUS WN LBB7A.1A
YCATX WN AUSE3.64MX21NR 131.82 END XFAUS2LBB3

ISSUED BY: USD 131.82
ISSUED BY: US 13.18
ISSUED BY: XF 5.00
TOTAL: USD 150.00

ISSUE NAME: 30479546646

ISSUE NUMBER: 0 526 1818868257 0

Figure C - Sample Airline Ticket Passenger Receipts - Other Information

Form of Payment/Fare Calculation line:

- Appears on all flight coupons and Passenger Receipt
- Shows the form of payment used, charge card approval code, and the calculation of the fare

1. Specifically, in the example, Bank One (CA) was used; approval code is 10029; Fare Calculation (FC); College Station (CLL) on American Airlines (AA) to Dallas/Ft. Worth (XDFW) for \$100.47 connecting through Dallas/Ft. Worth (X/DFW) to Charlotte (OCLT) for \$152.56 on American Airlines (AA); returning on American Airlines (AA) connecting in Dallas/Ft. Worth (XDFW) for \$152.56, returning to College Station (CLL) for \$100.47. Fare Basis Code of YCATX Charlotte (OCLT) for total fare without tax of \$506.06.
2. Federal Government Transportation Tax - 10% of the base airline fare. The State's contract airline fares do not include this tax; it must, however, be shown separately on the ticket.
3. 5 Passenger Facility Charges (PFCs) - PFCs are not included in the contract fares. These are fees per passenger charged by many airports.
4. Note - In most instances the fare basis code for State of Texas contract fares will be only five alpha characters, i.e. YCATX or _CATX. In a few instances, where cities have multiple airports such as Washington, DC, New York City, etc., the airlines have filed the contract fares with the applicable airport codes for which they received the contract award.

01 0212 9501
PASSENGER TICKET AND BAGGAGE CHECK
SUBJECT TO CONDITIONS OF CONTRACT
ISSUED BY
ARC 16 JAN 02
AMERICAN AIRLINES
A AND M TRAVEL

DATE OF ISSUE
16 JAN 02
PASSENGER RECEIPT 1 OF 1
0011 / F770 X30 / A55
/ COLLEGE STATT TX
FARE BASIS
YCATXDFW
CLL

080055 0063096
CLL 2
YDEN AA 3910 Y 27JAN YCATXDFW
OCLT AA 1008 Y 27JAN YCATXDFW
XDFW AA 515 Y 29JAN YCATXDFW
CLL AA 3909 Y 29JAN YCATXDFW

NOT VALID FOR TRANSPORTATION
RETAIN THIS RECEIPT
THROUGHOUT YOUR JOURNEY

FARE CALCULATION
CLL AA X/DFW100.47 AA CLT152.56 AA X/DFW152.56 AA CLL100.47YCATXDFW 506.06 END ZPCLLD
FWCLTDFW XFCLL4.5DFW3DFW3

FARE
USD 506.06
US 37.94
ZP 12.00
XF 10.50
TOTAL USD 566.50

FORM OF PAYMENT
CA5507
1002/ 063901

001 7059450519 6

NOT VALID FOR TRAVEL
001 7059450519 6

Figure D – Certification Form

TEXAS A&M UNIVERSITY
Certification Form
Contract Travel Vendor Exceptions

Name: _____ Department: _____
Phone Number: _____ Dates of Travel: _____
Travel Voucher #: _____ Voucher Amt.: _____

_____ NO CLAIMED EXCEPTIONS

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 E - Sample of Bank One Statement – page 1



**Bank of America
Commercial Card
Cardholder Statement**

Statement Date	01-25-00	Payment Due	On Receipt
Credit Limit	\$10,000	Total Payment Due	\$4,217.45
Cash Advance Balance	\$00		
Available Credit	\$5,783		

DEPT OF FINANCE
TX A & M UNIVERSITY-711*

Commercial Card News

Account Number:
5567 1980 [REDACTED]

CORPORATE T & E ACTIVITY					
Posting Date	Sale Date	Ref. No.	Transactions	Charge	Credit
01-14	01-12	43268	AGNT FEE 89050595513854 COLLEGE STA TX SMITH/D DEPARTURE 01/12 XAA XD Y XAO	\$20.00	
01-14	01-12	03762	CONTINEN 0057692419786 COLLEGE STA TX SMITH/D DEPARTURE 01/19 JAX CO Q IAH	\$267.00	
01-17	01-13	63507	AGNT FEE 89050595514252 COLLEGE STA TX BON/L DEPARTURE 01/13 XAA XD Y XAO	\$20.00	
01-17	01-14	04341	AGNT FEE 89050595514742 COLLEGE STA TX SMITH/C DEPARTURE 01/14 XAA XD Y XAO	\$20.00	
01-17	01-14	10086	AMERICAN 00176924199200 COLLEGE STA TX SMITH/C DEPARTURE 02/06 STL AA Y DFW AA Y CLL AA Y DFW AA Y STL	\$292.00	
01-17	01-13	90265	UNITED 01676924198445 COLLEGE STA TX BON/L DEPARTURE 01/26 DEN UA Y IAH UA Y DEN	\$390.00	
01-21	01-19	69447	AGNT FEE 89050597342932 COLLEGE STA TX STEPHENS/C DEPARTURE 01/19 XAA XD Y XAO	\$20.00	

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

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

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

Account Summary

Cash Advance Fees	\$0.00	Previous Balance	\$0.00
Days in this Billing Cycle	29	Purchases & Other	\$4,217.45
Cash Advance Limit	\$0.00	Debits	
		Cash Advances	\$0.00
		Credits	\$0.00
		Payments	\$0.00
		New Balance	\$4,217.45

Please see the reverse side for information about your account.

Please return coupon with your payment.

Commercial Card Payment Coupon



Indicate Change of Address Below.

Street _____ Account No. 5567 1980 [REDACTED]
 City _____ Payment Due _____ On Receipt _____
 State _____ Zip _____ Total Payment Due \$4,217.45
 Home Phone _____ Business Phone _____

Please Enter Amount Enclosed \$

Make check or money order payable to:
Bank of America
Mail payment to address below.

DEPT OF FINANCE
TEXAS A&M UNIV-711
MS TAMUS
COLLEGE STATION TX 77843


M00068

BANK OF AMERICA
PO BOX 53121
PHOENIX AZ 85072-3121

55671980 [REDACTED]

⑈07900313⑈ ⑆ [REDACTED] ⑆ ⑆ [REDACTED] ⑆

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



A & M Travel Services, Inc.

701 UNIVERSITY DRIVE EAST • COLLEGE STATION, TEXAS 77840 • 409-846-8881 • 1-800-356-7328 • FAX 409-846-0979

SALES PERSON: 18 ITINERARY/INVOICE NO. 0075126 DATE: 07 DEC 94
 CUSTOMER NBR: 081275 SDJEGH PAGE: 01

TO: TEXAS A AND M UNIVERSITY

FOR:

05 JAN 95 - THURSDAY

AIR	AMERICAN AIRLINES FLT:386B ECONOMY	
	OPERATED BY SIMMONS AIRLINES	
	LV COLLEGE STATION 610A	EQP: SAAB 340 TPROP
	AR DALLAS FT WORTH 720A	NON-STOP
	AUERNHEIMER/LED SEAT-5A AA-CAE3066	
AIR	AMERICAN AIRLINES FLT:804 ECONOMY	SNACK
	LV DALLAS FT WORTH 805A	EQP: BOEING 757
	AR WASHINGTON NATL 1147A	NON-STOP
	AUERNHEIMER/LED SEAT-31D AA-CAE3066	

06 JAN 95 - TUESDAY

AIR	AMERICAN AIRLINES FLT:873 ECONOMY	LUNCH
	LV WASHINGTON NATL 1100A	EQP: SUPER 80
	AR DALLAS FT WORTH 126P	NON-STOP
	AUERNHEIMER/LED SEAT-28D AA-CAE3066	
AIR	AMERICAN AIRLINES FLT:3867 ECONOMY	
	OPERATED BY SIMMONS AIRLINES	
	LV DALLAS FT WORTH 1005P	EQP: SAAB 340 TPROP
	AR COLLEGE STATION 1110P	NON-STOP
	AUERNHEIMER/LED SEAT-11A AA-CAE3066	

AIR TICKET AA1141529006 BILLED TO AX3782 331.00*

SUB TOTAL		331.00
NET CC BILLING		331.00*
TOTAL AMOUNT DUE		0.00

GIVE TO CHRISTA
 YOU HAVE PURCHASED A NON REFUNDABLE AIR TICKET
 NO REFUNDS WILL BE GIVEN FOR THIS TICKET.
 CHANGES ARE SUBJECT TO AIRLINE RULES, AVAIL-
 ABILITY AND SERVICE CHARGES.
 THIS TICKET REQUIRED AN ADVANCE PURCHASE
 IN ORDER TO OBTAIN THE BEST FARE

Printed by:

III.B.3. Contracted Hotel/Motel Establishments (Rev. 10/16/03)

Policy

With Department Head or designee's approval on non-educational and general fund, use of the State Travel Management Program is not required. [University Rule 25.02.01.M2](#), <http://rules.tamu.edu>.

Exceptions to Using Contracted Lodging

The State of Texas has contracted with over 850 lodging establishments to provide state employees with discounted hotel rates. These can be found on the State Travel Management Program website at <http://www.tbpc.state.tx.us/travel/index.html>. Quarterly updates can be viewed under Hotel and Car Updates located at <http://finance.tamu.edu.tamu.edu/fms/travel/default.asp>. 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 (Rev. 10/16/03)

Policy

With Department Head or designee's approval on non-educational and general fund, use of the State Travel Management Program is not required. [University Rule 25.02.01.M2](#), <http://rules.tamu.edu>.

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.

Contract Identification Numbers

Upon making reservations at Advantage, Avis or Enterprise, be sure to give them our state contract identification number: Advantage is 711-TXC, Avis is F999711 and Enterprise is TX711. Rental car rates and contract provisions are located on the State Travel Management Program website at <http://www.tbpc.state.tx.us/travel/index.html>.

III.B.5. Excess Travel Expenses (Rev. 09/23/02)

Some A&M System Members have funds available to pay excess travel expenses. Contact your fiscal office for additional guidance on this issue. [University Rule 25.02.01.M2](#).

III.B.6. Foreign Travel (Rev. 10/04/04)

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.

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.

Information

Questions from departments should be directed to the foreign travel representative in your office. Questions from foreign travel representatives should be directed to Mr. Danny Parker at 845-4016 in the Executive Vice President and Provost Office. Helpful foreign travel information can be accessed from the Financial Management Operations travel homepage located at <http://finance.tamu.edu/fmo/travel/resources/foreign-travel.asp>.

Reimbursement Policy

Reimbursements for foreign travel from Texas A&M University Education and General accounts will be made in compliance with [University Rule 25.02.01.M1](#), <http://rules.tamu.edu>, from the State of Texas Travel Management Program and State of Texas Travel Allowance Guide – see [Figure H](#).

Figure H - Foreign Travel [25.02.01.M1](#)

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 Using State Funds

- 1.1.1 State funds are those funds appropriated by the General Appropriations Act and held within the State Treasury. (Accounts 1xxxxx and 29xxxx)
- 1.1.2 Requests for foreign travel for which State funds are used, must be submitted for approval to the President, or the President's designee, at least 45 days prior to the scheduled departure date. The President has delegated the authority for approval of these foreign travel requests to the Executive Vice President and Provost.
- 1.1.3 Following receipt of the Executive Vice President's approval, requests for foreign travel using State funds must be forwarded to the Board of Regents for approval no later than 30 days prior to the scheduled departure date.
- 1.1.4 Requests for foreign travel using State funds should be submitted using the *Foreign Travel Request Form* (available at <http://rules.tamu.edu/forms/200/250201m1att2.doc>)
- 1.1.5 Only foreign travel paid from State funds requires the approval of the Board of Regents.

1.2 Foreign Travel Using Funds Other Than State Funds

- 1.2.1 Foreign travel paid from funds other than State funds shall be approved by the appropriate vice president (non-academic units), or by the appropriate dean (academic units). Approval authority may be delegated by a vice president (non-academic units) to an associate or assistant vice president, associate or assistant provost, or department head; or by a dean (academic units) to an associate or assistant dean, or to a department head. Approval authority may not be further delegated.
- 1.2.2 Approval of foreign travel using funds other than State funds should be documented in writing. Electronic mail may be used for the purpose of approval and reimbursement.

2. 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.

3. TRAVEL ADVISORIES

- 3.1 Regardless of the funding source, foreign travel to a nation subject to a Travel Advisory issued by the U. S. State Department warning against or restricting travel by United States citizens, must be approved by the University President. **The approval authority relating to travel warnings has not been delegated.**
- 3.2 A request for foreign travel to a nation under a travel advisory must include a separate written and signed statement indicating the traveler has been briefed on the travel warning and understands the conditions and potential risks associated with travel to the nation under advisory.

3.3 Travel by undergraduate students will not be approved when the travel is to any foreign country that is under a travel warning.

3.4 Lists of countries for which there are current travel warnings are maintained on the State Department website at http://travel.state.gov/travel_warnings.html. If Internet access is unavailable, a list may be requested from the 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:
Executive Vice President and Provost

Reference State Statute
Section 5.09 (i) Article IX, General Appropriations Act of the 78th Legislature of the State of Texas.

III.B.7. Funeral Attendance (Rev. 12/18/00)

The importance to TAMU to attend these funerals must be documented on the travel reimbursement voucher.

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.

Funeral of Employee's Spouse or Child

Accounts that are **not** funded by mandatory student fees, contract or grants, AUF, 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.

Funeral of Student

Accounts that are **not** funded by mandatory student fees (excluding Student Service Fees), contract or grants, AUF, 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.

Other Circumstances

Departments may use their unrestricted gift funds (50xxxx) 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:

Death of a student's parent

Death of a TAMUS, Texas A&M Foundation, AFS, 12th Man, Development Council or Research Foundation employee or member

Death of a donor

III.B.8. Hotel Tax (Rev. 10/01/04)

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.

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.

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.

Tax Exemption Certificate

State Hotel Occupancy Tax Exemption Certificate (<http://finance.tamu.edu/fmo/travel/forms/texas-hotel-occupancy-exemption.pdf>)

III.B.9. In-State Tax Calculation Formula (Rev. 06/01/02)

$$\frac{\text{Hotel room tax}}{\text{Hotel room charge}} = \text{tax percentage}$$

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.

$$\text{Tax percentage} - 6\% \text{ state tax} = \text{percent local tax}$$

$$(\text{Percent local tax}) \times (\text{room amount you are claiming}) = \text{tax allowed per night}$$

EXAMPLE

Hotel room charge \$85.00
Hotel room tax \$15.00
Amount you are claiming = \$80.00

1. $\frac{15.00}{85.00} = 18\%$
2. $18\% - 6\% = 12\%$ local tax rate
3. $\$80.00 \times 12\% = \9.60 allowed per night

III.B.10. Meals/Lodging (Rev. 05/01/05)

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. Since the federal rates change periodically, and the State is not informed of the change, travelers must print and attach a copy of the federal rate schedule to their travel voucher. Due to rate fluctuations, this page should be printed as close to the dates of travel as possible. The printed schedule must be applicable to the dates of travel. Employees are only reimbursed for meals when they stay overnight. We do not pay a partial per diem.

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 TAMU 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 which can be found on the Travel homepage under Forms at <http://finance.tamu.edu/fmo/travel/forms/increase-rate.asp> and sent to Clint Merritt, mail stop 6000. This request must be received by the comptroller not later than the 10th working day before travel begins.

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.

Allowable Expenses

Allowable expenses from non-education and general accounts; refer to [University Rule 25.02.01.M2](http://rules.tamu.edu), <http://rules.tamu.edu>.

III.B.11. Mileage (Rev. 05/03/04)

Policy

Mileage can be reimbursed anytime a personally owned vehicle is used for official State business. Mileage is currently reimbursed at \$0.35/ mile, the State-allowed rate. Use the on-line mileage guide. For cities or states not listed on the State of Texas on-line mileage guide we recommend the Rand McNally website, <http://www.randmcnally.com>. Mileage must be broken down from point to point on the voucher. For example, see Figure I.

Figure I – Point to Point Mileage Break Down

College Station to Houston	91.6
Houston to conference site	10.0
Conference site to hotel	5.0
Hotel to Houston	15.0
Houston to College Station	<u>91.6</u>
	213.2

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.

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.

Texas Travel Allowance Guide on Out-of-State Travel

4.05 Travel outside Texas

A. General provisions.

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.

B. Definition.

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.

C. Duty points served by commercial airlines.

A mileage reimbursement for travel to and from a duty point that is served by commercial airlines 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.

D. Duty points not served by commercial airlines.

A mileage reimbursement for travel to and from a duty point that is not served by a commercial airline 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.

E. Exception for group travel.

This subsection applies 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 Subsection (C) or (D) of this section, as applicable.

When calculating the limit established by Subsection (C) or (D) of this section, the cost comparison must include the total cost had each employee flown to the duty point, using the average coach airfare.

Voucher and Documentation Requirements:

1. If Subsection (C) or (D) of this section applies to a mileage reimbursement, then the supporting documentation for the reimbursement must:
 - a. show how the reimbursement does not exceed the subsection's limit on the reimbursement; and
 - b. state the average coach airfare for the duty point as of the date the travel began; and
 - c. state the source used to determine the average coach airfare.
2. Object code 7112 must be used, even when mileage is limited by Subsection (C) or (D) of this section.

Allowable Expenses

Allowable expenses from non-education and general accounts; refer to [University Rule 25.02.01.M2](http://rules.tamu.edu), <http://rules.tamu.edu>.

III.B.12. Texas Travel Allowance Guide on Parking (Rev. 06/01/02)

4.09 Parking

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 state-owned or leased motor vehicle, a personally 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 all the mileage incurred to reach the location is not reimbursable.

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.
 - 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.
 - d. The location where the parking expense was incurred is required.
2. Object code 7105 must be used for travel within Texas.
3. Object code 7115 must be used for travel outside Texas but within the United States, U.S. possessions, Canada, or Mexico.
4. Object code 7121 must be used for all other travel.

III.B.13. Prospective Employees – Travel (Rev. 10/01/04)

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. The CBA must be used to pay for prospective employees and University guests. 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 TAMU directly then we are tax exempt and should not be charged for the state hotel occupancy tax. On direct billings a MVD form is required. This can be located on the Travel homepage under Forms at <http://finance.tamu.edu/fmo/travel/forms/multipayee-voucher.asp>.

Prospective Employee Guest(s) Travel during Interview Process

Accounts 2xxxxx, 3xxxxx, 461xxx, 5xxxxx **not funded by AUF** may be used to pay for travel expenses for a guest(s) of a prospective employee. The expense for the guest(s) travel should be paid from an account that relates to the interviewing department of the prospective employee. Prior written approval for guest(s) travel is required from the department head. [University Rule 25.02.01.M2](#), <http://rules.tamu.edu>, applies to guest(s) travel. These are processed on purchase vouchers.

III.B.14. Receipt Requirements (Rev. 09/23/02)

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

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.

Figure L - 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. If an Electronic "Ticketless" Ticket, the passenger itinerary/receipt must be attached.

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. Statements and affidavits are not 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.

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 receipts.

Except where specifically provided otherwise in the guide, the receipt issued by a commercial lodging establishment for a lodging expense incurred by a state employee or board member at the establishment must be included in the supporting documentation for the reimbursement or payment of that expense.

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

If the lodging receipt is unavailable, then the supporting documentation must include the canceled check or credit card slip used to pay the commercial lodging establishment, the credit card billing on which the lodging charges appear, or a copy of the receipt, check, slip, or billing. Statements and affidavits are not acceptable. If a copy of the receipt is included in the supporting documentation, then the name and address of the establishment, the name of the employee or board member, 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 or board member, and the single room rate 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. Statements and affidavits are not acceptable.

For the purpose of this subsection, a "copy" of a credit card slip, credit card billing, receipt, or canceled check includes 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 N is an excerpt from the State of Texas Travel Allowance Guide, Chapter 3, Meals and Lodging Expenses, Section 3.12, Sharing lodging:

Figure N - 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 maximum lodging rate established for the duty point to which the employees traveled. 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 of the guide 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.

1. 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).

2. 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:

- the difference between the total cost of the lodging and the additional person charges, if any, for the non-state employees sharing the lodging divided by 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 for the third individual staying in the room. Under these facts, each state employee may be reimbursed for lodging expenses of \$45 per day.

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.

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.

Registration and Membership

Texas A&M University 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.

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 O - 5.01 Receipt requirements

B. Rental of motor vehicles.

Except as otherwise provided by this subsection, a car rental 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 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 also 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 rental car, or the original or a copy of the credit card billing on which the rental charges appear. Statements and affidavits are not 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 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 renter, and an itemization of the expenses must be included in the documentation. 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.

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 P 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 C, Travel by bus, subway, other mode of mass transit, taxi, or limousine:

Figure P

“5.01 Receipt requirements...C. Travel by bus, subway, other mode of” mass transit, taxi, or limousine. A receipt is not required to be attached to a voucher before a state employee may be reimbursed for 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.15. Recruitment of Students (Rev. 09/30/97)

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 University employees to recruit out of state prospective students. Institutional funds may be used for recruiting out of state students.

III.B.16. Spousal Travel (Rev. 09/30/97)

Reimbursement for Spousal Travel

U.S. Treasury Regulation Section 1.132-5(t)(1) 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:

- 1) It can be adequately shown that the spouse's presence on the employee's business trip has a bona fide business purpose, and
- 2) The employee properly substantiates the travel.

Conditions for Reimbursement

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

Prior Approval Required

Prior written approval is required by the President of Texas A&M University. Only institutional funds may be used for approved reimbursements.

III.B.17. Student Travel (Rev. 05/01/05)

Reimbursements to or payments for students for travel expenses cannot be paid with state funds. Students are not reimbursed on a travel voucher. Approved travel expenses for students are reimbursed on a purchase voucher and can

only be paid with unrestricted gift funds or an account that allows for student travel. If student travel is required for a class, the specific class number must be documented. Student travel does not require Student Financial Aid approval.

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

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

If a student is a non-resident alien their travel expenses are taxable and subject to 14% withholding. This withholding applies to both: reimbursements to non-resident aliens, and direct bills made on behalf of non-resident aliens. If you choose to pay a direct bill on their behalf, a second voucher for the “gross up amount” of taxes, will have to be submitted and must be made payable to the IRS. The voucher needs to be set up with the non-resident alien as the vendor, and the IRS as the alternate vendor. The second voucher must be received before the initial payment can be processed. This individual must be a candidate for a degree in order to be reimbursed for travel expenses. To claim a tax treaty for a reduction in the withholding rate, complete the W-8BEN form, located on the TAMU Payroll website at http://finance.tamu.edu/payroll/forms/inter_tax_forms/attach_w8ben.asp, and attach it to the payment request. An Individualized Taxpayer Identification Number (ITIN) is required to claim the tax treaty. The preceding requirements apply for all non-resident alien student travel regardless of whether they may be TAMU employees or not.

For more information, call Leanne Phillips at 845-8774.

III.B.18. Washington, D.C. Travel (Rev. 10/01/04)

Policy

State agency personnel are required to inform the Office of State-Federal Relations (OSFR) and Dr. Lee Peddicord of any business travel to Washington, D.C. or to an area directly surrounding Washington, D.C. (including Virginia and Maryland). The Travel Notification Rider (Senate Bill 5, Article V, Section 70) was passed because members of the Texas legislature expressed concern that State agencies other than OSFR were traveling to Washington, D.C., but were not coordinating their activities with OSFR. The Article V Rider reads as follows:

“No funds appropriated in this Act may be spent by a State agency to carry on functions for which funds have been appropriated to the Office of State-Federal Relations to perform except when an interagency contract has been executed between the Office of State-Federal Relations and the State agency. Prior to travel to Washington, D.C., State agency personnel shall inform the Office of State-Federal Relations regarding the timing of the trip, its purpose, and the name of a contact person for additional information.”

The intent of the legislation was to facilitate the coordination of Texas and Federal activities.

Notification of business travel to Washington, D.C. must be received by OSFR and Dr. Lee Peddicord at least 7 days in advance of departure. An “Office of State-Federal Relations Report of State Agency Travel to Washington DC” must be filled out. This form can be located on the FMS Travel website at: <http://www2.governor.state.tx.us/osfr/osfradd.asp> under Expanded List of Forms and is submitted electronically by clicking on submit once you have filled it out. After submitting this form, please print the confirmation page. A copy of this confirmation page should then be faxed to Dr. Peddicord at 458-6044 or mailed to MS 1122. Please make sure the confirmation page is attached to the travel voucher before it is submitted to FMS. This

applies to all accounts and to both travel reimbursements and direct bills. We have also confirmed with OSFR that they do want this form even if the traveler is flying into Washington, DC but business is actually being conducted in a nearby city. If you have any questions, please contact Kyle Metcalf at 862-3017.

Noncompliance with this request may result in non-reimbursement of travel expenses paid from State funds. Use code 3114 for taxi and airfare.

III.B.19 Travel Advances (Rev. 05/01/05)

III.B.19.a. Travel Advance Process

Travel advances are available to TAMU employees who are traveling on university business. Below is the process for obtaining a travel advance:

- 1) Complete the Travel Advance Request form located at <http://finance.tamu.edu/fmo/travel/forms/travel-advance.pdf> and fax to Financial Management Operations - Accounts Payable at 458-4193 or deliver to the Business Management Services Building, 1501 Texas Avenue South, **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. 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
- 6) The IRS requires us to treat past due travel advances as additional compensation once they are 120 days past due. A temporary hold will be placed on employee through FAMIS once their past due travel advance reaches 60 days, which will prevent them from receiving reimbursements or subsequent travel advances from being issued, until the travel advance is paid back. Past due notices are automatically generated by FAMIS and mailed to the employee. In addition, an e-mail will be sent to the employee, their department head, and their Assistant Dean or SABA, so they will have ample time to get it resolved before it reaches 120 days. For all travel advances, the travel advance must be repaid or a travel voucher must be submitted to Accounts Payable within 30 days of the return of travel. If the travel voucher is submitted later, it should be red tagged, so that it can be processed as a rush.

III.B.19.b. Travel Advances can be given for...

- 1) Employees who have the Bank One 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 Bank One 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 Bank One 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 Bank One Corporate Card (**Employees requesting a travel advance who travel more than once every two years are required to apply for the Bank One Corporate Card.**):
 - a) 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.
 - b) Foreign currency payment of a registration fee (all other registration fees should be paid by regular purchase voucher).
 - c) 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.19.c. Bank One Corporate Card

- 1) All employees are eligible for a state-issued Bank One Individual Corporate Card. **Employees requesting a travel advance who travel more than once every two years are required to apply for the Bank One Individual Corporate Card. The application form is located at http://finance.tamu.edu/fmo/travel/bank_one.asp.**
- 2) The state issued Bank One 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 Bank One 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.
- 4) More information can be found on Financial Management Operations travel home page at http://finance.tamu.edu/fmo/travel/bank_one.asp.

For Fiscal Department Use

Travel Advance Request Form

Name: _____ Title: _____

Address: _____ FAMIS VID (11 Digits): 2- _____
(SSN)

Departure Date: _____ / _____ / _____ Destination(s): _____

Return Date: _____ / _____ / _____

Purpose of Travel: _____

Account Number to be charged: _____ Advance Amount: _____ \$

Does advance amount include airfare? Yes / No

Advances for airfare allowed only after receiving the credit card statement.

Travel Voucher must be submitted to Financial Management Operations by the Accounting Due Date.
Accounting Due Date (30 days after return date): _____ / _____ / _____

Requested by : _____ (Signature - Traveler) Mail Check OR Pick Up Check

Approved by: _____ (Signature - Department Head or Designee) Phone: _____

(Printed Name) (Date)

(Title)

Advance Picked Up by: _____
(Signature) (Date)

To Look Up Reference # on FAMIS: Use customer number (TR + SSN + 00) on screen 632.	For Fiscal Department Use: A/P: Type 3 Dept. Ref.=TRADV 011143-1615	For Fiscal Department Use: A/R: Dept. = FISA Type DP 011143-1615
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III.B.20.Direct Bills (Rev. 10/01/04)

III.B.20.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:

- 1) An original itemized bill
- 2) An exception form if needed, <http://finance.tamu.edu/fmo/travel/forms/certification-form.pdf>
- 3) A completed MVD (Multi-Payee Voucher Detail) form, <http://finance.tamu.edu/fmo/travel/forms/multipayee-voucher.asp>
- 4) Date invoice was received
- 5) The employee's vendor id number has to be entered in the Vendor field and the hotel or car rental agency vendor id number has to be entered in the Reimburse ID field on screen 240.

III.B.20.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.20.c. Processing Payments on a Paper Voucher

When processing these payments on a paper voucher please remember to print the voucher on white paper.

III.B.21. Travel Rules & Procedures (Rev. 05/01/05)

III.B.21.a. Travel Rules

Figure Q is a direct quote from [University Rule 25.02.01.M2](#), <http://rules.tamu.edu>.

Figure Q

1. ALLOWABLE EXPENSES FROM EDUCATIONAL AND GENERAL ACCOUNTS (ACCOUNTS 100000 – 199999 and 29xxxx)

- 1.1 Reimbursements for travel from Texas A&M University 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 (information can be accessed at http://www.window.state.tx.us/comptrol/san/fm_manuals/tag_man/02tag_man/pdftravelallowtoc.html).
- Nothing in this rule should be interpreted as altering these requirements.

2. ALLOWABLE EXPENSES FROM NON- EDUCATIONAL AND GENERAL ACCOUNTS (ACCOUNTS 200000 – 599999, except 29xxxx)

- 2.1 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 head or designee. All reimbursements are subject to department head 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.

- 2.2 Texas A&M University departments using non-educational and general sources to pay travel reimbursements are not required to use the State of Texas Travel Management Program.
- 2.3 Department heads or designees may approve the following exceptions to the State of Texas Travel Allowance Guide:
- 2.3.1 Employees or prospective employees may be reimbursed for the actual cost of meals and lodging on overnight travel. IRS guidelines must be followed for required receipts for meal reimbursements.
 - 2.3.2 Employees or prospective employees may be reimbursed for actual mileage (using the odometer readings) up to the federal mileage rate. Mileage can be calculated from place of work or other appropriate location as approved by department head or designee.
 - 2.3.3 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).
 - 2.3.4 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.
 - 2.3.5 If using non-educational and general funds to reimburse travel expenses for training seminars sponsored by TAMU for TAMU employees it is not necessary to obtain the certification of the President that TAMU does not possess interactive television or video-conference facilities. If such facilities are available the President must certify that the use of these resources are not available at a lesser cost nor available through another agency. (For educational and general funds see ¶ 1 of this Rule.)
 - 2.3.6 A department head may determine if it is necessary to send more than one employee to the same event, meeting, seminar, conference, or other travel destination.
 - 2.3.7 Employees or prospective employees may be reimbursed for travel expenses incurred that are normally not reimbursable when such expenses result in a cost saving.
- 2.4 Official travel by spouses and relatives of employees must have prior written approval from the President (See System Ethics Policy 07.01 ¶4.8).
- 2.5 Athletic Department - Spousal Travel
Under separate law, members of the Athletic Department may, with the President's prior approval, use departmental funds to pay travel for spouses. Unless a documented business purpose exists, spouse's travel reimbursement will be reported to the Internal Revenue Service as additional employee compensation.

3. FOREIGN TRAVEL

See [University Rule 25.02.01.M1](#) and [System Regulation 25.02.01](#).

OFFICE OF RESPONSIBILITY:

Financial Management Operations

III.B.21.b. Travel Procedures (Rev. 05/01/05)

Figure R is a direct quote from [Travel Procedures 25.02.01.M2.04](#)

Figure R

1. GENERAL

This procedure will provide guidance and instruction in following the Texas A&M Travel Rule, 25.02.01.M2: Travel Rules(<http://rules.tamu.edu/urules/200/250201m2.htm>).

2. 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 the travel voucher if a single receipt claimed 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. Mileage rates are provided in Section 2.7 of this procedure.

Example:

Beginning Odometer Reading:	12,345.5
From College Station, headquarters, to IBT in Houston, and TAMUG in Galveston	
Return to College Station.	
Ending Odometer Reading:	12,630.2
Total Miles	284.7

(Also refer to the State mileage guide at <http://www.window.state.tx.us/comptrol/texastra.html>)

- 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 a completed Multi-Payee Voucher Detail (MVD) form, <http://finance.tamu.edu/fmo/travel/forms/multipayee-voucher.asp>, signed by all travelers who are employees, or a memo containing comparable information signed by all travelers. Non-employees and prospective employees do not have to sign the MVD form.
- 2.5 When reimbursement is to be made for travel expenses that would not normally be paid the cost savings must be documented on the travel voucher. If there is a benefit or cost savings or no other seats available, business class airfare may be allowed. Business class airfare must be approved by Marilyn Maynard, Associate Vice President and Controller prior to the trip.
- 2.6 When reimbursement is to be made for travel by a spouse, or a relative of the employee, approval of the University President must be attached to the travel voucher or on file in the Accounts Payable section of Financial Management Operations. This requirement includes travel by the Athletic Department.
- 2.7 Mileage Rate Tables

2.7.1 State

<u>Effective Date</u>	<u>Rate</u>
September 1, 2001_____	\$0.345 per mile
September 1, 2002_____	\$0.35 per mile

2.7.2	Federal	
	<u>Effective Date</u>	<u>Rate</u>
	January 1, 2003	\$0.36 per mile
	January 1, 2004	\$0.375 per mile
	January 1, 2005	\$0.405 per mile

Note: When a travel rate becomes effective, that rate will apply to all travel occurring on or after the effective date and will remain applicable until the effective date of a new rate. Travel reimbursements will be based on the rate in effect on the date(s) of travel.

3. CONTACT

For additional information regarding this procedure contact FMS – Accounts Payable at 845-8772.

OFFICE OF RESPONSIBILITY:

Financial Management Operations

This is a Standard Administrative Procedure.

IV. Appendix

IV.A. Help and Contact Information

IV.A.1. Accounts Payable Help Numbers (Rev. 10/01/04)

Please see the link provided for Contact Information: <http://finance.tamu.edu/contact/default.asp?a=d&dept=75>.

IV.A.2. Accounts Payable Financial Management Operations (Rev. 10/013/04)

Please see the link provided for the Organizational Chart: <http://finance.tamu.edu/fmo/ap/>

I.V.A.3 Purchasing Services (Rev. 10/01/04)

Please see the link provided for Purchasing Services Contact Information:

http://purchasing.tamu.edu/customerservice/staff_directory.asp

IV.A.4 Mailing Lists (LISTSERV) (Rev. 11/08/00)

FMS Mailing Lists

Financial Management Operations communicates to its TAMU customers via a [listserv](#). If you are an employee of TAMU and work with any of the following, then subscribe to the corresponding listserv.

- [FAMIS](#) - Includes information for any FAMIS user about changes that occur with FAMIS.
- [Endowments](#) (formerly Chairs) - This list will provide endowment information for chair holders, fellows and professorships.
- [Bookkeepers](#) (formerly Deptbk) - Includes information for departmental bookkeepers regarding changes in processes and laws that are fiscally related.
- [Property](#) - Includes information for Accountable Property Offices and their alternates about changes and processes related to Property Management.
- [Travel](#) - Includes information that is pertinent to travelers and travel voucher preparers.

To Subscribe and **Unsubscribe**

To join the FAMIS Listserv:

- Send an e-mail to listserv@listserv.tamu.edu
- Do not enter a subject
- In the BODY of the message type SUBSCRIBE AM-FAMIS-L firstname lastname
- Send the message

To join the Endowments Listserv:

- Send an e-mail to listserv@listserv.tamu.edu
- Do not enter a subject
- In the BODY of the message type SUBSCRIBE AM-ENDOWMENTS-L firstname lastname
- Send the message

To join the Bookkeepers Listserv:

- Send an e-mail to listserv@listserv.tamu.edu
- Do not enter a subject
- In the BODY of the message type SUBSCRIBE AM-BOOKKEEPERS-L firstname lastname
- Send the message

To join the Property Listserv:

- Send an e-mail to listserv@listserv.tamu.edu
- Do not enter a subject
- In the BODY of the message type SUBSCRIBE AM-PROPERTY-L firstname lastname
- Send the message

To join the Travel Listserv:

- Send an e-mail to listserv@listserv.tamu.edu
- Do not enter a subject
- In the BODY of the message type SUBSCRIBE AM-TRAVEL-L firstname lastname
- Send the message

To remove yourself from the listserv, follow the above directions except use the command "UNSUB" instead of "SUBSCRIBE."

IV.B. Glossary

IV.B.1. State Funds (Rev. 06/01/02)

State funds include General Revenue 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 (Rev. 06/01/02)

Institutional funds are all funds collected at the institution that are not "educational and general funds." Once funds are deposited at TAMU, they are considered TAMU's funds and must follow TAMUS regulations and TAMU rules. There are various types of institutional funds:

Concessions

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

Gift Funds - Unrestricted

Unrestricted gift funds are eligible for expenditure for any legally allowable purpose. They may be used for any legal 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. 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.
- 2) 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
- 3) No funds may be used by a state agency to publicize or direct attention to any individual, official, or employee of any state agency.
- 4) No funds may be used to purchase insurance policies covering claims rising under the Texas Tort Claims Act.
- 5) 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.
- 6) 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.

Gift Funds - Restricted

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

Grants and Contracts

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

Other

These funds represent all other locally collected funds.

IV.B.3. Summary of Accounts (Rev. 06/01/02)

Account Range	Type of Funds	Purchase Guidelines	What's New
1xxxxx 29xxxx	State Funds	<p>Must follow state guidelines for all purchases.</p> <p>Foreign travel allowed with Board of Regents' approval</p> <p>Must follow State Travel Management Program</p> <p>Must follow TAMU Purchasing guidelines</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel. (TAMU will not use State Funds to pay for foreign travel.)</p>
21xxxx	Designated	<p>Accounts which are set up for a specific purpose that relates to the educational mission of the university (field trips)</p> <p>Must be a legitimate expense that relates to the purpose of the account</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
24xxxx	Designated – University Authorized Tuition	<p>Accounts which are set up for a specific purpose that relates to the educational mission of the university</p> <p>These are funded by University Authorized Tuition (formerly called General Use Fee)</p> <p>It is important to remember that these funds are tuition paid by students who attend Texas A&M University and we are accountable to the students for each of the expenditures on these accounts</p> <p>Follows the same guidelines as other designated accounts</p> <p>Transfers into and out of these accounts can only be from other 24xxxx accounts</p> <p>No income may be deposited into these accounts</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>

Account Range	Type of Funds	Purchase Guidelines	What's New
25xxxx	Continuing Education / Short Courses	<p>Fees from conferences and short courses. Expenditures must relate to the conference or short course</p> <p>Surplus funds may be used for the furtherance of continuing education and public service efforts of the sponsoring academic unit unless otherwise authorized by the dean</p> <p>Alcohol is allowed on these accounts. This is not indicated on screen 8 of FAMIS</p> <p>Must follow TAMU Purchasing guidelines</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	Prior written approval by the appropriate vice president or dean is required for foreign travel.
27xxxx	Designated – Service Departments	<p>Set up to provide a service to university departments. Supported primarily by internal transfers</p> <p>Must be a legitimate expense related to the income generating business of the account</p> <p>Must follow TAMU Purchasing guidelines</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	Prior written approval by the appropriate vice president or dean is required for foreign travel.
3xxxxx	Auxiliary	<p>Account generates its own income to cover the expenses.</p> <p>Must be a legitimate expense related to the income generating business of the account.</p> <p>Must follow TAMU Purchasing guidelines</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	Prior written approval by the appropriate vice president or dean is required for foreign travel.

Account Range	Type of Funds	Purchase Guidelines	What's New
3xxxxx	Special Concessions	<p>Will have Special Concessions in title of account</p> <p>Must relate to the mission of the university</p> <p>Must follow TAMU Purchasing guidelines</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
4xxxxx	Contracts & Grants	<p>Must follow the budget set up for the contract or grant.</p> <p>Must relate back to the purpose of the contract or grant.</p> <p>Must follow TAMU Purchasing guidelines</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
50xxxx	Gifts – Unrestricted/ Discretionary	<p>Must relate to mission of the university</p> <p>May pay actual expenses for travel at the Department Head's discretion</p> <p>May reimburse sales tax to individuals</p> <p>Must follow TAMU Purchasing guidelines</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
50xxxx	Association of Former Students (AFS) Gifts	<p>Must relate to the mission of the university</p> <p>Is not required to follow TAMU Purchasing guidelines</p> <p>May pay actual expenses for travel at the Department Head's discretion</p> <p>May reimburse sales tax to individuals</p> <p>Receipts for reimbursements are not required. If reimbursement is greater than \$50, taxable to individual when no receipts</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>

Account Range	Type of Funds	Purchase Guidelines	What's New
51xxxx	Gift with a purpose	<p>Must relate to purpose of the gift and to the mission of the university</p> <p>May pay actual expenses for travel at the Department Head's discretion</p> <p>Must follow TAMU Purchasing guidelines</p> <p>May reimburse sales tax to individuals</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
55xxxx	Miscellaneous Accounts that do not fit any other category	<p>Must follow TAMU Purchasing guidelines</p> <p>Must relate to the purpose of the account</p> <p>May pay actual expenses for travel at the Department Head's discretion</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
6xxxxx	Scholarship and Fellowship	<p>Must be a scholarship or fellowship payment</p>	
8xxxxx	Plant Funds	<p>Funds to acquire long-lived assets for the institution, renewal and replacement of property, debt service charges and retirement of debt</p> <p>Must be used for the purpose the account was set up for</p>	<p>Prior written approval by the appropriate vice president or dean is required for foreign travel.</p>
9xxxxx	Agency Funds	<p>Funds held by TAMU for another entity</p> <p>The money is deposited with the institution for safekeeping</p> <p>Typically held on behalf of students or organizations</p>	

IV.C. Expense Object Codes (Rev. 10/01/04)

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.

You can also search for the correct code to use at the following web-site: <http://sago.tamu.edu/apps/expensecodes/>.

IV.D. References (Rev. 02/01/96)

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

State of Texas Purchase Voucher Guide

State Employees Travel Guide

General Appropriations Act, 73rd Legislature, Regular Session, Senate Bill No. 5

The Texas A&M University System Administrative Policy and Reporting Manual (APRM):

- Section C.6. 1 Disbursement of Funds
- Section C.6.2 Guidelines for the Use of Funds for the Purchase of Food and/or Refreshments
- Section C.7 Interdepartmental Transactions - Operation of Service Departments
- Section C.8 Interagency and Intrasystem Transactions
- Section C.11.10 Lease-Purchases or Installment Payment Purchases
- Section C.14 Travel Regulations
- Section C. 14.1 Travel Expenses for Recruitment of Students
- Section C. 14.2 Employee Moving Expenses Paid From Appropriated Funds
- Section C.20 Contracting for Private Consultants and Professional Services

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