



TEXAS A&M  
UNIVERSITY  
COMMERCE

Guidelines  
for  
Disbursement  
of  
Funds

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## **Introduction**

Disbursement training is required of all A&M System personnel who are involved with Departmental Requisition preparation or approval. Our Fiscal Office has established a procedure by which all Departmental Requisitions are processed/paid only if certification is on file that signer(s) have received disbursement training and that such signer(s) understand the responsibility that accompanies the signature authority. We have also established procedures to verify that vendor payments are initiated/approved in the Purchasing Module of FAMIS by individuals who have received disbursement training. A training certificate is provided to each employee upon completion of training. A copy of the certification will be retained in each employee's personnel file.

The System Office of Budget and Accounting is responsible for the maintenance of the enclosed Guidelines for Disbursement of Funds. These Guidelines are to be used as the basis for System-wide training. The Guidelines will be reviewed annually and updated as necessary. [http://sago.tamu.edu/soba/ver1\\_96.htm#labor](http://sago.tamu.edu/soba/ver1_96.htm#labor).

Definitions of terms used to describe the various sources of funds available for disbursement are included in the Glossary found in Appendix 1. The discussion that follows applies to both state and institutional funds. Those specific instances in which expenditures can be made only from specific funding sources have been identified. 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 Fiscal Office/Accounts Payable at (903) 886-5213.

# **Purchase Vouchers**

## **Minimum Requirements**

State agency personnel are responsible for reviewing each Departmental Requisition/payment request for accuracy and completeness. The following guidelines must be followed to ensure the prompt and accurate processing of Departmental Requisition/payment requests:

- ❖ A purchase must be made in accordance with the Texas and United States Constitutions, applicable statutes and regulations, and the State Comptroller's rules, where applicable.
- ❖ Proper supporting documentation must be maintained to support the legality of a payment or to accurately describe the goods or services being purchased. Vendor certification is sometimes acceptable in lieu of supporting documentation. Contact your Fiscal Office for specific requirements regarding contracts.
- ❖ The signatures on a Departmental Requisition must be original. The account manager/alternate signature(s) must be identical to the signature(s) on the signature card. With the implementation of the Purchasing Module within FAMIS, Vendor payments are initiated/approved only by individuals who are properly authorized and have completed disbursement training.
- ❖ 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.

A purchase voucher must include the following information:

- ❖ Agency approval;
- ❖ Agency name;
- ❖ Agency number;
- ❖ Agency object code;
- ❖ Agency voucher/reference number;
- ❖ Comptroller payee identification number (optional on institutional vouchers);
- ❖ Delivery date;
- ❖ Description of goods or services;
- ❖ General Services Commission number (when GSC is used in the requisition);
- ❖ Invoice date;
- ❖ Invoice received date;
- ❖ Name and address of the vendor or payee;
- ❖ Order date (optional);
- ❖ Payee reference number (i.e., invoice number, etc.);

- ❖ Requisition or purchase order number (where applicable); and
- ❖ Payment amount.

Except for those instances where advance payment is specifically authorized by statute, payment must be made only after authorized personnel have certified that the goods or services for which payment is being made have been received. Original invoices/receipts are required to process Departmental Requisition/payment request. Carbonless copies of original invoices retained by the vendor are also acceptable. If the original invoice/receipt is not available, a statement must be typed on the invoice stating that the original invoice is not available. When the claim of a vendor is not supported by an adequate invoice, the vendor will be required to complete a vendor certification.

## **Prompt Payment**

For any contract executed after August 31, 1987, a state agency's payment is due by the 30<sup>th</sup> calendar day after the latest of the following:

- ❖ The day the agency received the goods;
- ❖ The day the vendor completed performing its services for the agency; or
- ❖ The day the agency received the invoice for the goods and services.

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:

- ❖ 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.

Beginning September 1, 1999, the Comptroller's Office will automatically compute and pay interest owed to vendors for late payments processed through USAS.

## **Scheduling of Payments**

Beginning September 1, 1999, the Comptroller's office will require certain payments processed through USAS to be scheduled for timely payment. Texas Government Code Annual section 2155.382(d) (Vernon 1999) authorizes the Comptroller to allow or require state agencies to schedule payments that the Comptroller will make to a vendor. The Comptroller must prescribe the circumstances under which advance scheduling of payments is allowed or required; however, the comptroller must require advance scheduling of payments when it is advantageous to the state.

## **Advance Payments**

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

- ❖ A state agency may pay for goods or services before their delivery to the agency if there is legitimate public purpose for making the payment in advance.
- ❖ A state agency may pay rent up to 14 days before the due date. A copy of the lease or rental agreement should be attached to the Departmental Requisition/payment request.
- ❖ A state agency may pay for a newspaper or magazine subscription up to six weeks in advance of the renewal date.
- ❖ 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.
- ❖ A state agency may process a purchase Departmental Requisition/payment request 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.
- ❖ A state agency may pay an annual maintenance agreement in advance, provided the contract does not extend beyond the current fiscal year.
- ❖ A state agency may make an advance payment to a federal agency or another state agency for merchandise purchased from the agency if the advance payment will expedite the delivery of the merchandise.
- ❖ A state agency may pay tuition to an institution of higher education no earlier than six weeks before the class begins. However, a state agency may not reimburse a state employee for tuition before the class begins.
- ❖ An institution of higher education may pay for books and other published library materials before receiving them if reasonably necessary for the efficient operation of the institution's libraries.

If your department must make an advance payment for a reason not listed above, contact the Fiscal Office for additional guidance on this issue.

**The Education Code specifically prohibits Higher Education Assistance Funds (HEAF) to pay for goods or services before their delivery. None of the preceding exceptions apply to HEAF.**

## **Advertising**

All vouchers must have a copy of the advertisement attached.

## **Aircraft Rental**

When a state agency submits a Departmental Requisition for the lease or rental of a non-System or non-Aircraft Pooling Board aircraft, the agency must attach to the Departmental Requisition a copy of the Aircraft Pooling Board's approval. All vouchers/payment requests for aircraft rental must state the trip's purpose and the agency's compliance with permissible uses of aircraft.

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

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

## **Alcoholic Beverages**

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 pay the salary of an employee who uses alcoholic beverages while on active duty. Active duty is considered to encompass the regular 40-hour workweek.

Alcoholic beverages may be purchased using only:

- ❖ Gift funds or other institutional funds as permitted by state law. (State laws prohibit the use of any funds under the control of an intercollegiate athletic department for purchase of alcoholic beverages.)
- ❖ Contract and grant funds for legitimate scholarly research and/or testing that requires the use of alcoholic beverages.
- ❖ Participant registration fees for a conference or similar event if the alcohol is to be served as part of the event.

All alcohol purchases must be in support of events and activities that further the mission of the institution or agency, as determined by the Chief Executive Officer, approved by the Chancellor, and reported to the Board of Regents. Such events and activities, as well as locations, were confirmed by the Board on September 23, 1994, Minute Order 294-94.

Vouchers/payment requests for purchase of alcoholic beverages must clearly show that alcohol was purchased.

## Awards

In an effort to promote System-wide consistency and compliance with applicable tax regulations, the following guidelines should be used in determining the taxability of gifts, awards, and other presentations to employees:

- ❖ Cash, fringe benefits provided through the use of a charge or credit card, and cash equivalents (e.g., gift certificates) are considered taxable income to the employee regardless of the value.
- ❖ Gifts, awards, and other non-cash presentations are generally considered taxable income to the employee unless considered de minimis or an employee achievement award.
- ❖ *De minimis* fringe benefits are those that are both low in cost and given on an infrequent basis. For the A&M System's purposes, gifts, awards, and presentations costing \$50 or less will generally be considered *de minimis*. In addition, the frequency of presentations should be determined on an individual employee basis (no more than two times per year). Flowers, books, fruit baskets, plaques, certificates (not gift certificates), or similar items given for a special purpose such as family death or illness, recognition of special effort, or outstanding performance may be excepted from the \$50 ceiling, with adequate documentation supporting exclusion from income. Cost and frequency must still be considered and explained in documentation concerning these types of items. Departments should refer special circumstances or questions to the Fiscal Office for further determination, if necessary.
- ❖ Employee achievement awards of tangible personal property costing up to \$400 per employee during a calendar year are generally not taxable to the employee. The Internal Revenue Service definition of "employee achievement awards" includes only length of service or safety awards. Each must be awarded as part of a meaningful presentation and length of service awards given to an employee must be at least five years apart. Safety awards to managers, administrators, other professional employees, or clerical employees (essentially "white-collar" staff) are generally taxable, including those under a "qualified plan". Length of service and safety awards should not be disguised compensation.
- ❖ Retirement gifts may be excluded from income as length of service awards or as *de minimis* fringe benefits. To qualify as a length of service award, the retiree may not have received a length of service award during the previous five years. Retirement gifts proportionate to the retiree's length of service may be excepted from income as *de minimis*, without regard to the \$50 ceiling. Documentation of the relationship between the retiree's length of service and the value of the gift is essential.

- ❖ "Qualified plan" employee achievement awards are not taxable up to \$1,600 per employee during a calendar year. The plan should be submitted to the System Budget and Accounting Office for review. Qualified plans must still be non-cash in order to be excluded from income.

Expenditures for gifts and awards described above apply to institutional fund sources only. State funds may be used for employee awards under the following, more specific and stricter, restrictions:

- ❖ Service awards, safety awards and other similar awards for professional achievement or other outstanding service may be presented to employees or officers at periodic intervals under rules and regulations adopted by the agency. However, the award must not exceed \$50 per employee.
- ❖ For awards to volunteers, a state agency may expend funds to purchase engraved certificates, plaques, pins, and other awards of a similar nature that do not exceed \$50 in value per volunteer. The awards may be purchased only to recognize volunteers' special achievement and outstanding service and only if the agency has established a volunteer program that complies with Chapter 2109, Texas Government Code, or with other applicable general law.

In either circumstance, awards paid from state funds should be considered *de minimus* fringe benefits for tax purposes.

As with all tax issues, documentation is required to support the decision regarding the taxability/non-taxability of the gift or presentation. Contact the Fiscal Office for additional guidance on this issue and related tax implications.

## **Conference Registration Fees**

Advance payment of conference registration fees are made by issuing a purchase voucher/ payment request directly to the organization sponsoring the conference. 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.

Conference registration fees may also be paid directly by the employee and then reimbursed by the state agency. However, the employee will not be reimbursed prior to attending the conference.

## **Employee Certifications/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." Reimbursements will be made only for fees needed to maintain a 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 professional membership fees.

## **Flowers, Floral Arrangements, and Plants**

A state agency may not use state funds to purchase flowers, floral arrangements, or decorative plants for a state officer or employee or for the friends or family of a state officer or employee. Contact the Fiscal Office for guidance on the use of institutional funds for these purchases.

Purchases from state funds are limited to vegetation dirt, potting soil, fertilizer, and seeds needed for erosion prevention, research, or agriculture.

## **Food Purchases**

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

- ❖ The recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a Member of the A&M System or the State;
- ❖ The promotion of the communication of intellectual ideas among students, faculty, staff, administrators and/or representatives of the public;
- ❖ The support of student events and activities that are sponsored by A&M-Commerce;
- ❖ The recruitment of students, faculty, and staff;
- ❖ The promotion of the exchange of ideas with community leaders regarding the role of A&M-Commerce in the community;
- ❖ 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&M-Commerce; or the support of a program of continuing education sponsored by A&M-Commerce.

The following categories of funds may be used to purchase food and/or refreshments for the purposes listed above:

- ❖ Balances in accounts funded from student service fees, bookstore allocations, and concessions may be used to purchase food and/or refreshments to the extent to which such funds have been budgeted.
- ❖ 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.
- ❖ Funds raised and/or earned by student organizations may be used to purchase food and/or refreshments.
- ❖ 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.

Expenditures for food and/or refreshments from institutional funds are authorized to the extent such expenditures enable the state agency to carry out an educational function, promote education in the State of Texas, or perform public service. Reimbursements to

employees for business lunches should be coded as Entertainment/Business Meals (expense object code 6340). Vouchers/payment requests requesting reimbursement for business lunches or entertainment must contain sufficient documentation to satisfy the Internal Revenue Service's "five W's": who, what, where, when and why. If the voucher is paid without sufficient documentation to satisfy the "five W's", then amounts paid are taxable and should be included in taxable compensation on the employee's W-2.

Food purchases directly related to conferences, seminars, research or teaching should be coded as Food Purchases (expense object code 4050).

## **Interagency Agreements/Contracts**

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 authorized designee, prior to expenditure of funds related to the contract. Approval of the contract by the General Services 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. No contract or informal letter of agreement will be required for transactions totaling \$2,500 or less.

## **Memberships - Non-Professional Organizations**

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

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

A state agency may pay a membership fee to a private entity so that the agency may purchase goods or services at a discount. When a state agency submits a Departmental Requisition/ payment request to pay the fee, that agency must show that the membership fee, plus the cost of goods or services already purchased from the private entity, was the lowest cost available for the goods or services purchased.

The purchase Departmental Requisition/payment request 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.

Expenditures for certain employee social club memberships are allowable when paid from unrestricted gift funds. The business purpose (or percentage of business use) of the membership should be documented. Payments are considered taxable income to the employee for the portion of the membership not used for business purposes.

## **Memberships - Professional Organizations**

The following guidelines regarding Professional Organization Memberships relate to the expenditure of state funds. For more specific requirements for the use of institutional funds, contact the Fiscal Office for additional guidance on this issue.

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

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

A state agency may not spend funds to pay a recurring membership fee or dues to a professional organization unless the head of the agency or the designee reviews and grants prior approval for the expenditure. Memberships in professional organizations should be in the name of the state agency and not in the name of an individual. The Departmental Requisition/payment request must state the proper public purpose that will be served by the expenditure and how the expenditure relates to the specific statutory duties of the department or agency. If membership in the employee's name best serves the purpose of the state agency, the following statement must be included: "This payment serves a public purpose, and the agency is receiving adequate consideration."

## **Moving Expenses**

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:

- ❖ The employee is being transferred from one designated headquarters to another;
- ❖ The agency determines that the transfer is in the best interests of the state; and
- ❖ 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 unavailable, 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, as long as proper purchasing procedures have been followed.

A state employee who transfers from one designated headquarters to another because the employee is transferring from one state agency to another qualifies for moving expense reimbursements from the state agency to which the employee is transferring. This only applies if the employee accepts employment at the new state agency before the employee ceases working for the old state agency. Only institutional funds may be used in the situation where a new employee's moving expenses are being paid in fulfillment of the employment contract.

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.

Qualified moving expenses are:

- ❖ travel (including lodging but not meals) to the new residence, and
- ❖ transportation of household goods and personal effects.

Qualified expenses must be made under an accountable reimbursement plan which requires that original receipts be obtained. To qualify as a moving expense, the distance from the old residence to the new principal place of work must be at least 50 miles more than the distance from the old residence to the old principal place of work. Where an employee didn't have a former place of work, the distance from the old residence to the new principal place of work must be at least 50 miles. 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 should be coded as State Employee Relocation - Qualified Expenses (expense object code 1925) and non-qualified moving expenses should be coded as State Employee Relocation - Non-Qualified Expenses (expense object code 1926).

## **Printing**

State funds can not be used for the purchase of embossed, engraved, or foil stamped printing and stationery, or for the reproduction of reports, brochures, pamphlets or stationery that utilize silk screening or thermography, except for degrees or diplomas awarded by agencies of higher education.

## **Private Consultants**

A consulting service is the practice of studying an existing or a proposed operation or project of an agency and advising the agency with regard to the operation or project. The term does not include services connected with the routine work necessary to the functioning of an agency's programs. The key words are "studying" and "advising," rather than "performing."

Private/outside consultants may be used if there is a substantial need and such services cannot be adequately performed by agency personnel or through contract with another state agency. Such contracts may be entered into by following normal contracting procedures. See [System Regulation 25.99.03](#) for exemptions, requirements, and procedures related to the contracting process.

State agencies are exempt from paying Social Security, deducting income tax, reporting earnings to the Texas Workforce 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 Internal Revenue Code, 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, payroll taxes, court costs and attorney's fees, declaratory injunctive relief as defined by a court, and other monetary penalties. To ensure proper classification of independent contractor vs. employee status, the Internal Revenue Service's 20 Factor Test, located in [Appendix 2](#), should be completed.

Funds may not be used, regardless of source, to enter into a consultant contract with any individual who has been employed by A&M-Commerce within the past 12 months. The employment of any individual by A&M-Commerce as a private consultant, in addition to his/her normal employment, should be processed through the payroll system. 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 your Fiscal Office for additional information.

## **Professional Services**

Professional services are services within the scope of the practice of accounting, architecture, optometry, medicine, land surveying or professional engineering or those services performed by any licensed architect, optometrist, physician, surgeon, certified public accountant, land surveyor or professional engineer in connection with his/her professional employment or practice.

The selection and engagement procedures for professional services are subject to the Professional Services Procurement Act (Chapter 2254, Subchapter A, Texas Government Code). Selection should be based on demonstrated competence and qualifications for the type of professional services to be performed and at fair and reasonable prices, as long as professional fees are consistent with and not higher than the published recommended practices and fees of the various applicable professional associations and do not exceed the maximum provided by law. Any contract or agreement for professional services in violation of any provisions of the Professional Services Procurement Act is void and of no effect. Professional services contracts are not subject to the same notification, publication, and reporting requirements as private consultant contracts.

## **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, video tapes, audio tapes, microfiche, films, or other electronically produced information or records.

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. 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.

## **State Employees Training Act**

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.

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.

Allowable expenses include salary, tuition and other fees, travel and living expenses, training stipends, 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.

## **Subscriptions**

Subscriptions should be in the name of Texas A&M University-Commerce. 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 Departmental Requisition/ payment request.

## **Taxes - Federal and State**

Texas A&M University-Commerce is exempt from most federal and state taxes. Some of the exceptions are as follows:

- ❖ Other states may, at their discretion, assess state taxes.
- ❖ Reimbursement of sales tax can not be made to an individual who has purchased goods, except for Texas hotel occupancy taxes. (Refer to the Travel Voucher section of these Guidelines for additional information on sales tax on lodging.)
- ❖ State agencies are required to pay the federal tax on telephone bills and fuel purchases and may be required to pay certain state tax on fuel purchases.

## **Tips and Gratuities**

Based on Attorney General opinions, reimbursements to employees for tips or gratuities paid voluntarily in connection with business meals can only be made from gift funds. Payments of mandatory service charges imposed by a vendor may be paid from any institutional fund under the same requirements applicable to food purchases. Tips and gratuities cannot be paid or reimbursed from state funds.

## **Purchase Requisitions**

The General Services Commission (GSC) has delegated to state agencies the authority to make purchases for goods and materials up to \$25,000 and service-related purchases up to \$100,000 with state appropriated funds. The GSC must be consulted when an acquisition of goods and materials exceeds \$25,000 or services in excess of \$100,000 are being requested from state funds. The GSC will determine whether it should handle the bid process or whether the state agency will be allowed to handle it. The purchase of professional services is exempt from GSC involvement. The purchase of consultant services which are reasonably foreseen to exceed \$10,000 during the term of the contract have oversight from the Legislative Budget Board and the Governor's Budget and Planning Office.

Departmental Requisitions must contain all the necessary information for the Purchaser to obtain the items requested. The procedures for procurement of non-service-related items from all sources are:

- ❖ Purchases up to \$2,000 – Bidding requirement delegated to the discretion of the Purchasing Director.
- ❖ Purchases of \$2,000 and up to \$10,000 - These purchases require a minimum of three bids. They may be written (formal) or oral (informal). State law requires that at least two bids be solicited from Historically Underutilized Businesses (HUBs), including at least one minority-owned and one woman-owned business. All bids must be in the same form, either oral or written. Informal bids must include company name, phone number, full name of bidder and HUB designation.
- ❖ State Purchases of \$10,000 and up to \$25,000 - These purchases require formal bids, including at least one from a minority-owned business and one from a woman-owned business.
- ❖ State Purchases of \$25,000 or more - These purchases must be submitted to the GSC for bidding, except in instances where the state agency has been delegated the authority to obtain bids. The GSC will send out formal bid requests, receive the bids, review the bids and make a recommendation on award.

Purchases should not be split (one large purchase divided into several smaller purchases) in an attempt to circumvent the purchasing rules. In fact, cumulative departmental purchase of \$2,000 or more within 30 days with the same Vendor must be competitively bid. The General Services Commission has implemented catalog-purchasing program for computers, computer peripherals, software and telecommunication equipment. Vendors are required to meet certain criteria to become a State-Certified Catalog Vendor to the State. Catalog Vendors must submit catalogs to agencies upon request. Each agency is responsible for evaluating, negotiating and ordering items in the catalog(s) that meet their needs and are determined to be the "best value" to the agency. For further information regarding purchasing procedures, please refer to appendix 5.

# Travel Vouchers

## Minimum Requirements

The following items need to be provided when preparing the [travel voucher](#):

- ❖ Agency approval;
- ❖ Agency object code;
- ❖ Agency voucher number;
- ❖ Certification by traveler;
- ❖ Comptroller payee identification number;
- ❖ Department to which trip expenses will be charged and departmental voucher number, where applicable;
- ❖ Departure and arrival times;
- ❖ Designated headquarters of person claiming reimbursement;
- ❖ Destination;
- ❖ Mode of travel;
- ❖ Name and title of person claiming reimbursement; and
- ❖ Statement as to reason for the trip and how it benefited the agency.

Where applicable or required by the Fiscal Office, the following information should also be included:

- ❖ Receipts for lodging costs(lodging receipt requires a zero balance);
- ❖ Meal cost breakdown per day;
- ❖ Receipts to support claims for reimbursement of public transportation, other than mass transit, parking, or taxis; public accommodations; receipts for registration fees; etc.;
- ❖ Travel advance information; and
- ❖ Approved travel request.

Receipts are required for lodging, but not for meals. Employees will be reimbursed only for actual expenses incurred. Reimbursement will not be made for the purchase of alcohol or alcoholic beverages or for tips to wait persons.

Additional travel-related information is available in the latest issue of the "State of Texas Travel Allowance Guide" and [System Regulation 25.02.01](#).

## **Foreign Travel**

A state agency may not pay or reimburse a state employee for a travel expense incurred while traveling to or from or staying at a duty point in a foreign country other than Canada and Mexico unless the agency's chief administrator or an agency employee designated by the chief administrator provided advance written approval of the travel.

## **Meals and Lodging**

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 \$70 for lodging and \$25 for meals. Employees traveling out-of-state receive up to a maximum flat rate for meals and lodging based on federal travel regulations.

The State has authorized reimbursement to the Chancellor, Presidents and Agency Directors for actual meal and lodging expenses. When traveling on official business, members of the Board of Regents are entitled to receive reimbursement for their meal and lodging expenses up to \$80 per day for in-state travel or actual expenses for out-of-state 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:

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

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

## **Mileage**

Mileage can be reimbursed anytime a personally owned vehicle is used for official State business. Mileage is currently reimbursed at the State-allowed rate of \$0.28/mile. Mileage must be broken down from point to point on the voucher. Gasoline is not reimbursable if mileage is being claimed.

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.

## **Prospective Employees - Travel**

<http://www.tamu-commerce.edu/admin/travel/empform.html>

When a state agency requests a prospective state employee to travel to the agency's offices for an interview or evaluation, the agency may reimburse the prospective employee for travel expenses in the same manner as a state employee other than a key official. A prospective employee is not exempt from hotel occupancy taxes. Those taxes may be reimbursed as an incidental expense.

## **Recruitment of Students**

State funds may not be expended for travel expenses incurred outside the boundaries of the State of Texas for the purpose of direct recruitment of students.

## **State Travel Management Program**

The State of Texas has developed the State Travel Management Program in an effort to reduce the cost of travel expenditures. All travel expenditures from state funds are required to adhere to the Program guidelines, unless specific exemptions mentioned below apply. The Fiscal Office has developed a Travel Exception Form, which is required 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 follow.

## **Air Travel**

Airfare must be charged to either a Central Billing Account (CBA) or to an employee's Bank of America Individual Corporate Card. The only exception allowed is in the instance where an airline ticket charged to a personal card provides the traveler with more accident insurance coverage than the CBA or the Individual Corporate Card. (However, state contract airfare can only be charged to a CBA or an Individual Corporate Card; it cannot be charged to a personal credit card). Bank of America offers up to \$500,00 in Automatic Common Carrier Travel, Accidental Death, and Dismemberment Insurance. When the state has a contract airfare between two cities, the contract airline must be given preference when making reservations to travel between those two cities. Exceptions to the requirement to use contract airfare are as follows:

- ❖ A contract airline does not serve the traveler's destination.
- ❖ A contract airline cannot provide services in the time period required to accomplish the purpose of the travel.
- ❖ A contract airline offers a special lower fare than the contract fare.
- ❖ A non-contract airline offers a lower fare to the general public that results in a lower trip cost, including travel time. Lower or identical airfares offered to state employees only are not included in this exception.
- ❖ Travel is undertaken as part of a group program for which reservations must be made through a specified source to obtain a specified rate.
- ❖ Travel is undertaken due to a medical emergency.
- ❖ The contract airline cannot meet the needs of a disabled traveler.

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), Texas 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, Texas 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.

An employee may occasionally purchase a ticket from a commercial transportation company (for state business) and receive 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 it is determined whether the use is prohibited by law.

## **Contracted Hotel/Motel Establishments**

The State of Texas has contracted with over 850 lodging establishments to provide state employees with discounted hotel rates. These hotel/motel establishments should be used whenever possible. The following exceptions to the use of contracted hotel/motel establishments are allowed:

- ❖ A contract hotel/motel is not available in a location that will reasonably allow the business requirements of a traveler to be fulfilled.
- ❖ A contract hotel/motel is sold out.
- ❖ Alternative hotel/motel arrangements can be made at a lower cost.
- ❖ A contract hotel/motel cannot meet the needs of a disabled traveler.
- ❖ Use of a contract hotel/motel presents a perceived security or safety risk to the traveler.
- ❖ Travel is undertaken as part of a group program for which reservations must be made through a specified source to obtain a specified rate.

## **Contracted Rental Car Companies**

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

- ❖ A contract rental car company does not offer services in the city being visited.
- ❖ The contract car rental company is sold out.
- ❖ Alternative car rental arrangements can be made at a lower total cost, including the base rate, loss/damage waiver protection, mileage charge, applicable taxes, service charges, and cost for comparable liability insurance protection.

## **Texas Hotel Occupancy Tax**

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. All employees of A&M-Commerce are considered to be employees of an educational organization. As such, they are exempt from paying the state portion of the hotel occupancy tax. In those instances in which the traveler made no attempt to claim exemption, he/she will not be reimbursed.

## **Washington, D.C. Travel**

State agency personnel are required to inform the Office of State-Federal Regulations (OSFR) of any travel to Washington, D.C. at least 7 days in advance. This notification should include the timing of the trip, its purpose, and the name of a contact person for additional information. A copy of the notification form, "Report for State Agency Travel to Washington, D.C.," can be found at:

<http://www.tamu-commerce.edu/admin/travel/dcform.html>.

## **Appendix 1: Glossary**

### **State Funds**

State funds include General Revenue and Higher Education Assistance Funds (HEAF) appropriated to the institution or agency by the legislature and on deposit with the State until disbursement.

**Local Funds held in State Treasury** - These funds represent educational and general funds, such as the following (per Texas Education Code, Section 51.009): "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." These funds do not include general revenue funds. Although not considered "General Revenue," expenditures must follow State expenditure requirements. (In some instances, certain Local Funds are not required to be deposited in the State Treasury.)

## **Institutional Funds**

Institutional funds are all funds collected at the institution that are not "educational and general funds." 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 institutional purpose. They may be used for any institutional purpose in carrying out official duties and responsibilities, with the following exceptions:

- ❖ 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.
- ❖ 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.
- ❖ No funds may be used by a state agency to publicize or direct attention to any individual, official, or employee of any state agency.
- ❖ No funds may be used to purchase insurance policies covering claims arising under the Texas Tort Claims Act.
- ❖ 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.
- ❖ 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. These funds are eligible for expenditure for any legally allowable institutional purpose.

## **Appendix 2: Employee vs. Independent Contractor**

### **U. S. Department of Labor Criteria**

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:

- ❖ The extent to which the services provided are an integral part of the contractor's business;
- ❖ The permanency of the employment relationship;
- ❖ The amount of the contractor's investment in facilities and equipment;
- ❖ The nature and degree of control and supervision by the employer;
- ❖ The contractor's opportunities for profit and loss; and
- ❖ 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.

## **Internal Revenue Service Guidance**

The Internal Revenue Service provides additional guidance on the matter. 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 Common-Law Factors**

Twenty factors have been identified by the courts in indicating whether sufficient control is present to establish an employer-employee relationship under 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. The following list has been excerpted from "Current Employment Tax Issues in Higher Education" as published by Coopers & Lybrand.

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.)

## **Appendix 3: Expense Object Codes**

### **Major Categories**

#### 1100-1899 Personnel Services

1100-1699 Salaries  
1700-1899 Wages

#### 1900-1999 Employee Benefits

#### 3000-3999 Travel

3000-3099 Travel - In-State  
3100-3199 Travel - Out-of-State  
3200-3599 Travel - Other

#### 4000-4899 Supplies and Materials

#### 4900-4959 Regulatory and Compliance

#### 5000-6999 Other Operating Expenses

5000-5039 Utilities  
5040-5099 Reserved for TAMRF  
5100-5199 Telecommunications  
5200-5259 Fees  
5260-5299 Reserved for TAMRF  
5300-5369 Judgments and Court Costs  
5370-5399 Reserved for TAMRF  
5350-5369 Consultant Services  
5370-5399 Reserved for TAMRF  
5400-5499 Professional Services  
5500-5555 Maintenance and Repairs  
5556-5599 Reserved for TAMRF  
5600-5699 Other Services  
5700-5799 Non-Capitalized Furnishings & Equipment  
5800-5899 Rentals & Leasing  
5900-5929 Scholarships  
5930-5999 Reserved for TAMRF  
6000-6049 Grants  
6050-6099 Reserved for TAMRF  
6100-6149 Debt Retirement  
6150-6199 Reserved for TAMRF

6200-6450 Other  
6451-6499 Self Insurance Programs  
6500-6899 Reserved for TAMRF  
6900-6999 Items Purchased for Resale

8000-8999 Capital Outlay

8000-8099 Land  
8100-8199 Buildings  
8200-8299 Improvements Other than Buildings  
8300-8349 Leasehold Improvements  
8350-8399 Lease Purchases  
8400-8479 Equipment  
8480-8499 Reserved for TAMRF  
8500-8599 Library and Reference Books  
8600-8699 Livestock and Poultry  
8700-8799 Construction in Progress

9600-9679 Indirect Cost Expense

9680-9699 Reserved for TAMRF

## **1100 - 1899 Personnel Services**

### **1100 - 1699 Salaries**

1105	-----	-----	Salary Encumbrance
1110	7010	1001	Salary - Admin - Professional
1210	7008	1005	Salary - Extension - Faculty
1211	7009	1010	Salary - Extension - Faculty Equivalent
1215	7011	1015	Salary - Extension - County Agents
1220	7010	1001	Salary - Extension - Professional
1225	7015	1001	Salary - Extension - Classified
1310	7009	1010	Salary - Research - Faculty Equivalent
1315	7010	1001	Salary - Research - Professional
1320	7015	1001	Salary - Research - Classified
1325	7014	1001	Salary - Graduate Assistant Research - Professional
1410	7008	1005	Salary - Teaching - Faculty
1411	-----	-----	Unallocated Salaries - Teaching
1412	-----	-----	Unallocated Merit Increases - Teaching
1413	-----	-----	Summer Teaching Salaries
1414	-----	-----	Unallocated Salaries - Grad Assist - Teaching
1415	7014	1001	Salary - Graduate Assistant Teaching - Fact/Academic
1510	7010	1001	Salary - Support Staff - Professional
1511	-----	-----	Unallocated Salaries - Non-Teaching
1512	-----	-----	Unallocated Merit Increases - Non-Teaching
1513	-----	-----	Unallocated Salaries - Grad Assist - Non-Teaching
1515	7015	1001	Salary - Support Staff - Classified
1525	7014	1001	Salary - Graduate Assistant Non-Teaching - Professional
1526	7014	1001	Salary - Graduate Assistant Academic/Research Support
1599	7031	2000	Americorps - Living Allowance (TAEX)*
1610	7022	1002	Longevity Pay
1640	-----	-----	Salaries - Other Institutions (TEES) *
1645	-----	-----	Split Salary Transfer (TEES only - not valid in FAMIS) *

**1700 - 1899 Wages**

1704	-----	-----	Unallocated Salaries - Teaching
1705	-----	-----	Wage Encumbrance
1706	-----	-----	Unallocated Merit Increases - Teaching
1707	-----	-----	Summer Teaching Salaries
1710	7008	1005	Wages - Faculty
1713	-----	-----	Unallocated Salaries - Non-teaching
1714	-----	-----	Unallocated Merit Increases - Non-teaching
1715	7010	1001	Wages - Professional
1720	7015	1001	Wages - Classified
1730	7021	1001	Wages - Overtime
1740	7014	1001	Wages - Student
1745	7014	1001	Wages - Student (Federal College Work-Study)
1746	7014	1001	Wages - Student (Federal Community Services)
1750	7014	1001	Wages - Student (State College Work-Study)
1755	7014	1001	Wages - Student (Reading Tutors Program)
1760	-----	-----	Wages - Other Institutions (TEES) *
1765	7020	1002	Hazardous Duty Pay
1770	7023	1002	Lump Sum Termination Pay - Vacation
1775	7024	1002	Termination Pay - Death Benefits

## **1900 - 1999 Employee Benefits**

1910	7041	2000	Employee Insurance Payments (GIP)
1920	7043	1002	FICA Contributions (OASI Matching)
1925	7071	2000	State Employee Relocation - Qualified Expenses
1926	7071	2000	State Employee Relocation - Non-Qualified Expenses
1930	7025	1002	Per Diem of Board Members
1935	7030	1002	Employee Incentive Bonus
1940	7031	2000	Emoluments and Allowances ***
1945	7061	2000	Worker's Compensation Assessments - Self Insurance Program
1950	7052	2000	Unemployment Compensation Insurance
1955	7086	1002	ORP Base 6%
1956	7086	1002	ORP Supplement 1.31%
1957	7086	1002	ORP Differential 1.19%
1958	7086	1002	Supplemental ORP (limited use)
1960	7909	1002	TRS Matching Contribution
1965	-----	-----	2000 Federal Group Life Insurance-Matching Premium (TAEX)*
1970	-----	2000	Federal Medicare Insurance Charge
1975	-----	1002	Federal Retirement Matching Contributions (TAEX) *
1980	-----	-----	Earned Income Credit
1985	-----	-----	Fringes - Other Institutions (TEES) *
1990	-----	-----	Staff Benefits Paid Directly by State (offset to revenue codes)

## **3000 - 3999 Personnel Services**

### **3000 - 3099 Travel - In-State**

3010	7101	2000	Travel In-State - Public Trans. - Auto Rental (includes Transp. Center rentals)
3011	7101	2000	Travel In-State - Public Trans. - Other
3012	7442	2000	Travel In-State - Public Trans.-TAMU Transportation Center (TEES) *
3016	7102	2000	Travel In-State - Mileage (Rate not to exceed the current state rate)
3017	7102	2000	Travel In-State - Mileage - Off Campus Courses (state rate)
3020	7104	2000	Travel In-State - Actual Expenses - Overnight Travel
3025	7105	2000	Travel In-State - Incidental Expenses
3030	7106	2000	Travel In-State - Meals & Lodging Not to Exceed \$80
3031	-----	2000	Travel In-State - Lodging Overage (local funds) ***
3033	7110	2000	Travel In-State - Board Meals & Lodging
3035	7107	2000	Travel In-State - Partial Per Diem
3040	7108	2000	Travel In-State - Actual Expense Meals - No Overnight Travel
3045	7105	2000	Travel In-State - Parking Fees
3050	7122	2000	Travel In-State - Single Engine Aircraft Mileage
3055	7124	2000	Travel In-State - Twin Engine Aircraft Mileage
3060	7126	2000	Travel In-State - Turbine Powered Aircraft Mileage
3065	7128	2000	Travel In-State - Apartment/House Rental Expense

### **3100 - 3199 Travel - Out-of-State**

3110	7111	2000	Travel Out-of-State - Public Trans. - Auto Rental
3111	7111	2000	Travel Out-of-State - Public Trans. - Other
3112	7442	2000	Travel Out-of-State - Public Trans. - TAMU Transportation Center (TEES) *
3114	7111	2000	Travel Out-of-State - Public Trans. - D.C.
3116	7112	2000	Travel Out-of-State - Mileage (Rate not to exceed the current state rate)
3120	7114	2000	Travel Out-of-State - Actual Expenses - Overnight Travel
3125	7115	2000	Travel Out-of-State - Incidental Expenses
3130	7116	2000	Travel Out-of-State - Meals & Lodging Not to Exceed the Locality-Based Allow
3131	-----	2000	Travel Out-of-State - Lodging Overage (local funds) ***
3133	7130	2000	Travel Out-of-State - Board Meals & Lodging
3135	7117	2000	Travel Out-of-State - Partial Per Diem
3140	7118	2000	Travel Out-of-State - Actual Expense Meals - No Overnight Travel
3145	7115	2000	Travel Out-of-State - Parking Fees
3150	7123	2000	Travel Out-of-State - Single Engine Aircraft Mileage
3155	7125	2000	Travel Out-of-State - Twin Engine Aircraft Mileage

3160 7127 2000 Travel Out-of-State - Turbine Powered Aircraft Mileage  
3165 7128 2000 Travel Out-of-State - Apartment/House Rental Expense

**3200 - 3599 Travel - Other**

3210 7131 2000 Travel - Prospective State Employees  
3310 7121 2000 Travel - Foreign  
3410 ----- 2000 Travel – Students

**4000 - 4899 Supplies and Materials (including Fuels and Lubricants)**

4010	7300	2000	Supplies - Office General
4011	7300	2000	Supplies - Paper Goods and Janitorial
4012	7300	2000	Supplies - Education
4013	7300	2000	Supplies - Research
4014	7300	2000	Supplies - Other (Including Ammunition)
4015	7300	2000	Supplies - Food Service - Exempt
4016	7300	2000	Supplies - Storeroom
4020	7300	2000	Computer Consumables (diskettes, paper, ribbon, etc.)
4025	7303	2000	Subscriptions, Periodicals, and Information Services
4030	7304	2000	Fuels and Lubricants - Other
4031	7304	2000	Fuels - Federal Excise Tax
4032	7304	2000	Fire Training - Fuel (TEEX) *
4035	7307	2000	Fuels and Lubricants - Aircraft
4036	7304	2000	Fuel - Gasoline
4037	7304	2000	Fuel - Diesel
4038	7304	2000	Fuel - Propane
4039	7310	2000	Gases
4040	7310	2000	Chemicals and Gases
4041	7310	2000	Fire Training - Chemicals (TEEX) *
4042	7310	2000	Fire Training - Foams (TEEX) *
4045	7312	2000	Medical Supplies
4046	7312	2000	Medical Supplies - Dental Implants
4047	7312	2000	Medical Supplies - Dental Metals
4050	7315	2000	Food Purchases (Research, Seminars, Teaching) ***
4051	7315	2000	Food Purchases (Research only) (TAES)*
4055	7328	2000	Farm, Ranch and Nursery Supplies
4056	7328	2000	Fertilizer
4057	7300	2000	Packing Supplies
4058	7328	2000	Pesticides
4060	7328	2000	Supplies & Materials - Roads and Highways
4065	7330	2000	Parts - Motor Vehicles
4066	7330	2000	Parts - Machinery and Equipment
4067	7330	2000	Parts - Marine Equipment
4068	7330	2000	Parts - Tractors
4069	7330	2000	Parts - Lifting Machines
4070	7331	2000	Plants ***
4071	7328	2000	Hardwood Seed
4075	7328	2000	Shop and Industrial Supplies
4076	7328	2000	Building Supplies and Materials
4077	7328	2000	Landscaping Supplies

4080	7333	2000	Fabrics and Linens
4085	7334	2000	Furnishings & Equipment (non-inv, staplers, tape dispensers, etc.)
4086	7334	2000	Furnishings & Equipment - Research
4090	7335	2000	Computer Parts & Supplies

**4900 - 4959 - Regulatory and Compliance**

4900 7334 2000 TX DPS - Laboratory Apparatus

4901 7310 2000 TX DPS - Precursor Chemicals

**5000 - 6999 Other Operating Expenses**

**5000 - 5039 - Utilities**

5010	7501	2000	Electricity
5015	7502	2000	Natural and Liquefied Petroleum Gas
5020	7507	2000	Water
5025	7524	2000	Other Utilities
5030	7526	2000	Waste Disposal
5035	7530	2000	Thermal Energy

**5100 - 5199 - Telecommunications**

5110	7503	2000	Telecommunications - Long Distance
5115	7504	2000	Telecommunications - Monthly Charge
5116	-----	-----	Telecommunications - Monthly Charge - Directly Charged to Project ***
5120	7510	2000	Telecommunications - Parts and Supplies
5125	7514	2000	Telecommunications - Maintenance and Repair
5130	7516	2000	Telecommunications - Other Service Charges
5135	7518	2000	Telecommunications - Dedicated Data Circuit
5140	7522	2000	Telecommunications - Equipment Rental
5145	7962	9999	Telecommunications - Centrex Op. Exp. (Transfer of funds in State Treasury to General Revenue Fund only)
5150	7961	9999	Telecommunications - TEX-AN (Transfer of funds in State Treasury to General Revenue Fund only)
5151	7503	2000	Tex-An - Payable to TAMU (TAES) *
5155	7516	2000	Telecommunications - Cable
5156	7516	2000	Telecommunications - Radio

**5200 - 5259 Fees**

5210	7201	2000	Membership Dues ***
5215	7203	2000	Employee Training - Registration Fees
5216	7202	2000	Employee Computer Training - Tuition
5217	7202	2000	Employee Training - Tuition
5220	7204	2000	Insurance Premiums
5221	7216	2000	Insurance Premiums - Approved by Board of Insurance
5225	7205	2000	Employee Bonds
5226	7217	2000	Employee Bonds - Approved by State Auditor's Office
5230	7210	2000	Employee License/Certification and Fees - Other ***
5231	7210	2000	Service Charges ***
5232	7210	2000	Credit Card Collection Expense ***
5233	7210	2000	Fees - Demurrage
5234	7210	2000	Recreational Facility Fee
5240	7211	2000	Employee Awards

**5300 - 5349 Judgments and Court Costs**

5310	7222	2000	Filing Fees - Documents ***
5315	7223	2000	Court Costs ***
5320	7224	2000	Witness Fees and Allowances (Criminal & Administrative Procedure) ***
5325	7226	2000	Judgments and Settlements - Claimant ***
5330	7226	2000	Judgments and Settlements - Other Legal Expenses ***
5335	7225	2000	Judgments and Settlements - Attorney Fees ***
5340	7229	2000	Judgments and Settlements - Claimant and Attorney ***

**5350 - 5369 Consultant Services**

5350	7240	1002	Consultant Services - Other
5351	7239	1002	Consultant Services - Other - Approved by Governor's Office
5355	7242	1002	Consultant Services - Computer
5356	7239	1002	Consultant Services - Computer - Approved by Governor's Office

**5400 - 5499 Professional Services**

5410	7243	1002	Educational/Training Services
5415	7245	1002	Financial and Accounting Services
5420	7246	1002	Legal Services ***
5421	7257	1002	Legal Services - Approved by Office of Admin. Hearing ***
5425	7248	1002	Medical Services
5426	7248	2000	Medical Services - Drug Testing
5430	7249	1002	Veterinary Services
5435	7252	1002	Lecturers - Higher Education
5436	7243	1002	Visiting Speakers (TEES)*
5440	7254	2000	Witness Fees - Other (Civil & Expert) ***
5445	7255	1002	Investment Counseling Services ***
5450	7256	1002	Architectural Services
5451	7256	1002	Engineering Services
5453	7253	1002	Other Professional Services
5455	-----	-----	Prof. Services - Subcontracts/contracts greater than \$25,000 (TEES) ****
5460	7243	1002	Prof. Services w/Receipts (not 1099 taxable-may be different Comptroller code
5460	7256	1002	See above
5470	7299	2000	Inter-Agency Agreement - Local
5471	7299	2000	Intra-System Agreement

**5500 - 5555 Maintenance and Repair Services**

5510	7260	2000	Maint & Repair - Marine Equipment
5511	7260	2000	Maint & Repair - Motor Vehicles
5512	7260	2000	Maint & Repair - Machinery and Equipment
5513	7260	2000	Maint & Repair - Medical Equipment
5514	7260	2000	Maint & Repair - Tractors
5515	7260	2000	Maint & Repair - Lifting Machines
5520	7262	2000	Maint & Repair - Computer Software - TAMU CIS @
5521	7262	2000	Maint & Repair - Computer Software - not TAMU CIS
5525	7263	2000	Maint & Repair - Aircraft
5530	7266	2000	Maint & Repair - Buildings
5535	7267	2000	Maint & Repair - Computer Equipment - TAMU CIS @
5536	7267	2000	Maint & Repair - Computer Equipment - not TAMU CIS
5540	7270	2000	Maint & Repair - Roads and Highways
5545	7271	2000	Maint & Repair – Improv. Other Than Bldgs (Including Airport Runways)
5546	7260	2000	Maint & Repair - Non-University Owned Vehicles
5550	7260	2000	Maint & Repair - Oil Changes
5551	7260	2000	Maint & Repair - Engine Service
5552	7260	2000	Maint & Repair - Transmission Service
5553	7260	2000	Maint & Repair - Emission System
5554	7260	2000	Maint & Repair - Tire Replace/Repair

## 5600 - 5699 Other Services

5610	7272	2000	Hazardous Waste Disposal Services
5615	7273	2000	Photographic Services
5616	7273	2000	Reproduction Services
5617	7218	2000	Production of Publications
5620	7274	1002	Temporary Support Services
5625	7275	1002	Computer Programming Services - TAMU CIS @
5626	7275	1002	Computer Programming Services - not TAMU CIS
5630	7276	2000	Communication Services
5632	7260	2000	TTI Network Support Services @
5635	7277	2000	Cleaning Services
5640	7281	2000	Advertising Services - Sponsored Agreements
5641	7281	2000	Advertising Services - All Other ***
5645	7284	2000	Data Processing Empl. Services - TAMU CIS (personnel services included) @
5646	7284	2000	Data Processing Empl. Services - not TAMU CIS (personnel services included)
5647	411	2000	Data Proc. Rent Services-TAMU CIS (connect time, CPU time, printing, store, etc.) @
5648	7411	2000	Data Processing Rental Services - not TAMU CIS (connect time, CPU time, Printing, storage, etc.)
5650	7286	2000	Freight/Delivery Services
5655	7291	2000	Postal Services
5660	7295	2000	Criminal and Civil Investigation Expenses ***
5668	7299	2000	Non-Related Research Services (1099 reportable)
5669	7299	2000	Other Contracted Services-Non exempt (TAMUG only) *
5670	7299	2000	Other Contracted Services
5671	7299	2000	Extermination Services
5672	7299	2000	Security Services
5673	7299	2000	Proving Grounds Services (TTI) @
5674	7299	2000	Electronic Media Services @
5675	7299	2000	Research Equipment/Testing Services @
5676	7299	2000	Graphic Services @
5677	7299	2000	Information Distribution Services
5680	7299	2000	Royalty Distribution Services
5681	7299	2000	Wind Tunnel Services (TEES) * ***
5682	7299	2000	Postal Services - Campus Mail Services
5683	7253	1002	Cyclotron Services @
5684	7299	2000	Chemical Instrumentation Services
5685	7299	2000	Inter Divisional Services (TEEX) *
5690	7299	2000	Regulatory Services
5692	7299	2000	Residents
5694	7210	2000	Dental Lab Fees

**5700 - 5799 Non-Capitalized Furnishings and Equipment**

**5700 - 5749 Non-Inventoried and Non-Capitalized Furnishings  
and Equipment With Price Less Than or Equal to  
\$500.00**

5710	7334	2000	Office Furnishing and Equipment
5711	7334	2000	Medical, Scientific and Laboratory Equipment
5712	7334	2000	Institutional Furnishings and Equipment
5713	7334	2000	Shop and Industrial Equipment
5714	7334	2000	Marine Equipment
5715	7334	2000	Uniforms & Clothing
5720	7335	2000	Computer Equipment
5725	7380	2000	Computer Software
5730	7382	2000	Educational Books, Film & References
5735	7384	2000	Purchase of Animals
5740	7517	2000	Telecommunications - Equipment Purchase
5745	7388	2000	Fabrication of Equipment

**5750 - 5774 Non-Controlled and Non-Capitalized Furnishings and  
Equipment With Price Greater Than \$500.00 But  
Less Than \$1,000.00**

5750	7334	2000	Office Furnishings and Equipment
5751	7334	2000	Medical, Scientific and Laboratory Equipment
5752	7334	2000	Institutional Furnishings and Equipment
5753	7334	2000	Shop and Industrial Equipment
5754	7334	2000	Marine Equipment
5760	7377	2000	Computer Equipment
5761	7380	2000	Computer Software
5765	7382	2000	Educational Books, Film and References
5767	7384	2000	Purchase of Animals
5770	7517	2000	Telecommunications - Equipment Purchase
5772	7388	2000	Fabrication of Equipment

**5775 - 5799 Controlled but Non-Capitalized Furnishings & Equipment**

5775	7374	2000	Firearms (Handguns/Rifles) / cost \$0-999.99
5777	7523	2000	FAX Machines / cost \$500.01-999.99
5778	7523	2000	Portable/Cellular Phones / cost \$500.01-999.99
5780	7374	2000	Stereo Systems / cost \$500.01-999.99
5781	7374	2000	Cameras / cost \$500.01-999.99
5782	7374	2000	VCR's and Televisions / cost \$500.01-999.99
5783	7374	2000	Projectors / cost \$500.01-999.99
5785	7374	2000	Cash Registers / cost \$0-999.99
5786	7374	2000	Uniforms and Clothing / cost \$500.01-999.99
5787	7378	2000	Microcomputers / cost \$500.01-999.99
5788	7378	2000	Printers (for Computers ) / \$500.01-999.99
5791	7374	2000	Medical, Scientific & Laboratory Equipment / cost \$500.01-999.99
5796	7378	2000	Other Computer Related / \$0.00 - \$500.00
5797	7378	2000	Other Computer Related / \$500.01 - \$999.99
5798	7374	2000	Other Controlled Assets / cost \$0-500.00
5799	7374	2000	Other Controlled Assets / cost \$500.01-999.99

**5800 - 5899 Rental and Leasing**

5810	7406	2000	Rental of Tools and Equipment
5811	7406	2000	Rental of Office Equipment
5812	7406	2000	Rental of Medical Equipment
5813	7406	2000	Rental of Containers
5820	7411	2000	Rental of Computer Equipment
5822	7401	2000	Rental of Radio Towers
5823	7411	2000	Rental of Video Equipment
5825	7406	2000	Rental of Copying Machines
5830	7415	2000	Rental of Computer Software
5835	7421	2000	Rental of Reference Material
5840	7442	2000	Rental of Motor Vehicles
5845	7445	2000	Rental of Aircraft - Private Companies
5846	7444	2000	Rental of Aircraft - Aircraft Pooling Board
5847	7443	2000	Rental of Aircraft - University Planes - Exempt
5850	7449	2000	Rental of Marine Equipment
5855	7461	2000	Rental of Land
5860	7462	2000	Rental of Office Buildings or Office Space @
5865	7468	2000	Rental of Service Buildings @
5870	7470	2000	Rental of Space - Other (Classroom, Conference, Storage)@
5871	7470	2000	Rental of Exhibit Space
5872	7406	2000	Rental of Dormitory Furniture (TAMU)

**5900 - 5929 Scholarships**

5910	7679	3000	Scholarships - Undergraduate @
5915	7679	3000	Scholarships - Graduate @
5920	7679	3000	Scholarships - Post Doctoral @
5925	7583	9999	Tuition & Fee Remissions and Exemptions (offset entry only) @

**6000 - 6049 Grants**

6010	7604	4000	Grants - Senior Colleges and Universities
6011	7614	4000	Grants - State Pass Throughs-Agencies
6015	7613	4000	Grants - Other Political Subdivisions
6020	7623	4000	Grants - Community Service Programs
6025	-----	4000	Grants - Conferences and Seminars
6030	-----	4000	Grants - Student Stipends on Sponsored Research (TEES) *
6031	-----	4000	Grants - Travel & Other Related Participant Expenses (TEES) *
6032	-----	4000	Grants - Student Tuition and Fees (TEES)*
6033	-----	4000	Grants - Student Tuition and Fees (TEES)* @

**6100 - 6149 Debt Retirement**

6105	7245	2000	Financial & Acct Services – Bonds ***
6106	7245	2000	Financial & Acct Services – Notes & Loans ***
6110	7800	9999	Defeasance of State Bonds ***
6115	7801	2000	Interest on State Bonds ***
6116	7801	2000	Interest on State Notes and Loans ***
6120	7802	2000	Interest - Other ***
6121	7802	2000	Interest on Other – Notes and Loans ***
6125	7803	2000	Principal on State Bonds ***
6126	7803	2000	Principal on State Notes & Loans ***
6130	7804	2000	Principal on Other Indebtedness ***
6131	7804	2000	Principal on Other – Notes & Loans ***
6135	7708	2000	Loan Repayment to Other State Agency ***
6140	7804	2000	Reallocation of Debt Service ***
6145	7210	2000	Service Charges – Bonds ***
6146	7210	2000	Service Charges – Notes/Loans ***

**6200 - 6450 Other**

6210	7299	2000	Inter-agency Contracts and Transactions
6215	7902	9999	Trust or Suspense Payment (Including Purchase of U. S. Savings Bonds) ***
6225	7041	2000	Group Insurance Premiums for Retirees
6230	7806	2000	Penalty on Late Payment to Vendor ***
6250	7327	2000	Procurement Card Purchases
6310	-----	-----	Bad Debt Expense ***
6315	7565	9999	Fines and Penalties ***
6320	7210	2000	Investment Fees ***
6335	-----	-----	Other Expenses - Local Only ***
6339	-----	-----	Food Purchases - Other Than 4050 or 6340 Purchases ***
6340	-----	-----	Entertainment/Business Meals ***
6341	-----	-----	Alcohol Purchases - Approved purposes and accounts only ***
6350	7567	9999	Development Fee (TAMU) * ***
6351	7567	9999	Development Fee Return (TAMU) * ***
6355	-----	-----	Infrastructure Support (TAMU) *
6360	7808	9999	Arbitrage ***
6361	-----	-----	Dormitory Charges for Students (TEEX) *
6362	-----	-----	Food Services for Classes (TEEX) *
6363	-----	-----	Housing for Guest Instructors (TEEX) *
6364	-----	-----	Food Services for Instructors (TEEX) *
6365	7203	2000	Participant Costs - Conferences & Short Courses (TEES)*
6366	7202	2000	Participant Costs - Tuition (TAMU, TAES) *
6367	7203	2000	Participant Costs - Fees (TAMU, TAES) *
6368	7203	2000	Participant Costs - Books (TAMU, TAES) *
6369	7203	2000	Participant Costs - Materials (TAMU, TAES) *
6370	7106	2000	Participant Costs - Travel (TAMU, TAES) *
6371	7116	2000	Participant Costs - Travel Out of State (TAMU, TAES) *
6372	7121	2000	Participant Costs - Foreign Travel (TAMU, TAES) *
6373	-----	-----	Participant Costs - Room and Board (TAMU, TAES) *
6374	7213	2000	Participant Costs - Other (TAMU, TAES) *
6380	-----	-----	Game Guarantee Expense
6410	7411	2000	Use Fee for Equipment Repair and Replacement @
6415	-----	-----	Administrative Allowance
6449	7299	2000	Subawards - first \$25,000 and collecting IDC
6450	7299	2000	Subawards - after first \$25,000 and no IDC @

**6451 - 6499 Self Insurance Program**

6451	-----	-----	Self Insured Program - Medical
6453	-----	-----	Self Insured Program - Dental
6455	-----	-----	Self Insured Program - Prescription Drug Claims
6457	-----	-----	Self Insured Program - Administrative Fee
6458	-----	-----	Self Insured Program - Authorization Fee
6459	-----	-----	Self Insured Program - Administrative - COBRA
6460	7232	1002	Worker's Compensation - Medical Supplies
6462	7232	1002	Worker's Compensation - Medical Services
6464	7061	1002	Worker's Compensation - Indemnity Claims
6466	-----	-----	Worker's Compensation - Mileage/Lodging
6468	7299	2000	Worker's Compensation - Other Contracted Services
6480	-----	-----	Increase /(Decrease) in Self Insured Liability
6499	7052	2000	Unemployment Compensation Claim

**6900 - 6999 Items Purchased for Resale**

6901	7393	2000	Items Purchased for Resale ***
6902	7394	2000	Raw Materials Purchased ***
6911	7393	2000	Items Purchased for Resale - Exempt ***
6912	-----	2000	Raw Materials Purchased -Exempt ***
6920	7393	2000	Inventory Adjustment-Items for Resale ***

## **8000 - 8999 Capital Outlay**

### **8000 - 8099 Land**

8010 7345 5000 Land @

### **8100 - 8199 Buildings**

8110 7342 5000 Buildings @

8115 7343 5000 Remodeling of Buildings - State Owned @

### **8200 - 8299 Improvements Other than Buildings**

8210 7346 5000 Sidewalks and Parking Lots @

8211 7346 5000 Utility Lines @

8212 7346 5000 Fences @

8213 7346 5000 Sports Facilities @

8214 7346 5000 Other Land Improvements, Landscaping, etc. @

### **8300 - 8349 Leasehold Improvements**

8310 7344 5000 Remodeling of Buildings - State Leased @

### **8350 - 8399 Lease Purchases**

8350 7376 5000 Lease Purchase Furnishings & Equipment @

8351 7376 5000 Lease Purchase Farm Equipment (TAES) \* @

8355 7385 5000 Lease Purchase Computer Equipment @

8360 7519 5000 Lease Purchase Telecommunications Equipment @

8370 7351 5000 Lease Purchase Motor Vehicles/Passenger Cars @

8371 7352 5000 Lease Purchase Motor Vehicles/Other @

### **8400 - 8479 Equipment**

8410	7372	5000	Motor Vehicles - Passenger Cars @
8415	7372	5000	Motor Vehicles - Other @
8420	7373	5000	Classroom Teaching Aids @
8421	7373	5000	Office Furnishings and Equipment @
8422	7373	5000	Medical, Scientific and Laboratory Equipment @
8423	7581	9999	Specimens and Collections @
8424	7373	5000	Other Institutional Furnishings and Equipment @
8425	7373	5000	Shop and Industrial Equipment @
8426	7373	5000	Marine Equipment @
8430	7375	5000	Purchase of Aircraft @
8435	7379	5000	Computer Equipment @
8440	7387	5000	Computer Software @
8445	7520	5000	Telecommunications - Equipment @
8450	7388	5000	Fabrication of Equipment @

### **8500 - 8599 Library and Reference Books**

8510	7389	5000	Library and Reference Books @
8511	7389	5000	Library Periodicals (TAMUG and TAMUCC) * @

### **8600 - 8699 Livestock and Poultry**

8610	7386	5000	Purchase of Animals - Capitalized (Does not include livestock purchased for slaughter)@
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## **8700 - 8799 Construction in Progress**

8710	7341	5000	Construction/Rehabilitation of Buildings ***
8711	7346	5000	Construction/Rehabilitation of Improvements Other Than Buildings ***
8712	7281	5000	Advertising ***
8713	7253	5000	Archaeological/Environmental Surveys ***
8714	7256	5000	Architectural/Engineering Services ***
8715	7349	5000	Construction of Roads ***
8716	7253	5000	Asbestos ***
8717	7253	5000	Construction Testing ***
8718	7253	5000	Cost Estimate Verification ***
8719	7253	5000	Energy Management System ***
8721	7276	5000	Fiber Optics ***
8722	7253	5000	HVAC Balancing Services ***
8723	7346	5000	Landscaping ***
8724	7373	5000	Movable Furnishings ***
8725	7253	5000	Other Services ***
8726	7253	5000	Project Management/Administration ***
8727	7253	5000	Soil Investigation ***
8728	7253	5000	Land Surveying Services ***
8730	7373	5000	CIP – Equipment - Capitalized (SAGO) * ***
8731	7374	5000	CIP - Equipment - Controlled (SAGO) * ***
8732	7334	5000	CIP - Equipment - Expensed (SAGO) * ***

## **9600 - 9679 Indirect Cost Expense**

9610	7585	9999	Indirect Cost - Federal @
9615	7585	9999	Indirect Cost - Federal Flow Through @
9617	7585	9999	Indirect Cost - Federal Flow Through - Non-Texas State Entity @
9620	7585	9999	Indirect Cost - State @
9622	7585	9999	Indirect Cost - State Flow Through @
9623	7585	9999	Indirect Cost - State Flow Through - Non-Texas State Entity @
9625	7585	9999	Indirect Cost - Local @
9630	7585	9999	Indirect Cost - Private @
9635	7585	9999	Indirect Cost - Foreign @

### Footnotes:

\* - Indicates that this object code has been established at the request of the specified System Member.

\*\*\* - Indicates that this object code is considered to be an unallowable cost for Indirect Cost (IDC) purposes, per OMB Circular A-21.

@ - Indicates that this object code needs to be excluded from the MTDC base when calculating Indirect Costs(IDC).

Last Update: 11/98

## **Appendix 4: References**

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 of Texas Travel Allowance Guide
- ❖ General Appropriations Act, 74th Legislature, Regular Session, House Bill No. 1
- ❖ The Texas A&M University System Policies and Regulations:

21.01.03 Disbursement of Funds

21.01.05 Interdepartmental Transactions - Operation of Service Departments

25.02.01 Travel Regulations

25.05 Purchase of Food and Refreshments

25.99.03 Contracting for Private Consultants and Professional Services

25.99.04 Lease-Purchases or Installment Payment Purchases

25.99.05 Interagency and Intrasystem Transactions

- ❖ "Current Employment Tax Issues in Higher Education," Laura Kalick, Director, Coopers Lybrand, Washington, D.C.
- ❖ Texas Penal Code:
  - Section 39.01(a)
  - Section 39.02
- ❖ Attorney General Opinion JM-1063
- ❖ Texas Education Code:
  - Section 51.009
  - Section 54.051(e)
  - Section 54.051(l)
- ❖ Texas Government Code:
  - Chapter 2109
  - Chapter 2254, Subchapter A
- ❖ U. S. Treasury Regulations
  - Section 1.132-5(t)(1)

## **Appendix 5: Specific Guidelines From A&M - Commerce**

Allowability of Various Expenditures Based on Source of Funding  
For printing of Matrix see appendix 6.

Purchasing Guidelines

Accounts Payable

Travel

**PURCHASING**



## **Introduction**

The purchasing department is here to assist the requisitioner in obtaining goods or services in a timely and cost effective manner.

The purchasing department is located on the first floor of the Business Administration Building in the Fiscal Office.

The following Purchasing Professionals, and their extensions are provided for your assistance:

Carol Dickenson	5220
Jill Edwards	5060
Pat Gillean	5461
Ann Nichols	3057
Marc Scott, Director	5059

Additional, valuable information may be obtained from our website. Our website is found under the administration hot link from the University webpage.

## **Code of Ethics & Conflict of Interest**

A special responsibility is imposed on all people who are entrusted with the disposition of the state's funds. As purchasing personnel, we are required to perform with the highest integrity while we are constantly being asked to manage more effectively, to secure better economic results, to speed up the process, and to be innovative in accomplishing our mission. This is a great challenge and an exciting one!

Elected and appointed state officials as well as all state employees are entrusted with the safety and welfare of the citizenry. In return for their confidence in state government, citizens expect that state employees' private interests will not conflict with public business.

The nature of purchasing functions makes it critical that all players in the process remain independent, free of obligation or suspicion, and completely fair and impartial. Maintaining the integrity and credibility of a purchasing program requires a clear set of guidelines, rules and responsibilities to govern the behavior of purchasing employees. Credibility and public confidence are vital throughout the purchasing and contracting system. Any erosion of honesty, integrity or openness tends to be more injurious to purchasing than to most other public programs. The shadow of doubt can be as harmful as the conduct itself. It is with this in mind that the following policies and procedures are set forth.

This section states the ethical standards of conduct required of General Services Commission (GSC) employees, vendors, potential vendors, and employees of other state agencies when acting under authority delegated from the GSC. Every person employed by a public purchasing agency will abide by a code of ethics. In accordance with state law and GSC Rule 1TAC 111.4, agencies in purchasing under the GSC delegated authority shall adhere to the following ethical standards:

### **A state employee may not:**

- participate in work on a contract by taking action as an employee through decision, approval, disapproval, recommendation, giving advice, investigation or similar action knowing that the employee, or member of their immediate family has an actual or potential financial interest in the contract, including prospective employment;
- solicit or accept anything of value from an actual or potential vendor;
- be employed by, or agree to work for, a vendor or potential vendor;
- knowingly disclose confidential information for personal gain; or
- be employed at a pay classification of an A 17 or B 9, Step 1 or higher if the spouse of an officer, manager, or paid consultant of a Texas trade association of businesses that contracts with the state. (See your Human Resources representative for verification of the new equivalent pay classification, which became effective 09/01/97).

**A former employee:**

A former employee who had a pay classification of A 17 or B 9, Step 1 (see above note) or higher who ceases service or employment with the GSC on or after January 1, 1992, may not represent any person or receive compensation for services rendered on behalf of any person regarding a particular matter (a specific investigation, application, request for a ruling or determination, rulemaking proceeding, contract, claim, charge or other proceeding, contract, claim, charge or other proceeding) in which the former employee participated during the period of employment, either through personal involvement or because the case or proceeding was a matter within the employee's official responsibility.

**A vendor or potential vendor may not:**

offer, give, or agree to give an employee anything of value; or

**If a violation occurs:**

When an actual or potential violation of any of these standards is discovered, the person involved shall promptly file a written statement concerning the matter with an appropriate supervisor. The person may also request written instructions and disposition of the matter.

If an actual violation occurs or is not disclosed and remedied, the employee involved may be either reprimanded, suspended, or dismissed. The vendor or potential vendor may be barred from receiving future contracts and/or have an existing contract canceled.

Purchasing professionals have the right under law to have any ethics question reviewed and decided by the State Ethics Commission. If you wish to learn whether a specific action violates the ethics rules, please contact the State Ethics Commission, 1101 Caiman La Costa Austin, Texas 78752 or call them at (512) 463-5800 or 1-800-325-8506 for outside of Austin.

**Conflict of Interest:**

In accordance with Texas Government Code, Title 10, Subtitle D, Section 2155.003, GSC requires that all employees of the GSC sign a Conflict of Interest statement each year. All purchasing staff of a state agency who have been delegated the authority to purchase must also sign a Conflict of Interest statement each year.

## **Procurement Authority**

### **Overview of Purchasing Authority**

#### **Purpose**

This section provides standard procedures for the implementation of Texas Government Code, Title 10, Subtitle D, Section 2151 et seq. These procedures include statutory requirements and those requirements established by rule of the commission as contained in General Services Commission (GSC) Rule 1TAC 113.1 et seq. It is not the intent to establish procurement procedures outside the scope of Texas Government Code, Title 10, Subtitle D, Section 2151 et seq.

#### **Revisions**

The 1998 Edition of the Procurement Manual replaces the previous manual, entitled "Procurement Manual" (dated June 1, 1994), and is the current edition.

#### **Distribution of Procurement Manual**

Each state agency Purchasing Director is provided one (1) complimentary copy of this publication. Additional copies of the Procurement Manual may be copied at your expense or you may purchase additional copies from the General Services Commission, Fiscal Management Division, by calling (512) 463-8475.

The complimentary copy of the Procurement Manual will be mailed to the Purchasing Director of each agency listed in GSC's master agency address database. Please go to the following website <http://www.gsc.state.tx.us/misc/agencyaddr.html> to verify that the most current information for your agency/university is listed. If any of the information listed in this database needs to be updated, please send the request in writing to the attention of the Master Agency Address Data Base Coordinator at GSC, P. O. Box 13047, Austin, TX 78711-3047. You may also fax your updates to (512) 463-7966.

#### **Internet**

The 1998 Edition of the Procurement Manual is available on the GSC's Central Procurement Services (CPS) "Procurement Related Information" website, at the following address: <http://www.gsc.state.tx.us/procinfo.html>

Internet Source: <http://www.gsc.state.tx.us>

## **Purchasing Department Administration**

### **General**

The Purchasing Department is responsible for procuring all goods and services required by the University at the specified quality, quantity and lowest available cost. Purchase Orders will be awarded on the basis of competitive bidding whenever practicable. All purchases must be made in accordance with the General Services Commission Act, Texas Government Code, Title 10, Subtitle D, Chapters 2151-2176, and Texas A&M University-Commerce Policy and Procedure Manual, Policy # E-20.

No officer/employee will intentionally or knowingly make or authorize separate, sequential or component purchases to avoid the competitive bid requirements. Purchases may not be broken down into smaller lots in order to circumvent the specified dollar limit.

Departments should contact the Purchasing Department as soon as needs are determined in order to allow for the timely delivery of goods and services.

### **Responsibilities**

The Purchasing Department will:

- (1) Review Departmental Requisitions for accuracy, complete specifications and determination of proper purchasing procedures in consideration of the funds to be disbursed.
- (2) Process State Contract Purchase Orders and Open Market Purchase Requisitions prior to forwarding them to the General Services Commission.
- (3) Solicit and evaluate bids and proposals in order to award delegated Purchase Orders.
- (4) Encourage the increased participation of Historically Underutilized Businesses in the A&M-Commerce Procurement Process.
- (5) Manage all open Purchase Orders to the extent that the requisitioner receives the requested products or services.
- (6) Maintain an accurate file of all purchasing transactions and related correspondence.
- (7) Develop and maintain accurate and up-to-date information on sources of materials, services and equipment in the form of catalogs, price lists, etc.
- (8) Assist departments that have been delegated the authority to make independent purchases.
- (9) Assist departments in meeting all State and University purchasing regulations.
- (10) Develop and provide training sessions to departments, upon request.

## The Procurement Cycle

# PROCUREMENT METHOD SELECTED

### Purchasing Methods

Identify appropriate procurement method based on specifications, including delivery requirement and cost.

- **Step A**

Is commodity or service in the Texas Council for Purchasing from People with Disabilities (currently TIBH) or TDCJ/ID Texas Correctional Industries (TCI) catalogue? If yes, the procedures outlined in Section 2.5, of the Procurement Manual, must be followed. If no, go to Step B.

- **Step B**

Is commodity or service under Qualified Information Systems Vendor (QISV)? If yes, the procedures outlined in Section 2.6, of the Procurement Manual, Catalogue Purchase Procedures must be followed. If no, go to Step C.

- **Step C**

Is commodity or service on General Services Commission (GSC) Term Contract? If yes, the procedures outlined in Section 2.7, of the Procurement Manual, Term Contracts must be followed. If no, go to Step D.

- **Step D**

commodity over \$25,000 or service over \$100,000? If yes, then it is to be purchased by the GSC through Open Market Procedures. The procedures outlined in Section 2.8, of the Procurement Manual, Open Market Purchases must be followed. If no, go to Step E.

- **Step E**

Is commodity offered through GSC Scheduled Purchases Procedures? If yes, follow procedures outlined in Section 2.9, of the Procurement Manual, Scheduled Purchases. If no, go to Step F.

- **Step F**

Is commodity or service delegated to ordering entity? Follow procedures outlined in Section 2.11, of the Procurement Manual, General Procedures.

- **Step G**

Is purchasing method a Request for Proposals (RFP)? Follow procedures in RFP Handbook see Section 2.10 Request For Proposal for obtaining the RFP Handbook.

**Procurement Cycle (continued)**

Follow the appropriate procurement procedure for the method selected.

Review all purchasing documents (e.g. purchase requisition and purchase order, etc.) for completeness and accuracy. Correct any errors as necessary. If order was issued by GSC, notify the appropriate GSC purchaser of error immediately. Ordering Entity is responsible for reviewing purchasing documents and reporting errors to GSC when order is issued by GSC.

Receive, inspect, and verify that the items received are in accordance with the purchase order and shipping documents. If the item fails to meet specification requirements, notify the vendor. Items which are visibly damaged do not have to be accepted. If accepted, the ordering entity should note damage on shipping document.

Process purchase payment according to the Comptroller of Public Accounts' "The State of Texas Purchase Voucher Guide" and Uniform Statewide Accounting System (USAS) User Manual.

## **Purchasing Procedures**

### **GENERAL**

All purchases must be originated by completing one of three Departmental Requisition Forms. These forms are the Departmental Requisition Form, State Contract Requisition Form and the Interdepartmental Requisition Form. Upon receipt of a properly completed Departmental Requisition, the Purchasing Department will classify the transaction and process it accordingly.

#### **State Funds**

- **Catalogue**

If the requisitioned items are classified as available on the Catalogue Purchasing Program (CPP) from a Qualified Information Systems Vendor, the Departmental Requisition is processed by utilizing the CPP procedures. Items classified as CPP are considered goods and services (computers, software, etc.). In purchasing through the CPP, the Purchasing Department will award based on the best value available to the University. A Departmental Requisition for equipment or supplies from a specific manufacturer must be accompanied by a sole-source justification, if alternates cannot be considered.

- **State Contract**

If the items requisitioned are on Non-Automated State Contract, the class/item number, price Vendor's name and address will be verified and noted on the Departmental Requisition. The order is then placed with the Vendor and copies are sent to the General Services Commission.

If the items requisitioned are on Automated State Contract, the class/item number, commodity number and departmental code are verified. The order is then entered on the automated contract entry system and forwarded to the General Services Commission for review, approval and issuance of a Purchase Order.

- **Open Market**

If the Departmental Requisition is \$25,000 or more, the Purchasing Department will submit an Open Market Purchase Requisition to the General Services Commission for review, approval and issuance of an Invitation For Bid.

- **Delegated or Emergency**

If the Departmental Requisition is less than \$15,000 (including freight and/or postage), it is classified as a Delegated Purchase Order. The Purchasing Department will solicit bids and select the supplier in accordance with current State Procurement Laws.

An emergency purchase is defined as "a purchase of goods or services so badly needed that a department will suffer significant financial and/or operational damage unless the goods or services are secured immediately." In the case of an emergency, departments must notify the Purchasing Department immediately. An emergency justification letter is required for this type of purchase to be processed.

- Research

If the purchase is to be used for research related activities, the Purchasing Department has been granted the delegated purchasing authority to solicit and award bids in accordance with current State Procurement Laws.

### **Local Funds**

Upon receipt of a Departmental Requisition, the Purchasing Department will solicit bids, select the supplier and issue an official Purchase Order as required.

Bid and proposal solicitations will be awarded to vendors who, in the judgment of the Purchasing Department, are financially reliable and capable of providing the required goods and services at the specified quality level. TAMU-C will make a good faith effort in the bid and proposal solicitation process to encourage increased participation of certified Historically Underutilized Businesses.

### **PURCHASE OF SERVICES**

The purchase of services must be made in accordance with rules established by General Services Commission. The Purchasing Department will assist departments as required to comply with GSC requirements.

Purchase of services is defined as the furnishing of skilled labor, unskilled labor or professional work, but does not include: (1) professional service subject to Subchapter A, Chapter 2254; (2) service of a state agency employee; (3) consulting service as defined by Subchapter B, Chapter 2254; or (4) service of a public utility.

All Departmental Requisitions for the purchase of services must be forwarded to the Purchasing Department for processing.

All Departmental Requisitions for the purchase of services amounting to \$100,000 or more per fiscal year must be forwarded by the Purchasing Department to the GSC for their review and approval.

All Departmental Requisitions for the purchase of services must be submitted before the service begins. If the service can only be provided by a sole source provider, a letter of justification explaining why the service cannot be obtained competitively must be submitted along with the Departmental Requisition.

### **USE OF PRIVATE CONSULTANT**

Consulting services must be requisitioned through the Purchasing Department.

Consulting services contracts will be processed according to GSC guidelines

**LEASE PURCHASE OR INSTALLMENT PAYMENT PURCHASE APPROVAL**

All requests for lease-purchases or installment payment purchases must be submitted to the Purchasing Department. The Purchasing Department will assist in developing lease-purchase specifications and in determining available lease-purchase options.

The Director of the Purchasing is authorized to approve lease-purchases less than \$100,000 with a term of five years or less.

The Vice President for Business and Administration is authorized to approve purchases of \$100,000 to \$250,000 and with a term of five years or less.

The Texas Bond Review Board is required to approve lease purchase or installment payment purchases in excess of \$250,000 or having a stated term of longer than five years.

**LEASE OF SPACE**

Lease of Space Funded by State Appropriations

The Purchasing Department will assist departments in developing lease specifications and all necessary documentation as required by the General Services Commission (GSC) Texas Government Code, Title 10, Subchapter D. The Purchasing Department will formally submit the bid specifications to the Planning and Space Management Division of the GSC.

Lease of Space Funded by Other Sources

Lease contracts financed from sources other than state-appropriated funds must be submitted to the Purchasing Department for processing.

Quarterly reports must be submitted to the Purchasing Department in compliance with GSC rule 115.40(c)(4).

## **Proprietary (2155.067) Procurements**

A proprietary purchase is justified only when equivalent product or service competition is not available. When the specification requirement limits consideration to one manufacturer, one product, or one service provider, a written justification must be provided and is subject to review by General Services Commission. The proprietary specification must be stated in the Invitation for Bid (IFB). A proprietary letter is not needed for purchases under \$2,000.00.

### **Requirements**

A written justification must include the following:

- An explanation of the need for the specification, e.g. which part or parts of the stated specification restricts the requisition to one manufacturer or provider;
- The reason competing products are not satisfactory, e.g. a justification for the proprietary purchase; and
- Other information requested by the GSC.

This justification must be included in the local or delegated purchasing file. It can be included on a requisition or be an attachment to an open market requisition or on the purchase order.

### **Authorization**

The justification must be signed by the chief executive officer or an authorized representative. A copy of the authorized signature must be on file with the GSC, Procurement Review Section. To change the authorized signature(s), the Executive Director of the agency must send a letter to the GSC, Procurement Review Section, authorizing who is responsible for signing the justifications. The letter should indicate if the person(s) being added is new or replacing someone else and must include a sample signature.

### **Accountability**

When making the purchase of proprietary items, the GSC is responsible for reviewing the justification. If the GSC takes exception, a letter stating the reasons for exception is mailed to:

- Board members;
- Commission members;
- The Agency Head or the Chairman of the Governing Body;
- Elected officials of the respective agency;
- The State Auditor;
- The Legislative Budget Board; and
- The Governor.

Once the GSC takes an exception, the exception becomes part of the permanent file and the purchase will proceed. Proprietary purchases made under delegated authority are subject to review by the GSC.

All purchases of services exceeding \$25,000 are pre-audited by the GSC. An agency must send the purchasing documentation for document type 3, PCC S to the GSC, Procurement Review Section, 1711 San Jacinto, Rm. 304, Austin, TX 78701 or P.O. Box 13047, Austin, TX 78711 immediately after the award. This will expedite the payment approval process.

## **Emergency Purchases**

An emergency purchase is defined by the Texas Government Code, Chapter 2155.137 and General Services Commission (GSC) Rule 1TAC 113.11 purchasing rules as **"a purchase of goods or services so badly needed that an agency will suffer financial or operational damage unless they are secured immediately."** Emergency purchases of goods and services over \$25,000 are pre-audited by GSC and should be coded as document type 3, PCC T. A state agency must send the purchasing documents to the GSC, Procurement Review Section, 1711 San Jacinto, Rm. 304, Austin, TX 78701 or P.O. Box 13047, Austin, TX 78711 immediately after the date of award. The contract will be pre-audited. This will expedite the payment approval process. Emergency purchases over \$100,000 need to include the Good Faith Effort Forms (GFE), if applicable. **Note:** Emergency purchases over \$25,000 must be posted in the Texas Marketplace.

The essence of an emergency is time. However, proper procurement planning for anticipated needs is expected. Emergency purchases should be rare and based on completely unforeseeable circumstances. Early consultation with agency purchasing staff is helpful in reducing the number of emergency purchases. In other words, normal purchasing procedures (such as GSC open market or term contract) cannot be reasonably expected to provide the needed goods or services within the needed time frame. The decision to declare an emergency purchase is the sole responsibility of the agency.

The GSC has delegated to all agencies the authority to make emergency purchases. This delegation is subject to any GSC rules that may be adopted during the course of this delegation. If requested, the GSC will assist in advising on proper procedures but will not certify whether an emergency exists.

The agency is encouraged to use standard informal bid procedures, including obtaining the required number of bids. Documentation is to be retained by the agency for auditing purposes. Bidding for an emergency purchase is done by the agency who is responsible for awarding the order to the lowest and best bid, considering the emergency conditions. The agency will have the responsibility for handling complaints and protests.

An emergency purchase requires a letter of justification, which will become a part of the file. The letter should be signed by the chief purchasing officer or an authorized representative and must:

- State the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation;
- State the financial or operational damage that will occur if needs are not satisfied immediately (do not just say there will be a loss or some damage); and

- State why the needs were not or could not be anticipated so that items could have been requisitioned through the GSC or purchased following regular delegated procurement procedures.

**Required Auditing Documents:**

1. Copy of signed bid from awarded vendor (IFB);
2. Estimated dollar amount;
3. Beginning and ending date;
4. Bid tabulation sheet (if applicable);
5. Emergency justification letter documenting the unforeseeable circumstances which forced the agency into an emergency procurement situation;
6. Franchise taxes letter of good standing;
7. Invoice receipt; and
8. A copy of purchase order; and
9. Verification of Texas Marketplace posting.

## **Vendor Protest Procedures**

Standard Administrative Procedures

### **Procedures**

Any Vendor wishing to challenge the propriety of a purchase award made by an authorized Buyer of the Purchasing Department must make a written request to the Director of Purchasing for a formal review of the transaction. Such written requests may be made at any time but if any change in the award is to be affected, the written request for review must be made within three working days of the notification of award.

The Director of Purchasing will review the award with the Buyer and provide a written explanation of the decision to the Vendor making the written request. In the event that the Director of Purchasing review discovers any significant deviation from the rules, the award may be changed at the discretion of the Director of Purchasing.

A Vendor who does not agree with the decision of the Director of Purchasing must request a meeting with the Vice President of Business and Administration in writing no later than 10 working days after the date of the Director of Purchasing's determination. Following the testimonies of all parties, the Vice- President will render a decision and report the decision to the University President.

If the Vendor does not agree with the decision of the Vice President for Business and Administration, the Vendor may pursue one of the following appeal channels:

Purchases made with local funds not subject to the authority of the General Services Commission must be appealed to the University President, whose decision shall be final.

Purchases made with state funds must be appealed to the General Services Commission in Austin, Texas.

### **Contact Person**

Please feel free to contact Phillip Ray, Director of Purchasing, at (903)886-5060 should you have any questions regarding these guidelines.

### **Office of Responsibility**

Department of Purchasing

## **Qualified Information System Vendors (QISV). a.k.a. "Catalog Vendors" Purchase Program**

The (QISV) "Catalog Vendor" Purchase Program requires State agencies to purchase information systems products from Qualified Information Systems Vendors (QISVs). In order to be qualified as a QISV, a business must be registered on the GSC's CMBL; must have completed a QISV application; and have submitted a "catalog" which meets the specifications developed by GSC. All of the above must have been accepted and officially acknowledged by The GSC with the issuance of a QISV certificate presented to the vender

The Catalog Purchase (QISV) Program allows State agencies the flexibility to "negotiate the purchases" of information resource products from QISVs on a "best value for dollars spent" basis. The QISV Program shifts selection, sourcing and justification to the State Agency.

The TAMU-C Purchasing Department encourages all interested information resource Vendors to fully explore the opportunity to become QISV certified by The GSC. Vendors who wish to request a QISV application or ask questions about the Catalog Purchase (QISV) Program, should contact the GSC directly at (512) 463-5315.

## **Guidelines for Expenditures of Higher Education Assistance Funds**

### **Purpose**

The purpose of this document is to establish guidelines for the appropriate use of Higher Education Assistance Fund (HEAF) resources.

### **Background**

The legislature of the State of Texas recognized the need to provide permanent capital funding for those colleges and universities, which were not participants in the permanent university fund. H.J.R. No. 19 was passed by the Legislature on May 25, 1983. This joint resolution proposed a constitutional amendment “to provide funds for the support of higher education and to restructure the permanent university fund.”

The proposed constitutional amendment was submitted to and approved by the people of the State of Texas. Following approval of the amendment to article VII, Section 17 of the Texas Constitution, the Legislature established the Higher Education Assistance Fund by adding Chapter 62 to the Texas Education Code.

The Higher Education Assistance Fund was established to provide permanent capital funding for many state colleges and universities whose resources had been severely limited by the repeal of the Ad Valorem tax. Appropriate expenditures and the use of funds are as follows:

- Acquiring land either with or without permanent improvements
- Constructing and equipping buildings and other permanent improvements
- Major repair or rehabilitation of buildings or other permanent improvements
- Acquisition of capital equipment
- Purchase library books and library materials
- Expenditure must be at least \$100 or more

## **HEAF**

### **General Principals**

This section provides the general principles which support the specific provisions authorized under Article VII, Section 17. These principles are expressed as definitions of terms, which are pertinent to the purpose of this document and relate to acquiring, constructing, or improving tangible assets.

Tangible assets are best defined by emphasizing their characteristics. The asset would:

- (a) be intended for use in current operations, and not for the purpose of resale;
- (b) have physical substance;
- (c) provide measurable future benefit to the entity with a useful life of at least 8 years

These characteristics are the foundation of the principle of determining the nature of an asset.

For purposes of these guidelines, cost of acquiring, construction, or improving tangible assets include all directly related reasonable and legitimate costs, including salaries (except library salaries), incurred in placing an asset in the position where it is to be used and ready for productivity in the broad business sense. This principle is applicable whether performance is by university employees or by third parties.

The types of costs that are to be included in the total costs of an asset will vary depending upon the nature of the asset being acquired, whether purchased, constructed or improved, but the principles for identifying the cost of an asset are applicable to all acquisitions.

These guidelines relate to acquiring, constructing, or improving tangible assets, and not to the appropriate levels of capitalizing those assets on the universities financial records. Capitalized costs are expenditures that are recorded to an asset account or to accumulated depreciation. All tangible assets are not capitalized because, in practice, capitalization of expenditures is not based solely on whether the property acquired meets the definition of tangible fixed assets. Practical considerations, which take into account minimum level dollar limitation influence, whether an asset is capitalized or considered to be a current expense.

### **Specific Provisions for Purchasing from Higher Education Assistance Fund**

The following paragraphs are intended to define the nature of appropriate HEAF expenditures. These definitions will include examples as needed to express the intent of these definitions; however, the list of examples should not be considered to be all-inclusive. As a means of further defining the nature of appropriate expenditures, descriptive commentary may be provided.

- **Acquiring land with or without permanent improvements**

Acquisition of land is the outright purchase of real property without improvements or rural property with permanent improvements located thereon for purposes other than the use for student housing, intercollegiate athletics or auxiliary enterprises.

- **Construction and equipping buildings or other improvements**

Construction is the erection, installation or assembly of a new facility to include the addition, expansion, extension or replacement of an existing facility. Construction included related site preparation, excavation filling and landscaping or other land improvements.

- **Major repairs or rehabilitation of buildings or other permanent improvements**

Major repairs or rehabilitation is the restoration of a facility by alteration, conversion, rehabilitation or replacement of parts of materials that have deteriorated by action of the elements or wear and tear in use and that have been corrected through maintenance or minor repairs. Major repair or rehabilitation includes corrections of deficiencies and failed or failing major components and existing facilities such as roofs, foundations, heating, ventilating, and air conditioning systems and elevators.

Other permanent improvements includes, but is not limited to landscape developments, utility systems, streets and sidewalks, parking lots, drainage systems and livestock fencing.

Fixed equipment are those items installed as part of construction that is attached to a building or facility. Fixed equipment includes, but is not limited to cabinets, fume hoods and mechanical equipment.

Furnishings are items that are not attached to the building or facility and support general office, classroom, conference room, and library functions. Furnishings include, but are not limited to desks, tables, filing cabinets, credenzas, chairs and bookcases.

Moveable equipment is items that are not attached to the building or facility, that support specific functions and is often of a scientific or technical nature. Moveable equipment includes, but is not limited to, computers, printers, cameras, forklifts, microscopes, recorders and analyzers.

- **Acquisition of capital equipment**

Capital equipment is defined as fixed or moveable tangible assets, which support operational activities, provide benefits for a minimum of at least 8 years and have a value of at least \$500.00 per unit.

Equipment may also include the original contract or invoice price, freight in, import duties, handling and storage, specific in transit insurance charges, cost of site preparation installation charges, charges for testing and preparation of use and costs of reconditioning used items when purchased. Maintenance agreements, which are purchased as part of the original acquisition, are appropriate costs in this category.

- **Computer Components**

Exclusion of all “after the fact” purchasing of internal computer components.

Special note: Internal computer components purchased at the same time and as part of the original computer system do qualify for HEAF funds.

Special Exception: The upgrade/addition of internal computer components for existing computer labs shall be considered on an individual basis.

- **Purchase of library books and library materials**

The purchase of library books and library materials for permanent retention is only allowed for purchases if these purchases will be located in the James Gee Library. The purchase of periodicals, publications or subscriptions by individual departments does not qualify.

## **Specific Exclusions**

Higher Education Assistance Funds may not be used for maintenance, minor repairs or operating expenses.

Higher Education Assistance Funds may not be used for the purpose of constructing, equipping, repairing or rehabilitating buildings or other permanent improvements that are to be used for student housing, intercollegiate athletics or auxiliary enterprises.

Higher Education Assistance Funds may not be used as partial payment for the acquisition of capital equipment to be used for both educational and general and auxiliary purposes that are independent of constructing and equipping buildings or other permanent improvements, major repair and rehabilitation of buildings or other permanent improvements.

## **State of Texas \*HUB Utilization Goals (% Dollars Spent)**

Each state agency is required to make "good faith effort" to assist HUBs in receiving a portion of the total contract dollars which that agency expects to award in a fiscal year in accordance with the General Services Commission (GSC) percentage (%) goals:

<b><u>GSC Category</u></b>	<b><u>Percentage (%)</u></b>
Heavy Construction	11.9%
Building Construction, (General Contracts/Building Contracts)	26.1%
Special Trades	57.2%
Professional Services Contracts	20.0%
Other Services Contracts	33.0%
Commodities Contracts	12.6%

\*Promulgated by the State of Texas General Services Commission (GSC)

## **Training and Certification**

In accordance with Texas Government Code, Title 10, Subtitle D, Section 2155.078, the General Services Commission will administer a system of training, continuing education and certification for state agency personnel. There will be three levels of training and two levels of certification

### **The Procurement Training Program**

The 75th Legislature mandated that all state agency and university purchasing personnel are to be trained and certified to the extent required by the General Service Commission. GSC's goal is to exceed the statutory requirements and provide our state with the best and most qualified purchasing professionals available. We are doing this by offering a series of public purchasing courses and certification testing tailor-made for Texas. Each course has been developed with the assistance of a nationally recognized professional purchasing association. In addition, all the instructors have extensive experience in public purchasing and instructing. The certification tests will be approved by a board of Texas purchasers actually doing the work in the field.

### **Who Should Attend**

**All state employees purchasing on behalf of their agency are required to attend.**

Other state employees may attend. In addition to state agencies, employees of political subdivisions and other government entities may attend. Examples include school districts, police & fire departments, city and county governments, and community colleges. Entities participating in the General Services Commission's cooperative purchasing program for term contracts are especially encouraged to attend.

### **The Training and Certification Program**

The program contains three levels of training and two levels of certification.

**Level One (Texas Basic Public Purchasing)** - This is an entry level survey course of the principles of public purchasing used in Texas. The objectives of the course are:

- To acquaint the student with the basic rules of procurement in the public sector.
- To explore the changing nature and role of public purchasing.
- To help the student understand their legal, regulatory and ethical considerations.
- To identify the basics of specification development.
- To acquaint the student with current Texas purchasing policies and procedures.

The focus of this course is on principals and concepts rather than on the step-by-step procedures. It is a 2-1/2 day course (approx. 20 hours).

**Level Two (Texas Advanced Public Purchasing)** - Level two is a more in-depth look at the purchasing techniques and concepts introduced in Basic Public Purchasing. The objectives of the course are:

- To improve the student's specification writing,
- To define the different types of contracts and their uses,
- To increase the student's understanding of how to develop Invitations for Bids (IFB), Requests for Proposals (RFP), and
- Statements of Work,
- To identify key responsibilities in contract administration,
- To explore basic negotiation techniques,
- To understand elements of purchasing leadership.

This is a 2-1/2 day course (approx. 20 hours). Prerequisite - Level one is strongly recommended.

**Level Three (CNC)** - This consists of three individual one-day courses (approximately 8 hours each) offered back-to-back. The courses are:

- Contract Administration
- Negotiation Skills
- Cost & Price Analysis

A student may take all three courses together or take them individually at separate times. Prerequisite - Levels one and two are strongly recommended.

### **Certifications**

- **Level One Certification** - The first level is the Certified Texas Public Purchaser (CTPP). It requires one year of experience and successful completion of a written test. To be eligible to take the certification test, a person must have completed both the Texas Basic and Texas Advanced Public Purchasing.
- **Level Two Certification** - The second level certification is the Certified Texas Procurement Manager (CTPM). In addition to a written test, an oral examination will be required. To be eligible to take the certification test, a person must have three years experience and have completed the following courses: Texas Basic Public Purchasing, Texas Advanced Public Purchasing, Contract Administration, Negotiation Skills, and Cost & Price Analysis. **Note:** A short, optional refresher course will be offered before each certification test.

All state agency and institutions of higher education purchasing employees must be trained and certified by November 30, 2001 to continue purchasing on behalf of the state of Texas. Purchasing staff has been identified in accordance with the individual agency's procurement plan which was due November 30, 1998. The only exceptions are medical and dental units to which Section 51.9335, of the Education Code applies.

## **Maintaining Certification**

Certified individuals must obtain 24 hours of continuing education per calendar year to maintain their certification.

## **Classes and Registration**

Current classes are listed on the Internet at

<http://www.gsc.state.tx.us/stpurch/trn-cert.html#basic>

Forms are available on the Internet at:

<http://www.gsc.state.tx.us/stpurch/trn-form.html>

For additional information contact the Training and Communications Section of the GSC Central Procurement Division at (512) 463-3484.

**Legal Source:** Texas Government Code, Title 10, Subtitle D, Chapter 2155.078

### **Internet Sources:**

<http://www.gsc.state.tx.us/stpurch/trn-cert.html#basic>

<http://www.gsc.state.tx.us/trn-form.html>

**TRAVEL**



## **Texas A&M University-Commerce Travel Procedures**

Department Heads should plan the travel of all employees under their authority so as to achieve maximum economy and efficiency. All applications must be approved prior to the day of the trip before the state will pay for reimbursement of the trip. Travel expenses may be reimbursed only where the purposes of travel performed are clearly for the conduct of the State's official business and in compliance with the legal responsibilities of this agency.

For Printing of the following forms see appendix 6:

[Travel Voucher](#)

[Prospective Employee Information](#)

[Travel Advance Request](#)

[Travel to Washington D.C.](#)

[Contract Travel Vendor Exception Certification](#)

[Transportation Request](#)

[Texas Hotel Occupancy Tax Exemption Certificate](#)

[Foreign Travel](#)

## **TRAVEL APPLICATION**

A travel application should be submitted two weeks prior to the trip. The application is only an estimate of the expenses the traveler will claim on their travel voucher.

### **Requirements for Completing and Processing Travel Applications :**

- Name and Social Security Number - A separate application needs to be filed for each employee traveling.
- Beginning date of trip and the date returning to campus.
- Purpose of Trip.
- Type of Transportation and Estimated Transportation Cost.
- Indicate if the traveler does or does not expect reimbursement for his/her traveling expenses.
- Estimate of Total Reimbursement.  
(This amount is the total to be reimbursed to the traveler. If a University vehicle is used, this amount is not included in the estimate of total reimbursement).
- The Account Name and Account Number  
(In order to maintain accurate records, a sequential user reference number should be added to the account number. Example: 123400-00000-1001. The estimated amount of the reimbursement will be encumbered (reserved) using this number. A different sequential user reference number should be used for each application filed under any account number. The "1001" represents the first application filed for the fiscal year).
- Suggestions made for missed classes should be recorded.
- Traveler's original signature is required.
- Approval signatures must be obtained according to the order indicated on the application.

Once the application has been approved, all copies are mailed to the department and the original copy remains in the Accounts Payable Office.

## **RESERVATIONS**

The Texas State Directory, updated annually, should be utilized when making reservations for hotel, car, and airline.

### **Air Fare - Direct payment approval.**

After the application is approved and reservations are made, the traveler may request direct payment from their account. The procedure is as follows:

Transportation Request - A Transportation Request Form should be completed and returned to Accounts Payable Office for approval of payment for the airline ticket. This cannot be done until the travel application has been approved.

Using the internet to book an airline is acceptable if the fare is lower than the contracted rate(Exceptions #7 or 8). However, contracted fares cannot be booked on the net. This is an airline policy created for the purpose of controlling access to contracted rates. Booking on the internet is NOT an allowable exception for not using the contracted airline or fare.

Tickets may be picked up at Commerce Travel.

## **TRAVEL ADVANCE**

Travel Advances are limited to faculty and staff taking a group of students, recruiters, and persons traveling for an extended period of time. Other travelers should rely on other funds such as their corporate cards and immediate reimbursement. Any questions concerning corporate cards please contact the Fiscal Office.

After receiving the approved copy of the application an advance form should be completed and returned to the Fiscal Office five days prior of request for advance. The Travel Coordinator handles this in the Fiscal Office.

The pink copy of the application should be brought to the Fiscal Office upon request of the advance; however the advance can only be given to the traveler.

A Travel Voucher should be filed and submitted as though the traveler has paid all expenses. A Travel Voucher should be filed within 10 working days from return of trip. When a warrant has been received in the Accounts Payable office, the advance will be paid. Any differences will be taken care of at that time.

Immediate reimbursements are not allowed when an advance was made prior to the trip.

## **TRAVEL VOUCHER**

A Travel Voucher should be submitted within 10 days of trip completion. The voucher should be submitted only if an approved application has been returned and after the trip has been completed.

Requirements for completing and processing a Travel Voucher include:

- Title - The title of the traveler.
- Sections A & B, M & N should be completed on all vouchers.
- Designated Headquarters - The area within the city limits of the incorporated area in which a state employee's place of employment is located.
- Dates Covered by the Voucher - Date traveler left headquarters and arrived headquarters.
- Voucher Amount - Total amount to be reimbursed.
- Payee Identification number - Traveler's social security number.
- Pay To - Name of traveler, department, Texas A&M University- Commerce, Texas 75429.
- (Agency Use) under Pay To - The travel number which was assigned to the travel application. (This helps in processing your voucher)
- Expense itemization for in-state travel and out-of-state travel.
- Claimant Signature - Travelers original signature is required on all copies when submitted for reimbursement.
- "Records of Transportation and Duties Performed" and any other pertinent information (Section Y). Information required in this section is as follows:
  1. The point of origin and the town, place or point of destination of each trip and the reimbursable mileage traveled between each point, town or place (Section 17).
  2. Purpose of the trip and a statement of official business performed (Section Y)
  3. How this trip benefited the University.
  4. Itemized taxi fares and cost.

- Per Diem, Meals & Lodging Expenses-in-state & out-of state. Information required in this section is as follows:
  1. Actual date and time the traveler left headquarters is listed on the first line of the column "Leave Headquarters". Each date at destination is listed consecutively in this column. Actual date and time the traveler arrives at headquarters is listed in the column "Arrive Headquarters". Please specify AM or PM.
  2. List expenses per day and total.
  3. Lodging and meal rate for Texas remains the same \$70.00 a day for hotel and whatever you spend up to \$25.00 a day for meals.
  
- Receipt requirements:
  1. Airline & rental car receipt required.
  2. Lodging receipt required.
  3. Meal receipts are not required.
  4. Taxi receipts are not required if taxi fares are itemized on the back of voucher per trip and cost. Example: Taxi from airport to hotel \$6.00.
  5. Parking receipts are not required if stated where parked on voucher. Example: Airport parking, Hotel Parking.
  6. Registration receipt required.
  7. A complete exception form should be included if contracted hotels, rental car, airlines, or airfare was not used.
  8. One original and one copy. (When using two or more account numbers, provide one original and a copy of the voucher for each account number plus copies of receipts for each account number).
  
- The traveler must initial any correction made to a voucher
  
- When driving out-of-state, the voucher must state the reimbursement that the employee would have received had the employee flown, which is equal to the average couch airfare plus the expenses necessary to complete the flight.

## **IMMEDIATE REIMBURSEMENT**

A Traveler may claim immediate reimbursement for his travel expenses upon return of his trip.

In order to file for immediate reimbursement, the voucher must be \$50 or more and must be paid from a state account. Travel from local accounts and restricted funds must be processed through normal procedures.

A Travel Voucher should be filed within 10 working days after return from the trip. The voucher should be hand carried to the Accounts Payable Office for request of immediate reimbursement.

## **PAYMENT OF VOUCHER**

When a voucher is processed and payment is made the warrant or check will be given to Cashiers for distribution. An email will be sent to notify the individual when the check is available.

If you have any questions concerning the Travel Procedures please contact the Travel Office at 886-5048.

## **PROSPECTIVE EMPLOYEE INFORMATION**

1. Complete the prospective employee information form that is attached, and return it to the Fiscal Office.
2. Consult the Texas State Travel Directory for contracted airfare, hotels, and rental car. The same guidelines should be followed as with an employee of the University.
3. If the University is to pay the airline ticket, the department must complete the following:
  - a. Departmental Requisition including the prospective's name, address, social security number, and department conducting interview.
  - b. Transportation Request following the guidelines specified in the travel packet.
4. Prospective employees should pay for all travel (including hotel and meals) following the same procedures as an employee of the state. Department personnel may not be reimbursed for meal expenditures related to a prospective employee.
5. After travel is complete, a Travel Voucher should be filed using the same procedures as a University employee.

## **TRAVEL ADVANCE INFORMATION**

Travel advances should be limited to extensive trips, or person taking students with them.

An approved Travel Application should be on file in the Fiscal Office.

When students are traveling with you, an application for yourself with money encumbered to cover your expenses, plus expenses for the students.

A list with the student's name & social security number should be attached to the application.

Five days prior to the trip, submit a Travel Advance Form.

This is a loan; a voucher should be submitted immediately upon return from your trip.

Completing the voucher:

- A. Receipts are required for everything except food.
- B. Students follow the same guidelines for reimbursement as employees.
- C. Expenses on the back of the voucher should be itemized per day.
- D. The voucher should not reflect you received an advance.
- E. Advance money not utilized on the trip, should be returned to the travel office, to be deposited into the travel advance account.
- F. Should your reimbursable expenses be more, a difference check will be issued.

## **WASHINGTON D.C. TRAVEL**

### **THE TEXAS OFFICE OF STATE-FEDERAL RELATIONS**

P.O. Box 13005  
Austin, Texas 78711  
(512) 463-1803  
Fax (512) 463-1984

122 C STREET, N.W., SUTE 200  
WASHINGTON, D.C. 20001  
(202) 638-3927  
FAX (202) 628-1943

September 25, 1995

To: Agency Heads  
Travel Coordinators

From: Roy Coffee, Director, Austin Office

Re: Travel Notification Procedures

Pursuant to House Bill 1, Seventy Fourth regular legislative session, state agency personnel are required to inform the Office of State-Federal Relations of any travel to Washington D.C. Below please find the Article XI rider, a description of the legislative intent and the instructions to comply with the rider.

H.B.1, Article XI, Section 53. Expenditures for State-Federal Relations

None of the funds appropriated in this Act may be sent 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

#### **Legislative Intent**

Members of the Texas Legislature expressed concern that state agency personnel other than OSFR personnel were traveling to Washington D.C, frequently, but were not coordinating their activities with OSFR. The members expressed concern about the lack of coordination as well as the cost to the state of frequent trips between Austin and D.C. The language added to this rider is an attempt to enhance

coordination and to create a centralized log of agency travel to Washington D. C. for legislative review during the next appropriations cycle.

## **Instructions**

Compliance with this rider should be as simple as possible. This rider requires state agency to provide OSFR with information only. A report on state agency travel will be presented to the members of the legislature for each fiscal year. Attached is the notification form that state agency personnel should submit prior to travel to Washington D.C. Please fill it out as completely as possible.

Special instructions; If the trip involves congressional testimony, congressional visits (includes visits with congressional or committee staff) or agency visits (meetings with representatives or officials of federal agencies), please include particulars on the form. OSFR needs to know which committee, congressman, or agency is involved and the subject of the meetings or testimony. Travel for purposes of research, training, or classes should be listed as "Other." If in doubt, simply attach a copy of your agency's travel/approval request form.

### **Send interagency to:**

The Texas Office of State-Federal Relations Attn: Travel Recorder  
Attn: Travel Records  
313 Lorenzo de Zavala Stare Archives & Library Building  
Austin, TX 78701 INTERAGENCY MAIL

### **Or via U.S. Mail to:**

The Texas Office of State-Federal Relations  
Attn: Travel Recorder  
P.O. Box 13005  
Austin, TX 78711

## **Or via fax to: Travel Recorder (512) 463-1984**

Notification of travel to Washington D.C. should be received by OSFR **Seven days in advance of departure**. If circumstances prevent this please notify OSFR as soon as possible with a reasonable explanation. OSFR will not send verification of receipt of agency travel notification. However, before the end-of-year report is released to the legislature, each agency will be given the opportunity to verify the information in the report is correct.

OSFR will maintain a centralized log of all travel notifications. Copies of the travel log will be available to state agencies at the end of each fiscal year. Agencies interested in obtaining a copy of the log should contact the "OSFR Travel Recorder" at (512) 463-1803.

## **Governor's Policy on Foreign Travel**

Pursuant to Section 9-5.1(h), Article IX, General Appropriations Act, the Office of the Governor has adopted the following policy for expending appropriated funds for travel to foreign countries, other than Canada and Mexico, by state employees on official state business.

1. All foreign travel, other than Canada and Mexico, must have prior written approval of the chief administrator of a state agency as provided in Section 66.024 of the Government Code. Additionally, all foreign travel by state employees on state business, paid for with state funds, must be approved by the Governor's Office in advance of the travel. For purposes of this approval process, travel to any territory of the U.S. is not considered foreign travel.
2. Approval should be requested on the attached form, which must be completed in full and provided to the Governor's Office of Budget and Planning. Every effort should be made to submit a request for approval at least 30 days prior to the date of the employee's departure.
3. Foreign travel by any state employee on state business must benefit the State of Texas.
4. The chief administrator of each state agency and institution should disseminate this policy to all employees of that agency or institution.
5. The U.S. Department of State may issue travel advisories warning against or restricting travel by a U.S. citizen to specific nations. Should a person request approval to travel under a travel advisory, the person must include a signed statement indicating that the person is aware of the travel advisory and potential risks associated with the travel to the nation under the advisory.
6. Approved travel requests must be re-approved if the departure or return date changes by more than 168 hours, or if expenses increase by more than 10 percent.
7. Any questions regarding this policy, or the use and completion of the request form, should be addressed to the assigned budget analyst for the agency or institution. Forms should be mailed or addressed to the assigned budget analyst for the agency or institution. Forms should be mailed or faxed to:

## **Governor's Office of Budget and Planning**

P.O. Box 12428  
Austin, TX 78701  
Phone: (512)463-1778  
Fax: (512)463-1880