

Guidelines
for
Disbursement of Funds

Texas A&M AgriLife

September 1, 2017

Future revisions will be made to the Internet version only.
<http://agrilifeas.tamu.edu/fiscal/disbursements/>

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Last Revision: September 1, 2017

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I. Introduction

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

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

Questions or comments relating to the Guidelines for Disbursement of Funds should be directed to the Disbursements Office at (979) 845-4778 or (979) 845-4764.

The Guidelines for Disbursement of Funds is applicable for Texas A&M AgriLife Research, Texas A&M AgriLife Extension Service and Texas A&M Veterinary Medical Diagnostic Laboratory. These agencies shall be referred to in this manual as Texas A&M AgriLife. Sponsored Research Services will be referred to as SRS.

For help and contact information, please see <http://agrilifeas.tamu.edu/fiscal/disbursements/contacts/> or Section IV.A.

II. Purchasing Expenditures

II.A. Minimum Requirements

II.A.1. Purchase Documents

Guidelines for Reviewing Purchase Documents

The State of Texas Purchase Policies and Procedures Guide (eXpendIt website: <https://fm.xcpa.state.tx.us/fm/pubs/purchase/index.php>) can be accessed on the State Comptroller's web site. State agency personnel are responsible for reviewing each purchase document for accuracy and completeness. The following guidelines must be followed to ensure the prompt and accurate processing of purchase documents:

- 1) A purchase must be made in accordance with the Texas and United States Constitutions, applicable statutes and regulations, the State Comptroller's rules, and the TAMUS regulations (<http://www.tamus.edu/offices/policy/policies/index.html>) and Texas A&M AgriLife guidelines.
 - 2) A purchase document and invoice must contain accurate data and a complete and accurate description of the goods or services being purchased.
 - 3) Proper supporting documentation must be attached to a purchase document to support the legality of a payment and to accurately describe the goods or services being purchased. Vendor certification is acceptable in lieu of supporting documentation. In the case of contracts, a copy of the contract with the proper approval signatures should be attached to the document. Having a contract does not necessarily exempt you from Texas A&M AgriLife Purchasing guidelines. In the case of individual reimbursements, the documentation must provide for the detail of the purchase along with proof of payment. If the receipt does not show proof of payment then a copy of the cancelled check, credit card statement or vendor certification is acceptable.
 - 4) Persons authorized to prepare or approve disbursement documents are those individuals who have completed Disbursements training, which is based on the Guidelines for Disbursement of Funds prepared by the System Office of Budgets and Accounting (SOBA). The departments/units shall ensure that all individuals involved in the disbursement process have received the necessary training on a regular basis and that a record of the training is maintained. Each department/unit shall provide continuing education on a regular basis for all key fiscal personnel. Such training may consist of updates to the Guidelines for Disbursement of Funds training, as provided by Disbursements, and /or training in other fiscal office or accounting responsibilities. A listing of available on-line training can be found at <http://agrilifeas.tamu.edu/training/>. Updates to the Guidelines for Disbursement of Funds and other information can be found at <http://agrilifeas.tamu.edu/fiscal/disbursements/>.
 - 5) The approval signatures must be identical to the signatures on Texas A&M AgriLife form AG 205 Purchase Voucher and Travel Voucher Approver Signature Card (<http://agrilifeas.tamu.edu/library/pdf/forms/ag-205.pdf>). In the Purchasing Module within FAMIS or in an e-procurement system, departments will be required to

- establish procedures to ensure that vendor payments are initiated/approved only by individuals who are properly authorized and have received appropriate training.
- 6) When the authority for a purchase is not obvious or self-evident, a citation of the relevant statutory authority must be included on the purchase document/voucher. Whenever a statement is required, the agency must ensure that the statement is true and complete. Such statements are vital to supporting the legality of payments.
 - 7) The processing of a purchase document in error does not obligate Disbursements to process all similar, subsequent documents. Each document must stand on its own because an improper type of payment is not made proper by the fact that it was made one or more times. Therefore, a department/unit should not assume that the processing of a particular document indicates the Disbursements office's decision to process all similar, subsequent documents.

Items Included in Purchase Documents

A purchase document should include the following information:

- Copy of invoice;
- State documentation (if on state funds);
- Taxpayer ID # (vendor identification number);
- Customer accounts receivable number;
- Name and address of the vendor or payee;
- Purchase order number;
- Paying account(s) #;
- Agency object code;
- Payment amount;
- Date invoice was received;
- Delivery date;
- Description of goods or services; and
- Department/Unit approval.

Invoices/Receipts

Proper supporting documentation (itemized invoice) must be attached to the payment request to support the legality of a payment or to accurately describe the goods or services being purchased.

Invoice/Receipt must be itemized and must be part of the payment documentation on the payment request. Invoice number provided on the invoice must be entered as it appears in the payment system to catch possible duplicate invoices.

If the payment system identifies a duplicate invoice and the department overrides the payment system, there must be supporting documentation explaining why this was necessary.

If the invoice is not an original invoice, departments will have the responsibility of confirming that the invoice is not a duplicate request by checking in the payment system for Texas A&M AgriLife and any other funding sources the department may use.

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. Departments/Units should submit invoices to Disbursements via Laserfiche. A copy of the invoice should be retained in the departmental files until Laserfiche verification has been ensured. When the claim of a vendor is not supported by an adequate invoice, the vendor will be required to complete the vendor certification section of the payment document. (System Regulation 21.01.03)

Reconciling monthly FAMIS statements is critical to detecting and preventing duplicate and erroneous payments to vendors

Rushes

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

II.A.2. State of Texas Prompt Payment Law (revised 06/27/2017)

Payment Due Date

State of Texas Prompt Payment Law requires that a state agency's payment is due by the 30th calendar day after the latest of the following:

- The day the agency received the goods;
- The day the services were completed by the vendor for the agency; or
- The day the agency received the invoice for the goods or services.

If paid (check/ACH issued) after this date, prompt payment interest will begin accruing. Interest will automatically be included on the payment to the vendor. On local accounts, interest will not be paid unless it is greater than \$5.00.

Invoices received by the department need to be stamped with the date the invoice was received. Invoice received date is the date the first person in the agency receives the invoice.

In the event there is a dispute of the prompt payment charged, departments have 90 days from the month end closing where prompt payment interest appeared on their account to send a request to Disbursements to review the prompt payment charge.

Interest on Late Payments

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

- 1) Beginning on the day after the payment is due, interest accrues on the unpaid balance at the rate of 5.25% per year (as of 9/1/2017). The interest ceases to accrue on the date the state agency mails or electronically transmits the payment to the vendor or the vendor's financial institution.
- 2) Interest will be charged to the account that paid the principal. On Office of Sponsored Research (OSRS) accounts the interest is charged to a specified designated account (see screen 8 in FAMIS for details).
- 3) If you request that prompt payment interest be refused from calculating you must clearly document all the facts to substantiate your request. We cannot refuse interest if you do not provide adequate documentation.
- 4) All invoices must document the date they were first received by the agency. The goods/services received date must be documented on the appropriate online receiving screens.
- 5) The State of Texas schedules payments to vendors on state funds because the State wants to maximize the time that funds are held by the State. Payments will not be released until three days before the payment becomes due. Payments are not scheduled on local funds.
- 6) Departments have 90 days from the month end closing, where prompt payment interest appeared on their account, to send a request to Disbursements to transfer the amount of interest to an administrative account; when it is determined that Disbursements was responsible for the interest calculating. Disbursements will only be responsible for 30 days of interest. It is the department's/unit's responsibility to reconcile items they have submitted for payment. These are considered payables. Departments must reconcile their FAMIS statements on a monthly basis, to see what documents have paid (See screen 272).

II.A.3. Vendor Information (revised 05/23/17)

Policy

The Internal Revenue Service requires entities to report tax reportable payments on 1099 and 1042 tax forms. To accurately report this and avoid fines and penalties levied by the IRS, it is extremely important to accurately set up vendors in our accounting or payment system.

In order to process a payment to a vendor, the vendor must be set up in the agency's accounting and/or payment system. In order to be in compliance with IRS regulations, Texas A&M AgriLife requires all companies and individuals who are not employees or students of TAMUS to have a W-9 or Substitute W-9 form on file with Disbursements before they are set up in FAMIS. You can obtain the Substitute W-9 form from the Disbursements website at <http://agrilifeas.tamu.edu/forms/disbursements/>. Departments/Units should provide this form or website to the vendor to complete. The vendor must fill out the form completely and submit to:

Texas A&M AgriLife-Disbursements
Vendor Requests
2147 TAMU
College Station, TX 77843-2147

Departments/Units can request to have a vendor set up in FAMIS by submitting a W-9 form or an Employee Vendor Information Sheet (AG-250) via Laserfiche Work-in-Progress-Disbursements/Vendor Request or via fax (979) 458-3242. Questions regarding vendors can be sent to vendorrequest@ag.tamu.edu or call (979) 845-4739.

Vendor Payments

We encourage all vendors to be set up for direct deposit. Payments will be sent directly to the vendor's bank account by electronic transfer/Automated Clearing House (ACH). The money is in their account within two business days rather than the time it takes by mail to reach the vendor and then for the vendor to deposit it in their account. Vendors can complete the Substitute W9 & Vendor Direct Deposit Form (<http://agrilifeas.tamu.edu/documents/ag-217.pdf>) and submit it to Disbursements to process. The form must be completely filled out, signed and dated. Mail the completed form to Disbursements, 2147 TAMU, College Station, TX 77843-2147. If you have any questions you can contact Disbursements at (979) 458-0849.

Additional information can be located at: <http://agrilifeas.tamu.edu/fiscal/disbursements/>.

Reimbursements to Texas A&M AgriLife Employees

Texas A&M AgriLife employees are encouraged to have their reimbursement amounts deposited directly into any financial institution that is a member of the Automated Clearing House Network. Their reimbursement will be in their account within two business days. This avoids delays due to mailing the check and/or taking the check to the bank. Employees can be set up for direct deposit of reimbursements using one of two methods.

- 1) Enter information using HRConnect. Using HRConnect allows the employee to enter all banking information directly. In HRConnect, select the Payroll tab, under the section for Direct Deposit Information click to edit and follow instructions.
- 2) Vendors can complete the Substitute W9 & Vendor Direct Deposit Form (<http://agrilifeas.tamu.edu/documents/ag-217.pdf>) and submit it to Disbursements to process. The form must be completely filled out, signed and dated. Mail the completed form to Disbursements, 2147 TAMU, College Station, TX 77843-2147 or fax to (979) 458-3242.

If you have any questions concerning direct deposit/ACH, please call Sarah Mayes at (979) 458-0749.

Additional information can be located at: <http://agrilifeas.tamu.edu/fiscal/disbursements/>.

Wire Transfers

In some instances, vendors will request funds to be wired to their account and specific bank information is required to process a wire transfer. Domestic wires should only be sent in rare circumstances involving a rush where funds are needed the same day or in some cases the next day. Otherwise ACH should be the preferred method. Foreign wires are more common since many foreign vendors will require funds in their country's currency and/or the mail system

cannot be trusted. In order to process this type of transaction, specific bank information is required.

The following information is required in order to process a domestic wire transfer:

- a) Vendor's bank name
- b) Vendor's bank address
- c) Vendor's bank account number
- d) Vendor's ABA/routing number
- e) Name on the vendor's bank account
- f) Vendor's address
- g) Amount to be paid
- h) Completed wire transfer form (AG-212)

The information required for a foreign wire transfer is similar:

- a) Currency type (US dollars or foreign)
- b) Payment amount
- c) Beneficiary name on account
- d) Beneficiary address
- e) Beneficiary bank account number
- f) Beneficiary bank name
- g) Beneficiary bank address
- h) SWIFT code
- i) Additional beneficiary bank information (UK sort code, Germany BLZ, Italy CAB, etc.)

When wiring funds, Texas A&M AgriLife's financial institution charges a fee, this fee is passed to the department/unit requesting the wire transfer. The fee for wire transfers is \$40.00.

Foreign Vendor Payments

The department/unit will need to contact the vendor to determine exactly what format the vendor will expect payment in. Many foreign vendors accept US checks for the conversion rate on the date of the payment. Others accept a US check at a rate agreed upon by the department/unit and vendor (ex: date of order, date of delivery, etc). Some foreign vendors require the funds be paid in US dollars via wire transfer and others require wire transfers in the foreign currency (ex: EUR, GBP, etc).

Departments/Units must provide Disbursements with clear instructions on the agreed upon terms.

- 1) Paying via US check – If paying a vendor with a US check, you must provide a copy of a currency conversion that was used to determine the amount to pay the vendor. Please indicate what date you are using for the conversion process (ex: date of payment, date of order, date of delivery, etc) and document that the vendor will accept this conversion rate as settlement of the debt.
 - a. Set up the purchase document for the US amount based on the currency conversion.

- b. Submit the invoice to Disbursements for payment processing.
- 2) Paying via wire transfer – If paying a vendor via wire transfer, a wire transfer form, the vendor’s banking information and the type of currency to be wired must be provided. The purchase document should be made payable to the vendor.
- a. If wiring a foreign currency – Set up a purchase document for the US amount estimated on a currency conversion, rounded up to the next \$50 or \$100 increment. Your account will be charged for the actual amount of the currency conversion after the funds are wired.
 - b. To convert foreign currency to US dollars use the below Wells Fargo conversion tool instead of the Oanda conversion tool. Once converted to US dollars the amount can be used to estimate the amount of the payment request in the procure to pay system. Please note that the amount will be different at the time of the wire and will be adjusted accordingly, so this is just an estimate.
<https://www.foreignexchangeservices.com/index.html?partnerid=FES&serviceType=rate>
 - c. If wiring US funds – Set up a purchase document for the US amount based on the currency conversion (agreed upon amount with the vendor).
 - d. Ensure that invoicing and receiving are completed. Submit the wire transfer form, invoice and any supporting documentation via the agency’s payment system.
 - e. All wire transfers are treated as rush documents. The wired funds could take anywhere from one day to four weeks to reach the vendor depending on the country’s financial institution system.
- 3) Disbursements will send any mail that we have for a foreign address via US air mail. Mailing via US air mail often takes a week or more to reach the final destination. Depending on when the vendor deposits the funds, actual payment information could be even longer.

For any questions regarding payments to foreign vendors and/or wire transfers please contact Disbursements, Kim Payne, (979) 845-4764 or Shiao-Yen Ko, (979) 845-4778.

Vendor on Hold

House Bill 2914 states that agencies and institutions have to verify whether or not a vendor is on warrant hold with the Comptroller’s office to be able to enter into a contract with them. You can verify this no earlier than the seventh day before and no later than the date of entering into the contract. There are two ways to verify a vendor’s hold status:

- 1. Use FAMIS screen 171 (State Hold Vendor Id Search) or FAMIS screen 172 (State Hold Vendor Name Search) to verify the hold status of a vendor. The information in FAMIS is received directly from the Texas State Comptroller’s Office and is updated every night. If the vendor is listed on FAMIS screens 171/172 and you wish to contract with them, your contract must require payments to be applied toward eliminating the debt or delinquency. To clear up the issue, you should advise the vendor to contact the Texas State Comptroller’s office.
- 2. The state has established a web site designed to allow agencies to determine a vendor’s status with a single inquiry. The Taxpayer and Vendor Account Information

web site is located at <https://fmcpa.cpa.state.tx.us/tpis/>. Enter the Vendor name or DBA click the “Search” button, the message “Taxpayer is not on vendor hold” or “Taxpayer is on vendor hold” will be displayed. If the message displayed is “Taxpayer is not on vendor hold,” you can proceed with the bidding or purchasing process. If the message displayed is “Taxpayer is on vendor hold” and you wish to contract with them, your contract must require payments to be applied toward eliminating the debt or delinquency. To clear up the issue, you should advise the vendor to contact the Comptroller’s office.

Payments through the accounting system will not be released if the vendor is on hold with the state of Texas or has been placed on hold by TAMU. If making a payment card purchase greater than \$500, it must be determined prior to the purchase whether the vendor is on hold by checking the following three websites:

- State of Texas Vendor Hold List

Texas A&M University should not purchase, in any dollar amount, goods or services from any vendor listed on the below state and federal debarred lists.

- State of Texas Debarred Vendor List
- Excluded Parties List

Term Contracts

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

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

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

II.A.4. Discounts

When discounts are offered by a vendor it is the department/unit’s responsibility to ensure that the invoice will be paid in a timely manner in order to take advantage of the discount. These invoices must be sent to Disbursements with sufficient time to process. Submit to Disbursements and indicate it is a rush accordingly.

II.A.5. Purchasing Authority (revised 03/18/13)

Dollar Limits

Each department/unit has been delegated the authority to make purchases up to \$10,000 with both state and local funds. Once a purchase is going to exceed \$10,000 a requisition or request for proposal is required to be processed prior to making the purchase. Large purchases may not be divided into small lot purchases in order to meet the specified dollar limits (Government code: Title 10, Subtitle D, Chapter 2155, Section 2155.132(g)).

Purchasing Web Site

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

II.B. Specific Information

II.B.1. Advance Payments

Acceptable Advance Payment Situations

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

- 1) A state agency may pay rent for leased space a maximum of seven days before the payment due date; a copy of the lease or rental agreement should be attached to the invoices and/or purchase document.
- 2) A state agency may pay the cost of a periodical subscription a maximum of six weeks before it begins.
- 3) A state agency may pay a rental fee for a meeting room or exhibit booth or a registration fee in advance if there is a legitimate public purpose for making the advance payment. Examples of legitimate reasons include significant cost-savings or reserving a space when enrollment is limited.
- 4) A state agency may process a purchase document for the purchase of real property anytime during the seven days before the closing date if the check/state warrant will be delivered to the seller no earlier than the closing date.
- 5) A state agency may pay in advance the entire cost of a maintenance contract.
- 6) A state agency may make an advance payment to a federal agency or another state agency for goods purchased from the agency if the advance payment will expedite the delivery of the goods.
- 7) A state agency may pay tuition directly to an institution of higher education not earlier than the 42nd day before the class begins. However, a state agency may not reimburse a state employee for tuition before the class begins.
- 8) An institution of higher education may pay for books, software, videos, and other published library materials before receiving them if reasonably necessary for the efficient operation of the institution's libraries.
- 9) A state agency may make an advance payment if significant cost savings would result from making the payment in advance. For help in determining cost savings, please

utilize the Discount Cost Effectiveness Calculator on the Fiscal Management Extranet (FMX) website of the Comptroller's office.

- 10) A state agency may make an advance payment to a vendor who is selling specialized or proprietary goods or services to the agency if the vendor requires the payment to be made in advance.
- 11) The Texas Building and Procurement Commission (TBPC) may make an advance payment of rent for a distribution center, an office space or another facility that is required to accomplish TBPC's functions under Subchapter G of Chapter 2175; Government Code entitled "FEDERAL SURPLUS PROPERTY."

Advance Payment Authorization

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

II.B.2. Advertising

All invoices for advertising must include a copy of the tear sheet or proof of the advertisement when submitting for payment as well as the dates the ad ran. Types of advertising include, but are not limited to, newspapers, magazines, books, internet, radio, etc. For internet advertising, you should submit a printout of the web page. For radio advertising, you should submit a copy of the script used on the radio.

II.B.3. Alcoholic Beverages

State Funds

State funds may not be used to purchase alcohol or alcoholic beverages for personal consumption or entertainment. The funds appropriated by the General Appropriations Act may not be used to compensate an officer or employee who uses alcoholic beverages while on active duty.

The following excerpt is from an August 29, 1995 Memorandum from the Office of the Vice Chancellor and General Counsel regarding use of alcoholic beverages and active duty:

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

Authority to Buy Alcohol for Entertainment on Departmental Accounts

Accounts funded by unrestricted gifts may be used to purchase alcohol for entertainment purposes. Approved accounts will be coded in FAMIS on screen 8 to accept alcohol expense object 6341.

SRS funds for legitimate scholarly research and/or testing that requires the use of alcoholic beverages may purchase alcohol if the guidelines stipulated in the grant or contract are followed.

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.

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

Alcohol can be purchased on the payment card as long as it is on an account that allows for the purchase of alcohol. The correct expense object class code for alcohol is 6341

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

II.B.4. Communication Allowance (revised 02/25/13)

Effective September 1, 2009 cellular communication plans will no longer be directly owned and managed by the agencies or the vice chancellor. An employee in a position determined to require the use of a personal communication device (cell phone, PDA, etc) in the performance of job duties may be eligible to receive a monthly communication allowance. These changes are being implemented as a result of recent IRS attention to cellular devices and the tracking of these devices across institutions of higher education. This policy will bring us into compliance with current IRS policies.

The agencies and the vice chancellor's office realize that the performance of certain job responsibilities may be enhanced by the use of personal communication devices. Therefore, a unit may elect to monetarily contribute to the employee's purchase and use of personal communication devices. Communication allowances may be comprised of two components:

- a) Communication Equipment Allowance (AG-514) which provides a contribution for equipment purchase and activation fees, and/or
- b) Monthly Communication Plan Allowance (AG-515) which provides a monthly salary supplement for service plans.

Annually during the budget cycle, the unit head must evaluate the Communication Allowance monthly salary supplement and the appropriateness of the previously selected plans and make necessary adjustments.

For employees who require data service only (email, internet, etc), supervisors may elect to have these employees utilize the “data only” services provided through Texas A&M Telecommunications. Supervisors who wish to offer this option to employees must ensure that NO voice service is enabled and that any calls to or from the device are billed to the employee.

This procedure defines the process for utilizing the communications allowance program and the data service option. AgriLife communication allowance procedures, monthly allowance forms and equipment allowance forms are available at <http://agrilifeas.tamu.edu/forms/hr/>

Questions may be directed to, AgriLife Payroll, (979) 845-4749 or (979) 845-4260.

Reimbursement of Infrequent Business Related Communication Charges

For infrequent reimbursement of business related communication charges on a personal device, the following guidelines will be used.

- 1) A detailed copy of the communications bill with all business related charges denoted by underlining the specific business charge should be submitted to Disbursements or included on a travel expense report if incurred during travel status. The business purpose of the call(s) must be documented to meet IRS guidelines.
- 2) The methodology used for calculating reimbursement will be the total charges, including surcharges and taxes (*less unallowable features), will be prorated by percentage of business use. Only up to the actual cost of service will be reimbursed.
- 3) Texas A&M AgriLife is not responsible for reimbursing equipment charges due to plan initiation, or through lost, stolen or damaged equipment.
- 4) Reimbursement may be requested on an individual reimbursement voucher or a travel voucher, if the employee was traveling at the time the communication expense was incurred.
**Reimbursement for voice mail and itemized billing must be paid from a local account.

Reimbursement of Monthly Internet Access Charges

Communication allowances may also include monthly internet access charges. Departments can submit Form AG-515 – Monthly Communication Plan Allowance Enrollment (<http://agrilifeas.tamu.edu/forms/index.php>) to Payroll to establish an allowance plan for this service. The documentation must state the business purpose that will be served by paying this charge.

This is considered taxable income to the employee and must be documented.

II.B.5. Conference Registration Fees

Advance Payments for Conference Fees

Advance payment of conference registration fees is made by charging the fee to an agency liability travel card, payment card or issuing a purchase order directly to the organization sponsoring the conference for the registration fee only. If the registration fee includes non-

optional meals this has to be clearly stated on the registration form, invoice or purchase document. Optional expenses such as meals and lodging cannot be paid for in advance. Payment for registration fees cannot be made more than six weeks in advance, except when registration is required further in advance to reserve space or to obtain a reduced rate. The name of the person, full name of the conference (no abbreviations), dates/location of the conference and the reason for prepaying must be provided.

Reimbursement of Conference Fees

Conference registration fees may also be paid directly by the employee and then reimbursed by the state agency on a travel expense report after the conference. Advance payment is only allowed when the payment is issued directly payable to the organization sponsoring the conference (travel card, payment card or purchase order).

II.B.6. Contracts (revised 03/18/13)

All contracts, regardless of amount, negotiated by any component of the Texas A&M University System must be reviewed by the TAMUS Office of General Counsel before it can be finally approved. Forward contracts to Texas A&M AgriLife Contracts Office, 2147 TAMU, College Station, TX 77843-2175 for review and approval. A copy of the approved contract should be included with the supporting documentation with the invoice when submitting for payment. Agreements made by Texas A&M AgriLife department/units for the reservation of hotel, conference facilities and/or banquets should also be approved by Contracts Office. Purchases made through a contract that exceed the delegated dollar limits—\$10,000 on state and local accounts—are not exempt from Texas A&M AgriLife purchasing guidelines. These will still require a requisition or a Request for Proposal (RFP) #. This should be done prior to the contract being signed.

II.B.7. Credit Memos (revised 02/25/13)

Credit Memo Policy

The procedures listed below are for processing credit memos. Credits should be entered into FAMIS upon receipt. Submit credit memos to Disbursements with a corresponding debit to net with the credit invoice. As soon as the credit memo is processed by Disbursements the account(s) listed will reflect the entry. The next payment to the vendor will be combined with the credit memo. Both the invoice and the credit memo will be listed on the check stub to the vendor.

On-line Purchasing Module (FAMIS) procedure for processing credit memos:

- 1) It is the department/unit's responsibility to first verify that the credit memo has **not** previously been used **or** that the original invoice was not "short paid" by the credit memo amount. The credit should always be processed using the same account and expenditure codes as the original invoice.

- 2) If possible, request a refund from the vendor and process the refund as a Form AG-211 Deduction from Expenditure (<http://agriflifeas.tamu.edu/forms/index.php>) against the original voucher.
- 3) If unable to receive a refund, create a new Limited Purchase document (FAMIS screens 240-242) for the credit memo:
 - On screen 241 use a processing code of “V” to create a negative amount.
 - The description should reference the original invoice number AND the original purchase document number (limited, exempt, or purchase requisition).
 - The description must also explain why a credit memo was issued by the company.
- 4) Mark the new Limited Purchase document number on the credit memo and forward to Disbursements via Laserfiche Work in Progress-Disbursements-Accounts Payable.

II.B.8. Deaths and Funerals

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

Accounts that are funded by unrestricted gifts may pay for a card and/or flowers, plant, basket, or appropriate item for the family of an employee who has passed away or for an employee who had an immediate family loss (employee’s spouse or the employee’s or spouse’s child, parent, brother, sister, grandparent, or grandchild).

Payment for Travel Expenses for Funeral Attendance

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

- 1) Funeral of an Employee:

Per Textravel (<https://fmx.cpa.state.tx.us/fmx/travel/textravel/index.php>)“...a state agency may pay or reimburse the employee for a travel expense the employee incurs while attending the funeral of an individual who was a state employee, a board member, or a legislator if:

 - the agency determines that the employee’s attendance at the funeral is appropriate under the circumstances; and
 - the expense is paid or reimbursed only to the extent it could have been paid or reimbursed had it been incurred while conducting official state business.”
 - The department/unit head must approve employee(s) for attendance.
- 2) Funeral of Employee’s Spouse or Child:

Accounts that are funded by unrestricted gifts may pay for an employee’s travel expenses to attend the funeral of a co-worker’s spouse or child as determined appropriate by the department/unit head.
- 3) Other Circumstances:

Department/units may use their unrestricted gift funds (Research: 212xxx or Extension: 2xx999) to pay for travel expenses of an employee to attend the funeral of an individual the President, Vice Presidents, Deans or Directors deem appropriate to attend. This may include but is not limited to:

 - death of a student’s parent

- death of a TAMUS, Texas A&M Foundation, Association of Former Students, 12th Man Foundation, Development Council or Research Foundation employee or member
- death of a donor

II.B.9. Disputed Payments

Notification and Documentation

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

Resolution in Favor of the Vendor

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

Resolution in Favor of the Agency

If a dispute between a state agency and a vendor is resolved in the agency's favor, then the vendor that submitted the original invoice should submit a corrected invoice to the agency. If they choose not to submit a corrected invoice and request that we pay from the original with the proper adjustments, then this has to be documented. Interest starts accruing if the corrected invoice is not paid by the appropriate date.

II.B.10. Employee Reimbursements (09/01/2014)

All expenses must be adequately accounted for within 90 days or the expenses will be reported as taxable income to the employee. This policy has been implemented to meet the reasonable period of time in the IRS accountable plan. Expenses that fall within the IRS accountable plan are not reported as taxable income to the employee. IRS accountable plan states:

- expenses must have a business connection,
- must adequately account for these expenses within a reasonable period of time, and
- must return any excess reimbursement or allowance within a reasonable period of time.

Any reimbursement request older than 90 days from the date of purchase should include a request for tax withholding form (<http://agrifeas.tamu.edu/documents/ag-517.pdf>) with the reimbursement request.

Employees submitting invoices/receipts for reimbursements of non-travel related business expenses must include a completed Form AG-296 – Personal Reimbursement (<http://agrifeas.tamu.edu/forms/index.php>). In addition to the completed AG-296 an itemized/detailed receipt/invoice and valid proof of payment are required.

Individuals may not be reimbursed for Texas state sales tax on purchases made on behalf of the agency for goods, services and/or business meals, regardless of the funding source. State employees should carry a tax exemption form with them when making a purchase. A copy of the form is available at: <http://agrifeas.tamu.edu/pdf/forms/tx-sales-and-use-tax-exemption-certification.pdf>.

Proof of payment can be in any of the following formats:

1. An itemized receipt/invoice from the vendor indicating payment was received and method of payment
2. Printed confirmation of payment received from a web page
3. E-mail confirmation sent to an individual indicating payment was received
4. Other valid documentation could include copy of a billing statement from the vendor, credit/debit card statement, cancelled check, etc.

Employee reimbursements should be submitted to Disbursements for processing on an L/E-document. If using state funds, we are required to document the true vendor in the transaction. In FAMIS enter the true vendor as the vendor and the employee as the reimburse id (alternate vendor). This additional documentation is not required on local funds.

II.B.11. Enclosures

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

II.B.12. Encumbrances

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

Encumbrances are created at the account, support account and object code level.

There are three types of purchase orders that may be used to encumber funds: limited (L-doc), exempt (E-doc), and requisition (R/P-doc). Limited purchase orders encumber funds for purchases that do not exceed \$10,000. The funds are encumbered once the document is closed on screen 242. Exempt purchase orders encumber funds for purchases that exceed \$10,000, but do not require a requisition. The funds for exempt documents are encumbered when the document is closed on screen 237.

Requisitions are purchase orders that may exceed \$10,000 and must be approved through the Purchasing Department. A requisition (R-doc) is first established at the department/unit level and the funds are encumbered when the document is closed on screen 256. The R-doc is then approved and transferred to a P-doc by the Purchasing Department. Any encumbrance established by the R-doc is released and transferred to the P-doc.

Encumbrances may also be created by travel requests in Concur. If an account number is included on a travel request and expenses are estimated, then the funds will be encumbered after the travel request has completed routing and the information is fed into FAMIS during an overnight cycle.

All encumbrances entered into FAMIS or Concur may be reviewed on the following open commitment screens.

To search at the subsidiary ledger (SL) account level:

Screen 20 – OC 10 Digit List

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

Screen 21 – OC File List

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

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

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

Screen 26 – OC Inquiry by Reference

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

To search at the support account (SA) level:

Screen 60 – SA OC 15 Digit List

This screen requires an object code for a 6-digit account and 5-digit support account. It shows a summary amount for a specific object code and the detail, which makes up the total. The “REF” field contains the document number where the funds are encumbered.

Screen 61 – SA OC File List

All encumbrances for a 6-digit account and 5-digit support account are listed on this screen.

Screen 62 – SA OC File List by User Ref or PO Number

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

Screen 66 – SA OC Inquiry by Reference

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

Releasing Encumbrances

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

- 1) The vendor invoices for less than the encumbered amount.
- 2) The order was cancelled.
- 3) Only part of the order could be fulfilled and an alternate vendor was used.
- 4) Unspent encumbrances have rolled over from a previous fiscal year.

If the encumbrance was established using a limited or exempt purchase order, then the encumbrance release can be completed at the department/unit level. First, make sure no invoice headers exist for the document number by using screen 350. If an invoice appears on screen 350 and the status is “IP” (In Process) then you must cancel the invoice header before releasing the encumbrance. Canceling the invoice header can be done on screen 341 using the Function 11 key, “Cncl”. After the invoice header has been cancelled proceed to screen 243 for limited purchase orders and 238 for exempt purchase orders. Use the “Complete PO” field at the bottom of the screen by typing a “Y” in the field. When this is done the encumbrance will be released back into the account.

If the encumbrance was established using a requisition (P number), then only the Purchasing Department may release the encumbrance. Contact the buyer in Texas A&M AgriLife Purchasing who created the requisition to release the encumbrance.

Travel encumbrances can be released by closing the request in Concur. The information will be transmitted to FAMIS during an overnight cycle update. This process could take 2-3 days to clear FAMIS.

Contact Disbursements to release encumbrances that have rolled over from previous fiscal years and you are not able to complete the purchase order using the methods mentioned. Please contact the Purchasing Department at (979) 845-4771 or Disbursements at (979) 845-4764 if you have any questions.

II.B.13. Federal and State Taxes (revised 09/21/15)

Tax Exemption Exceptions

The Texas A&M University System and all of its components are considered a state agency and an institution of higher education.

- Texas state sales tax – The Texas A&M University System is always exempt from Texas state sales tax and can be exempt from federal taxes and other state taxes. We are exempt from paying Texas state sales tax. A copy of the form is available at: <http://agrillifeas.tamu.edu/pdf/forms/tx-sales-and-use-tax-exemption-certification.pdf>.
- Business meal – Business meals that are direct billed to the state agency are tax-exempt. Business meals charged to the payment or travel card are considered direct billed. Individuals may not be reimbursed for Texas state sales tax on purchases made on behalf of the agency for goods, services and/or business meals, regardless of the funding source. State employees should provide the Texas Sales and Use Tax Exemption Certificate form to the vendor when making a purchase carry a tax exemption form with them when making a purchase.
- Other state's sales tax – We are also exempt from other states' sales tax if the goods are being shipped to us from another state. We are not exempt from other states' sales tax if we are making the purchase in that state. However, it is possible some states may allow an exemption since we are part of state government or considered a public higher education institution. Please check State Tax Exemptions (<http://fmo.tamu.edu/accounts-payable/travel/forms/other-state-tax-exemption-forms/>) for states that may offer an exemption for purchases within their state.
- Hotel – When staying at a hotel within the state of Texas, employees are exempt from the Texas Hotel Occupancy Tax. The exemption certificate should be provided to the hotel at the time of check in. A copy of the form is available at: <http://agrillifeas.tamu.edu/documents/texas-hotel-occupancy-tax-exemption-certificate.pdf>
- Texas Vehicle Rental Tax – When renting a vehicle within the state of Texas, employees are exempt from the Texas Motor Vehicle Tax. The exemption certificate should be provided to the rental agency when picking up the vehicle. A copy of the form is available at: <http://agrillifeas.tamu.edu/documents/14-305.pdf>
- Federal taxes – State agencies are required to pay the federal tax and may be required to pay certain state taxes on bulk fuel purchases. We are exempt from paying most federal

taxes on telephone bills and regular fuel purchases not required to be purchased on the fleet card.

II.B.14. Flowers, Floral Arrangements and Plants (revised 06/27/2017)

State Funds

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

- the agency is an institution of higher education; and
- the plant is used for educational or research purposes.

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

Unrestricted Gift Funds

- Decorative plants can be purchased with unrestricted gift funds. Use object class code 5750 for artificial plants and 4070 for live plants.
- Unrestricted gift accounts may purchase flowers and plants for individuals.
- Restricted gift accounts may also purchase flowers and plants for individuals if it relates back to the account purpose.
- A Request for Tax Withholding on Non-Salary Compensation Items, <http://agrififeas.tamu.edu/pdf/forms/ag-517.pdf> , form is required if the purchase for an employee is in excess of \$100.
- Accounts that are unrestricted gift accounts may pay for a card and/or flowers, plant, basket, or appropriate item for an employee in celebration of a birth or adoption of a child, illness, or special honor
- Accounts that are unrestricted gift accounts may pay for a card and/or flowers, plant, basket, or appropriate item for the family of an employee who has passed away or for an employee who had an immediate family loss. Ex: employee's spouse, employee's or spouse's child, parent, brother, sister, grandparent, or grandchild.
- Accounts that are unrestricted gift accounts may pay for a card and/or flowers, plant, basket or appropriate item for the family of a student who passed away. This should be coded 5241.
- Plants or flowers purchased for decorations at events such as a luncheon or conference or meeting can be purchased with funds that allow for conference expenses.

II.B.15. Food Purchases (revised 02/20/13)

State Funds

The use of state funds for the purchase of food is very limited. State funds cannot be used for the purchase of food, coffee, or related items for consumption by employees or unit visitors. State funds can be used to pay for food purchases used directly in research, demonstration, or teaching in a class or lab setting and should be coded using object class code 4050/4051. The purpose must be clearly documented.

Local Funds

Expenditures for food and/or refreshments from local funds are authorized to the extent such expenditures enable the state agency to carry out their research or educational functions, serve to promote education in the State of Texas and provide an important public service.

1. Food purchases will follow System Policy 21.01.12.
2. Allowable non-meal food purchases for conferences, workshops, and business meetings should be coded 6339. Food purchases used directly in research or teaching in a class or lab setting should be coded 4050/4051.
3. Allowable food purchases for non-business meals and entertainment, as defined by System Policy 21.01.12, can be purchased from unrestricted funds using object class coded 6339.
4. Food purchases for business meals or business-related entertainment, as defined by System Policy 21.01.12, should be coded using object class code 6340.
5. Alcohol can be purchased from unrestricted funds or approved conference/workshop funds and should be coded 6341.
6. The purpose must be clearly documented for all food purchases.

Purposes

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

1. The recognition or promotion of research, academic achievement, and/or services to the Agency;
2. The promotion of the communication of research, intellectual ideas among students, faculty, staff, administrators, and/or representatives of the public;
3. The recruitment of highly qualified faculty, or staff;
4. The promotion of the exchange of ideas with community leaders regarding the role of the Agency in the community;
5. The assistance of the Regents, accrediting agencies, officials from other universities and/or public officials in inspecting or reviewing the facilities and programs of the Agency;
6. The support of a program of continuing education sponsored by the Agency; or
7. The conduct of staff conferences and receptions or other events designed to recognize and honor employees.

Allowable Accounts

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

- a) 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. (Research: 212xxx or 215xxx; Extension: 2xx999 or 2xx1xx).
- b) 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. (Research: 203xxx; Extension: 2xx9xx)
- c) Authorized contracts and grants accounts.
- d) Texas state sales tax on food and/or business meals is not an allowable expense regardless of the funding source. State employees should carry a tax exemption form with them when making a purchase. A copy of the form is available at: <http://agrififeas.tamu.edu/pdf/forms/tx-sales-and-use-tax-exemption-certification.pdf>.

Employee Reimbursements

Reimbursements to employees for business meals should be coded 6340. Reimbursement for business meals must contain sufficient documentation to satisfy the Internal Revenue Service's "five W's": who, what, where, when, and why. If the voucher is paid without sufficient documentation to satisfy the "five W's", then amounts are taxable and should be included in taxable compensation on the employee's W-2.

The Internal Revenue Service's "five W's" are also required for business meals purchased on the purchasing card. Documentation should be provided in Citibank GCMS or attached to the invoice or supporting documentation.

Individuals may not be reimbursed for Texas state sales tax on purchases made on behalf of the agency for goods, services and/or business meals, regardless of the funding source. State employees should carry a tax exemption form with them when making a purchase. A copy of the form is available at: <http://agrififeas.tamu.edu/pdf/forms/tx-sales-and-use-tax-exemption-certification.pdf>.

II.B.16. Fuel Cards

Fuel Card Policy

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

Purchasing Fuel, Parts or Maintenance for State-Owned Vehicles

For state-owned vehicles within the Bryan/College Station area it is suggested to purchase fuel, parts or maintenance from the TAMU Transportation Center. If the TAMU Transportation

Center is unable to provide parts and maintenance in an efficient and reasonable manner, then services should be obtained from the most economical and time efficient vendor. It is recommended to use a HUB vendor whenever possible. The state fuel card (Voyager) should be used for fuel and maintenance purchased out of town.

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

Purchases of fuel, parts or maintenance made for non state-owned vehicles or off-road vehicles must be documented in the note section of the payment request.

Texas A&M AgriLife Extension Service Fleet Vehicle Maintenance

Major repairs on fleet vehicles that are estimated to cost \$1,000 or more should be pre-approved by the Fleet Manager before the work is authorized. Two or more written estimates from reputable repair shops are preferred. The request and estimates should be emailed/faxed to the Fleet Manager for approval.

For expenditures less than \$1,000 and approved expenditures from \$1,000-\$10,000, a Limited Purchase Order (L-doc) will need to be created using the following information:

- Dept Code: FLEET
- Account: 119400-2x000 (where x=fiscal year of the purchase/repair)
- Complete the Limited document and submit to routing. The document will be electronically signed by the Fleet Manager. Department/Unit will be responsible for completing the invoice header, receiving information and submitting to Disbursements for processing.

Departments/Units have been granted inquiry access to the FLEET department; therefore it is possible to track these payments as vendors inquire on them.

II.B.17. Gifts and Awards (revised 02/25/13)

Gifts for employees must adhere to the following guidelines.

Gifts

Accounts that are unrestricted gift funds may pay for a card and/or flowers, plant, basket, or appropriate item for an employee in celebration of a birth or adoption of a child, illness, or special honor.

However, any employee gift in excess of \$100 per year constitutes additional taxable compensation to the recipient. Gifts in excess of \$100 and gift certificates for any amount require a Request for Tax Withholding on Non-Salary Compensation Items form, <http://agrilifeas.tamu.edu/pdf/forms/ag-517.pdf>. When processing the payment for a gift in any dollar amount the employee's name and social security number must be provided and the employee must be set up in FAMIS. Gifts and awards for employees are coded 5240. Do not use 6335.

Retirement gifts, except cash or a gift certificate, may be excluded from income if the dollar amount of the gift relates to the retiree's length of service. Documentation is to be provided describing the relationship between the retiree's length of service and value of the gift. If the retirement gift is cash or a gift certificate, it is taxable to the employee. Cash gifts must be processed through Payroll. A gift certificate given as a retirement gift is processed through Accounts Payable and a Request for Tax Withholding form is required. Retirement gifts may be purchased on unrestricted gift fund accounts.

Gifts for employees may be purchased on the payment card and the recipient information listed above must be documented with the invoice or supporting documentation.

Achievement Awards

Awards for employees must adhere to the following guidelines:

Cash awards must go through payroll. The Supplemental Monthly Budget Verification Document, <http://agriflifeas.tamu.edu/documents/ag-504.pdf>, form must be filled out and submitted to Payroll. State funds may not be used to pay cash awards.

A state agency may expend appropriated or unrestricted funds to give service achievement awards to its employees and officers at periodic intervals under rules adopted by the agency. Awards in excess of \$100 per year constitute additional compensation to the recipient and a Request for Tax Withholding on Non-Salary Compensation Items form, <http://agriflifeas.tamu.edu/pdf/forms/ag-517.pdf> is required.

There are two limitations on a state agency's authority to give employee achievement awards purchased with state funds:

- a) The awards must be given to employees and officers who are still employed by the state.
- b) Can purchase any type of award that the agency feels is appropriate, provided the **cost of the award is \$100 or less** per employee or officer.

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

Contact Payroll at (979) 845-4749 or Disbursements at (979) 845-4778 for additional guidance on this issue and related tax implications.

Gifts for Non-TAMU Employees

Gifts less than \$600 for students and non-TAMU employees require documentation stating the recipient's name. For cash gifts more than \$600, name, address and social security number will be required to process the payment. Direct payments of cash require a social security number to be provided using a W-9 or Substitute W-9.

A gift (including gift certificates) or cash in excess of \$600 is considered taxable income to the recipient and will require the recipients name, address and social security number. When setting

up the document in FAMIS to pay for the gift the recipient will need to be the vendor, and the vendor we are paying will need to be the reimburse/alternate vendor. To set the recipient up properly a W-9 or Substitute W-9 will be required on the recipients receiving a gift of \$600 or more. IRS Form 1099s will be issued to those individuals.

Taxable gifts for students and non-employees may be purchased on the payment card and the required recipient information listed above must be documented with the invoice or supporting documentation. Gifts and awards for students and non-TAMU employees are coded 5241. Do not use 6335.

II.B.18. GLACIER (revised 06/27/17)

GLACIER is a nonresident alien tax compliance system designed to allow institutions to efficiently and effectively collect information, make tax residency and treaty determinations, manage paperwork, maintain data, and file reporting statements with the IRS. Texas A&M AgriLife utilizes this web-based tool to insure tax compliance on payments made to foreign nationals. This will allow the foreign national to login to GLACIER and process the following information:

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

For a foreign national to obtain a password to access GLACIER please contact Payroll at (979) 458-0696.

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

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

- Taxable portion is subject to 30% withholding
- Taxable portion is subject to 14% withholding if payee’s visa type is an F, J, M, or Q

What is a “qualified scholarship”?

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

- Room, board, and travel (even if receipts are provided) are taxable income
- Students can apply for a tax treaty if there is one between the United States and their country by completing a W8BEN through GLACIER

In order for Disbursements to comply with this IRS regulation we must be informed of the status of each student in student travel status. Please be sure to answer all questions in the bottom portion of the Individual Reimbursement Form regardless of employee status. This will help avoid payment delays and possible penalties from the IRS. If the student is not sure of their status (resident vs. nonresident), have them complete/update their record in GLACIER. If the student does not have a record in GLACIER, please contact Payroll, Patti Buckhaults at (979) 845-4296 or assistance.

If you have any questions you may contact Payroll at (979) 845-4296 or (979) 845-4749.

II.B.19. HUB Vendors

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

The HUB website is located at <http://agrifeas.tamu.edu/fiscal/hub/>. Visit the HUB website to obtain contact information, training/workshops, HUB forum information, resources, useful websites and more. You are able to access the HUB Directory, <http://agsupport.tamu.edu/purchasing/purchaseapps/HUBVendors/index.cfm>, to help you locate HUB vendors for your products and services.

For more information or any questions regarding HUB vendors, contact Purchasing at (979) 845-4771.

II.B.20. Interagency Agreements/Contracts (revised 02/25/13)

Interagency Contract Policy

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

Review of Contracts

All contracts, regardless of amount, negotiated by any department/unit must be reviewed by Texas A&M AgriLife Contracts Office before they can be finally approved. Forward to Texas A&M AgriLife Contracts Office, 2147 TAMU, College Station, TX 77843-2147. When submitting an invoice for payment, attach a copy of the approved contract.

II.B.21. Memberships – Professional/Non-Professional Organizations (revised 02/25/13)

From Vice Chancellor’s memo dated September 1, 2005:

“During the 76th Legislative session, Senate Bill 223 was passed requiring all state agencies that pay membership dues to any organization must submit a detailed report on the organization, its activities and a list of lobbyists employed at any level where the dues might support such employment. This law and its subsequent reporting requirements, along with the large number of organizations with which our employees are affiliated, present both a significant risk and tremendous reporting requirement to the agencies and the college.

Given this situation and effective September 1, 2005, TAMU-COALS, TAES and TCE will cease to pay membership dues for individuals from COALS, TAES or TCE accounts.”

For a copy of Vice Chancellor’s, contact Disbursements at (979) 845-4764 or kpayne@ag.tamu.edu.

II.B.22. Memberships – Department/Unit Memberships (revised 02/25/13)

From Vice Chancellor’s memo dated September 1, 2005:

“Dues for organizational memberships, departmental accreditation and affiliations for COALS, TAES and TCE must be submitted to the Vice Chancellor/Dean’s Office for approval prior to processing any payments. At that time, the unit requesting payment will be responsible for providing a list of lobbyists employed by the organization and the activities supported.”

For a copy of Vice Chancellor’s memo, contact Disbursements, (979) 845-4764 or kpayne@ag.tamu.edu.

II.B.23. Moving Expenses (revised 06/12/17)

AgriLife Research & Extension:

All employee moving expenses are only paid as an allowance through payroll. Allowances are considered taxable income to the employee. Allowances will be reduced by the applicable federal income tax and FICA deductions. Tax rate used will be 25%. Allowances are paid using the applicable supplemental payroll form AG-516 <http://agrilifeas.tamu.edu/documents/ag-516.pdf>. Allowances are paid by submitting an EPA or establishing a base record via UIN Manager. Upon receipt of the Relocation and House Hunting Allowance Payment form, payment will be scheduled on the next bi-weekly payroll. Neither employee reimbursements nor direct payments to vendors for any travel or moving expenses are allowed. This restriction is applicable to payments made on the payment or travel cards.

TVMDL:

New employee moving expense are to be reimbursed using local funds only and must follow IRS publication 521 located at <http://www.irs.gov/pub/irs-pdf/p521.pdf>.

AgriLife Research, Extension and TVMDL:

New employee moving expenses and employee relocation expenses can only be paid with local funds.

If you have any questions please contact Payroll at (979) 845-4749 or at (979) 845-4296.

II.B.24. Notary Fees

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

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

All notary applications are to be submitted to the State Office of Risk Management with a check for \$11.00 made payable to the Secretary of State.

Procedures and applications can be found at the following website:

http://www.sorm.state.tx.us/Risk_Management/Bonds_and_Insurance/notary_forms.php

If you have any questions or need additional information, please contact Debbie Smith, Insurance Specialist, Texas A&M System Office of Risk Management, at (979) 458-6249.

II.B.25. Parking Permits

We can pay for visitor parking or a departmental parking space on either a state or local account as long as the visitor is conducting business here and as long as the departmental space is used for visitors to the department/unit who are conducting business here or for a state-owned vehicle.

The State will not pay for an employee's parking permit. If a department/unit wants to pay for an employee's parking permit they can do so with any designated fund account (Research: 2xxxxx; Extension: 2xxxxx) or restricted gift funds that allow for that type of expense.

Easterwood Airport offers long term parking passes which allow quicker entrance and exit to airport parking. Parking passes for department vehicles can be paid for with local funds only. Individual parking passes can be paid for with unrestricted gift funds (Research: 212xxx; Extension: 2xx999) or restricted gift funds that allow for that type of expense.

II.B.26. Payment to Foreign National or Non-U.S. Citizens

Payment Policy

All payments to non-employee Foreign National Individuals for services performed or expenses being paid or reimbursed on behalf of that individual must be made according to strict U.S. Citizen and Immigration Service & Internal Revenue Service regulations. Consequently, there are explicit procedures, which have been developed to ensure that each piece of documentation is completed properly.

General Information

- 1) Foreign National Individuals not employed by Texas A&M AgriLife may hold different types of immigration status when visiting a component of Texas A&M University. The federal government has determined the type of payments, which can be made as a result of the activities related to the visit of the Foreign National Individuals and the immigration status held. Accordingly, it is important that our agencies comply with all federal and state guidelines governing reimbursement of expenses and payment of fees for usual academic activities to Foreign National Individuals.
- 2) All payment requests for Foreign National Individuals not employed by Texas A&M AgriLife as a result of the activities related to their visit must include **LEGIBLE** copies of the individual's I-94 entry-exit record, approved I-707 if already in the United States working for another entity, entry visa stamp, and passport. In some cases, the I-20 or DS-2019 will be required.
- 3) All payments to Foreign National Individuals for payment for usual academic activities require an Individual Taxpayer Identification Number (ITIN) or a Social Security Number (SSN). If the individual does not have either, please refer to **Payment Request Process** Section 3 for a step by step guide to obtaining an application for an ITIN, having it certified and it's submission. **ONLY** Payments reimbursing business travel expenses under the Accountable Plan do not require a SSN or an ITIN. The specifics of the Accountable Plan include:

- a. Payments for actual travel expenses as documented by receipts for airline, car rental, train or bus. Receipts are required for reimbursement.
 - b. Payment for actual, itemized, incidental expense including cab fare, porters, tips and miscellaneous expenses. Each item must be listed separately on documentation submitted. Receipts are preferred but not required.
 - c. Payment for actual itemized meal expenses up to the state limit per day without receipts. Each meal must be listed separately on documentation submitted. Payment for meal expenses, which exceed the state limit per day, must be documented with receipts. In addition, any meal where alcohol was purchased must have receipt documentation.
 - d. Texas A&M AgriLife does not pay what is commonly referred to as a “per diem.” Reimbursement payments are only made for actual itemized expenses.
 - e. Expenses must be reasonable, appropriate, and related to the benefit of the agency.
 - f. For additional guidance, please see TAMUS Policy 21 (<http://www.tamus.edu/offices/policy/>).
- 4) All payments for usual academic activities made to the individuals who are not U.S. citizens or U.S. permanent residents are subject to the non-resident alien U.S. income tax withholding rate as set by the IRS regulations, currently 30%. This tax rate may be reduced if certain conditions are met. These conditions include:
 - a. The individual is considered a resident alien for tax purposes, **OR**
 - b. The individual is eligible for a tax treaty benefit, **AND**
 - c. **All** required documentation is completed.
 - 5) Failure to comply with IRS and Immigration guidelines could result in TAMU and/or Texas A&M AgriLife losing their ability to have International Programs and could also result in fines and penalties.
 - 6) Texas A&M AgriLife uses the web-based GLACIER tax compliance system, which allows individuals to enter their personal and travel related information on-line. GLACIER determines U.S. tax residency status and any tax treaty eligibility and benefits. GLACIER completes the applicable forms and Tax Summary Report.
 - 7) Completion of the GLACIER process is mandatory for any Foreign National Individual who is not a legal permanent resident.
 - 8) It is responsibility of each department to know and follow this procedure. Failure to comply will result in payment processing delays. Additionally, the department may become responsible for the individual’s tax burden, also known as grossing up.

Visa Non-Immigrants Status Types and Payment Eligibility

- 1) Foreign National Individuals not employed by our agencies may come to Texas A&M AgriLife on a variety of nonimmigrant status types. Below are some of the most common status types in which individuals come to our agencies and the required procedures for reimbursement of expenses and/or payment of usual academic activities which include speaking fees, royalties and consulting fees:

<p>B-1 Visitor for Business WB Visitor for Business B-2 Visitor for Pleasure WT Visitor for Pleasure</p>	<p>Colleges and universities may pay fees for services and associated travel expenses for usual academic activities. The academic visit must not last longer than 9 days at any single institution, and the Individual must not have accepted payments from more than 5 academic institutions in the previous 6-month period. This 9-6-5 rule only applies to payments for services. Individuals can be reimbursed for incidental travel expenses related to their activity. The total amount reimbursed cannot exceed what is reasonable as a business expense. Allowable travel expenses may include meals, lodging, and transportation. Reimbursements may be made for actual meal expenses up to the state limit without receipts. Receipts are required for all other expenses. NOTE: Foreign National Individuals who know in advance that they will be providing a usual academic activity for payment should obtain a B-1 or WB visa upon entry into the United States.</p>
<p>J-1 Exchange Visitor (Research Scholar, Visiting Professor, or short-term scholar)</p>	<p>Professional fee for lectures or consultations and reimbursement for living expenses are allowed under an Accountable Plan. Prior to commencing the lecture or consultation, the J-1 scholar must obtain written authorization from the Responsible Officer of the Exchange Visitors Program. The written authorization must be presented to our agencies and will serve as our agencies' record of such authorized activities. J-1 scholars sponsored by our agencies, but who are not agency employees, must obtain said written authorization from IFSS prior to the commencement of the proposed activity. Rendering services without the required authorization could constitute a violation of the J-1 scholar's status and the immediate termination of his/her program. J-1 scholars can be reimbursed for living expenses related to their activity. The total amount reimbursed cannot exceed what is reasonable as a business expense. Allowable travel expenses may include meals, lodging, and transportation. Reimbursements may be made for actual meal expenses up to the state limit without receipts. Receipts are required for all other expenses.</p>

<p>H-1B Specialized Knowledge Worker (Visiting Professor or Scholar from another university or institute)</p>	<p>Not allowed payment for unusual academic activities. Allowed reimbursements of travel expenses under the Accountable Plan.</p>
<p>TN-1 NAFTA Treaty (Visiting Professor or Scholar from another university or institute.</p>	<p>Not allowed payment for unusual academic activities. Allowed reimbursements of travel expenses under the Accountable Plan.</p>
<p>O-1 Alien of Extraordinary Ability (Visiting Professor or Scholar from another university or institute.</p>	<p>Not allowed payment for unusual academic activities. Allowed reimbursements of travel expenses under the Accountable Plan.</p>
<p>A-1 Diplomat</p>	<p>Not allowed payment for unusual academic activities Allowed reimbursement of travel expenses made payable to diplomatic office only.</p>

Payment Request Process

In order to process payment to Foreign National Individuals in a timely manner, specific documents, forms, and steps must be completed and followed. There are three different categories of payment processes that can be made to Foreign National Individuals.

- 1) *Payment to Foreign National Individual for Reimbursement of Travel Expenses Only using Accountable Plan*

Required documentation and forms: Certificate of Foreign Status Form (<http://agrillifeas.tamu.edu/forms/index.php>), itemized expenses and receipts, and legible copies of I-94 and passport with visa stamp.

- a. Department issues invitation to the individual specifically clarifying receipt retention requirements.
- b. Individual accepts invitation and begins travel, retaining receipts as required.
- c. Upon arrival at our agency, Department/Unit will obtain signatures and information necessary for the Certificate of Foreign Status from the Foreign Individual.
- d. Department/Unit will contact Disbursements for vendor set-up. Individual submits receipts to department while at our agency or immediately following completion of travel.
- e. Department/Unit submit reimbursement request via Concur.

2) *Payment for services to Foreign National Individuals who possess SSN or ITIN.*

Required documentation and Forms: Certificate of Foreign Status (<http://agrillifeas.tamu.edu/forms/index.php>) form, itemized expenses and receipts, legible copies of I-94 and passport with visa stamp and forms listed by GLACIER.

- a. Department/Unit issues invitation to the individual specifically clarifying receipt retention requirements and informing the individual to expect contact with Payroll.
- b. Department/Unit request GLACIER password for individual by e-mail.
- c. Password issues by Payroll to Foreign National individual by e-mail.
- d. Individual provided his/her information in GLACIER and enters SS# or ITIN#.
- e. Department contacts Payroll and faxes legible copies of visa, passport, I-94, and DS-2019 (if applicable) to Payroll at (979) 845-9329 PRIOR to printing GLACIER forms and PRIOR to the individual leaving the U.S.
- f. Payroll will review the GLACIER record and faxed document copies and will determine any tax treaty benefit eligibility and override any applicable HOLDS.
- g. Payroll notifies department when review is complete and instructs department to process with printing GLACIER forms.
- h. Department/unit has the individual print, sign and date all applicable GLACIER forms.
- i. Department/Unit verifies that all required document copied are attached to GLACIER forms.
- j. Department/Unit must set up individual as vendor in FAMIS by having the individual complete a Certificate of Foreign Status form or a W-9 (if applicable) and submitted to Disbursements.
- k. Department/Unit creates a Limited Purchase Document in FAMIS
- l. Department/Unit submits to Disbursements for processing. Submit via Laserfiche – WIP-Disbursements; Accounts Payable; Foreign Nationals. Include the following: all GLACIER forms and copies of documents, receipts, invoices and any other supporting documentation.
- m. Disbursements receives document for payment request and process for payment.
- n. At year-end, individual will be sent necessary forms for proper tax filling.

3) *Payment for Services to Foreign National Individual who does not possess a SSN or ITIN.*

Required documentation and Forms: Certificate of Foreign Status (<http://agrillifeas.tamu.edu/forms/index.php>) form, itemized expenses and receipts, legible copies of I-94 and passport with visa stamp, *ITIN application Coversheet, Acceptance Agent Certification Form* and forms listed by GLACIER.

- a. Department/Unit issues invitation to the individual specifically clarifying receipt of retention requirements and informing the individual to expect contact from Payroll.
- b. Department/Unit requests GLACIER password for individual by e-mail.
- c. Password issued by Payroll to Foreign National Individual's via e-mail.
- d. Individual provides his/her information in GLACIER and selects "Would like to apply for ITIN."
- e. Department/Unit contacts Payroll and faxes legible copies of visa, passport, I-94, W-7 and DS-2019 (if applicable) to Payroll at (979) 845-9329 PRIOR to printing GLACIER forms and PRIOR to the individual leaving the U.S.
- f. Payroll reviews GLACIER record and faxed document copies and will override and applicable HOLDS.
- g. Payroll notifies department when review is complete and e-mails applicable ITIN application coversheet with specific instructions.
- h. Department/Unit has the individual print, sign and data all GLACIER forms.
- i. Department/Unit attaches GLACIER forms and required document copies to the ITIN Application coversheet received from Payroll (see step e).
- j. Department/Unit verifies that all forms and documents are attached, signed and dated by initialing each item listed on the ITIN application cover sheet.
- k. Department/Unit instructs the individual to take this packet to IFSS. *NOTE: original travel and identifying documents will need to be presented to acceptance personnel at IFSS.*
- l. IFSS certifies W-7 Form and attaches Acceptance Agent Certification form to the back of the W-7 form.
- m. IFSS makes required copies for their files and returns the original packet to the department via campus mail or by giving the packet back to the individual to hand carry back to the department.
- n. Department/Unit receives packet back from IFSS with certified W-7 form and Acceptance Agent Certification Form attached.
- o. Tax Treaty Eligibility Determination is made by GLACIER and confirmed by Payroll.
 - i. If the individual is not eligible to claim Tax Treaty benefit, no tax benefits exist or they decline Tax Treaty benefits: Department makes a copy of the W-7 and Acceptance Agent Certification Form and gives the original W-7 form and Acceptance Agent Certification Form to the foreign national individual. The copy is attached to the Individual Reimbursement Request and submitted by the department to Disbursements – Accounts Payable with all necessary payment documentation. The individual will have 30% tax withheld or the department must make the 30% tax payment on behalf of the individual (this is known as "grossing up" the tax payment).
 - ii. If the individual is eligible to claim a Tax Treaty benefit the department makes a copy of the W-7 and Acceptance Agent Certification Form and gives it to the individual for their records. The original W-7 and Acceptance Agents Certification Form is retained and attached to the Individual Reimbursement Request. The IRS will send the ITIN directly to IFSS. IFSS will forward the ITIN to Disbursements – Accounts Payable.
- p. Department/Unit must set up individual as vendor in FAMIS by having the individual complete a Certificate of Foreign Status form or a W-9 (if applicable) and submitted to Disbursements.
- q. Department creates a Limited Purchase Document in FAMIS.
- r. Department/Unit submits to Disbursements for processing. Submit via Laserfiche – WIP-Disbursements; Accounts Payable; Foreign Nationals. Include the following: all

- GLACIER Forms and copies of documents, receipts, invoices and any other supporting documentation.
- s. Disbursements receives documentation for payment request and certifies any 8233 Forms.
 - t. IFSS receives ITIN and forwards it to Payroll. Payroll forwards a copy to the department so they can send the number to the individual.

Additional Information

- 1) **PAYMENT EXPEDITING**- In order to comply with IRS rules we cannot expedite payments for services provided by non-resident aliens wishing to claim a tax treaty. We are required to wait 10 days so that the IRS can review the 8233 Form before we are to make a payment.
- 2) **DECLINE THE TREATY**- An individual may opt to have 30% withheld and avoid some, but not all, of the paperwork involved. Required documentation and forms: Certificate of Foreign Status Form (<http://agrilifeas.tamu.edu/forms/index.php>), itemized receipts and expenses, legible copies of I-94 and passport with Visa Stamp as well as completed Honorarium Statement. Please contact Accounts Payable for more information at kpayne@ag.tamu.edu.
- 3) **GROSSING UP**- Departments may opt to pay the individual's tax liability as part of the payments for unusual academic activities. This process, known as "grossing up" is permissible. To calculate the amount for grossing up, use the following link: <http://agrilifeas.tamu.edu/pdf/forms/gross-up-tax-payments.pdf>.
- 4) **CURRENCY**- Payments can be issued via check in a foreign currency or U.S. currency, ACH to a U.S. bank or wire transfer to a foreign bank (involves additional departmental costs.) Additional information will be required.
- 5) **REIMBURSEMENT CODES**- The fee or expenses without receipts being paid to the individuals will be coded with the appropriate code according to the services they provided. If there is mileage and it is broken out (10 miles @ \$0.50 = \$5.00) it is also not taxable and can be coded 5697. According to the Accountable Plan, reimbursement may be made for meal and lodging allowances up to the state limit and is not subject to a 30% withholding rate.
- 6) **SIGNATURE REQUIREMENTS**- We must have the individual's signature on the Certificate of Foreign Status (<http://agrilifeas.tamu.edu/forms/index.php>) form or W-9 form and GLACIER forms. If the department did not get all the forms signed, they can be faxed to the individual but must be mailed back so that we can have the original signatures.
- 7) **NOTE: Departments/Units MUST examine and copy the I-94 while the individual is in the U.S. The card is collected by federal authorities upon exit from the U.S. and cannot be retrieved or recreated. GLACIER documents MUST be examined and approved by Disbursements and/or Payroll prior to the individual leaving Texas A&M AgriLife.**

Contact

Please contact the Disbursements, kpayne@ag.tamu.edu or s-kol@tamu.edu if you have any questions regarding these guidelines.

II.B.27. Printing and Copying (revised 06/09/17)

All printing requests over \$10,000 should be submitted to Texas A&M AgriLife Purchasing using a requisition document or TAMU Print Acquisitions for competitive processing.

All requests for copying, regardless of the source of funds, should be routed first to Texas A&M AgriLife Extension Service Copy Services to see if they can meet the department needs.

There is a difference between printing and copying services. Printing is a means of graphic reproduction of paper documents using a printing press. Copy service is defined as high volume or complex reproduction of documents from a customer prepared original source material (i.e., printed document), which cannot effectively be produced using a departmental copier or printer.

II.B.28. Private Consultants/Independent Contractors/Outside Attorney/Professional Services (revised 09/01/17)

As a general rule, payments to individuals for services who are currently TAMUS employees or have been employed by TAMUS within the last 12 months must be processed through Payroll and cannot be paid through Disbursements/Accounts Payable.

Employee or Independent Contractor

It is critical that AgriLife correctly determine whether the individuals providing services are employees or independent contractors.

The general rule is that an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done. The IRS uses the "Common Law Rules" to gather facts that provide evidence of the degree of control and independence.

- Behavioral: Does the company control or have the right to control what the worker does and how the worker does his or her job?
- Financial: Are the business aspects of the worker's job controlled by the payer? (These include things like how worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.)
- Type of Relationship: Are there written contracts or employee type benefits (e.g. pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?

AgriLife has developed an Independent Contractor form that will gather facts on the three areas mentioned above. This document should be completed and approved if there is any question if the payment to the individual should be treated as an employee or independent contractor. Submit the completed document to AgriLife Contracts at contracts@ag.tamu.edu. The document will be reviewed and a determination provided on processing the payment as an independent contractor through Accounts Payable or as an employee through Payroll.

Former TAMUS Employees

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

II.B.29. Payment Card (revised 02/25/13)**Payment Card Policy**

The payment card is a MasterCard credit card that the departments/units are encouraged to use for most purchases under their delegated authority. All purchases must follow the guidelines appropriate to the account being charged. Cardholders should retain all itemized invoices, receipts and other supporting documentation related to a purchase for each billing period. All transactions must be reallocated using the credit card company's reallocation tool to appropriate FAMIS accounts, support accounts and object class codes. Cardholder statement or expense report is required and should be printed after all reallocations are completed. Statement/Expense report should be signed by the department/unit head or designee. The cardholder is not allowed to sign as department head approval for his/her own transactions. Someone else with signature authority on that account has to approve these transactions. Cardholders should coordinate with Departments/Units in regards to retaining all relevant information for each transaction. Payment card transactions must be reconciled monthly to ensure accuracy.

Acceptable Purchases

Examples of charges that are allowed on the payment card are: office, janitorial, farm/ranch, research and lab supplies; tools/hardware; conference registration fees; subscriptions; books and controlled equipment.

Restricted Purchases

Examples of charges that are allowed with restrictions are: animals; food/business meals; alcohol; gifts, and floral arrangements. These items may be purchased with the payment card provided that funds are available which allow for this type of expenditure.

Unacceptable Purchases

Purchases NOT acceptable are: items for personal use; capital equipment; fuel for state owned vehicles; employee travel and travel related expenses; cash advances, instruments or refunds; student tuition and fees; membership dues; and controlled/hazardous/radioactive materials.

Procedure

Please see the online Payment Card Program Guide at <http://agrifeas.tamu.edu/fiscal/disbursements/payment-card/resources/index.php> for procedures on reconciling, controlled equipment and transactions on all accounts.

Purchases on local accounts will be automatically charged to FAMIS accounts as journal entries. Entries will be identified by the second reference number (X#####). The department/unit will

be the official record holder for these purchases on local accounts. The State of Texas records retention law requires that these records are kept for the current fiscal year plus three fiscal years prior.

Purchases on state accounts will require the department/unit to submit the receipts/invoices and all supporting documentation to Disbursements via Laserfiche on a monthly basis. All state transactions will be fully audited prior to posting to FAMIS as a purchase voucher. Procurement/Payment card state transactions will be identified by the voucher prefix (Research=8xxxxxx; Extension=9xxxxxx; TVMDL=3xxxxxx).

Departments/Units that utilize the payment card are required to designate someone in their department/unit to have access to the credit card company's web based software program and to make the required monthly reallocations within the reallocation period. All transactions must be reallocated to the appropriate FAMIS account, support account and object class code.

Reallocation Software

Departments/Units use the credit card company's web based software interface to reallocate charges on the payment card from the default FAMIS account and object class code to other FAMIS accounts/support accounts and object class codes. All transactions are required to be reallocated. Reallocations must be completed by the 20th of each month after the statement cycle date.

Texas A&M AgriLife must endeavor to increase their use of HUB (Historically Underutilized Business) vendors as mandated by the State and the Board of Regents. You are encouraged to seek out HUB vendors as often as possible for payment card purchases.

Information

Contact Li Su at (979) 845-2553, LSU@ag.tamu.edu payment card/cardholder general questions or to request/cancel a payment card.

II.B.30. Publications

Acceptable/Unacceptable Publications

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

Publications Including Names/Pictures of State Employees

State funds may not be expended to print a publication of any type that prominently displays the name or picture of a statewide elected official, any appointed officer of the state or employee. If a state agency wants to distribute a publication that includes a photograph of a state official or employee or displays the name of a state official or employee in large type or on a repetitive

basis, then the agency must provide an advance copy of the publication to the State Comptroller for review.

Date of Publication

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

II.B.31. Recruitment of Students

No state funds may be used for recruiting out-of-state students. This would include transportation costs for out-of-state prospective students or transportation costs for the University employees to recruit out-of-state prospective students. Local funds may be used for recruiting out-of-state students.

II.B.32. Refunds

When we refund money to a vendor or an individual that they have previously paid to Texas A&M AgriLife, the revenue code that was used when the original payment was deposited should be used as the object code for this refund. This is not considered a reimbursement and should be processed as a deduction from income (<http://agrilifeas.tamu.edu/forms/cash-mgmt/index.php>) and submitted to Banking & Receivables for processing.

II.B.33. Required State Documentation

State Comptroller's Office auditors require that documentation must be attached to the invoices/vouchers paying with state appropriated funds showing the payment does not exceed the agreed upon purchase price. As a result of this, state account purchases need to have written documentation of prices attached to the voucher, such as phone or written price quotes, copies of catalog items, or internal order forms (ex: AG-610 form). Written documentation should include the order date, quantity, price of goods purchased and freight. This will ensure that Texas A&M AgriLife is not overcharged for goods or services beyond those which were agreed to purchase.

State documentation also applies to paying travel expenses of a speaker/independent contractor or on their behalf. There must be some form of contractual agreement stating, what travel expenses will be paid and a specified maximum rate for that travel service. This does not have to be in the form of a formal contract, it could simply be in the form of an email, memo or letter. This documentation must be submitted with the voucher/document and receipts.

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

Payments to other state agencies as well as other state agencies within the TAMU System are not exempt from this requirement unless it is a spot purchase.

II.B.34. Departmental Purchase Order Request Exemptions

There are several types of services which do not require state documentation such as an AG-610, Departmental Purchase Request, to be submitted with the invoice. State documentation is not required for any expenditure to be paid with LOCAL funds. State documentation is required for all expenditures to be paid with STATE funds except for the examples listed below. Although the state documentation is not required to be submitted with the invoice, the State Comptroller's Office does require that documentation be maintained. A contract, agreement or purchase order must be maintained for any services that are negotiated or for any contractual services.

This list does cover most of the areas that have expenditures processed on a regular basis. This list is not all inclusive. There may be other items that do not require the submission of state documentation. If you have any questions regarding if state documentation is required, contact Shiao-Yen Ko at (979) 845-4778 or Kim Payne at (979) 845-4764.

1. Utilities – Gas, water, electric, sewage, chilled water, steam, waste disposal (object class codes 5010-5035)
2. Telecommunications – TAMU Centrex, Department of Information Resources (DIR), long distance service, monthly landline service (object class codes 5110-5156)
Exception – Cell phone service does require the use of an AG-610 form if the service is not provided by TAMU Centrex or DIR
3. Registrations (object class code 5215) – detailed or itemized registration form is required
4. Demurrage (object class code 5233)
5. Postage – TAMU mail services, postage machine recharges (object class code 5655 and 5682) Exception – special mailings do require an AG-610 form
6. Periodicals, subscriptions (object class code 4025)
7. Advertising (object class code 5641)
8. Professional Services (requires an approved independent contractor form)
9. Lecturers and associated fees
10. Food purchases (object class code 4050)
11. Memberships (object class code 5211-5213)
12. Data processing – TAMU CIS (object class code 5645) Exception – Software or installation/modifications of service lines does require an AG-610
13. Rental of Land (copy of the approved rental agreement is required)

II.B.35. Scholarships, Stipends and Fellowships (revised 08/1/2011)

Payments for scholarships, stipends, fellowships, tuition and mandatory fees are to be paid directly to TAMU/Student Business Services, not to the individual directly. Supporting documentation for the purchase order/voucher should include an itemized tuition and fees. Any overpayment on the student's account will be refunded directly to the student. This policy will ensure that all financial and tax information related to a student is documented and recorded correctly with Student Financial Aid.

In some instances, the student may not be enrolled at Texas A&M University. In such instance, the unit will be responsible for certifying, that the student is not currently enrolled at TAMU. Payment will be made directly to the student or sent to the appropriate university's equivalent to student business services entity of the respective institution to which the student is attending.

Questions related to student scholarships, stipends, fellowships, tuition and mandatory fees should be directed to Student Business Services at (979) 845-3236 or financialaid@tamu.edu.

All other questions can be directed to Shiao-Yen Ko, (979) 845-4778 or S-Ko1@tamu.edu, or Kim Payne, (979) 845-4764 or kpayne@ag.tamu.edu.

II.B.36. Speakers

Texas A&M AgriLife does not pay honorariums. Fees can be paid directly to speakers for services provided. Title of lecture, date of lecture, and to whom the lecture was presented is required. If a speaking fee is to be paid and an invoice is not available from the speaker, then a memo from the department/unit head should be submitted. If the speaker is a U.S. citizen you must have the individual complete a W-9 or Substitute W-9 in order to have the individual established as a vendor in FAMIS. This form is located at: <http://agrilifeas.tamu.edu/documents/ag-217.pdf>. If the vendor is not a U.S. citizen then contact Payroll at (979) 845-4775, to walk you through paying the foreign speaker with GLACIER / FAMIS. If the speaker is addressing students, staff or faculty, the object class code should be 5435 for the speaker fee and 5434 for the speaker's travel expenses with receipts. If the speaker is addressing or training employees only, the object class code for the fee should be 5410.

Speakers who are State of Texas employees must sign the State of Texas Employee Statement concerning conflict of interest. Per the Texas Ethics Commission publication, *A Guide to Ethics Laws for State Officers and Employees*, you may not solicit, agree to accept, or accept an honorarium in consideration for services you would not have been asked to provide but for your official position. It is permissible to accept food, transportation, and lodging in connection with a speech or other service performed in an official capacity. If the speaker marks the State of Texas Employee Statement that he/she is on business time, then Texas A&M AgriLife is not allowed to pay a fee, and travel expenses must be submitted via Concur. If the speaker is on personal time, then a fee is allowed. This fee and travel expenses will be submitted via an online purchase document. If only reimbursing for travel, then it should be submitted via Concur.

Payments to individuals currently employed by TAMUS must be processed through Payroll. The Payroll contact person for the PIN where the individual is employed will provide details of what is required to process these payments. Payments to individuals who are currently not an active TAMUS employee but have been employed by TAMUS within the last 12 months must also go through Payroll. These individuals must be appointed to a wage position, paid what they are due, and then be terminated from that wage position. Please contact the Payroll office for specific instructions on how to proceed.

NOTE: When using state appropriated funds, the state documentation rule applies to paying travel expenses of a speaker/independent contractor or on their behalf. There must be some form of contractual agreement stating what travel expenses will be paid and specified maximum rate for that travel service. This does not have to be in the form of a formal contract, it could simply be in the form of an e-mail, memo or letter. This documentation must be submitted with the purchase document and receipts.

II.B.37. Sponsorships

Texas A&M AgriLife is often requested to sponsor activities or organizations by our monetary support. Various sections of the Texas constitution prohibit the giving away of the state's money or property or the use of state money or property for private reasons.

When processing payments for sponsorships the following information must be included in your documentation:

1. The purpose of the sponsorship and the benefit this provides to the agency and the department/unit.
2. How this expense relates to the purpose of the account used to pay the sponsorship.
3. A detailed itemization and description of the specific items that will be paid for by our sponsorship.

II.B.38. State Employees Training Act

State Employees Training Act Policy

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

Eligibility

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

employee must be required to work for the agency for a specific period following the training or pay the agency back for the cost of training.

Allowable Expenses

Allowable expenses include salary, tuition and other fees, travel and living expenses, training materials costs, and other necessary expenses of the instructor, student, or other participant. A copy of the governor's approval must be submitted to the State Comptroller's office before payments are approved under the program.

II.B.39. Student Organizations

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

II.B.40. Submission Fees/Page Charges

Article submission fees to journals for publication can be paid with state or local funds. These expenses should be coded 5617. The title of the article and the name of the journal should be listed in the description, if it isn't already listed on the invoice. If an employee is reimbursed for submission fees and the journal later refunds this fee, it is the responsibility of the employee to pay the money back to Texas A&M AgriLife.

Page charges for journal publications can be paid with state or local funds. These expenses should be coded 5617. A copy of the article/publication is required when the invoice is submitted for payment. If the article is lengthy, a portion of the article may be submitted. The portion submitted should include the title and author information.

II.B.41. Subscriptions

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

II.B.42. Telecommunication Equipment and Services (revised 02/25/13)

All purchases of telecommunication equipment as well as services are to be processed through TAMU's Physical Plant, Telecommunication Department. If your department/unit is receiving any invoices for these types of payments you should contact Purchasing to have the service set-up through TAMU Telecommunications or the Department of Information Resources (Texan service). As a state agency, we are exempt from paying many of the taxes and surcharges associated with telecommunication billings. As a state agency we are also obligated to obtain the best value for funds expended for all of our purchases. TAMU's Telecommunication Department and the Department of Information Resources have put into place many contracts and agreements with telecommunication providers in order to obtain the lowest possible costs for us as well as ensuring that we do not obligate ourselves or pay taxes and surcharges from which we are exempt. For a listing of telecommunication fees, taxes, and surcharges from which we are exempt, please see the following link: <http://www.dir.state.tx.us/store/tsd/oagtaxexempt.htm>.

Texas A&M AgriLife has a program to allow employees to receive a telecommunication allowance for cellular service. Employees should contact their department/unit head and Payroll to request this allowance. Requests for telecommunication services should not be submitted to Disbursements. Contact Payroll at (979) 845-4749 (979) 845-4260 for more information.

II.B.43. Tips and Gratuities (revised 07/15/15)

Texas A&M AgriLife may reimburse tips and gratuities incurred on business meals for official business using designated (Research: 203xxx; or Extension: 2xx9xx) or unrestricted accounts (Research: 212xxx; or Extension: 2xx999). Tips and gratuities cannot be paid or reimbursed from state funds, state contracts and/or federal grant funds. The tip should be coded the same object code as the item purchased, i.e. when tipping for a business meal, code the entire meal cost plus the tip as entertainment, 6340. See TAMUS Policy 21 (<http://www.tamus.edu/offices/policy/>) for more information.

Tips and gratuities on personal meals while in travel status are considered a reimbursable expense only when local funds are used. Tips on personal meals are not reimbursable on state and federal funds. Sponsored Research Services should be contacted to verify if tips are allowable on specific SRS funds.

II.B.44. Visa Fees (revised 06/27/17)

Visa processing fees for new hires and visa renewal fees for current employees can be paid with state or local funds. Payments of visa fees for an employee's spouse/dependents must be made with an unrestricted gift account (Research: 212xxx; or Extension: 2xx999) and are taxable to the employee. An AG-517 – Request for Tax Withholding on Non-Salary Compensation Items (<http://agrilifeas.tamu.edu/forms/index.php>) form must be submitted with the payment.

Payments made directly to the Bureau of Citizenship and Immigration Services or the Department of Homeland Security must be picked up by or returned to the department/unit and submitted to International Faculty and Scholar Services to be mailed with the proper paperwork. DO NOT send any checks directly to the US Citizenship and Immigration Services (USCIS) as this will delay the processing of the H1B petition. Employees seeking reimbursement for payments they have made to Bureau of Citizenship and Immigration Services or the Department of Homeland Security must provide proof of payment and follow the guidelines for the reimbursement of employees.

The processing fees for the filing of the H1B on the form I-129 petition are as follows:

- 1) The application fee of \$460. Payable to Department of Homeland Security, P.O. Box 30040, Laguna Niguel, CA 92607-3004.
- 2) The \$500 Fraud Prevention and Detection Fee. Payable to Department of Homeland Security, P.O. Box 30040, Laguna Niguel, CA 92607-3004.
- 3) Note: This fee has been suspended by USCIS until further notice (effected 4/3/17). The optional Premium Processing fee for the filing of the H1B petition in the amount of \$1225. This is in addition to the regular processing fees. Payable to Department of Homeland Security, P.O. Box 10825, Laguna Niguel, CA 92607.

Employers may use the option to request premium processing of certain employment based petitions such as the H1B. USCIS guarantees a response in 15 days. This response could be in the form of an approval, denial or request for evidence.

Each of the above fees must be entered as separate invoices in the payment system to request the checks. Disbursements requires a copy of the H1B offer letter as documentation for the payment requests. Please enter a "Y" in the enclosure field and include document/invoice notes to have the check picked up or returned to/by the department/unit to deliver the checks and documentation to International Faculty and Scholar Services.

Visa processing fees are coded 5245.

II.B.45. Working Funds

Requesting a Working Fund

To request a working fund submit a written request to Texas A&M AgriLife, Attn: Disbursements, 2147 TAMU, College Station, TX 77843-2147 and include the following information:

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

7) Department/unit head signature

Receiving Funds

The department/unit will be notified if the working fund is rejected; otherwise, the funds will be deposited in a local bank account with your department/unit by the date it was required.

Submitting a Purchase Document for the Working Fund

When funds are used, prepare a purchase document payable to the working fund vendor. It is recommended to set up direct deposit information for reimbursing the working fund account. A receipt is required for each purchase of goods or services and all receipts must be included with the document. If there is not a receipt available then the cash custodian, who is the person responsible for the money, must certify on supporting documentation that the money was used for a purchase. This documentation should be submitted to Disbursements on a monthly or more frequent basis. It is required that the working fund be fully reimbursed by the end of each fiscal year, August 31.

Reconciliations

All working funds accounts should be reconciled on a monthly basis. A copy of the working fund reconciliation should be submitted to Texas A&M AgriLife, Attn: Bill Gray, 2147 TAMU, College Station, TX 77843-2147, phone (979) 845-9281, each month for review.

State and Texas A&M AgriLife Guidelines

Working funds have to follow all State and Texas A&M AgriLife purchasing guidelines.

III. Travel Expenditure

III.A. Safe Harbor Rule (09/01/14)

All expenses must be adequately accounted for within 90 days or the expenses will be reported as taxable income to the employee and the travel card suspended. This policy has been implemented to meet the “reasonable period of time” in the IRS accountable plan. Expenses that fall within the IRS accountable plan are not reported as taxable income to the employee. The IRS accountable plan states:

- expenses must have a business connection,
- must adequately account for these expenses within a reasonable period of time, and
- must return any excess reimbursement or allowance within a reasonable period of time.

Travel expense reports must be submitted within 90 days of the travel end date in order to be in compliance with the IRS accountable plan.

- Best practice is to submit within 30 days
- Applies to out of pocket and travel card transactions
 - If not submitted within 90 days of the travel end date
 - Travel card will be immediately suspended until expense report is submitted and approved
 - Expenses become tax reportable income to the employee and a tax withholding form must be attached to the expense report.

Credit card transactions should be reviewed in a timely manner to ensure their validity and document the dates of travel associated with the expense. The transaction should be imported into an expense report within 30 days from the post date of the transaction.

- Documents travel end date, which allows for aging/tracking of expenses
- Best practice is to assign transactions within 30 days
- After 60 days lose dispute rights with the bank
- If not assigned within 90 days of the transaction post date
 - Travel card will be immediately suspended until transactions are assigned to an expense report and the travel end date can be evaluated
 - If the travel end date is less than 90 days the card suspension will be removed.
 - If travel end date is older than 90 days the expenses become tax reportable income to the employee and card will remain suspended until expense report is submitted and approved.

Third Strike Rule - for cards suspended for the third time, the travel card will be suspended for one year with notification of card suspension sent to traveler, business manager and department head. No travel advances will be made available to the employee during this time period

III.B. Travel Requests

Approval to travel should be obtained prior to the departure for a trip. Approvals can be obtained via paper travel request or use of Concur.

III.B.1. In State Travel Requests

Texas A&M AgriLife department/unit heads or designees may approve travel requests using state and/or local funds.

III.B.2. Out of State Travel Requests

Texas A&M AgriLife department/unit head or designees may approve travel requests using state and/or local funds.

Texas A&M AgriLife Extension Service out of state travel is allowed on state funds with the approval of the department/unit head or designee for amounts up to the annual allocations assigned to the unit to meet the legislative agency cap on out of state travel.

III.B.3. Department/Unit Head Travel Requests (revised 05/31/13)

All department/unit head travel requests are routed through Concur for Texas A&M AgriLife agency head (or his/her designee) approval.

III.B.4. Blanket Travel Requests

A blanket travel request is a continuing authority to travel for those instances where the position of employment requires numerous trips to be made in performance of a principal function of the position within the State of Texas. The blanket travel request (Form AG-802 - <http://agrilifeas.tamu.edu/forms/travel/index.php>) is usually completed for one fiscal year and expires August 31 of each year. Blanket travel requests should be used for in-state travel only. Blanket travel can also be submitted via Concur.

Each request should clearly indicate the reasons for travel and the locations or destinations involved.

Each person using a blanket travel request is required to leave an itinerary with his supervisor for each trip, showing the expected locations to be visited. This should be submitted prior to the trip and filed with the unit's copy of the travel request for record and audit purposes.

Blanket requests (Form AG-802) should be completed for one individual employee. Blanket requests (Form AG-802) should not be submitted as a request for a group of travelers.

Submission of travel expense reports may be done on a weekly or monthly basis for employees on continuous travel.

III.B.5. Foreign Travel Requests (revised 06/27/17)

All foreign travel by state employees and graduate students on state business including travel to Canada or any state or possession of the United States must be approved in advance. This includes travel at no charge to Texas A&M AgriLife. Students must also register with the Study Abroad office with Texas A&M University. A copy of the approved study abroad confirmation page must be included as a receipt with the Concur travel expense report.

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

State funds cannot be used to reimburse foreign travel expenses.

Texas A&M AgriLife is a participating member using Concur. A travel request is required to be submitted via Concur. The request should be submitted to the system member that the employee is adloc to rather than to the system member that is proving funding for the travel. The department/unit head must electronically approve foreign travel requests via Concur. This approval cannot be delegated to another individual.

All foreign travel requests will be reviewed by Texas A&M AgriLife Risk and Compliance and forwarded to agency administration for final approval to travel. If the travel is to a high risk country, then travel request will route to Texas A&M System Risk for recommendation prior to routing to Texas A&M AgriLife Risk and Compliance.

Travel on Sponsored Research Services (SRS) accounts must adhere to sponsor restrictions. The Fly America Act (41 CFR 301-10.131 through 301-10.143) requires all air travel paid with federal funds be on a US flag carrier or US flag carrier service.

To ease the burden on the traveler or their booking designee, Texas A&M University has contracted with Short's Travel Management to ensure compliance with the Fly America Act when airfare is booked through Short's. Short's will book within compliance or an acceptable exception will be noted that carries to the expense report in Concur.

While booking through Short's, either via the Concur online booking tool or calling them directly, is recommended, a traveler may choose to accept this responsibility and book through other means. By doing so, the traveler assumes 100% responsibility that the airfare is in compliance or a valid exception is documented. Documentation must be attached to the Concur expense report. Documentation of compliance is the appearance of the US flag air carrier's designator code and flight number on tickets or associated documentation (e-Ticket itinerary) for

all legs of a trip. Should the travel be booked “outside” of Short’s Travel Management, the exception form can be found at <http://agrifeas.tamu.edu/forms/travel/>.

The approved foreign travel request must be attached electronically to the individual’s travel expense report and any purchase documents associated with the travel. Purchase documents could include direct billed airfare, car rental, hotel and/or registration fees.

III.B.6. Travel Advance Requests (Texas A&M AgriLife Research ONLY) (revised 06/27/17)

Eligibility

Travel advances will only be issued for foreign travel and with sufficient justification. Employees should apply for an individual liability or an agency liability credit card when applicable.

Foreign travel cash advances are allowable for employees traveling to a foreign country as needed. Employees who are not eligible to obtain a Corporate Card, including student workers, are eligible for travel advances as needed. Advances that are approved will be eligible for all anticipated travel related expenses: i.e., hotel, meal expenses, taxi fares, and parking fees, etc.

A justification must be listed on the advance request for all other requests for travel advances. The justification will be reviewed on a case-by-case basis to determine if the justification warrants the issuance of an advance. This requires submission for approval in sufficient time so that alternative plans can be made if the request is denied.

Advances will not be issued for airline tickets or registration fees. Airline tickets can be charged to the department/unit Central Bill Travel Account (CBT) or the employee’s corporate travel credit card. Registration fees should be charged on the employee’s corporate travel credit card or on the payment card.

Process for Requesting a Travel Advance

Submit a paper travel advance request that has been approved by the department/unit to Texas A&M AgriLife Disbursements-Travel, Mail Stop 2147. Rush travel advance requests can be faxed to Travel at (979) 458-3242. In addition to the paper travel advance request a traveler must also submit a travel cash advance request via Concur.

Employees requesting a travel advance are encouraged to sign up for direct deposit/ACH in order to ensure timely receipt of the travel advance prior to their departure.

On-Campus will need to submit the request at least **five** working days before the travel is to begin. This will ensure that the travel advance can be approved and a check or ACH will be ready two working days before travel begins. If a check is issued, then the employee or department representative will need to pick up the check at Texas A&M Disbursements located at 578 John Kimbrough Blvd, Room 444, College Station, Texas. Cash will not be issued.

Off-Campus will need to submit the request at least **eight** working days before travel is to begin in order to allow sufficient time if a check is to be mailed.

If an earlier time frame for the travel advance is needed, then the date must be stated on the Date Requested line on the paper travel advance request. Once the advance has been approved, you will receive an approved copy by either fax or mail for the department/unit's records.

Reimbursement of the Travel Advance

Travel expense reports must be prepared and submitted in Concur within 30 days of the return from travel.

The travel cash advance in Concur must be attached to the travel expense report. If the advance exceeds the expense, then the expense report should include an expense type cash advance return. The cash advance return amount is the difference in the actual cash advance and the reimbursable expenses. This is the amount that the employee should return to the agency. Once the expense report is approved, the employee will receive an invoice from Banking & Receivables for the amount due to Texas A&M AgriLife Research.

If the expense incurred exceeds the travel advance, then a check will be issued to the traveler for the difference.

A travel expense report must still be completed and submitted even if the travel advance is equal to expenses incurred.

Past Due Travel Advances

All travel advances must be settled within 30 days from the last date of travel. To settle a cash advance, the traveler must submit an expense report to offset the expenses and/or repay Texas A&M AgriLife for the amount of the travel advance.

If a travel advance is not settled within 30 days, the Texas A&M AgriLife Travel office will contact the traveler and/or department/unit business office to notify them that the travel advance is outstanding and past due. If a travel advance is not settled within 60 days from the last date of travel, then a notice will be sent to the traveler and to the department/unit business office. At this time, the traveler will be placed on state hold. This will prevent the employee from receiving any reimbursements from any state agency or receiving any subsequent travel advances until the travel advance is settled. This does not include a hold on payroll checks.

After 120 days past due, the amount due will be forwarded to payroll. The IRS requires us to treat the past due travel advance as additional compensation to the employee. The employee/department/unit is still liable for the reimbursement of the travel advance.

III.B.7. Travel Request Forms

Foreign travel requests must be submitted through Concur. Travel request form AG-802 can be used for in state travel, out of state travel and blanket travel requests.

Travel Request AG-802: <http://agrifeas.tamu.edu/pdf/forms/ag-802.pdf>

Instructions for AG-802: <http://agrifeas.tamu.edu/pdf/forms/ag-802instructions.pdf>

Travel Advance AG-809 (Texas A&M AgriLife accounts only):
<http://agrifeas.tamu.edu/pdf/forms/ag-809.PDF>

III.C. Travel Expense Report

III.C.1. Definition of a Travel Expense Report (revised 06/09/17)

A travel expense report is a report submitted by a state employee or prospective employee for reimbursement of travel expenses relating to official state business after travel has occurred.

A state agency must minimize the amount of travel expenses reimbursed by ensuring that each travel arrangement is the most cost-effective considering all relevant circumstances. Texas Government Code Section 660.007.

Texas A&M AgriLife uses the Texas Comptroller of Public Accounts Textravel (<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>) web site as their foundation for travel guidelines. The information contained in this manual should only be used as a supplement to Textravel when using local funds. Please refer to Textravel for travel guidelines first. Additional travel-related information is available on Texas A&M AgriLife - Travel web site: <http://agrifeas.tamu.edu/fiscal/travel/>.

The Texas Comptroller of Public Accounts created Textravel to provide information on state travel laws and rules to state agencies and institutions of higher education. Textravel is based on [Texas Government Code Chapter 660, General Appropriations Act, Article IX, Part 5](#), and [Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter C, Section 5.22](#). This Web resource is designed to be an easy reference for state agencies and their employees. Links to applicable laws and rules are included on the web site.

III.C.2. Materials Needed to Prepare a Travel Expense Report (revised 06/27/16)

- 1) Access to Concur through Single Sign On (<https://sso.tamus.edu/main.aspx>)
- 2) Contract Travel Vendor Exception Form <http://agrifeas.tamu.edu/documents/contract-travel-vendor-exception-form.pdf>. (Required on state accounts only) If travel reservations are made via Concur, then the travel certification/exemption is noted at the time of booking and an additional Contract Travel Vendor Exception Form is not required.

- 3) Meals and Lodging Rates <http://www.gsa.gov/portal/category/21287>.
- 4) Textravel web site <https://fmx.cpa.state.tx.us/fmx/travel/textravel/index.php>
- 5) State Travel Management Program, <http://www.window.state.tx.us/procurement/prog/stmp/> or Texas A&M AgriLife - Travel website <http://agriflifeas.tamu.edu/fiscal/travel/>
- 6) Google Maps On-Line Mileage Guide , <https://maps.google.com/>

III.C.3. Travel Expense Report Training (revised 05/31/13)

Concur travel system is the online process used to submit travel expense reports. There are several training tools available such as the Concur Quick Start Guide and targeted training videos. These can be located on the internet: <http://www.tamus.edu/offices/travel/concur-online-training/>.

III.C.4. Items to be Provided on a Travel expense report (revised 05/31/13)

The travel expense report should provide accurate travel dates, duty points and business duties at each duty point.

Where applicable, the following information should be included:

- 1) Accurate lodging receipt showing the daily itemized charges;
- 2) Actual meal cost total per day. State funds can only be reimbursed up to the allowable rate for the area; Receipts are required when any single meal exceeds \$75.
- 3) Itemized car rental receipts.
- 4) Receipts to support claims for reimbursement such as registration fees, train fares, business meals, gifts, supplies, training materials and laundry
- 5) Mileage documentation using:
 - a) Concur Mileage Calculator
 - b) Google Maps (<https://maps.google.com/>) on-line mapping program for travel reimbursed on state funds;
 - c) Any on-line mapping program for travel reimbursed on local funds; or
 - d) Odometer readings.
- 6) Receipts must be provided for any expense that exceeds \$75.

III.C.5 Reimbursements for Travel (revised 02/25/15)

Fiscal responsibility will apply for expenses. Upon the discretion of the Director or designee, non-compliance with the procedures contained herein may result in denial of travel related reimbursements.

State Funds

Reimbursements for travel from Texas A&M AgriLife on state funds will be made in compliance with the [State of Texas Travel Management Program](#) and Textravel (<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>).

Local Funds

Reimbursement for travel on local funds will be in compliance with Texas A&M AgriLife Guidelines Disbursement of Funds. Information is also available at <http://agrilifeas.tamu.edu/fiscal/travel/>.

Employees or prospective employees may be reimbursed for travel expenses incurred that are normally not reimbursable when such expenses result in a cost savings. When reimbursement is to be made for travel expenses that would not normally be paid, the cost savings must be documented on the travel expense report.

III.C.6. Federal and State Taxes (revised 09/21/15)**Tax Exemption Exceptions**

The Texas A&M University System and all of its components are considered a state agency and an institution of higher education.

- Texas state sales tax – The Texas A&M University System is always exempt from Texas state sales tax and can be exempt from federal taxes and other state taxes. We are exempt from paying Texas state sales tax. A copy of the form is available at: <http://agrilifeas.tamu.edu/pdf/forms/tx-sales-and-use-tax-exemption-certification.pdf>.
- Business meal – Business meals that are direct billed to the state agency are tax-exempt. Business meals charged to the payment or travel card are considered direct billed. Individuals may not be reimbursed for Texas state sales tax on purchases made on behalf of the agency for goods, services and/or business meals, regardless of the funding source. State employees should provide the Texas Sales and Use Tax Exemption Certificate form to the vendor when making a purchase carry a tax exemption form with them when making a purchase.
- Other state's sales tax – We are also exempt from other states' sales tax if the goods are being shipped to us from another state. We are not exempt from other states' sales tax if we are making the purchase in that state. However, it is possible some states may allow an exemption since we are part of state government or considered a public higher education institution. Please check State Tax Exemptions (<http://fmo.tamu.edu/accounts-payable/travel/forms/other-state-tax-exemption-forms/>) for states that may offer an exemption for purchases within their state.
- Hotel – When staying at a hotel within the state of Texas, employees are exempt from the Texas Hotel Occupancy Tax. The exemption certificate should be provided to the hotel at the time of check in. A copy of the form is available at: <http://agrilifeas.tamu.edu/documents/texas-hotel-occupancy-tax-exemption-certificate.pdf>

- Texas Vehicle Rental Tax – When renting a vehicle within the state of Texas, employees are exempt from the Texas Motor Vehicle Tax. The exemption certificate should be provided to the rental agency when picking up the vehicle. A copy of the form is available at: <http://agrififeas.tamu.edu/documents/14-305.pdf>
- Federal taxes – State agencies are required to pay the federal tax and may be required to pay certain state taxes on bulk fuel purchases. We are exempt from paying most federal taxes on telephone bills and regular fuel purchases not required to be purchased on the fleet card.

III.D. State Travel Management Program

III.D.1. State Funds

The State of Texas has developed the State Travel Management Program in an effort to reduce the cost of travel expenditures. All travel expenditures paid on state accounts are required to adhere to the State Travel Management Program (<http://www.window.state.tx.us/procurement/prog/stmp/>) guidelines and/or the Textravel (<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>), unless the specific exemptions mentioned below for airfare, hotel or car rental apply. Exceptions must be documented only when the total cost is greater than contract travel service rates. Exceptions can be documented in Concur on reservations initiated in Concur with a comment or using TAMUS Certification Form Contract Travel Vendor Exceptions (<http://agrififeas.tamu.edu/forms/travel/>) and included as a receipt on the travel expense report.

Part of group
Lower total cost
Efficient use of service
 Contractor not time efficient
 Contractor not available
 Contractor sold out
Health and safety issues

III.D.2. Local Funds

The State Travel Management Program is not required on local funds with department/unit head or designee's approval.

III.E. Transportation

III.E.1. Airfare (revised 04/27/2016)

Policy and Requirements for Payment

State Funds

State funds are required to use the State Travel Management Program (<http://www.window.state.tx.us/procurement/prog/stmp/>). Airfare must be charged to a state issued credit card. This can be either a departmental central billed travel account (CBT) or to an individually named State of Texas corporate card.

A breakdown of airfare and taxes must be provided for travel that includes both in state and out of state duty points on one itinerary.

A state agency must minimize the amount of travel expenses reimbursed by ensuring that each travel arrangement is the most cost effective considering all relevant circumstances so a cost comparison between airfare, car rental and personally owned vehicle should be provided when traveling using a personal vehicle.

Local Funds

The State Travel Management Program is not required on local funds with department/unit head or designee's approval. Airfare can be purchased on any credit card that the traveler chooses to use.

When reimbursement is to be made for travel expenses that would not normally be paid, the cost savings must be documented on the travel expense report. If there is a benefit or cost savings or no other seats are available, then business class airfare may be allowed. Business class airfare must be approved by the Chief Executive Officer (Agency Director) of Texas A&M AgriLife prior to the trip.

Contract Airfare

The state has secured contracted rates with airlines for travelers to use when traveling on agency business. The contract rates may be found at the following link, State Travel Management Program (<http://www.window.state.tx.us/procurement/prog/stmp/>).

Information on Contract Airfare:

1. The contract airline fares are designed for last minute or fully refundable travel requirements. State agencies and institutions of higher education are encouraged to utilize 14 day advance or other lower cost airline fares for planned travel requirements to obtain lowest possible cost to the state.
2. City-pair listings are one-way, in alphabetical order only, and are applicable in both directions.
3. Domestic contract airfares include the Federal Excise Ticket Tax, but do not include segment fees, passenger facility charges, security fees, fuel surcharges or any other mandatory fees that might be assessed.
4. International fares do not include any taxes, segment fees, passenger facility charges, security fees or any other mandatory fees.

5. The fare basis codes of “YCATX” and “__CATX” to use when booking contract airfares. The YCATX fare is last seat availability. The __CATX fare basis code is capacity controlled and only a limited number of seats are available.

Guidelines for booking airfare:

1. Airfare must be purchased with the departmental CBT Account or with an employee's State of Texas individual corporate card if using state funds. Any credit card can be used to purchase airfare using local funds.
2. An exception form is required if contract airfare is not purchased (unless the exception is lower total cost).
3. When travel requirements allow, booking and purchasing airline tickets at least 14 days in advance will aid in obtaining lower fares.
4. Flexibility in your departure and arrival times will also impact your ability to price the lowest cost available fares.
5. Compare two or three airlines in order to check for the lowest airfare rate.
6. Remember that a non-refundable ticket incurs a penalty of at least \$100.00 to cancel or make changes.
7. Options for booking airfare:
 - a) **State of Texas contracted travel agencies:**
 - (1) National Travel Systems – Phone: (877) 717-7768
On-line: <http://www.nationaltravelsystems.com/state/intro2.htm>.
 - (2) Short's Travel Management – Phone: (888) 846-6810
On-line:
<https://www.shortstravel.com/TravelPortalV2/index.cfm?ID=235&ID2=3I FCNEAUHN>
 - b) **Travel agency** – Call your preferred travel agent/agency. Request that they look for the lowest fare that meets your travel needs.
 - c) **Direct with an airline company** – This can be by phone or on-line. Some airlines are charging a fee for phone bookings. Check two or three airlines in order to find the lowest fare that meets your travel needs.
 - d) **Online Broker** (Travelocity, Expedia, or Orbitz) – If the traveler chooses to use this method they will need to consider that all airlines may not be listed. Receipts may be provided by the online booking source rather than the airline vendor, which may not meet reimbursement requirements. Consider the transaction fees that are incurred by the online booking source when evaluating various booking methods for the lowest total cost. Oftentimes, booking direct with the airline will provide a lower total cost.

Receipt Requirements

An accurate passenger receipt issued by a commercial airline company or an itinerary issued by the airline company or travel agency must be included in the supporting documentation for a reimbursement of the cost of transportation on the airline. A receipt that has been altered by any person other than the airline is unacceptable. A receipt to which additional information has been added is considered unaltered if the additional information does not conflict with the original information on the receipt.

The name of the employee, airline, ticket number, class of transportation, travel dates, amount of the airfare, method of payment, origin and destination of each flight must be included on the receipt or itinerary.

The expenditure object class codes are:

- 1) In-state airfare, 3011;
- 2) Out-of-state airfare, 3111;
- 3) Washington, DC airfare, 3114; and
- 4) Foreign travel, 3310.

Use of Discounts/Bonuses for Private Purpose

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

Use of Free Tickets for Private Purpose

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

III.E.2 Car Rental – Contracted Rental Car Companies (revised 05/31/13)

State Funds

State of Texas employees must use Avis or Enterprise. An exception would be allowed if the total rental cost is less than the contract car rental services including the cost of the Loss Damage Waiver (LDW) insurance. Most rentals include unlimited miles. A rental of a larger than full sized vehicle requires an explanation of the business reason for needing a larger vehicle. Rental rates and contract provisions are located on the State Travel Management Program web site at <http://www.window.state.tx.us/procurement/prog/stmp/>.

STMP-Car Rental Contract Information:

<http://www.window.state.tx.us/procurement/prog/stmp/stmp-rental-car-contract/>

Avis: <http://www.avis.com>

Enterprise: http://www.enterprise.com/car_rental/home.do

Avis contract does not allow for one-way rentals.

State employees MUST provide the contract vendors with the assigned state agency identification number in order to obtain the state contracted rate. Contract car rentals can be booked through Concur, travel agent, direct with the car rental company or on-line.

Exceptions to Using Contracted Rental Cars

1. Lower total cost to the state.
2. Efficient use of services.
 - a. Contractor Not Time Efficient
 - b. Contractor Not Available
 - c. Contractor Sold Out

Local Funds

The State Travel Management Program is not required on local funds with department/unit head or designee's approval. Employees can rent from any car rental company when using local funds.

Loss Damage Waiver (LDW) and liability insurance must be purchased and is reimbursable. LDW covers any damage that might occur to the rental vehicle. Liability insurance covers persons and property outside of the rental vehicle. LDW and liability insurance are the only insurances that can be reimbursed. Liability insurance supplement, personal accident insurance, safe trip insurance or personal effects insurance are not reimbursable. An explanation is not required for larger vehicles. A second renter charge is not reimbursable unless the second person is a state employee traveling on agency business. It is suggested that travelers contact Debbie Smith at the TAMUS Risk Management Office (979) 458-6247, if they have questions regarding insurance coverage.

Receipt Requirements

Texas Vehicle Rental Tax – When renting a vehicle within the state of Texas, employees are exempt from the Texas Motor Vehicle Tax. The exemption certificate should be provided to the rental agency when picking up the vehicle. A copy of the form is available at:

<http://agriflifeas.tamu.edu/documents/14-305.pdf>

An accurate and complete car rental receipt must be attached. The receipt must separately itemize all charges, include the starting and ending dates of the rental, and specify the name of the renter. A receipt that has been altered by any person other than the company is unacceptable. A receipt or contract to which additional information has been added is considered unaltered if the additional information does not conflict with the original information on the receipt or contract. If the receipt does not provide all the preceding items and the rental contract provides the missing items, then the contract may also be included in the supporting documentation. The contract must also be accurate, complete, and unaltered.

The expenditure object codes are:

- 1) In-state car rental, 3010;
- 2) Out-of-state car rental, 3110;

- 3) Washington D.C. car rental, 3114; and
- 4) Foreign travel is 3310.

III.E.3. Taxi, Bus, or Limousine

A state employee may be reimbursed for the actual cost of transportation by bus, subway, other mode of mass transit, or taxi. A state employee may not be reimbursed for the cost of transportation provided by an individual rather than a commercial transportation company.

If a taxi is shared by two or more state employees, then only the employee who paid for the taxi may be reimbursed. The other employees may be reimbursed only for charges imposed on an individual-by-individual basis.

Receipt Requirements

Receipts are not required; however, trip-by-trip itemization is required, including date, destination and fare for each trip.

The expenditure object codes are:

- 1) In-state transportation, 3011;
- 2) Out-of-state transportation, 3111;
- 3) Washington, DC, 3114; and
- 4) Foreign travel, 3310.

III.E.4. Railroad or Motor Vehicle (revised 05/31/13)

A receipt from a commercial transportation company must be included in the supporting documentation for a reimbursement of the expense of traveling by rented or public conveyance.

The receipt must be accurate and complete. A receipt that has been altered by any person other than the commercial transportation company is unacceptable. A receipt to which additional information has been added is considered unaltered if the additional information does not conflict with the original information on the receipt.

The name of the employee, agency, travel dates, mode of transportation and an itemization of the expenses incurred must be included on the receipt.

Receipt Requirements

Accurate receipts should be submitted. Valid proof of payment must be provided. Proof of payment can be in the form of a copy of a canceled check, credit card slip or credit card billing.

The expenditure object codes are:

- 1) In-state transportation, 3011;
- 2) Out-of-state transportation, 3111;
- 3) Washington, DC, 3114; and

- 4) Foreign travel, 3310.

III.E.5 Mileage (revised 05/22/2017)

Policy

Mileage can be reimbursed when a personally owned vehicle is used for official State business; however, mileage from home to headquarters is not reimbursable under any circumstances. Mileage reimbursement rate is set by the Texas State Comptroller’s Office. Mileage is currently reimbursed at the rate of \$.535 per mile for travel occurring on or after January 1, 2017.

The state rate is used for both state and local fund reimbursements. Each department/unit has the option of reimbursing at a rate less than the current rate per mile. The department/unit must notify the affected individuals in writing about the lower rate before it is implemented. Travelers may use actual odometer readings, Google Maps, <https://maps.google.com/>, (required for state funds) or any available online/internet mapping program (local only) to determine mileage. The Texas State Comptroller’s Office states that the number of reimbursable miles may not exceed the number of miles of the most cost-effective reasonably safe route between two duty points. In determining the most cost-effective reasonably safe route, a state agency may consider the route that provides the shortest distance, the quickest drive time or the safest road conditions. If a map program is used, attach a copy of the driving directions to the travel expense report. The printout should include the mileage listed from headquarters or an alternate origin to destination. See below for specific instructions for use of odometer readings with state funds and local funds. The object class code for in-state mileage is 3016 and out of state mileage is 3116.

State Funds

For locations not listed in Google Maps or for mileage to a specific point in a city the traveler will have to record point to point odometer readings with addresses. See example below.

College Station Hdqts 123 Greens Rd	(20210.0)	
XXX Hotel Houston 456 Brown Dr.	(20301.6)	91.6
Hotel to Conference Center 789 Speedway	(20311.6)	10.0
Conference Center to Hotel	(20321.6)	10.0
Houston Hotel to College Station Hdqts	(20413.2)	<u>91.6</u>
		203.2

Local Funds

The traveler can be reimbursed for the actual mileage by documenting the duty points and the beginning and ending odometer readings. Physical addresses are not required on local funds.

College Station Headquarters	(20210.0)
XXX Hotel Houston	
Hotel to Conference Center	
Conference Center to Hotel	

III.F.1. Meals and Lodging (revised 06/09/17)

Employees are only reimbursed for meals when the trip is overnight. Fiscal responsibility will apply for expenses. Receipts for meals are not required. Sales tax is reimbursable and is to be included in the maximum daily allowable rate for any location.

State Funds – in-state

A state employee who travels on official state business will be reimbursed on the basis of actual expenses for meals and lodging not to exceed the allowable Federal domestic maximum rate for that location in Texas. U.S. General Services Administration (GSA) federal travel regulations can be found at the following website: <http://www.gsa.gov/portal/content/104877>.

If the city or county is not listed, then the maximum allowable for lodging is \$85.00 and the maximum allowable for meals is \$51.00 per day. Tips/gratuities are not reimbursable.

State Funds – out-of-state

A state employee who travels out-of-state on official state business will be reimbursed on the basis of actual expense not to exceed the allowable Federal domestic maximum rate for the location. U.S. General Services Administration (GSA) federal travel regulations can be found at the following website: <http://www.gsa.gov/portal/content/104877>.

If the city is not listed in the Federal domestic maximum rates, then you will need to determine the county that the city is in and use the rate listed for that county. Determine the county the duty point is located in by entering the zip code for the county at the top of the GSA form for that state. If the zip code is not available, then you can use one of these websites to determine the county that the duty point is located in.

<http://www.naco.org/Counties/Pages/CitySearch.aspx>
<http://www.indo.com/distance/>

If the duty point or the county of the duty point are not listed in the federal maximum rates, then the standard GSA rates for that state apply. Tips/gratuities are not reimbursable.

Local Funds

A state employee who travels on official state business can be reimbursed for the actual expense for lodging without a dollar limitation as approved by the department/unit head or designee. Meals can be reimbursed for the actual expense up to the GSA rate without receipts, but receipts or substantiation are required if the daily meal expenses exceed the GSA rate. The IRS requires the itemized receipt be attached to the expense report when any one meal is \$75 or more. The travel request does not have to include the statement that actual conference expenses are being requested.

III.F.2. Increase Maximum Allowance for Lodging

It is possible to increase the maximum reimbursable lodging allowance on both in-state and out-of-state travel on state funds. The traveler may voluntarily decrease the Comptroller's maximum meal allowance rate for a duty point and then use the amount of the reduction to increase lodging rate (cannot decrease lodging rate to increase meal allowance). The maximum reimbursement rate cannot be more than the combined totals of meals and lodging rate for the duty point. The allowable hotel tax will be calculated on the adjusted lodging total. This allows more or all of the hotel tax to be reimbursed. A statement "decreasing meals in order to increase lodging" must be stated on the travel expense report.

III.F.3. Directors of Texas A&M AgriLife (revised 04/27/2016)

The State of Texas has authorized reimbursement to the Agency Directors of Texas A&M AgriLife for actual meal and lodging expenses, up to twice the maximum allowed for other state employees.

III.F.4. Non-Overnight Meal Expenses

Meals for non-overnight travel are not reimbursable. The state employee must spend the night for meals to be reimbursable.

III.F.5. Sharing Lodging (revised 05/31/13)

Sharing with Another State Employee

State Funds

When at least two individuals share lodging and each of them is a state employee, the agency shall reimburse each state employee for the employee's share of the lodging expense not to exceed the maximum lodging rate for the duty point for each person. Each state employee must submit a travel expense report through Concur.

Local Funds

A state employee may be reimbursed for approved travel expenses incurred on behalf of another employee or prospective employee if the person being reimbursed incurred the expense. The documentation must include a signed statement by the person for whom the expenses were paid stating the amount and "I certify that these expenses are true, correct and unpaid to the best of my knowledge. I further certify that these expenses were incurred in the course of conducting official business, research or other sponsored activities, and that these expenses are properly chargeable to the account(s) listed."

Sharing with a Non-State Employee

State and Local Funds

A state employee may be reimbursed for the single room rate when sharing with a non-state employee. The single room rate needs to be noted on the travel expense report or on the lodging receipt.

III.F.6. Overnight Travel to U. S. Possessions, Alaska, Hawaii, Canada, or Mexico

A state employee is entitled to be reimbursed for actual meals and lodging expenses. U.S. possessions include American Samoa, Guam, Puerto Rico and the U.S. Virgin Islands. Canada and Mexico are considered foreign travel but should be treated as out of state (using object codes 31xx). The IRS requires the itemized receipt be attached to the voucher when any one meal is \$75 or more.

III.F.7. Hotels/Lodging – Contracted Hotels (revised 05/22/17)

Policy

The State Travel Management Program is not required on local funds with department/unit head or designee's approval. State funds are required to use the State Travel Management Program.

Exceptions to Using Contracted Hotels

State Funds

The State of Texas has contracted with over 850 lodging establishments in the United States to provide state employees with discounted hotel rates. These can be found on the State Travel Management Program (https://portal.cpa.state.tx.us/hotel/hotel_directory/index.cfm) web site or link through the Texas A&M AgriLife - Travel web site at <http://agrilifeas.tamu.edu/fiscal/travel/>. Make sure to request the “State of Texas Contracted Rate” when making reservations. These hotel/motel establishments should be used whenever possible. An exception is required if the hotel is not a contract vendor unless it is a lower cost for the location. The following exceptions to the use of contracted hotel/motel establishments are allowed:

1. Part of group
2. Efficient use of services
 - a. Contractor not time efficient
 - b. Contractor not available
 - c. Contractor sold out
3. Health and safety issues

III.F.8. Receipt Requirements

Receipt Requirements – Hotels/Lodging

The lodging receipt issued by a commercial lodging establishment must be included in the supporting documentation for reimbursement or payment of that expense. The lodging receipt must be accurate and complete. A receipt that has been altered by any person other than the commercial lodging establishment is unacceptable. A receipt to which additional information has been added is considered unaltered if the information does not conflict with the original information on the receipt.

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

Shared Hotels/Lodging

Each state employee should have a copy of the lodging receipt in their name for half of lodging cost with the lodging and tax itemized. Please request this with the hotel when checking in. If the hotel cannot accommodate this request, then have the hotel put both names on the hotel receipt and indicate two forms of payment.

If the individual listed on the lodging receipt is different from the state employee named on the voucher, then the lodging receipt is acceptable if the supporting documentation includes proof that the employee paid the lodging expenses for which the employee is claiming reimbursement. The proof may be in the form of a credit card slip, a credit card billing, a canceled check, or a receipt from the individual.

Hotels/Lodging Booked On-line

When a traveler makes an on-line reservation, the bill is paid before the lodging is used. When a traveler makes a reservation through a commercial lodging establishment, the charges are on an itemized bill that is paid after the lodging has been used. Lodging receipts requirements are the same as if booked direct with the vendor or with a travel agent.

E-mail confirmations often do not itemize the taxes and other charges sufficiently. The online broker or the hotel will need to provide an itemization of the tax rate for that location. If the booking was for lodging within the State of Texas, then the tax rate will include the 6% state hotel tax which is not reimbursable. The booking fee is reimbursable as an incident expense. Additionally, lodging booked on-line and reimbursed with state funds requires that the traveler must provide sufficient documentation that they used the reservation that they booked on-line. This could be in the form of a hotel receipt for charges to the room such as parking, meals, etc. If no additional charges were made to the room, then when checking out the traveler should request a statement on letterhead from the hotel indicating the traveler's name and date(s) of stay.

The expenditure object class codes are:

1. In-state meals and lodging, 3030;
2. Out-of-state meals and lodging, 3130; and

3. Foreign travel, 3310.

III.F.9. Hotel Tax

Policy

Hotel tax is not included in the maximum lodging allowance. It is calculated as a percentage of the maximum lodging amount allowed.

Out-of-State Travel

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

Tax Exemption Procedure

All employees of Texas A&M AgriLife are considered to be employees of an educational organization. As such, they are exempt from paying the state portion of the hotel occupancy tax, which is 6%. Upon checking into the hotel, the traveler must submit a State Hotel Occupancy Tax Exemption Certificate. If the traveler fails to do so, he/she will not be reimbursed.

Reimbursements for Texas hotel occupancy tax charged on lodging will be made only in those instances where the traveler attempted to claim exemption (as an employee of an educational organization) but was denied by the lodging establishment. In this case, we must report the hotel to the Comptroller's office.

Tax Exemption Certificate

State Hotel Occupancy Tax Exemption Certificate is located at:

<http://agrilifeas.tamu.edu/forms/travel/>.

In-State Tax Calculation Formula

1. $\text{Hotel room tax} / \text{Hotel room charge} = \text{Tax percentage}$
If the tax percentage is more than 11%, this indicates state and local taxes were combined. The only exception to this would be cities that charge a sports revenue tax.
2. Deduct the state tax of 6% if the tax percentage is above 11%
 $\text{Tax percentage} - 6\% \text{ state tax} = \text{percent local tax}$
3. $(\text{Percent local tax}) \times (\text{room amount you are claiming}) = \text{tax allowed per night}$

EXAMPLE

Hotel room charge \$90.00

Hotel room tax \$16.20

Amount you are claiming = \$85.00

1. $\frac{16.20}{90.00} = 18\%$

2. 18% - 6% = 12% local tax rate
3. \$85.00 X 12% = \$10.20 allowed per night

III.F.10. Lease of an Apartment or House

For specific rules and guidelines for renting an apartment or house please check with the Travel Office, (979) 845-4748.

III.G Corporate Charge Card

III.G.1. Credit Cards – Agency Liability Travel Accounts (revised 05/15/15)

Definition of Agency Liability Accounts

Agency liability credit cards can be issued in either the department/unit name or in the name of an individual.

Department/unit named agency liability travel accounts (CBT) are credit cards which can be used to charge employee airfare only.

Individually named agency liability travel accounts (AG-814) are credit cards issued in the name of a specific employee. These cards can be used for travel expenses such as airline, hotel, car rental, meals, registrations and incidentals. An individually named card can be used for the named employees travel or for non-employee travel (ex: agency guests, prospective employees).

The State Travel Management Program mandates that all airfare must be charged to either an individual Citibank Corporate Card or to a Citibank Central Bill Travel Account when state funds are used.

Payment Guidelines

The CBT cards for all departments belong to one master account for the agency. The payment for the CBT is made for the entire agency once a month by AgriLife Disbursements.

Departments/units are required to submit travel expense reports through Concur within 30 days from the last date of travel. All transactions must follow all travel rules and regulations for the guidelines appropriate for the account being charged.

Application forms: <http://agrifeas.tamu.edu/forms/travel/index.php>

Information

Contact Gwen Cortez at (979)845-4748, gacortez@ag.tamu.edu, to request/cancel a central billed travel card.

III.G.2. Individual Corporate Card (revised 05/22/17)

To be eligible for a state-issued individually named/individual liability corporate travel charge card, the state employee must:

- take, or be expected to take, three (3) or more trips per fiscal year, or
- spend at least \$500.00 per fiscal year for official state business travel.

Individual Liability Application and Acknowledgement form

<http://agrifeas.tamu.edu/forms/travel/index.php>

Instructions for completing these forms can also be found on this website.

Note: Both forms are required. Forms can be faxed to Disbursements – Travel Office, (979) 458-3242.

Liability:

The individual whose name appears on the individual corporate travel charge card is liable for all charges applied to the card.

Individual corporate travel charge cards issued through the State of Texas are to be used for **official state business travel expenses only.**

Cards will have the official state logo and embossed with the credit card account number, the cardholder's name, the state agency number, the state agency name and the type of card (travel).
Ex: 1234 5678 9012 345, John Doe, 556 Research Travel; 1234 5678 9012 345, John Doe, 555 Extension Travel; 1234 5678 9012 345, John Doe, 557 TVMDL Travel

Travel Accident Insurance

Each cardholder who purchases a common carrier ticket with their corporate card is automatically insured in the amount of \$500,000 against accidental bodily injuries that result in death or dismemberment at no additional cost.

Additional Information

<https://comptroller.texas.gov/purchasing/programs/charge-card/>

The individual corporate card or the department/unit card must be used when purchasing airfare using state funds. Employees traveling on local funds are not required to use the corporate

charge card for travel related expenses. Employees are not allowed to use payment cards for travel related expenses.

Contact Gwen Cortez at (979)845-4748, gacortez@ag.tamu.edu, to request/cancel an individual corporate travel card.

III.H. Foreign Travel (revised 09/01/14)

III.H.1. Policy

Foreign travel is not allowed on state funds with the exception of Canada, Mexico or any U. S. Possession. Foreign travel on local (2xxxxx), SRS non-federal (4xxxxx) and SRS federal (Research: 5xxxxx/Extension: some 4xxxxx) funds must be approved in advance of the travel by Texas A&M AgriLife Administration. Submit travel requests through Concur. Approval is required even if the travel is no charge to the agency.

III.H.2. Reimbursement

The approved travel request must be attached to the travel expense report in Concur. Refer to section III.A.5. Foreign Travel Requests.

All receipts that are in foreign currency must be converted to U. S. dollars. You can use a copy of the credit card statement and use the actual conversion rate. Another option is to use a currency converter in Concur.

Tips on using the currency convertor:

1. The date of the conversion is the day the expense was paid.
2. Always convert from the foreign currency to the U.S. dollar (USD).

Local accounts (2xxxxx) and SRS non-federal accounts (4xxxxx) are reimbursed for meals at actual expense up to the State Department's rate without receipts, but receipts or substantiation are required if the daily meal expenses exceed the State Department's rate. Receipts are also required for any one meal that is \$75 or more. Lodging is reimbursed at actual expense. Lodging receipts are required. Fiscal responsibility will apply for expenses.

Federal grant accounts for Texas A&M AgriLife Research (5xxxxx) and Texas A&M AgriLife Extension (some 4xxxxx) are permitted to follow special federal guidelines. Consult SRS travel guidelines for foreign travel using SRS accounts belonging to Texas A&M AgriLife. SRS Accounts may be determined by reviewing FAMIS screen 6. SRS Travel Policy website: <https://srs.tamus.edu/wp-content/uploads/2013/04/SRS-TRAVEL-REIMBURSEMENT-PROCEDURE.pdf>

III.H.3. Personal Benefit

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

III.I. Washington, DC Travel

Only state funded travelers who will be engaging in activities 1) to obtain or spend federal funds or 2) to impact federal policies should submit travel information to the Office of State-Federal Relations (OSFR).

Instructions for Submitting the OSFR Form

Web site: <http://www.osfr.state.tx.us/travelform.asp>

Enter the required information on the form.

Click on submit form and the information is automatically sent to OSFR in Washington, DC. A confirmation page is immediately generated, showing the information has been submitted. Print the confirmation page.

Fax a copy of the confirmation page to the Chancellor's Office at (979) 458-6044 as required by System Policy.

Attach a copy of the confirmation page to the travel expense report or any purchase voucher for airfare, car rental, or hotel.

Noncompliance with this request may result in non-reimbursement of travel expenses paid from state funds. Use code 3114 for any public transportation in Washington, DC.

III.J. Provisions for Other Travel

III.J.1. Prospective Employees (revised 05/31/13)

Reimbursement of Travel Expenses for Prospective Employee

When a state agency requests a prospective state employee to travel to the agency's offices for an interview or evaluation, the agency may reimburse the prospective employee for travel expenses in the same manner as a state employee other than a key official. A prospective employee is not exempt from hotel occupancy taxes. Those taxes may be reimbursed as an incidental expense. If the lodging establishment is billing Texas A&M AgriLife directly then we are tax exempt and should not be charged for the state hotel occupancy tax. The title of the position must be stated on the travel expense report. An individually named/agency liability card can be used to pay for airfare and/or hotel expenses.

Prospective Employee Guest(s) Travel During the Interview Process

Only unrestricted fund accounts (Research 212xxx; Extension 2xx999) may be used to pay for travel expenses for a guest(s) of a prospective employee. Prior written approval for guest(s) travel is required from the department/unit head. An individually named/agency liability card can be used to pay for airfare and/or hotel expenses.

III.J.2. Combining State and Personal Business

If a traveler combines personal travel with official state business travel, the traveler is only allowed reimbursement amounts for the days that were for official business. Any meals, lodging or car rental that was incurred on personal days cannot be reimbursed.

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

1. Expenses are incurred to qualify for a discount airfare; or
2. Traveling to the duty point reasonably requires more than one day and the expenses are reimbursable.

A state employee who uses a rental/leased motor vehicle for both personal business and official state business may be reimbursed only for the portion of the rental charges that is attributable to official state business. If fuel for the rental car was purchased on a personal day the fuel would not be reimbursable. A state employee may not be reimbursed for the rental of a motor vehicle if the rental was necessary only because the employee combined personal business with state business.

III.J.3. Registration and Membership (revised 05/31/13)

Registration

Texas A&M AgriLife requires registration receipts to be attached to travel expense reports. Receipts must itemize all charges included in the registration. The name of the conference (no acronyms), dates and location of conference are required. If the registration fee includes non-optional meals, this must be stated in the travel expense report. If the registration included optional meals, this must be claimed as part of the daily meals and listed in the travel expense report. Entertainment and other personal expenses are not reimbursable.

When reimbursing an employee for a registration fee, proof of payment is required. A copy of the registration form or order form as proof of payment is not allowed. Valid proof of payment includes a receipt, a copy of the employee's credit card receipt or statement, or a copy the cancelled check.

The object class code for registration is 5215.

Memberships and Dues

Membership and Dues are not reimbursable on a travel expense report. See section II.B.21 Memberships – Professional/Non-Professional Organizations and II.B.22 Memberships – Department/Unit Memberships for more information.

III.J.4. Cancellation Charges

A state employee may be reimbursed for a cancellation charge if:

- 1) the charge is incurred for a reason related to official state business; or
- 2) the charge is incurred for a reason related to official state business that could not be conducted because of a natural disaster or other natural occurrence; or
- 3) the charge is related to a transportation expense that was paid in advance to obtain lower rates and is incurred because the employee was unable to use the transportation because of an illness or a personal emergency.

Failure to Cancel a Travel Reservation

Charges assessed by a provider of travel services for a cancellation charge because an individual should have, but failed to, cancel a travel reservation or plan in time to avoid the charge, cannot be reimbursed.

III.J.5. Packaged Travel Arrangements

When a state employee purchases a package of at least two of the following:

- 1) meals
- 2) lodging

- 3) transportation
- 4) incidentals
- 5) registration fees

The travel expense report must separately state the cost of each type of travel arrangement included in the package. Each type is reimbursable only to the extent it would be reimbursable if it had not been included in a package.

III.J.6. Funeral Attendance

The importance to Texas A&M AgriLife to attend certain funerals must be documented on the travel expense report.

Funeral of an Employee

Per Textravel (<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/>) "...a state agency may pay or reimburse the employee for a travel expense the employee incurs while attending the funeral of an individual who was a state employee, a board member, or a legislator if:

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

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

Funeral of Employee's Spouse or Child

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

Other Circumstances

Departments may use their unrestricted gift funds (06-212xxx OR 07-2xx999) to pay for travel expenses of an employee to attend the funeral of an individual the President, Vice Presidents, Deans or Directors deemed appropriate to attend. This may include but is not limited to:

- 1) Death of a student's parent
- 2) Death of a TAMUS, Texas A&M Foundation, AFS, 12th Man, Development Council or Research Foundation employee or member
- 3) Death of a donor

III.K. Incidental Travel Expenses

III.K.1. Parking

A state agency may reimburse a state employee for a parking expense incurred when the employee travels in a state-owned or leased motor vehicle, a personally owned or leased motor vehicle, or a rented motor vehicle. Sales tax on parking is reimbursable and should be coded using the same object class code as the actual parking expense.

A state agency may not reimburse a state employee for a parking expense incurred at a location if all the mileage incurred to reach the location is not reimbursable.

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

Receipts are not required; however, charges must be itemized on a daily basis including where parking was located.

The expenditure object class codes are:

- 1) In-state parking, 3045 or 3025; and
- 2) Out-of-state parking, 3145 or 3125.

III.K.2. Tolls

A state agency may reimburse a state employee for tolls when the employee travels in a personally owned or leased motor vehicle, a state-owned or leased motor vehicle, or a rented motor vehicle.

A state agency may not reimburse for tolls paid:

- while operating a personally owned or leased motor vehicle if none of the mileage incurred while engaged in that travel is reimbursable; or
- while operating a rented motor vehicle if none of the rental cost is reimbursable; or
- by a state employee while using a rented motor vehicle to obtain a meal within the employee's designated headquarters.

Receipts are not required, however the charges must be itemized on a daily basis and include where the toll charge was incurred.

The expenditure object class code for in-state tolls is 3025 and for out-of-state tolls the object class code is 3125.

III.K.3. Fuel

State Vehicle

Fuel charges for a state-owned vehicle used while on official business are reimbursable.

Rental Car

Fuel purchased for a rental car while on official state business is reimbursable. If purchased from another source other than the car rental company it is claimed as an incidental expense on the travel expense report.

If the fuel is purchased from the car rental company it is part of the car rental. Use the following object class codes: in-state travel use 3010; out-of-state travel use 3110; Washington DC travel use 3114; or foreign travel use 3310.

Personal Car

Fuel that was used in a personal vehicle cannot be reimbursed. If a personal vehicle was used and the amount of the gas is less than the amount calculated for mileage and this is the only amount the traveler wants to claim, you would calculate the mileage for the trip by dividing the fuel cost by the mileage rate in effect at the time of travel. The result equals the number of miles being claimed. Then add a statement that only this amount is going to be claimed. The expenditure object class code for in-state mileage is 3016 and out-of-state mileage is 3116.

III.K.4. Phone Calls

While in travel status, official business phone calls that are charged to the traveler's hotel room are reimbursable. Calls must be documented as business calls when requesting reimbursement on a travel expense report.

III.K.5. Internet/Fax/Copies

While in travel status, only official business internet/fax/copies are reimbursable. Make sure when listing on the travel expense report that it is stated business internet, fax, or copies. Only copies while in travel status may be claimed on the travel expense report.

III.K.6. Other Travel Related Expenses

Reimbursable Expenses

The following expenses are reimbursable if they are incurred for an official business reason. This is only a partial list.

1. Hotel occupancy or similar taxes for which a state employee is entitled to be reimbursed.
2. Service fees charged for issuance of money orders.
3. Repair charges when a state-owned motor vehicle is used.
4. Copying charges.
5. Freight charges for state equipment or materials.

6. Admittance fees while accompanying clients of the state.
7. Postage.
8. Notary fees.
9. Travelers checks charges if a state agency requires or authorizes the employee to purchase the checks.
10. Mandatory charges or mandatory service charges:
 - a. By a commercial lodging establishment other than the room rate and additional persons charges; or
 - b. Paid or imposed in connection with a meal; or
 - c. For loading and unloading state equipment.
11. Books or documents purchased for and while attending a seminar or conference.
12. Facsimile charges.
13. Sales and use taxes if either the applicable law does not provide an exemption from those taxes or the procedure for claiming a legally available exemption is not honored by the person collecting the taxes. (Sales and use taxes assessed on meals are not incidental expenses.)
14. Service charges validly imposed by a travel agency or an Internet reservation booking service.
15. Baggage fees when charged by an airline for the first checked bag.
16. Charges to exchange U. S. currency for foreign currency and vice versa. (Canada & Mexico) (local funds only)
17. Foreign travel passports or visa charges, airport boarding passes, departure taxes and inoculations/vaccinations (local funds only).
18. Medical evacuation insurance when traveling to a country whose medical facilities make the insurance reasonably necessary (local funds only).
19. Dry cleaning or laundry when travel is four or more consecutive days (local funds only).

Reimbursable Expenses – Tips (revised 07/15/15)

Tips or gratuities incurred while in travel status for official business are a reimbursable expense only when local funds are used. Tips are not reimbursable on state and federal funds. Sponsored Research Services should be contacted to verify if tips are allowable on specific SRS funds.

The tip should be coded as incidental expense on a travel expense report. The tips should be itemized on the travel expense report by the type of service received, the amount and the day.

The amounts listed below are the estimated amounts that can be paid as tips:

1. Taxi/Limo drivers: 15% - a \$2-\$3 tip is usually satisfactory; more if they help you with your bags and/or take special steps to get you to your destination on time.
2. Porters: \$1 per bag or \$2 per piece of equipment if heavy
3. Hotel Bellman/Doorman: \$1 per bag
4. Parking Attendants: \$2 when your car is delivered
5. Waiters: 15% of your bill. The same applies for room service waiters.
6. Coatroom Attendants: \$2. If there is a charge for the service, a tip is not necessary.

Non-Reimbursable Expenses

The following expenses are not reimbursable, regardless of whether they are incurred while conducting official state business. This is only a partial list.

1. Any expense that does not relate to official state business.
2. Any expense, with the exception of parking and toll expenses, that is related to the operation of a personally owned or leased motor vehicle.

3. Excess baggage charges for personal belongings.
4. Personal expenses, such as the rental or purchase of a video tape for personal entertainment, an alcoholic beverage, dry cleaning, or laundry for travel that is four days or less.
5. Kennel expenses for a pet.
6. Sales and use taxes if applicable law provides an exemption from those taxes and the state employee either fails to claim the exemption or does not follow the required procedures for claiming it.

III.K.7. Receipt Requirements

Receipts are not required to be included in the supporting documentation for the reimbursement of an incidental expense. However, if the receipt is not attached, the documentation must include an itemization of the expenses incurred.

III.K. Travel Object Class Codes

	<u>In-State</u>	<u>Out-of-State</u>
Airfare/Taxi/Bus	3011	3111
Car Rental	3010	3110
Foreign Travel	3310	
Incidental Expenses	3025	3125
Meals and Lodging	3030	3130
Mileage	3016	3116
Parking	3045/3025	3145/3125
Prospective Employee	3210	
Registration Fees	5215	
Transportation Washington, DC		3114

III.M. Direct Bills for Hotel and Car Rental (revised 8/1/2011)

Payments for direct bills should include the following information when submitted to AgriLife Disbursements – Travel:

Employees:

1. An itemized bill/invoice
2. An exception form if needed

3. The employees vendor id number must be entered as the vendor in FAMIS (screen 235/240) and the hotel or car rental agency vendor id entered as the reimburse/alternate id.
4. Date the invoice was received.

Non-Employees:

1. An itemized bill/invoice
2. Name of traveler and benefit/detail of service provided (Ex: John Doe provided a workshop titled “Paying Bills” on xx/xx/xx.
3. On state funds, the non-employee must be entered as the vendor in FAMIS (screen 240) and the hotel or car rental agency vendor id entered as the reimburse/alternate id.
4. When using state funds, the state documentation rule applies to paying travel expenses of a speaker/independent contractor on their behalf. There must be some form of contractual agreement stating what travel expenses will be paid and the specified maximum rate for that travel/service. This does not have to be in the form of a formal contract; it could simply be in the form of an e-mail, memo or letter. This documentation must be submitted with the purchase document and receipts.
5. Date the invoice was received.

III.N. Training Seminars

To reduce travel expenditures, a state agency shall use interactive television, video conference technology and telephone conferences to the greatest extent possible. State funds cannot be used to reimburse travel expenses incurred for training when that training is provided by the agency. State funds may be used to reimburse the travel expenses of an employee that conducts training. Contact the AgriLife Fiscal/Travel Office at (979) 845-4748 with any questions.

IV. Appendix

IV.A. Help and Contact Information

IV.A.1. Disbursements Contacts: Accounts Payable, Purchasing Card, Travel

Please see the link provided for Contact Information:

<http://agrifeas.tamu.edu/fiscal/disbursements/contacts/index.php>

IV.A.2. Disbursements Accounts Payable

Please see the link provided for information related to Accounts Payable:

<http://agrifeas.tamu.edu/fiscal/disbursements/index.php>

IV.A.3. Disbursements Payment Card

Please see the link provided for information related to Payment Card:

<http://agrifeas.tamu.edu/fiscal/disbursements/index.php>

IV.A.4. Disbursements Travel

Please see the link provided for information related to Travel:

<http://agrifeas.tamu.edu/fiscal/travel/index.php>

IV.A.5. Purchasing Services

Please see the link provided for Purchasing Contact Information:

<http://agrifeas.tamu.edu/fiscal/purchasing/index.php>

IV.A.6. Mailing Lists (LISTSERV)

Texas A&M AgriLife E-Mail Lists

Disbursements communicates to its customers via AgriLife E-News and a listserv.

AgriLife E-news: Contact Faren Franklin at ffranklin@ag.tamu.edu to be added to the distribution list for business and travel contacts.

AGPROGRAM-PATHWAYNET - Includes information related to the payment card program and reallocation deadlines.

To Subscribe and Unsubscribe

To join the AGPROGRAM-PATHWAYNET Listserv:

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

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

IV.B. Glossary

IV.B.1. State Funds

State funds include general revenue appropriated to the institution or agency by the legislature and on deposit with the State Treasury until disbursement. All state funds must follow State of Texas expenditure requirements. These are referred to as Texas A&M AgriLife Research – Research & General or Texas A&M AgriLife Extension – Education & General funds.

IV.B.2. Local Funds

Local funds are all funds collected at the institution and held on deposit with the agency until disbursement. Once funds are deposited with Texas A&M AgriLife, they are considered Texas A&M AgriLife's funds and must follow Texas A&M AgriLife regulations and rules. There are various types of institutional funds:

Sales

Revenues generated from the sale of goods and/or services provided by a department/unit of Texas A&M AgriLife.

Gift Funds - Unrestricted

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

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

Gift Funds - Restricted

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

Sponsored Research Services

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

Other

These funds represent all other locally collected funds.

IV.B.3. Summary of Accounts

Summary of Accounts – Texas A&M AgriLife Research

Account Range	Type of Funds	Purchase Guidelines
110000-116999 120000-126999	State Funds Research & General Accounts	Must follow state guidelines for all purchases. Must follow Texas A&M AgriLife Purchasing guidelines.
117000-117999 127000-127999	ARP funds	Must follow State Travel Management Program and Textravel. Foreign travel not allowed with the exception of Mexico, Canada, or/and U.S. Possession. Accounts expire August 31 each year. ARP funds expire August 31 the second year after the funds are awarded. (ex: awarded 5/2008, expire 8/31/2010)
130000-139999	Local Funds Sales funds and central benefit accounts	Must follow local guidelines for all purchases. Must follow Texas A&M AgriLife Purchasing guidelines. Must follow State Travel Management Program and the Textravel. Foreign travel not allowed with the exception of Mexico, Canada, or and U.S. Possession.
140000-143999 200000-203999 212000-212999 215000-215999 230000-239999 240000-249999 270000-270099 400153-400499	Local Funds Previous range - indirect cost funds Designated funds – general research support Designated Unrestricted gift funds Conferences hosted by TAES Patents, Licensing & Royalty accounts Indirect cost funds Service Accounts (self supporting operations) Other local funds	Accounts which are setup for a specific purpose that relates to the mission of the agency. Must be a legitimate expense that relates to the purpose of the account. Must follow Texas A&M AgriLife Purchasing guidelines. May pay actual expenses for travel at the department/unit head's discretion. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required.

Account Range	Type of Funds	Purchase Guidelines
400500-499999	Local Funds Contracts & Grants/SRS Account Restricted funds Non-Federal	Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant. Must follow Texas A&M AgriLife Purchasing guidelines. Travel must follow SRS travel procedures and guidelines. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required. US carrier must be used.
500000-599999	Local Funds Contracts & Grants/SRS Account Restricted funds Federal	Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant. Must follow Texas A&M AgriLife Purchasing guidelines. Travel must follow SRS travel procedures and guidelines. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required. US carrier must be used.
800000-804999 805000-805999 810000-810099	Local funds Plant funds – Construction Repairs (PUF funds) Plant funds – Equipment (expires August 31 each year) Plant funds – Local (construction funded with non-PUF funds)	Funds are allocated by SAGO to agency. Accounts which are setup for a specific purpose that relates to the mission of the agency. Must be a legitimate expense that relates to the purpose of the account. Must follow Texas A&M AgriLife Purchasing guidelines. No travel expenses permitted.

Summary of Accounts – Texas A&M AgriLife Extension Service

Account Range	Type of Funds	Purchase Guidelines
100000-169999 170000-179999 185000-185999 199000-199099 119100-199999	State Funds Extension & General Accounts Continuing Program Funds Extension & General Accounts Federal Allocations (may expire each year) License Plate	Must follow state guidelines for all purchases. Must follow Texas A&M AgriLife Purchasing guidelines. Must follow State Travel Management Program and the Textravel. Foreign travel not allowed with the exception of Mexico, Canada, or and U.S. Possession. Accounts expire August 31 each year.
200000-299999 2nn100 2nn550 2nn600 2nn700 2nn900 2nn999	Local Funds Designated Accounts Departmental Fee Based Activities Departmental Extension Resource Accounts Restricted gift Funds Indirect Cost Accounts Residual Funds Unrestricted Gift Funds	Accounts which are setup for a specific purpose that relates to the mission of the agency. Must be a legitimate expense that relates to the purpose of the account. Must follow Texas A&M AgriLife Purchasing guidelines. May pay actual expenses for travel at the department/unit head's discretion. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required.
400000-499999	Local Funds Contracts & Grants/SRS Account Reimbursable grants	Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant. Must follow Texas A&M AgriLife Purchasing guidelines. Travel must follow SRS travel procedures and guidelines. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required. US carrier must be used.

Account Range	Type of Funds	Purchase Guidelines
500000-599999	Local Funds Contracts & Grants/OSRS Accounts Non-Reimbursable Grants	<p>Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>Travel must follow SRS travel procedures and guidelines.</p> <p>Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required. US carrier must be used.</p>
600000-699999	Local Funds Contracts & Grants/OSRS Accounts Federal Appropriations Smith-Lever Appropriations and Contracts	<p>Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>May pay actual expenses for travel at the department/unit head's discretion. If SRS account, then travel must follow SRS travel procedures and guidelines.</p> <p>Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required. US carrier must be used.</p>

Summary of Accounts – Texas Veterinary Medical Diagnostic Lab

Account Range	Type of Funds	Purchase Guidelines
100000-110003 110005-199999	State (Appropriated) Funds General Revenue and TVMDL Fee Revenue	<p>Must follow state guidelines for all purchases. Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>Must follow State Travel Management Program and the Textravel. Foreign travel not allowed with the exception of Mexico, Canada, or and U.S. Possession.</p> <p>Accounts expire August 31 each year.</p>
110004	Local Funds Race Horse Drug Testing Account	<p>Must follow local guidelines for all purchases.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>Must follow State Travel Management Program and the Textravel. Foreign travel not allowed with the exception of Mexico, Canada, or and U.S. Possession.</p>
200000-299999	Local Funds Designated Accounts	<p>Accounts which are setup for a specific purpose that relates to the mission of the agency. Must be a legitimate expense that relates to the purpose of the account.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>May pay actual expenses for travel at the department/unit head's discretion. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required.</p>
400000-499999	Local Funds Contracts & Grants/SRS Account Reimbursable grants	<p>Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines. Travel must follow SRS travel procedures and guidelines. Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required. US carrier must be used.</p>

Account Range	Type of Funds	Purchase Guidelines
500000-599999	<p>Local Funds</p> <p>Contracts & Grants/SRS Accounts</p> <p>Non-Reimbursable Grants</p>	<p>Must follow the budget setup for the contract or grant. Must relate back to the purpose of the contract or grant.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>Travel must follow SRS travel procedures and guidelines.</p> <p>Foreign travel - Prior written approval by SRS Director or AgriLife Fiscal Office is required and a U.S. carrier must be used.</p>
600000-699999	<p>Local Funds</p> <p>Gift Fund Accounts</p>	<p>Accounts which are setup for a specific purpose that relates to the mission of the agency. Must be a legitimate expense that relates to the purpose of the account.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>May pay actual expenses for travel at the department/unit head's discretion.</p> <p>Foreign travel - Prior approval by Texas A&M AgriLife Fiscal Office is required.</p>
800000-899999	<p>Local Funds</p> <p>Plant Fund Accounts</p>	<p>Funds are allocated by SAGO to agency.</p> <p>Accounts which are setup for a specific purpose that relates to the mission of the agency.</p> <p>Must be a legitimate expense that relates to the purpose of the account.</p> <p>Must follow Texas A&M AgriLife Purchasing guidelines.</p> <p>No travel expenses permitted.</p>

IV.C. Expense Object Codes

Please refer to screen 806 in FAMIS for a current listing of expense object codes. Screen 306 can be viewed for exempt expense object codes.

You can also search for the correct code to use at the following web-sites:

<http://agfiscal.tamu.edu/accounting/indexalpha.cfm>

<http://apps.system.tamus.edu/objcodes/>

IV.D. Laserfiche Information (revised 05/22/17)

Invoices and travel documents are submitted to Disbursements using Laserfiche (imaging system). Here is a listing of the current in-boxes that are available to submit documents to Disbursements. Please select the folder that best describes the invoice/document you are submitting for payment processing.

Work in Progress – Disbursements – Agency name (TAES, TCE, or VMDL)

A. Accounts Payable – Invoices should be submitted in the appropriate subfolder.

1. A/P – CBA Local – Airfare, Car, Hotel Direct Bill (all invoices submitted in this folder are treated as a rush)
2. A/P – CBA State – Airfare, Car, Hotel Direct Bill (all invoices submitted in this folder are treated as a rush)
3. A/P – Foreign Nationals – Pmts/Reimb – Use for payments or reimbursements to or on behalf of foreign nationals or non-U.S. citizens.
4. A/P Invoices
 - a.* Local Funds – Use for invoices to be paid on local funds including designated and sales. Generally, this will be accounts starting with 2xxxxx or 6xxxxx.
 - b.* SRS Funds – Use for invoices to be paid on SRS funds. Generally, this will be accounts starting with 4xxxxx or 5xxxxx.
 - c.* State Funds – Use for invoices paid on state funds. Generally this will be accounts starting with 1xxxxx.
5. A/P Rush Invoices – Use for any invoices that need to be expedited
These documents should include a sticky note or comment regarding why it is to be processed as a rush. If a document in WIP-A/P-Rush folder does not include a sticky note or comment, the document will not be processed as a rush. Special mailing instructions should be added as an Invoice Note in FAMIS, not as a sticky note on the document.

Note: All CBT, moving, wire transfers and tuition documents are treated as rush documents and should not be placed in the A/P-Rush folder.

6. A/P Tuition – both directly paid to a university and reimbursements (all invoices submitted in this folder are treated as a rush)
 7. A/P Wire Transfer Invoices
- B. Additional Info Requested – use to provide auditors with additional information. Please notify auditor when items are placed in these folders.
 - C. Check Request Forms
 - D. Corrections – Purchase and Travel
 - E. Payment Card Transactions
 - F. Post Payment Audit – Payment Cards

After documents are processed by Disbursements, they are filed in Laserfiche section 4.2.3 for retention according to the agency’s document management policies. Each subsection contains folders for document on state hold, each fiscal year and for each department. Departments and Fiscal staff should have viewing access to these documents.

4.2.3.1 Purchase and Travel Vouchers

- 4.2.3.1.1 TAES
- 4.2.3.1.2 TCE
- 4.2.3.1.3 TAMU
- 4.2.3.1.4 VMDL

4.2.3.2 Travel (used by departments/units only)

4.2.3.3 Purchasing Card Transactions

- 4.2.3.3.1 TAES
- 4.2.3.3.2 TCE
- 4.2.3.3.3 TAMU
- 4.2.3.3.4 VMDL

Additional information regarding submitting documents to Disbursements can be located at: <http://agdocsinfo.tamu.edu/procedures/Disbursements-procedures-LaserFiche.pdf>.

Additional information regarding Laserfiche can be located at: <http://agdocsinfo.tamu.edu/>.

IV.E. References

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

State of Texas Purchase Policies and Procedures Guide
(<https://fmx.cpa.state.tx.us/fm/pubs/purchase/index.php>)

State of Texas Travel Policies and Procedures
(<https://fmx.cpa.state.tx.us/mt/fmx/poliproc/travel/index.php>)

Texas Travel Management Program
(<http://www.window.state.tx.us/procurement/prog/stmp/>)

Textravel (formally State of Texas Travel Allowance Guide)
(<https://fmx.cpa.state.tx.us/fmx/travel/texttravel/index.php>)

General Appropriations Act, 73rd Legislature, Regular Session, Senate Bill No. 5
(http://www.lbb.state.tx.us/GAA/General_Appropriations_Act.pdf)

TAMU Guidelines for Disbursements of Funds
(<http://disbursement.tamu.edu/>)

The Texas A&M University System Policies and Regulations:
(<http://www.tamus.edu/offices/policy/policies/index.html>)

Section 21.01.03	Disbursement of Funds
Section 25	Expenditure of Funds
Section 25.07.06	Interagency and Intrasystem Transactions
Section 25.99.09	Communication Allowances
Section 31.01.10	Service Awards
Section 33	Employment, Standards of Conduct

Internal Revenue Service (<http://www.irs.gov>)

Publication 15-B Employer's Tax Guide to Fringe Benefits
Publication 463 Travel, Entertainment, Gift, and Car Expenses
Publication 521 Moving Expenses

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