

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: General Administration

NUMBER: 01.C.13

AREA: Risk Management

SUBJECT: Business Use of Vehicles

1. PURPOSE

This document outlines the policy covering the business use of vehicles owned, leased, or rented by component universities of the System or their employees.

2. POLICY FOR USE OF SYSTEM-OWNED AND LEASED VEHICLES

2.1. Only persons authorized by the component universities may drive vehicles owned or leased by the component universities. Vehicles may be used for component university business only, except where specifically authorized otherwise. In accordance with statute and the component university's fleet management program, no employee shall use any state-owned vehicle except on official component university business. Authorized persons are responsible for complying with all guidelines set forth in this document and in System Administrative Memorandum [03.E.07, Fleet Management Plan](#).

2.2. Where vehicles are allowed for personal use, costs associated with personal use shall be reported as income, in accordance with Internal Revenue Service regulations and System Administrative Memorandum [03.D.06, Taxable Fringe Benefits](#).

2.3. Authorization of drivers shall, in most cases, be restricted to component university employees, except in those cases where students or spouses may be authorized for limited use of certain vehicles.

2.4. Motor vehicle records shall be checked prior to extending an offer of employment to anyone required to operate a component university owned or leased vehicle and annually thereafter for anyone authorized to operate a vehicle that is owned or leased by the component university.

3. MOTOR VEHICLE RECORD EVALUATION (MVR) PROCEDURE

3.1. The MVR consists of the Texas driving record for the past three years.

3.2. MVRs can be obtained by the component university or may be requested from the System Risk Management Department, using the request form available on the System Risk Management Web site (<http://www.uh.edu/af/riskmanagement/>).

- 3.3. Prior to extending the offer of employment to any person whose duties and responsibilities require operating a component university owned or leased motor vehicle, each dean/department head will notify their component university's Risk Management Department (or appropriate component university department) when MVRs should be obtained for new drivers. Post employment requests are acceptable when driving is incidental to the person's primary job responsibilities.
- 3.4. No employee, potential employee, student or volunteer is allowed to operate a System vehicle until authorization has been approved.

4. STANDARDS FOR GRANTING DRIVING PRIVILEGES

4.1. The minimum standards for determining whether a person can be granted driving privileges are as follows. (Component universities may adopt more stringent standards, if desired.)

a. Acceptable Driver:

- Valid Texas driver license;
- No more than two moving violation convictions or at-fault accidents within the past year, or five within the past three years;
- No Driving While Intoxicated or Driving Under the Influence convictions within the past three years;
- No driving under revocation;
- No involuntary manslaughter convictions;
- No hit-and-run convictions; and
- No felony with a vehicle conviction.

Each year, one moving violation or at-fault accident may be offset by presenting proof of completion of a state-approved defensive driving course. The cost of the course is paid by the employee and must be taken on the employee's own time.

4.2. Deviations from Acceptability Criteria

Department managers of any persons not meeting the above acceptability criteria will receive written notification from their component university Risk Management Department (or equivalent), and a copy of the notification will be forwarded to the component university Human Resources Department for placement in the employee's file. Employment-related driving is forbidden at that time. If current duties cannot be performed without driving responsibility, the employee may be reassigned to an available, non-driving position for which the employee is qualified. If no such position is available, the employee will be terminated.

Each component university will adopt a process by which exceptions to this policy may be granted. On a quarterly basis, each component university will send a report to the System Director of Risk Management explaining any exceptions granted to the acceptability criteria and the rationale for the exceptions.

5. POLICY FOR USE OF VEHICLES RENTED OR LEASED BY THE EMPLOYEE FOR COMPONENT UNIVERSITY BUSINESS

- 5.1. The State Comptroller's Office contracts with car rental agents for use by employees conducting business away from their primary business location. Most rates include unlimited free mileage within the state of rental, free Loss Damage Waiver, and free primary liability coverage. Component university employees are required to use a state-contracted car rental agent if that vendor can provide the type of vehicle required in the needed location. An exception may be allowed when a less expensive rate for the same vehicle and coverage can be obtained from a non-state contracted vendor (the Loss Damage Waiver and primary liability coverage must be purchased).
- 5.2. A vehicle shall be rented or leased in the name of any component university of the System only if its use is for component university business.

6. POLICY FOR USE OF PERSONAL VEHICLES

- 6.1. An employee may be reimbursed for mileage at the official state rate when a personal vehicle is used for component university business whether local or outside the component university area. Mileage reimbursement for local, intercity mileage or mileage to/from a local airport is not available for those employees receiving automobile allowances. However, mileage reimbursement is available to employees who receive an automobile allowance when they drive their personal vehicle to destinations that are greater than 100 miles from their component university office to conduct component university-related business. The state mileage reimbursement rate takes into account gasoline costs, wear and tear on the vehicle, maintenance and insurance.
- 6.2. The employee's personal insurance is expected to cover driver liability, comprehensive and collision damage to the vehicle. Because of this exposure, component university employees are encouraged to use vehicles that are owned, leased, or rented by the component university rather than personal vehicles for component university business.
 - a. Should the employee's insurance carrier deny coverage or should any legal action by a third party exceed the primary liability limit, the component university's automobile coverage will provide excess liability protection.
 - b. The component university's automobile insurance does not provide comprehensive or collision coverage for an employee's personal vehicle.

7. INSURANCE COVERAGE FOR AUTHORIZED DRIVERS

- 7.1. Automobile liability coverage is provided for authorized drivers of component university-owned or leased vehicles. Details on coverage and limits may be obtained from the System Director of Risk Management.
- 7.2. When a System employee rents a vehicle or uses his/her personal vehicle while traveling in the course and scope of employment and the proper Travel Request (or other documentation that substantiates business purpose) is provided, component university coverage includes component university liability and workers' compensation. When renting vehicles while traveling on component university business, the employee should purchase the optional liability and physical damage coverage offered by the rental car company if this coverage is not already included in the base rate. Vehicles rented from state-contracted vendors usually include liability and physical damage coverage in the base rate, so it is normally not necessary to purchase this coverage when using state-contracted rental car companies. Information about state-contracted rental car companies is available on the Comptroller's web site:
<http://www.window.state.tx.us/procurement/prog/stmp/>.
- 7.3. Component university employees while on official component university business are covered for bodily injuries by Workers' Compensation insurance, administered through the State Office of Risk Management.
- 7.4. The component university is not responsible for damage or loss of personal property in rental vehicles or component university-owned or leased vehicles.

8. REPORTING ACCIDENTS AND LOSSES WHEN ON COMPONENT UNIVERSITY BUSINESS

- 8.1. Each component university will develop policies requiring that accidents and losses be properly reported in accordance with state law and component university policy. This includes accidents involving component university-owned or leased vehicles, as well as personal vehicles or rental cars used for component university business. Failure to report accidents and losses in accordance with the prescribed guidelines may result in loss of authorization to drive component university vehicles and may result in disciplinary action, up to and including dismissal.
- 8.2. The component university risk management liaison will ensure that accidents are reported to the System Risk Management Department as soon as possible after the accident.
- 8.3. If the accident or loss occurs on property owned by the System, the component university campus police or appropriate law enforcement authority should be contacted immediately. If the accident occurs outside the jurisdiction of the

campus police, the incident should be reported to the appropriate law enforcement authority.

- 8.4. Reports involving job-related accidental injury are filed by the employee or supervisor with the component university workers' compensation representative.

9. ACCIDENT REVIEW PROCEDURE

Component universities shall have a mechanism for reviewing vehicle accidents by authorized component university drivers and recommending corrective actions. The review shall determine whether there is anything the driver could have reasonably done or anticipated that would have prevented the occurrence. The component universities may designate a board, department, or individual with these responsibilities. The vehicle accident review group or individual may recommend one or more of the following to the appropriate executive administrator, when it is appropriate:

- a. A cautionary letter
- b. Enrollment in a defensive driving course
- c. Restricted use of a component university vehicle
- d. Attendance in traffic court with written report of proceedings
- e. Assessment of part or all damage cost to component university property
- f. Transfer to non-driving assignment
- g. Other disciplinary action, up to and including dismissal

If this recommendation results in any type of personnel and/or disciplinary action, component university officials will follow established System or component university policies and procedures pertaining to that type of personnel action.

10. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice Chancellor for Finance

Review: Every two years on or before March 1

11. APPROVAL

Approved: Carl P. Carlucci
Executive Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: February 8, 2013

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	04/20/1995	Initial version (originally SAM 03.E.06)
2	11/15/2001	Applied revised SAM template. Revised to provide updated information for regarding the use of component university vehicles. Added Section 3.0, Motor Vehicle Record Evaluation (MVR) Procedure. Changed review period from odd numbered years on or before June 1 st to every two years on or before June 1 st . Added Index terms
3	06/09/2009	Applied revised SAM template. Changed number from SAM 03.E.06 to SAM 01.C.13 (no title change). Guidelines for mileage reimbursement for employees who receive an automobile allowance were defined in Section 6.1. Guidelines were also added to address insurance coverage for vehicles rented by university employees for business purposes. The organization structure was also updated. The responsible party was changed, and the review period changed from every two years on or before June 1 st to every two years on or before March 1 st . Removed Index terms
4	09/07/2011	Applied revised SAM template and added new Revision Log. Changed organizational titles throughout to reflect current operating practices. Updated Risk Management web site location for MVRs. Completed minor changes in Section 5.1 and Section 7.2. Changed responsible party from AVP of Plant Operations to AVP of Finance
5	02/08/2013	In Section 4.1.a, changed the DWI/DUI charge from every five years to every three years for acceptable drivers. No additional changes were made by the Subject Matter Expert (SME)