

Memo to: All UH-Downtown/PS Holders  
From: Max Castillo, President  
Subject: Perquisites Policy

UH-Downtown/PS 02.A.14  
Issue No. 2  
Effective date: 05/16/94  
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## 1. PURPOSE

This PS specifies the policy of the University of Houston - Downtown (UHD) concerning payment or reimbursement of specific types of expenses, known herein as perquisites, and the tax treatment thereof. This policy does not address business travel or entertainment reimbursements.

## 2. DEFINITION

Perquisites are defined as any tangible benefit provided to faculty and employees, including, but not limited to, housing, car allowance, leased car, spousal travel, insurance, club membership, and housekeeping services. Perquisites do not include reimbursable business expenses which are properly documented in accordance with IRS requirements.

## 3. POLICY/PROCEDURES

3.1 All perquisites are treated as part of the compensation package of an individual and are not entitlements to any class of employee. Perquisites will be made available to an employee only after thorough and careful consideration of the benefit to the University. Authorization for existing and new perquisites should follow the authorization requirements for compensation changes and requires approval by the President of UHD or the Chancellor of the University of Houston System, as applicable.

3.2 The Human Resources Department serves as the repository for perquisite records. Therefore, all perquisite authorizations must be properly documented in the official personnel file of each individual.

3.3 Disbursements for perquisites processed through the Accounts Payable Department will not be approved unless the employee has been authorized to receive the perquisite by the President or Chancellor, as applicable.

3.4 Perquisites will be paid only through the Accounts Payable or Payroll departments. Disbursements for perquisites will not be made from petty cash or imprest accounts.

3.5 In accordance with United States income tax laws and regulations, perquisites will be reported as income to the employee on Supplemental W-2 or 1099 forms unless appropriate documentation as to business use is provided. The employee shall be responsible for maintaining appropriate documentation to support the deductibility of any employment-related expenses for federal income tax purposes.

3.6 A summary of the nature and dollar amount of perquisites provided to University personnel will be prepared annually by the President and forwarded to the Vice Chancellor for Administration and Finance on or before January 30.

## 4. REVIEW AND RESPONSIBILITIES

Responsible Party (Reviewer): Vice President for Administration

Review: Biennial

  
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President