

FI0705 Travel Procedures: University-Owned Aircraft Crewmembers and Passengers; University-Owned Aircraft; University Employee-Owned Aircraft	
Version:0001	Effective Date: 06/01/2023

Objective

This procedure states the University's procedures for University employees who operate University-owned aircraft; University employees who travel on University-owned aircraft; and when University employees travel utilizing aircraft that the employee owns.

Scope

This procedure applies to University employees who operate University-owned aircraft: pilots, co-pilots, and crew members. This procedure also applies to passengers on University-owned aircraft. This procedure also applies to University employees who travel for University business purposes utilizing the employee's privately-owned aircraft.

Procedures

- I. Generally
 - A. For purposes of this procedure, "University-owned" includes the following types of aircraft:
 - 1.University-owned aircraft;
 - 2.Aircraft that the University leases; and
 - 3.Aircraft that the University charters.

University-Owned Aircraft Crewmembers and Passengers

- I. Expenses
 - A. The University will reimburse passengers and crew members for actual lodging expenses, regardless of the amount, when accompanying University or State of

Tennessee officials on University business, when an overnight stay would be required by FAA guidelines, or when it is necessary to wait overnight on passengers.

- B. When traveling for UT Flight Operations purposes, such as maintenance, training, or similar activities, crew members may obtain lodging when overnight stays are required. The University will reimburse UT Flight Operations crew for actual lodging expenses, regardless of the amount.
- C. The University will reimburse meals in excess of per diems when it is necessary to take meals at a hotel or other area. In those cases, the traveler must provide an explanation. The traveler must comply with the receipt requirements in the general travel procedures.
- D. Travelers must attest that the expenses they incurred were due to official University business on University-owned or University-leased aircraft.
- E. UT Flight Operations crew members may provide gratuities (tips) to airport staff members that assist with luggage and obtaining or providing ground transportation up to \$200.00 per destination or intermediate stop. UT Flight Operations crew members must attempt to obtain a receipt for all expenses of \$75.00 or more. If UT Flight Operations crew members are unable to obtain a receipt for expenses of \$75.00 or more, they must provide a statement explaining the amount, the reason for the expense, the payee (recipient), and why they were unable to obtain a receipt.

II. Travel Status

- A. Due to the necessity of pre-flight and post-flight processes, individuals covered under this procedure will be in travel status beginning one hour before scheduled takeoff and continuing through one hour after deplaning.

University-Owned Aircraft

I. Generally

- A. The University may use University-owned aircraft only to conduct official business and in accordance with Board Policy BT0030, and in accordance with FI0705 and this procedure.

II. Appropriate Business Utilization

- A. The University may use its aircraft to conduct official University business when doing so is in the University's best interest.
- B. The University deems the following uses are appropriate reasons for using University aircraft for official University business:
 - 1. To facilitate a senior official's efficient use of time;
 - 2. When the destination is not served by commercial carriers;
 - 3. When using a commercial carrier would interfere with other University obligations;

- 4.To avoid overnight stays;
 - 5.When the number of officials and employees traveling makes the use of University aircraft cost effective.
- C. When the University schedules a flight on University-owned aircraft, and when a flight has at least one open seat, the University may allow other individuals on the plane, subject to availability. Permitted passengers include employees and guests conducting business on behalf of the University.
- D. The Chief Financial Officer will review all proposed use of University-owned aircraft.

III.Taxable Use

- A. The University may grant certain employees the right to utilize the University's aircraft for personal use, if the employee has an employment contract with the University and the employment contract allows for personal use of a University-owned aircraft. In addition, if the employment contract allows, the University may permit the spouse, family or personal guest(s) of an employee to accompany the employee on a University business-related flight.
- B. If an employee utilizes a University-owned aircraft for personal use or the employee travels on a University business-related flight with their spouse, family or personal guest(s) on a University-owned aircraft, the employee must either reimburse the University for the value of the flight(s), or the University will impute taxable income for the value of the flight(s) on the employee's W-2. The following circumstances are exceptions applicable to personal flights:
- 1.When 50% or more of the plane's regular seating capacity is occupied by persons traveling on University business, the value of any employee, employee's spouse, or dependent children traveling for personal reasons is excludable and the value is deemed to be zero.
 - 2.When a child who is 2 years old or younger flies, the value of the child's flight is excludable and the value is deemed to be zero.

IV.Quarterly Report

- A. The Chief Financial Officer will submit the flight logs to Chief Audit and Compliance Officer each quarter.
- B. The Chief Audit and Compliance Officer will review the logs for compliance with this procedure and the Travel policy.

V.Annual Report

- A. The Chief Financial officer will submit an annual summary report on use of University-owned aircraft to the University of Tennessee Board of Trustees for review by the Finance and Administration Committee.
- B. The summary report will contain, at a minimum, information on users, destinations, maintenance performed, and operating costs.

VI.Scheduling Flights on University Aircraft

- A. All flights on University aircraft are scheduled through the president's office (865- 974-2241). The responsible staff will make every effort to schedule such flights in the most efficient and economical manner possible.

- B. The president's office and Flight Operations will make reasonable efforts to accommodate all requests consistent with the most efficient use of the aircraft and flight crews.
- C. The president's office is responsible for ensuring the Airplane Request Form is completed for all passengers and for documenting the purpose of each passenger's trip on the form. The following information will be included:
 - 1. Departure/return time, date, time, and place
 - 2. Name of each passenger, title, department charged, institution
 - 3. Destination(s), including intermediate stops
 - 4. Purpose of trip for each passenger

VII. Costs for Using University-Owned Aircraft

- A. The University's Flight Operations office will set the hourly rate for using University-owned aircraft at a level sufficient to recover the cost of maintaining and operating the aircraft.
- B. Departments may obtain the current hourly rate by contacting the president's office.
- C. Flight Operations will bill departments that use University-owned aircraft on a monthly basis via internal transfer. Flight Operations will determine the costs by multiplying the actual recorded flight time by the hourly rate for the use of the aircraft. Flight Operations will not charge for layovers, delays, or expenses of the crew for overnight stays.

VIII. Operation of University Aircraft

- A. Flight Operations will ensure that it always operates in accordance with Federal Aviation Agency (FAA) regulations and applicable laws.
- B. Flight Operations will operate all University-owned aircraft with a pilot and a copilot on all flights.
- C. Under federal regulations, the pilot of any University aircraft is responsible for and is the final authority as to the flight operation of that aircraft. All decisions concerning the flight itself will rest solely with the pilot. The pilot will keep the Chief Financial Officer informed.
- D. For each flight, the pilot will complete a flight log showing, at a minimum, all of the following:
 - 1. Flight number and duration
 - 2. Date
 - 3. Aircraft number
 - 4. Destination and intermediate stops
 - 5. Names of the pilot and co-pilot
 - 6. Name of each passenger

IX. Administration of University Flight Operations

- A. The Chief Financial Officer will designate a department or official who will ensure that the University maintains a flight log pursuant to Tennessee Code Annotated § 49-7-3002.

- B. Pursuant to the above-referenced statute, the University must maintain a flight log that contains the following:
1. The reason for each flight
 2. The date and destination of each flight
 3. The time of departure
 4. The time of arrival
 5. All stops made before reaching the final destination
 6. The length of time of each portion of a flight
 7. The name and title/position of any person traveling on any portion of a flight
- C. If a person who is not an employee is a passenger on any portion of a flight, the flight log must reflect the name of the person, the portion of the flight on which the person is a passenger, and show the reason the person is a passenger.

University Employee-Owned Aircraft

- I. Employee-Owned Aircraft
1. To be reimbursed for the use of employee-owned aircraft, the owner must request and receive advance approval from the System Office of Risk Management and have the following documents on file with them:
 - a. Current copy of FAA Certificate of Airworthiness;
 - b. Current copy of pilot's license and supporting documents indicating the employee has a certification appropriate to the aircraft and weather conditions being flown;
 - c. A current Certificate of Insurance evidencing aircraft liability insurance in the amount of at least \$5,000,000 and naming The University of Tennessee as an additional insured while the aircraft is being used on approved university business. A waiver of subrogation in favor of the University must be included in the certificate of insurance; and
 - d. Signed acknowledgment by the employee that the University will not be responsible for any loss or damage to the employee's aircraft.
 2. Employees must file the documents listed in I (1)(a)-(d) with the System Office of Risk Management before any travel using a private, employee-owned aircraft for approved university business, even if the owner is not seeking reimbursement. The owner must provide a memo or e-mail with their travel reimbursement request from the System Office of Risk Management stating that all of the required documentation is on file or their request will be denied.
 3. Reimbursement will be at the U.S. General Services Administration's (GSA) published rate for travel via private airplane.
 4. The purchase of insurance required by this section I is not intended to waive sovereign immunity or any employee's immunity.

5. Employees are not authorized to waive any rights under Tenn. Code Ann. §§ 9-8-307(b) and (h) absent the express consent of the State of Tennessee. In the event of a lawsuit arising out of an employee's use of a private, employee-owned aircraft for approved university business, only the Attorney General's Office, or its delegate, will assert the Section 9-8-307 defenses on behalf of the individual state/University employee(s), if applicable, and the sovereign immunity defense on behalf of the State. The purchase of the insurance required by this procedure is made pursuant to Tenn. Code Ann. § 9-8-307(e) and is intended to conform the monetary amount recoverable against the State in the Tennessee Claims Commission to the insurance policy limits; it is not intended to expand the subject matter jurisdiction of the Tennessee Claims Commission.

Responsible Official & Additional Contacts

Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	UT System Accounts Payable	865-974-2302	tishamarshall@tennessee.edu
Policy Training	UT System Accounts Payable	865-974-2302	tishamarshall@tennessee.edu