

MEMORANDUM OF ADMINISTRATIVE POLICY

SECTION: General Administration
AREA: Risk Management
SUBJECT: **Business Use of Vehicles**

NUMBER: 01.C.01

I. PURPOSE

This document outlines the policy governing the business use of vehicles owned, leased, or rented by the University of Houston Clear Lake or its employees.

II. POLICY FOR USE OF UNIVERSITY -OWNED AND LEASED VEHICLES

- A. Only persons authorized by the University may drive vehicles owned, leased, or rented by the University. Vehicles may be used for university business only, except where specifically authorized otherwise. In accordance with statutes and the University of Houston System fleet management program, no employee shall use any state-owned vehicle except on official 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](#).
- B. 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](#).
- C. Authorization of drivers shall, in most cases, be restricted to university employees, except in those cases where students may be authorized for limited use of certain vehicles.
- D. Motor vehicle records shall be checked prior to extending an offer of employment to anyone required to operate a university owned, leased, or rented vehicle and annually (which will be the authorization date) thereafter for anyone authorized to operate a vehicle that is owned, leased or rented by the university.
- E. Each department head will notify the UHCL Risk Management Department when MVRs should be obtained for new drivers, before extending the offer of employment in cases where driving is an essential job duty. Post-employment requests are

acceptable when driving is incidental to the person's primary job responsibilities.

- F. Due to the level of risk associated with them, the purchase, lease, or rental of fifteen (15) passenger vans is strictly prohibited.

III. MOTOR VEHICLE RECORD EVALUATION (MVR) PROCEDURE

- A. The MVR consists of the Texas driving record for the past three years. MVRs are obtained by UHCL Human Resources Department or UHCL Risk Management Department or may be requested from the System Risk Management Department, using the request form available on the System Risk Management Web site (<https://uh.edu/risk-management/index.php>).
- B. No employee, potential employee, or student is allowed to operate a University owned or leased vehicle until authorization has been approved. The University requires annual motor vehicle record checks (MVRs) on anyone authorized to operate a vehicle owned or leased by the university.
- C. The UHCL Risk Management department should keep a list of all authorized personnel (employees or students) with driving privileges.

IV. STANDARDS FOR GRANTING DRIVING PRIVILEGES

The minimum standards for determining whether a person can be granted driving privileges are as follows. Departments may institute stringent standards at their discretion.

A. Acceptable Driver:

- Valid Texas driver's 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.

B. Deviations from Acceptability Criteria

Department managers of any person who does not meet the above acceptability

criteria will receive written notification from Risk Management, and a copy of the notification will be forwarded to Human Resources 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.

If the manager of the individual not meeting the acceptability criteria would like to request an exception from the policy, a memorandum outlining the reason for the exception should be sent to the UHS Director of Risk Management. A committee consisting of the UHS General Counsel, UHS Director of Risk Management UHCL Manager of Risk Management, UHCL Police Chief, UHCL EHS Representative, and UHCL Employment Relations Representative will review the request and determine whether the request will be granted, perhaps with restrictions or specific conditions.

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

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. 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). A vehicle shall be rented or leased in the name of any University only if its use is for university business.

VI. POLICY FOR USE OF PERSONAL VEHICLES

The employee's personal insurance is expected to cover driver liability, comprehensive, and collision damage to the vehicle. Because of this exposure, university employees are encouraged to use vehicles that are owned, leased, or rented by the university rather than personal vehicles for university business.

Should the employee's insurance carrier deny coverage or should any legal action by a third party exceed the primary liability limit, the university's automobile coverage will provide excess liability protection. The university's automobile insurance does not provide comprehensive or collision coverage for an employee's personal vehicle.

VII. INSURANCE COVERAGE

- A. Physical Damage coverage for University owned or leased vehicles and Liability insurance is purchased through Risk Management to cover authorized drivers of university-owned or leased vehicles. All other types of University owned or leased motor-driven equipment such as golf carts, riding lawn mowers, boats, aircraft, or

any other type of motor-driven vehicle must be insured for at least liability coverage. Details on coverage, limits, or how to obtain a quote for insurance may be obtained from UHS Risk Management Office.

- B. Payment of insurance premiums is the responsibility of the department that currently owns the vehicle or motor driven equipment.
- C. When a university employee rents a vehicle or uses their 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, university coverage includes university liability and workers' compensation. When renting vehicles while traveling on 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:
<https://comptroller.texas.gov/purchasing/programs/travel-management/rental/>
- D. University employees while on official university business are covered for bodily injuries by Workers' Compensation insurance, administered through the State Office of Risk Management.
- E. The university is not responsible for damage or loss of personal property in rental vehicles or university-owned or leased vehicles.

VIII. REPORTING ACCIDENTS AND LOSSES WHEN ON UNIVERSITY BUSINESS

- A. Employees should report accidents and losses in accordance with state law and university policy to UHCL Risk Manager. This includes accidents involving university-owned or leased vehicles, as well as personal vehicles or rental cars used for university business. Failure to report accidents and losses in accordance with the prescribed guidelines may result in loss of authorization to drive university vehicles and may result in disciplinary action, up to and including dismissal.
- B. The UHCL Risk Manager will ensure that accidents are reported to the System Risk Management Department as soon as possible after the accident.
- C. If the accident or loss occurs on property owned by the University, the 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.

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

IX. ACCIDENT REVIEW PROCEDURE

A committee consisting of the UHCL Manager of Risk Management, UHCL Police Chief, UHCL EHS Representative, and UHCL Employment Relations Representative will review the circumstances leading to the accident. The review shall determine whether there is anything the driver could have reasonably done or anticipated that would have prevented the occurrence. The vehicle accident review committee may recommend one or more of the following to the appropriate executive administrator, when it is appropriate:

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

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

X. REVIEW AND RESPONSIBILITY

Responsible Party: Associate Vice President - Business Operations

Review: Every five years

XI. APPROVAL

/Mr. Terry Hanson/

Vice President of Administration & Finance

/Dr. Richard Walker, Ed.D./

President

Date: December 18, 2025

XII. REVISION LOG

Revision Number	Approval Date	Description of Changes
1	December 18, 2025	New Policy

XIII. REFERENCES AND RELATED STATUTES, POLICIES, OR REQUIREMENTS

[03.E.07, Fleet Management Plan.](#)

[03.D.06, Taxable Fringe](#)

<https://uh.edu/risk-management/index.php>

<https://comptroller.texas.gov/purchasing/programs/travel-management/rental/>