



Policy Title: Use of Air Charter Services and Donor Aircraft

Policy Number: BU-PP 495

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Responsible Executive: Vice President and Chief Compliance and Risk Officer

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Responsible Office: University Compliance and Risk Services

Use of Air Charter Services and Donor Aircraft BU-PP 495

Policy Statement

Baylor University (the “University”) allows air charter usage only for official University business. It is the University’s policy and practice to adhere to applicable employment laws, Internal Revenue Service regulations, policies, procedures, and appropriate safety clearances for all air charters, while allowing employees to engage in a more time-sensitive and adaptable method of travel when needed.

Reason for the Policy

Time is an important consideration for the President, Vice Presidents, and other senior staff when traveling, and the necessity of attending certain events or meeting University obligations may require adaptability not found in the current commercial air market. Air charter service is also frequently used for athletic team travel, especially when required by athletic regulatory agencies for health and safety measures. In addition, from time to time, Donor Air Charters are made available for use by the University, and such usage needs to receive the same safety and protocol scrutiny as commercial charter flights.

Individuals/Entities Affected by this Policy

Students
Employees
Spouses or Other Individuals Involved in Official Functions of the University
Donors Offering Donor Air Charters

University Policies and Documents

[Aircraft Charter Operator Master Contract Template and Exhibits \(attached\)](#)
[Baylor University Travel Policy](#)
[Baylor University Spouse Travel Policy](#)
[Baylor University Tax Policy Manual](#)

1. Use of Air Charter Services & Donor Aircraft (BU-PP 495)

Contacts

Subject	Contact	Telephone	Office email/web site
Policy Questions	University Compliance and Risk Services	254-710-2820	Paul_Fox@baylor.edu
Procurement Questions	Procurement	254-710-1561	
Aircraft Clearance Questions	University Compliance and Risk Services	254-710-2820	
Reservations	University Advancement	254-710-8302	Candice_Herchenhahn@baylor.edu

Definitions

Air Charter Services	Carriage of passengers for a fee that is not a regularly scheduled commercial service offered to the general public; can include both flight services and ground transportation services. Does not include Donor Air Charters.
Donor Air Charters	Those air carrier aircraft and/or services that are not licensed to operate and be paid as Air Charter Services.

Principles

Air Charter Services will be used only for official University business. Use of Air Charter Services for solely personal matters by all passengers is not permitted. Use of Air Charter Services by spouses or family members accompanying University employees who are engaging in business travel shall be categorized under the University's Travel Policy – Spouse/Family Travel.

Air Charter Services may be used when official business cannot be conducted more economically through the use of regularly scheduled commercial aircraft or driving. As such, Air Charter Services can be considered when: (i) the destination lies beyond the San Antonio, Dallas/Ft. Worth, and Houston areas (more than three hours one-way driving time) and is not served by commercial carriers; (ii) the time required to use a commercial carrier interferes with other University obligations; or (iii) the number of officials and employees traveling makes the use of charter aircraft cost effective.

In addition to the considerations above, Air Charter Services will also be used for athletic team travel when such usage is required by regulatory sports agencies, i.e. Big XII, NCAA, etc., or when such usage is necessary for University compliance with regulatory sports agencies health and safety measures.

Limitations on Baylor Employee Passengers

The appropriate division or department head should consider the risks created by having too many key personnel on the same flight and adjust travel plans in a reasonable manner.

In addition, the following specific prohibitions apply to the division or department head's overall consideration:

- No more than three department chairs may be on the same flight.
- No more than five faculty/staff from the same department may be on the same flight.
- The Chair of the Board and the President may not be on the same flight.
- The President and the Provost may not be on the same flight.
- No more than three President's Council members may be on the same flight.
- A President's Council member may not be on the same flight with more than three direct reports.
- No more than three head coaches may be on a flight.

Exceptions may be made in writing, by phone or text message by the Vice President and Chief Compliance and Risk Officer or his/her designee.

Spouses or Other Individuals as Passengers

When a University official is required to attend an event where spouses are expected to attend with a business purpose, spouses are permitted to fly in the charter aircraft. Invited guests of the University who are involved in official functions of or on behalf of the University are also permitted to fly in the air charters. See BU Spouse Travel Policy.

When a flight has been scheduled for official purposes and unassigned seats remain on the aircraft, persons other than those for whom the flight was scheduled may be accommodated on a space-available basis when travel is deemed in the University's best interest. These include, but are not limited to, employees, persons conducting business on behalf of the University, and spouses accompanying staff on official University business. Such travel may result in the recording of a taxable benefit. Refer to the Tax Policy Manual for additional information regarding potential taxability of charter flights.

Air Charter Service Contracts

Any Air Charter Service must meet the standards of the University, as set forth on Exhibit B of the attached Aircraft Charter Operator Master Agreement template (and as may be amended from time to time), and a charter company must provide all information and materials as specified in Section VI of Exhibit B. The department that is chartering the Air Charter Service is responsible for assuring that the vendor provides all information and material that is required by Exhibit B.

The University maintains standing contracts with several charter aircraft companies after clearing these companies and their offered planes and staff through an independent aviation research service called Argus International, Inc. These charter companies use a variety of small to medium size business jets and twin-engine turboprop business aircraft. They also provide other ground transportation services when available.

The time required to obtain Air Charter Services from a vendor with a standing contract can often be accomplished in hours, whereas obtaining Services from a vendor not currently under contract will often take several days due to the necessary clearance checks and University review.

Air Charter Services Reservations

Certain University Advancement or Department of Athletics staff members have the responsibility for arranging and organizing charter flights. Flight reservations for all departments other than Athletics are made through the University Advancement office. The staff members have a checklist of information needed for each flight and will need the assistance of those seeking the flight reservations in order to obtain all of the information needed.

Compliance with this Policy and retention of the supporting documentation is subject to audit by the Vice President and Chief Compliance and Risk Officer or his/her designee, Chief Audit Officer, or General Counsel.

The following information is required for each leg of a Charter Flight, and should be documented on the Charter Flight Value Calculator for provision to Financial Services:

- Destination.
- Departure time or required time of arrival at destination, allowing the pilot in command to determine departure time.
- All passenger names and University affiliation on all legs of the flight itinerary. Names become a permanent part of the flight records. Passengers are required to show proof of identification.
- Purpose of the flight for each passenger.
- Time of return as either (1) desired arrival in Waco, in which case the pilot in command will determine time of departure, or (2) desired departure for Waco.
- The departmental authorization and budget information must be received by the University Advancement office at least 24 hours prior to the date of departure. Flights cannot be executed without documented authorization and funding.
- Justification for using the charter aircraft, including a rationale describing the specific University function/activity and the role of any guest/spouse.

Costs

The hourly or fixed rates for using the Air Charter Services is set by the vendor to be used, and the full cost will be charged to the department's operating or non-operating budget. Before scheduling Air Charter Services, departments should consider the availability and cost of commercial flights and compare the cost of such service with the cost estimated by the vendors.

Donor Air Charters - Usage

From time to time, Donor Air Charters are made available for use by the University. The University, through the Vice President and Chief Compliance and Risk Officer or his/her designee and the Aviation Consultant, will approve the use of Donor Air Charters for official University business travel only if the user submits the required evidence that the Donor Air Charters and operations meet the standards applied by the University and the Aviation Consultant.

If the aircraft does not meet the University's standards, an employee may choose individually and for themselves only to use a Donor Air Charter for University business travel. The use of Donor Air Charter to transport students, student athletes, and non-employees of the University is prohibited unless the use of the Donor Aircraft is specifically approved by the Vice President and Chief Compliance and Risk Officer or his/her designee. Non-employees of the University include but are not limited to Regents, spouses, and business associates.

Donor Air Charters – Charitable Contributions/Reimbursements

In all instances below, donors should contact Athletics or University Advancement to ensure that proper policies and procedures are followed.

If a donor wishes to contribute funds toward the cost of Air Charter Services, the funds can be considered a charitable contribution by the Internal Revenue Service if the flight is taken for a substantiated business purpose, with no personal benefit to the donor, no costs are reimbursed by the University and IRS charitable deduction requirements are met.

If a donor owns a plane and wishes to provide Donor Air Charter services to the University through the use of the plane only, without donor-provided flight services, the Internal Revenue Service considers such a gift of partial interest. Under the Internal Revenue Code, a gift of partial interest does not qualify for a charitable contribution from the University.

If a donor owns a plane and wishes to provide Donor Air Charter services through the use of the plane and flight services to University employees and/or students, the provision must be made to the University as an entity and not to a specific individual. The Internal

5. Use of Air Charter Services & Donor Aircraft (BU-PP 495)

Revenue Service does not allow charitable contributions for the value of a gift of service but does allow a charitable contribution deduction for certain out-of-pocket expenses, including but not limited to car mileage, parking fees, meals and lodging expenses, when deemed reasonable expenses associated with volunteer services to a non-profit. For these expenses to be deductible as a charitable contribution, there must be no significant element of personal pleasure, recreation or vacation associated with the travel, no reimbursement by the University, and IRS charitable deduction regulations must be met. Unreimbursed direct costs may be considered a charitable contribution if they are separately identified and substantiated through invoices or other supporting documentation. Refer to Appendix A. for additional details.

If a donor wishes to be partially reimbursed for the direct costs of a Donor Air Charter services through the use of a plane and flight services, but also receive a charitable contribution receipt for any unreimbursed direct costs, the University may do so by reimbursing the donor for those expenses identified and substantiated through invoices or other supporting documentation. For example, a donor may invoice the University for the cost of fuel used on Donor Air Charter services but request charitable contribution credit for the cost of wages paid to the pilot.

If a donor wishes to seek reimbursement from the University for Donor Air Charter services, the donor must contact the department under which the charter was initiated, either Athletics or University Advancement. Depending on trip-specific circumstances, limitations may exist upon the amount of reimbursement offered due to the University and outside agency policy requirements.

Flight Operations

Flight decisions shall be the responsibility of the pilot in command and shall be based on pilot professional standards and flight safety standards available at the time of the flight, including aircraft performance, weather at the point of departure and destination, air traffic, and/or other pertinent information. Passengers will not make or contribute to such decisions except as requested by the pilot in command.

Flight Incidents

In the event of any unusual action with regard to any Air Charter Services, such as a change in flight plan or an incident or accident, the University Advancement or Department of Athletics staff member or members arranging and organizing the flight shall notify the Vice President and Chief Compliance and Risk Officer or his/her designee.

Flight Reports

On an annual basis, a Flight Operations Report, detailing information on each flight taken during the preceding year, including, at a minimum, destination(s), passengers, business purpose, and department charged, shall be submitted, by University Advancement and

6. Use of Air Charter Services & Donor Aircraft (BU-PP 495)

Department of Athletics as appropriate to the Vice President and Chief Compliance and Risk Officer or his/her designee. Further, Charter Flight Value Calculator will be provided to the University's Financial Services department for each flight taken.