

# **North Dakota State University**

## **Quick Reference Guide**

### **Business Travel for NDSU Employees**

This document is a quick reference guide for North Dakota State University employees. It is not intended to replace the travel policies of North Dakota State University or the laws of the State of North Dakota.

For additional travel related information, please visit NDSU Policy Manual website:  
Policy 515 – Travel – Employees: <http://www.ndsu.edu/fileadmin/policy/515.pdf>

*Effective July 2012*

#### **Getting Started**

The traveler is generally responsible for making his/her own travel arrangements. Sometimes this is done with the help of a department assistant and/or travel agent.

#### **Payment of Travel Expenses**

Certain travel expenses may be prepaid, such as registration fees or commercial airline expenses. Other costs, such as meals, lodging, etc., are generally first paid by the employee and then reimbursed after the trip upon completion of a travel expense reimbursement voucher.

#### **Means of Travel**

Employees must choose the most prudent and economical means of travel, considering factors such as: travel expenses, time away from the office, and the needs of the University. Employees may be asked to provide additional documentation or a cost/benefit justification to support a certain means of travel. Also keep in mind that travelers need to exercise prudent judgment, common sense, and restraint when incurring travel costs, as these expenses must withstand the test of public scrutiny.

#### **Pre-approval**

NDSU policy requires that employees have each out-of-state trip pre-approved by their immediate supervisor. There is a web form that is available for travelers to use in requesting authorization. The web address is as follows: <http://www.ndsu.edu/forms/#accounting1>  
(Look for the "Travel Authorization – Out-of-State" form)

NDSU Policy does not require supervisory pre-approval of in-state trips; however, the traveler should check with their supervisor about any special departmental in-state trip pre-approval requirements. Each trip to a foreign country must be approved by the appropriate Vice President or Provost.

#### **Registration Fees**

Fees for conferences, workshops and/or seminars may be prepaid. If you choose to pay at the conference, you will be reimbursed *after* you complete the trip. The departmental procurement card

(pcard) is the recommended method of prepayment. Otherwise the department may enter the payment directly to PeopleSoft to pre-pay the fees. If the payment is routed through the Accounting Office, please allow sufficient time for processing.

## **Driving**

If driving is the most economical means of travel, employees should make use of the North Dakota state fleet motor pool. The vehicle request form, along with other information, is available at the following web address: <http://www.ndsu.edu/facilities/motorpool/>

There can be a significant travel expense savings when using a state fleet vehicle compared to an employee using their own personal vehicle and being reimbursed. The use of personal vehicles is reimbursed at the per mile rate as follows: \$0.555 In-state and first 300 miles out-of-state, \$0.18 beyond first 300 miles out-of-state. If for some reason, a state fleet vehicle is not used for NDSU business and the employee claims a mileage reimbursement, the travel expense reimbursement voucher should include justification for using a personal vehicle, because of the cost savings of using a state fleet vehicle.

## **Rental Cars**

In cases where there is a favorable cost/benefit, it may be appropriate to arrange for a rental car. Travelers should review Policy 515, part 8.2, for further information on rental cars. The State of North Dakota has rental contracts awarded to two national car rental providers: 1) Enterprise Rent-A-Car & National Car Rental & 2) Hertz (Contact Purchasing Office for specifics). Vehicles rented through these contracts have discounted rental rates, as well as full coverage damage waiver with \$0 deductible and liability coverage up to \$1 million without additional fees or paperwork. These coverage terms are not valid for rentals outside of the United States and agencies should purchase the additional equivalent coverage from the rental company.

## **Air Travel - Basics**

Purchasing airline tickets for official NDSU business travel may be done by the traveler through the airline's website or some other travel service website. In this case the department's pcard is the best method of payment. If the department's pcard is not available, the employee may use his/her own credit card and be reimbursed by the University. If the ticket is paid by the employee in a month prior to the travel dates, with appropriate department approval, the employee may be reimbursed immediately after the ticket is paid using an accounts payable voucher. If the ticket is paid by the employee in the same month as the travel dates, reimbursement will be done on the travel expense voucher along with the other travel expenses from the trip.

If travel agencies are used, the agency will directly invoice the department. The department may directly pay the invoice using their pcard or by direct entry to PeopleSoft.

Travelers are encouraged to take advantage of special or Super Saver airline rates. A department head may authorize employees to depart early or return late to take advantage of these special rates. The cost/benefit of these arrangements must be documented.

The general rule in NDSU policy is that airline travel costs will be allowed for the actual cost of tourist or coach fare, purchased at the lowest reasonable rate available. The receipt or e-ticket must specify the ticket class purchased to support compliance with the general rule.

The **Fly America Act** is applicable when traveling on grant or contract funds for either domestic or international travel. The Fly America Act (49 U.S. C. Section 40118) requires government financed air transportation to be “provided by” air carriers holding certificates of public convenience and necessity as U.S. flag air carriers. Please refer to the Grant & Contract Accounting website for further information.

NDSU employees are encouraged to participate in the NDSU Miles Program to help support [study abroad](#) students each time they fly. With this program, employees earn their own frequent flier rewards in addition to what they earn for students. See the link for more information on how to participate: [http://www.ndsu.edu/diversity/global\\_outreach/ndsu\\_miles\\_program/](http://www.ndsu.edu/diversity/global_outreach/ndsu_miles_program/)

### **Cancelled Tickets**

Depending on the circumstances ticket cancellations may be either refundable or non-refundable.

Refundable – Even though the additional expense of trip insurance is not allowable (see below); sometimes, because of the nature of the trip cancellation, the money paid for an airline ticket is sometimes actually refunded to the purchaser. NDSU funds should be appropriately credited for any returned money, if applicable.

Non-refundable - Unused non-refundable tickets may be exchanged for a period of time (commonly one year) from the original issue date, not the travel date; but may be subject to a rate change and penalties when making new travel arrangements

Employees are responsible for cancelling other arrangements with hotels, car rental agencies, as appropriate. Employees will need to reimburse NDSU if any situations arise where they personally gain from a ticket refund or exchange. NDSU will credit any refunds to the original funding source.

### **Air Travel – Seating Upgrades and Fees**

There is currently a trend in the airline industry to breakout fees/fares for services that in some cases used to be included in the base price. Examples are: seat assignments, priority boarding, luggage fees, carry-on bag fees, trip insurance, additional fares/fees for special seating (other than first class). Whether each fee is allowable generally depends on whether there is a business necessity and defensible on a cost/benefit basis. Here are some general observations for each type of cost:

Additional fares/fees for special seating – Only the actual cost of tourist or coach fare, purchased at the lowest reasonable rate, is allowable. The cost of first class, business class, economy plus, or any similar fare that is above the lowest available fare at the time of purchase is an unallowable expense of the university. The traveler may use his/her own frequent flyer miles to upgrade to special seating; however, it is important that there is documentation to demonstrate that the university did not pay for the additional cost.

Seat assignments – This extra charge to choose a particular seat will generally be viewed as unallowable, not meeting the business necessity test. A possible exception would be if two or more business colleagues are traveling together.

Priority boarding – This extra charge to be able to board the plane ahead of other passengers will generally be viewed as unallowable, unless there is a unique medical issue making this a necessary cost.

Luggage fees – Employees will be reimbursed for their first piece of checked luggage. If additional luggage charges are incurred, a documented business reason must be included on the travel paperwork to be allowed as a reimbursable expense.

Carry-on bag fees – Some airlines are starting to apply this charge. The same rule for luggage fees would apply; the first piece of carry-on luggage will be allowable.

Trip insurance – An extra fee paid for the capability to change flights at a future time at a lower rate is unallowable.

Change fees – This extra charge is incurred when switching flights. It may be higher if trip insurance is not purchased. These fees may be allowable with sufficient justification.

## **Lodging**

Lodging arrangements and any required deposits are the responsibility of the traveler. Expenses will be reimbursed after the trip on the University's travel expense reimbursement voucher. An exception is made so that lodging facilities may be paid directly by the department when the travel involves a student field trip or athletic team travel.

Many hotels/motels will accommodate University employees at the "state employee rate" or "government rate", which may be lower than a conference rate. Always ask.

State law provides for a maximum lodging rate of \$69.30, plus pro-rated taxes, for in-state lodging. Please check NDSU Policy 515, part 7, for updated limits.

If NDSU employees are unable to find a state rate hotel in the western part of the state (Williston, Dickinson, Minot, etc.), within a reasonable distance of their assigned work location, they need to consult in advance with the NDSU Accounting Office to discuss alternatives so the employee does not incur additional out-of-pocket costs. NDSU employees will need to secure proper documentation of attempts to find a room at a state rate and that advance NDSU Accounting Office approval was received to reimburse the higher rate.

Out-of-state lodging is reimbursed at the actual expense. There is no upper dollar limit in state law or University policy for out-of-state lodging; however, travelers need to exercise prudent judgment, common sense, and restraint when selecting a lodging establishment as these expenses must withstand the test of public scrutiny.

An original, itemized receipt is required for reimbursement. If you are sharing a room with another employee and only one receipt is available, the expense will be reimbursed to only one person. If you

are sharing a room with someone other than a university employee, the University will reimburse the single room rate.

### **Meals**

Meal reimbursements are generally based on meal allowance rates that depend upon the time of day the employee is in travel status and whether the travel is in-state, out-of-state continental US, non-continental US, or international. To calculate the appropriate meal allowance for a day, each day is split into quarters. Please consult NDSU policy 515, part 6, as the specific rates change periodically. This policy also covers other issues with meals such as: team travel, taxable meals, and hosting guests of the University.

If the traveler's meal is paid for by some other means the traveler should not claim the applicable meal allowance. For example, if the traveler's meal is also paid through a conference registration fee, the traveler should not also claim reimbursement for that meal, to avoid having the University double pay for meals.

### **Miscellaneous Expenses**

Expenses that are considered necessary business expenses may be reimbursed to the traveler, such as: taxi fares, toll fees, parking fees, business telephone calls, and up to \$5.00 per day for personal telephone calls while in travel status. These expenses must be individually documented on the travel voucher. Original receipts are required for each expense exceeding \$10.00.

Expenses that are considered more entertainment or personal in nature are not reimbursable. Examples include: laundry, movies, bar bills, room service, health club or spa fees. Reasonable tips, not to exceed \$5.00 per tip, and service charges that are a necessary part of the business trip are reimbursable. Examples include: tips to bellhops and taxicab drivers. No reimbursement is allowed for tips on meals that are covered by the meal allowance.

### **International Travel**

Many features of international travel are similar to out-of-state US travel, with some notable exceptions listed below. Pre-approval is required and each international trip must be approved by the appropriate Vice President or Provost. Lodging is reimbursed at actual cost. Meals are reimbursed on a meal allowance rate, with different rates for each country as determined by the U.S. Department of State foreign per diem rates, which can be found at:

[http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp)

Itemized Receipts - When traveling in other countries, properly itemized receipts may not be as easy to obtain; however, the traveler/employee is still responsible for obtaining itemized receipts. In these cases the traveler will need to make an extra effort to get itemized receipts. In some cases the traveler will need to make a follow-up request to get the additional detail on a receipt that is more commonly found on a U.S. receipt. Another suggestion is for the traveler to bring along a receipt book, where the

traveler can document the necessary receipt details and have it signed by the party being paid by the traveler (e.g., lodging establishment).

All expenses claimed must be converted to US dollars, with the conversion rate and computation shown on each receipt. Currency conversion is available at the following site: <http://www.oanda.com/>.

Faculty-led study abroad trips - The Office of International Programs has specific policies and procedures for faculty who are leading study abroad programs. Faculty should contact the assistant director of study abroad at [ndsu.studyabroad@ndsu.edu](mailto:ndsu.studyabroad@ndsu.edu) for more information.

Workers' Compensation - Employees planning to be in a foreign country for more than 30 consecutive days must find and purchase workers' compensation insurance in the destination country prior to departure. If unable to obtain compensation in the country, employees must provide documentation that neither the country, nor the private insurance market provides workers compensation coverage. The documentation must be submitted to the [Safety Office](#) for coverage.

Insurance - NDSU faculty and staff are encouraged to purchase international insurance while traveling abroad. The Office of International Programs will coordinate ordering insurance for faculty leaders and their students on faculty-led programs and can provide information on international insurance policies.

If you are traveling on behalf of the college or independently and want to purchase insurance contact the [Office of International Programs](#) or visit the link below:  
[www.ndsu.edu/international/faculty\\_led\\_study\\_abroad/international\\_insurance/](http://www.ndsu.edu/international/faculty_led_study_abroad/international_insurance/)

The North Dakota Risk Management Division in Bismarck purchases a Foreign Travel Liability Policy from [ACE American Insurance Company](#) for all state employees who travel on state business to foreign countries. This policy offers a wide range of protection for travel abroad. This coverage includes: *commercial general liability, contingent automobile liability, employers responsibility/executive assistance services, accident death and dismemberment, and kidnap and extortion*. Risk Management requests that you visit the insurance carrier's site for further travel information on how to contact them if you need medical, personal, travel, or security assistance.

IT Security - NDSU employees need to consider the information that may be present on laptops and other electronic mobile devices while traveling abroad. Electronic information security guidelines can be viewed at <http://www.ndsu.edu/its/security/>

Health and safety - Comprehensive health and safety guidelines for international travel are outlined by the Safety Office and can be found at:  
[www.ndsu.edu/fileadmin/policiesafety/docs/NDSUInternationalTravelInformation.pdf](http://www.ndsu.edu/fileadmin/policiesafety/docs/NDSUInternationalTravelInformation.pdf)

U.S. Department of State travel alerts and warnings can be found at:  
[http://travel.state.gov/travel/cis\\_pa\\_tw/cis\\_pa\\_tw\\_1168.html](http://travel.state.gov/travel/cis_pa_tw/cis_pa_tw_1168.html)

#### **Other Quick Links**

NDSU Policy, Section 515, Travel – Employees: <http://www.ndsu.edu/fileadmin/policy/515.pdf>  
NDSU Policy, Section 515, Travel – Non-Employees: <http://www.ndsu.edu/fileadmin/policy/516.pdf>  
NDSU Policy, Section 170, Meals for Staff & Guests: <http://www.ndsu.edu/fileadmin/policy/170.pdf>  
Meal Allowance Per Diem Rates: <http://www.ndsu.edu/accounting/travel/mealrates/>