

# North Dakota State University

## Policy Manual

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### SECTION 515 TRAVEL - EMPLOYEES

SOURCE: NDSU President  
North Dakota Century Code (NDCC)  
North Dakota Office of Management and Budget Policy

#### 1. GENERAL PROVISIONS

##### 1.1 DEFINITION OF "TRAVEL" - (NDSU Interpretation)

*For purposes of this policy, except for No. 2 below, the term "travel" means the absence from the city or community where a person normally works and/or maintains an office. For purposes of travel by staff members employed on the University campus their "community" shall include, Fargo, West Fargo, and Moorhead.*

##### 1.2 MEANS OF TRAVEL - (NDSU Interpretation)

*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.*

##### 1.3 ACCOUNTING OFFICE RESPONSIBILITY - (NDSU Interpretation)

*The NDSU Accounting Office is responsible for the initial development of NDSU's employee travel expense reimbursement policy, in addition to the final review and approval of individual employee travel expenses. Employees may be contacted by the Accounting Office for more documentation or a cost/benefit justification. The NDSU Accounting Office must apply the travel rules in this policy on a reasonable, fair and consistent basis.*

##### 1.4 TRAVEL VOUCHER REQUIREMENTS - (NDCC 54-06-09 (6))

Before an allowance for any such mileage or travel expenses may be made, the employee shall file with the employee's department an itemized statement showing the mileage traveled, the hour of departure and return, the days when and how traveled, the purpose thereof, and such other information and documentation as may be prescribed by rule of the employee's department, college, or division.

(NDCC 44-08-05.1)

Any employee who has the power to approve a voucher for a department shall determine, before approving such voucher, the following:

1.4.1 That the expenditure for travel or other expenditures were for lawful and official purposes.

1.4.2 If for travel expense, that the travel actually occurred and that the sums claimed for travel expenses are actually due the individual who is seeking reimbursement, allowance, or payment.

1.4.3 If the voucher is for expenditure other than travel expense, that the expenditure is lawful and that the voucher contains no false claims.

## 2. TRAVEL WITHIN THE CITY OF EMPLOYMENT

Employees may be reimbursed for expenses incurred within their "city or community" of employment for the following:

### 2.1 (NDSU Interpretation)

*Parking fees for personal vehicles when conducting University functions or attending University meetings.*

### 2.2 (OMB Policy 507)

Mileage at in-state rates for personal vehicles used to transport equipment or university guests for university functions.

#### 2.2.1 (OMB Policy 507)

Mileage from a normal work station to a conference or meeting is reimbursable, if an employee actually reports to work prior to attendance at the meeting. However, mileage for travel from an employee's residence directly to the conference/meeting site is not reimbursable, since it is considered normal commuting travel.

### 2.3 (NDSU Interpretation)

*Meals may be reimbursed as provided under NDSU Policy 170.*

### 2.4 (NDSU Interpretation)

*Transportation between the employee's residence and airport, which consists of taxi fare or mileage plus airport parking, whichever is less.*

## 3. OUT-OF-STATE TRAVEL AUTHORIZATION - (NDSU Interpretation)

*Employees must have each out-of-state trip pre-approved by their immediate supervisor. In addition, employees in a department, college, or division must have each out-of-state trip pre-approved by their Dean or Director. Deans and Directors who report directly to a Vice President or Provost must have their out-of-state trips pre-approved by their Vice President or Provost. Vice Presidents, Provost, and others reporting directly to the President, must have each out-of-state trip pre-approved by the President. Prior approval is to be obtained by using the Travel Authorization – Out-of-State form.*

### 3.1 WORKERS COMPENSATION - (NDSU Interpretation)

*In cases where employees are working out-of-state for 30 consecutive days, or for any international trip, the employee must notify the University Police and Safety Office to arrange proper Workers Compensation coverage.*

### 3.2 FOREIGN TRAVEL AUTHORIZATION - (NDSU Interpretation)

*Each trip to a foreign country must be approved by the appropriate Vice President or Provost or their designee.*

## 4. PRIVATELY OWNED TRANSPORTATION - (NDCC 54-06-09)

An employee, when required to travel by motor vehicle or truck in the performance of official duty, should use a state-owned vehicle, whenever possible.

### (OMB policy 511)

When an employee drives a state fleet vehicle, the State's liability coverage is primary should an accident occur. If an employee drives a personal vehicle on state business, the employee's personal insurance is primary. If an employee must drive a personal vehicle because no state fleet

vehicles are available, then the State would have primary responsibility.

(NDCC 44-08-03)

Where more than one state employee travels in the same car while engaged upon official duty, whether belonging to different departments, subdivisions, boards, or commissions or not, no claim may be made for more than one mileage, such claim to be made by the owner or lessee of such car.

If an employee is allowed to use a personal vehicle, reimbursement will be made according to the rates below.

4.1 IN-STATE MILEAGE - (NDCC 54-06-09 (1a))

The sum of 54.5 cents per mile actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle.

4.2 (NDCC 54-06-09 (1a))

The sum of 80 cents per mile when such travel is by private airplane.

4.3 OUT-OF-STATE MILEAGE - (NDCC 54-06-09 (3))

If only one person engages in travel exceeding any geographic point 300 miles beyond the borders of this state, reimbursement shall be limited to eighteen cents per mile for the out-of-state portion of the travel beyond the first 300 miles.

*(NDSU Interpretation)*

*When interpreting the law indicated in 4.3 above, it may be helpful to visualize that the state's border has expanded in all directions by 300 miles. When only one person travels outside the state of North Dakota and uses their own vehicle, their miles traveled within the 300 mile expanded border, the employee may be reimbursed at the 54.5 cents per mile rate. This includes both the departure and return parts of the trip.*

*When two or more state employees travel in the same vehicle, the per mile allowance is 54.5 cents. State employees accompanying the vehicle owner must be listed on the travel voucher.*

4.4 (NDCC 54-06-09 (5))

State employees permanently located outside the state or on assignments outside the state for an indefinite period of time, exceeding thirty consecutive days, will be allowed and paid 45 cents per mile for each mile actually and necessarily traveled in the performance of official duty when such travel is by motor vehicle. In this case the 300 mile restriction, in 4.3 above, does not apply.

*(NDSU Interpretation)*

*Mileage allowances are assumed to be total operating costs for vehicles. No additional amounts will be reimbursed to employees for personal items such as: traffic or parking tickets, vehicle repairs, or any other normal automobile expenses.*

5. COMMERCIAL AIRLINES - (OMB Policy 510)

For travel on official state business, airline tickets may be either purchased through a travel agency and billed to the department, or purchased by the employee and reimbursed. In either case, the original itinerary should be used to support the travel agency payment or employee reimbursement.

Reimbursement to an employee *or tickets directly billed to a department* will be allowed for the actual cost of tourist or coach fare, purchased at the lowest reasonable rate available, except when approved by the President, or President's designee, unless not permitted by federal rules or regulations. Approvals must be filed in the President's Office. First Class or Business Class tickets should normally be through a frequent flyer upgrade or the employee should use frequent flyer miles earned via state travel. Invoices from third parties (like travel agencies) must identify if travel is First Class or Business Class.

5.1 *(NDSU Interpretation)*

*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.*

5.2 *(NDSU Interpretation)*

*Meal and lodging expenses will be limited to the days needed to complete the business trip. Meal and lodging expenses for additional travel necessary to get a discounted or reduced airline rate are reimbursable, if a cost savings can be documented.*

6. MEAL REIMBURSEMENTS - (NDCC 44-08-04)

Reimbursement is allowed only for overnight travel or other travel, away from the normal place of employment, for four hours or more. Verification of expenses by receipt is required only for lodging expenses.

6.1 DEFINITION - QUARTERS - (NDCC44-08-04 (2)) *(NDSU Interpretation italicized)*

For purposes of employee meal and lodging reimbursements, state law defines the four quarters of a day as follows:

First quarter shall be from six (6) a.m. to twelve (12) noon. No reimbursement may be made if travel begins after seven (7) a.m.

Second quarter shall be from twelve (12) noon to six (6) p.m. *(No reimbursement will be made for this quarter if travel begins after one (1) p.m. or ends prior to twelve (12) noon.)*

Third quarter shall be from six (6) p.m. to twelve (12) midnight. *(No reimbursement will be made for this quarter if travel begins after seven (7) p.m. or ends prior to six (6) p.m.)*

Fourth quarter shall be from twelve (12) midnight to six (6) a.m. *(This quarter pertains to claiming lodging expense.)*

6.2 CONFERENCE, SEMINAR, OR OTHER MEETING - (NDCC 44-08-04 (1))

Claims may also be made for meals that are included as part of a registration fee for a conference, seminar, or other meeting and for meals attended at the request of and on behalf of the University; however, if a meal is included in a registration fee, the applicable quarter's meal allowance cannot be claimed for that meal.

6.3 TAXABLE MEALS - *(NDSU Interpretation of IRS regulations)*

*Meal reimbursements that do not involve "overnight lodging" are reported as taxable gross income on the employee's W-2 and are subject to withholding and employment taxes. A lodging receipt is considered adequate proof of overnight lodging. Also, a notation on the travel voucher that the employee stayed overnight with a friend or relative is sufficient.*

6.4 PAYMENT FOR MEALS OF STAFF & GUESTS, WHILE IN TRAVEL STATUS -  
(NDSU Interpretation)

*NDSU Policy 170 allows reimbursement to employees for meals of staff and guests, even though the employee is not in travel status. Employees while in travel status may also occasionally encounter meal expenses when they are required to be at a meeting and there is a need to pay for meals of guests, such as when interviewing candidates, recruiting, or fund raising.*

*If an employee is at a required meeting and pays for meals of guests (while in travel status), the employee may be reimbursed for the actual receipt amount. If the employee meal is reimbursed at actual receipt amount on the travel voucher, he/she must not claim the applicable quarter's meal allowance.*

*When employees are reimbursed for the actual receipt amount for meals under this section, the expenses should be reflected under the "miscellaneous expense" column on the travel voucher. The purpose of the meeting and names of guests must be documented on either the travel voucher or an attached banquet and meeting documentation form.*

6.5 TEAM TRAVEL - (Excerpt from NDCC 44-08-04, Subsection 1)

If a higher education athletic team or other organized institution organization group meal is attended at the request of and on behalf of the institution, actual expenses for the entire group, including coaches, trainers, and other employees, may be paid or submitted for payment of a team or group travel expense report: subsection 2 does not apply; and officers and employees are not required to document individual expenses or submit individual travel reimbursement vouchers.

*(NDSU Interpretation)*

*Meal expenses of athletic department employees, when traveling with student athletes to games, are covered by travel advances issued from the Accounting Office. These meals are attended at the request of and on behalf of the University and, therefore, the meals are paid from the travel advance at the actual cost of the meals, in accordance with the Athletic department meal reimbursement guidelines for student athletes. Since the meals are paid out of the travel advance, it is not necessary for the employees involved in the team travel to complete a travel voucher to claim reimbursement for the meals.*

*As an alternative to actual meal costs, some head coaches may prefer to distribute a cash per diem to the employees and student athletes. The cash per diem is distributed from the travel advance for the individual to use for meals. The cash per diem for employees must not exceed the meal allowance allowed policy and must not exceed the Athletic department meal reimbursement guidelines for student athletes. Since the employee cash per diem is paid from a travel advance, it is not necessary for the employee to complete a travel voucher to claim reimbursement for the meals.*

6.6 MEAL ALLOWANCE RATES - (NDCC 44-08-04 (2))

Meal reimbursement rates depend upon the time of day the employee is in travel status and whether the travel is in-state or out-of-state. Verification of receipts shall not be required for the first three quarters listed above in Section 6.1.

6.6.1 IN-STATE - (NDCC 44-08-04 (2))

For travel on or after August 1, 2017, in-state rates are as follows:

Location	Daily Total	First Quarter	Second Quarter	Third Quarter
In-State	\$ 35.00	\$ 7.00	\$ 10.50	\$ 17.50

6.6.2 OUT-OF-STATE, WITHIN CONTINENTAL U.S. - (NDCC 44-08-04 (3))

The allowance for out-of-state meals, within the continental United States, is equal to per diem meals rate in the city for which a claim is made on that day as established by the United States general services administration and must be allocated twenty percent to the first quarter, thirty percent to the second quarter, and fifty percent to the third quarter.

*(NDSU Interpretation)*

*The standard meal allowance rate (per diem) for cities in the continental United States is currently \$51.00 per day effective 10/01/2015. The North Dakota Office of Management and Budget (NDOMB) web site shows the official current out-of-state meal allowance rates that NDSU will follow. The NDOMB web site includes a [listing of cities](#) whose meal allowance rates are higher than the standard rate.*

The table below (effective 10/01/2015) shows examples of how the meal allowance per diem is split between the first quarter or breakfast (20%), second quarter or lunch (30%), and third quarter (50%).

Location	Daily Total	First Quarter	Second Quarter	Third Quarter
Out-of-State, within continental U.S. (depending on city) <u>Standard Rate</u>	\$ 51.00	\$ 10.20	\$ 15.30	\$ 25.50
(depending on city)	\$ 54.00	\$10.80	\$ 16.20	\$ 27.00
(depending on city)	\$ 59.00	\$11.80	\$ 17.70	\$ 29.50
(depending on city)	\$ 64.00	\$12.80	\$ 19.20	\$ 32.00
(depending on city)	\$ 69.00	\$ 13.80	\$ 20.70	\$ 34.50
(depending on city)	\$ 74.00	\$ 14.80	\$ 22.20	\$ 37.00

6.6.3 NON-CONTINENTAL UNITED STATES AND OVERSEAS NONFOREIGN AREAS - (NDCC 44-08-04 (4))

The allowance for meals in noncontinental United States and overseas nonforeign areas, including Alaska, Hawaii, and Guam, is equal to the per diem meals rate in the city for which a claim is made on that day as established by the rule for federal employees established by the United States per diem committee and must be allocated twenty percent to the first quarter, thirty percent to the second quarter, and fifty percent to the third quarter.

*(NDSU interpretation)*

*The Accounting Office web site will have a link to the appropriate meal allowance for foreign travel.*

6.6.4 FOREIGN TRAVEL - NDCC 44-08-04(5))

The allowance for meals outside the United States is equal to the per diem meals

rate in the city for which a claim is made on that day as established by rule for federal employees established by the United States department of state and must be allocated twenty percent to the first quarter, thirty percent to the second quarter, and fifty percent to the third quarter.

*(NDSU Interpretation)*

*The Accounting Office web site will have a link to the appropriate meal allowance for foreign travel.*

7. LODGING REIMBURSEMENTS - (NDCC 44-08-04 (1)(2d)(6)) *(NDSU Interpretation italicized)*  
Reimbursement for in-state lodging expenses incurred while in travel status during the fourth quarter shall not exceed 90% of the rate established by the United States General Services Administration (GSA) for North Dakota, plus applicable state or local taxes on lodging. For travel on or after October 1, 2017, the GSA rate for lodging in North Dakota was \$93; therefore, the maximum amount that can be claimed is \$83.70, plus applicable taxes. For travel on or after October 1, 2018, the GSA rate for lodging in North Dakota is \$94, therefore the maximum amount that can be claimed is \$84.60 plus applicable taxes ( $\$94 \times 90\% = \$84.60$ ).

The GSA will update their rates periodically during the biennium and the allowable lodging reimbursement will also change at that time. See the city/county rate exceptions, found on the Accounting website. The amounts shown are 90% of the GSA rates and are the maximum state reimbursable rates that can be claimed, plus applicable state and local taxes.

Out-of-state lodging expenses shall be reimbursed at actual expense.

An original lodging receipt is required for reimbursement to the employee. *(When an original receipt is lost, a photocopy or faxed invoice should be obtained with a notation by the employee that the original receipt was lost.)*

7.1 IN-STATE LODGING RATES OVER MAXIMUM - (SBHE 806.1.10)

In the unlikely situation an employee cannot find lodging at 90% of the GSA rate, the following process needs to be followed:

7.1.1 Prior-approval by campus designated approver must be obtained.

7.1.2 The request must document the name of the employee, name of city traveling to, dates of lodging, name and local phone number of the lodging facility, the rates quoted for the dates of travel or if there were no available rooms. A minimum of 3 facilities should be contacted. If traveling to a North Dakota community that does not have 3 lodging facilities, indicate on documentation.

7.1.3 This documentation must be attached to the travel reimbursement form.

7.1.4 Occasionally, additional documentation will be requested to ensure the most cost-effective rates possible were obtained.

7.1.5 *If a room is more than the 90% maximum GSA rate for North Dakota, allowed in section 7, above, the additional taxes eligible for reimbursement must be pro-rated. For example (using the \$ 84.60 maximum rate): if the room is \$90.00 and taxes are \$13.50, the individual will be reimbursed \$ 84.60 plus \$ 12.69 pro-rated taxes ( $\$84.60/90.00 \times \$13.50 = \$ 12.69$ ).*

7.2 DIRECT BILLING OF LODGING TO DEPARTMENT - (NDSU Interpretation)

*Employee lodging must be first paid by the employee and then reimbursed using the travel voucher. An employee's lodging expense should not be paid directly by the department to the lodging facility.*

*EXCEPTIONS - (NDSU Interpretation)*

7.2.1 State law (NDCC 44-08-04.5) allows a state agency or institution to pay an out-of- state lodging provider directly when the North Dakota Office of Management and Budget has obtained a sales tax exemption from the destination state.

*(NDSU Interpretation)*

*(At this time, OMB does not have an agreement with any other state. State agencies will be notified when such agreements have been obtained.) The state law exception does not apply to in-state lodging.*

7.2.2 (NDSU Interpretation)

*A lodging facility may be paid directly by the department if the travel involves a student field trip or athletic team travel.*

7.3 REQUIRED DEPOSITS - (NDSU Interpretation of OMB Policy 513)

*If a lodging facility requires a paid deposit to hold a room in advance, it should be paid by the employee. If the deposit is paid by the employee in a month prior to the travel dates, the employee may be reimbursed immediately after the deposit is paid using a Request for Payment form. The employee will need to verify that the deposit was properly credited to the lodging bill when the travel takes place.*

7.4 ROOM SHARING - (NDSU Interpretation)

*When two or more state employees share lodging accommodations, each employee should normally claim his/her own reimbursement. In instances where one employee pays the total lodging costs, he/she may claim reimbursement for the same by listing the other employee(s) sharing the lodging accommodation.*

*(OMB Policy 513)*

*When a state employee is accompanied by an individual not eligible for reimbursement (a spouse or traveling companion), the state employee must have the lodging establishment clearly certify the room rate for a single person and only that amount may be claimed.*

8. MISCELLANEOUS TRAVEL EXPENSES - (NDSU Interpretation)

*Reimbursement may also be requested for such necessary miscellaneous travel expenses as registration fees, car rental, taxi fares, toll fees, business telephone calls, parking fees and up to \$5.00 per day for personal telephone calls while in travel status. All miscellaneous travel expenses claimed on the travel voucher must be individually identified and explained. Receipts are required for all individual miscellaneous travel expenses exceeding \$10.00.*

8.1 ENTERTAINMENT & PERSONAL EXPENSES - (NDSU Interpretation)

*Employee entertainment or other personal expenses are not reimbursable. Expenses claimed by an employee that appear to fall in this category, will need additional justification to support claiming them as necessary business expenses.*



## 8.2 CAR RENTAL - (OMB Policy 518)

8.2.1 The university will reimburse an employee for car rental if the employee used an aircraft to get to their destination, and if the use of the vehicle is sufficient to justify that mode of travel instead of a taxi. It is generally the policy to discourage car rentals unless their cost effectiveness is self-evident.

8.2.2 When renting a car for university business, purchase of additional insurance is not necessary because it is covered by the State's Risk Management Fund. However, the North Dakota Risk Management Division does recommend purchasing the liability insurance if renting outside the United States. Also, when out of the country, it is advisable to purchase the loss damage waiver as well. Employees should consider what coverages the employee's personal auto insurance provides.

## 8.3 TIPS AND OTHER CHARGES - (NDSU Interpretation)

*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*

## 8.4 LOST RECEIPTS - (NDSU Interpretation)

*When an original receipt is lost, a photocopy or faxed invoice should be obtained with a notation by the employee that the original receipt was lost. Credit card receipts are not sufficient.*

## 9. TRAVEL ADVANCES - (NDCC 44-08-04.2)

The Accounting office may approve a travel advance to employees for payment of meal and lodging expenses incurred while the employee is traveling on official business of this state, provided that such travel is planned to be in excess of five days per month, and provided that the funds advanced do not exceed eighty percent of the estimated expenses for the period.

### *NDSU LIMITATIONS - (NDSU interpretation)*

*Funds advanced for meals and lodging must be accounted for as required by this Policy. Travel advances may not be made from state appropriated funds. A travel advance form is available to request an advance. The Accounting Office will generally limit travel advances to the following two situations:*

9.1 *When an employee is chaperoning a group of students or other guests and is expected to pay some of the student's or guest's expenses.*

9.2 *When an employee is going on a trip for an extended period of time, such as more than one month. Usually these are international trips funded by a special grant.*

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### HISTORY:

New	July 20, 2000
Amended	July 2001
Amended	June 2003
Amended	October 2003
Amended	August 2005

Amended	February 2006
Amended	October 2007
Amended	January 2008
Amended	July 17, 2009
Housekeeping	October 6, 2009
Housekeeping	February 2010
Amended	July 2010
Housekeeping	September 2010
Housekeeping	January 5, 2011
Housekeeping	June 15, 2011
Housekeeping	August 18, 2011
Housekeeping	January 27, 2012
Housekeeping	April 23, 2012
Housekeeping	October 10, 2012
Housekeeping	January 10, 2013
Housekeeping	July 30, 2013
Housekeeping	September 18, 2013
Housekeeping	December 31, 2013
Housekeeping	March 3, 2014
Housekeeping	December 31, 2014
Housekeeping	April 29, 2015
Amended	June 22, 2015
Housekeeping	September 30, 2015
Housekeeping	December 31, 2015
Housekeeping	September 7, 2016
Housekeeping	December 30, 2016
Housekeeping	October 1, 2017
Housekeeping	October 10, 2017
Housekeeping	January 18, 2018
Housekeeping	October 1, 2018