



NORTHWESTERN
UNIVERSITY

Responsible University Official: Vice
President for Financial Operations and
Treasurer; Controller

Responsible Office: Office of Financial
Operations

Origination Date: May 1, 2000

TRAVEL, ENTERTAINMENT & COURTESY

Policy Statement

University-approved travel is generally defined as transportation on Northwestern business in excess of one's normal commute. University-approved travel includes movement on official University business from home or normal place of employment to another destination, and return to home or normal place of employment. University-approved travel does not include commuting between home and normal place of employment.

University-approved entertainment & courtesy expenditures are based upon a shared understanding that entertainment & courtesy expenses are permissible when clearly required to advance the academic mission of the University. Entertainment is defined as the provision of meals, activities, or events whose purpose is to promote and further the educational mission of the University. Courtesy is defined as the provision of services or acts which acknowledge the service and contributions of faculty, staff, students, and visitors to the University.

It is the policy of Northwestern University (NU) to reimburse NU faculty and staff and to pay outside vendors for necessary, appropriate, and approved costs and activities. The policies and procedures herein apply to all sources of funds, including gifts, endowment income, sponsored programs, designated income, released funds, and University appropriations.

Entertainment & courtesy are typically not permissible on sponsored accounts. More restrictive policies and procedures may apply to certain funding sources including many sponsored programs. More restrictive travel policies and procedures may also be specified by certain programs, schools, departments, centers, or divisions, and will be applicable in those cases. Employees are responsible for following this policy and, if applicable, the policy of their particular program, school, department, center, or division.

Based on the significant amount of federally sponsored funds that the University receives, many travel policies parallel those of the Federal government. Auditors review expenditures for University travel using the same standards that apply to travel by Federal employees. The policy applies to all sponsored programs. However, if specific agency guidelines for a sponsored program are more restrictive than University policy, then agency rules shall apply. Individuals should be familiar with the specific cost allowability provisions of their sponsored programs. In no case will an amount be reimbursed that is larger than allowed under the University's policies and procedures. Some funding agencies require prior written approval if domestic or foreign travel exceeds the budgeted amount.

Please consult your sponsored program documents or contact Accounting for Research and Sponsored Programs (ASRSP) for more information.

Per federal regulations, no expenditure of funds for entertainment & courtesies may be recovered as either direct or indirect costs from sponsors. This excludes travel, meal, and event expenses related to the performance of work for a sponsored program, as long as these are allowable by the sponsored program.

Changes to the policies and procedures may be made from time to time, and will be communicated via broadcast e-mail. Amendments will be available electronically through the World Wide Web and will be effective on issuance. The information herein supersedes all previous travel policy and procedure documentation.

Reason for Policy/Purpose

The University exists to conduct teaching, research, and public service. Expenditures of University funds for travel and entertainment must occur in furtherance of this mission, and a business purpose must exist for each instance of expenditure. Each person responsible for making decisions concerning these expenditures should always ask, first and foremost, whether an expense represents a worthy use of University funds.

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Who Approved This Policy

Provost
Executive Vice President

Who Needs to Know This Policy

All individuals responsible for making travel expenditure decisions or purchases in furtherance of the University's mission.

Website Address for This Policy

The Travel, Entertainment & Courtesy Policy are located on the Financial Operations website
<http://www.northwestern.edu/financial-operations/policies-procedures/policies/travel.pdf>

Contacts

Policy Guidelines

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<http://www.northwestern.edu/asrsp/traveling.html>

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Risk Management

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University Motor Pool

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M-F, 8 am - 4:30 pm

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Definitions

Identified throughout this policy document.

Policy/Procedures

1. Authority and Responsibility

Travel, entertainment and courtesy transactions must be authorized in advance by the traveler's supervisor. Employees must be authorized to commit the University's resources, and are subject to disciplinary action up to and including the termination of employment if proper authorization is not obtained. A process should be established within each school/unit as to how authorizations for transactions will be documented. It is the responsibility of each school/unit to determine how it chooses to implement the authorization process (e.g. e-mail, authorization form).

Travelers must verify that planned travel is eligible for reimbursement before making travel arrangements. Within 30 days after completion of the travel, the traveler or his/her proxy should submit an electronic NUFInancials Expense Report and supporting documentation with receipts to obtain expense reimbursement.

The University relies upon individual judgment at all levels of the organization in determining whether entertainment & courtesy expenses are necessary and reasonable. Persons responsible for University expenditures in the areas of entertainment and courtesies are urged to be thoughtful when considering making these expenditures and to exercise discretion and good judgment in the use of University funds regardless of their source. Nothing substitutes for thoughtful judgment as the first line of review. Resources expended for entertainment and courtesies are resources unavailable for other important purposes within a program, school, department, center, or division. Therefore, each unit gains from a careful and thoughtful application of resources, avoiding frivolous expenditures which waste University resources.

The faculty or staff supervisor is responsible for reviewing the Expense Report for compliance with policy and for providing proper payment documentation. Supervisors are required to review expenditures, and in cases where there is reason to believe the expenditures may be inappropriate or extravagant, withhold reimbursement. Deans and central administrative offices also review reimbursements and may question expenditures at any time.

Each school is responsible for ensuring that personnel properly implement and administer this policy.

The ultimate responsibility for the review and approval of transactions lies with the school/unit. Accounts Payable (AP), upon receipt of the complete Expense Report, will verify that it has been signed by the traveler and the traveler's supervisor, and approved by all required approvers via the electronic workflow approval process. AP verifies that any attached Expense Policy Exception Request has been signed by the Dean, Vice President or his/her designee. If the Expense Report does not contain the proper signatures and exceptions are not accompanied by an Expense Policy Exception Request, the Expense Report is returned to the school/unit for revision. AP will, at its discretion, review expenses for reasonableness and compliance with policies and guidelines. Items that are not returned by AP should not be construed as acceptance for future practice. AP does reserve the right to seek additional information when deemed warranted and there are post audit procedures to assist in evaluating transaction data.

For sponsored projects, Accounting Services for Research and Sponsored Projects, ASRSP, verifies that charges on the Expense Report are in compliance with both sponsor and University policies, approves the Expense Report via the electronic workflow approval process, and forwards the Expense Report to Accounts Payable. If the Expense Report contains a charge that is not allowable, the Expense Report is returned to the department for revision.

2. **Pre-Trip Considerations**

a) **Registration & Conference Fees**

Registration fees for a meeting or conference at which attendance has been approved should be billed directly to a departmental or sponsored project source of funds through the University's financial system or paid for with a procurement card. Registration fees paid directly by an individual will not be reimbursed until the conference is completed and proof of attendance is submitted.

For any unusual conference travel requirements, contact University Travel Services or your school or unit business administrator.

b) **Travel Arrangements**

University-designated Travel Agencies should be contacted to arrange all air and rail transportation, hotel accommodations, and car rentals. Airline tickets and preferred hotel accommodations may be direct-billed to a department or sponsored project through a designated travel agency. A personal credit card must be provided for train tickets, hotel incidentals and car rentals.

Northwestern University recognizes that there is always a degree of risk involved with business travel, regardless of the mode of transportation. NU encourages awareness, on the part of its senior administrators, of these potential risks when making business travel plans, especially when planning same destination trips for multiple people. Whenever feasible and appropriate, the University recommends separate travel arrangements for groups of senior administrators traveling to the same destination.

c) **Visas, Passports, Vaccinations, Prophylactic Prescription Medications**

Fees for visas, passports, vaccinations, and prophylactic prescription medications are allowable when they are a specific and necessary condition of fulfilling a work assignment on behalf of Northwestern University. For example, if foreign travel is authorized as part of a sponsored program budget, and a visa is necessary for travel, this is allowable.

Only certain visa fees are allowable on sponsored projects. Refer to <http://www.northwestern.edu/asrsp/immigration.html> for a current list of allowable fees.

d) **Use of Personal Funds**

Travelers must review travel reimbursement guidelines prior to expending personal funds for business travel to determine if such expenses are allowable and reimbursable. The University reserves the right to deny reimbursement of travel-related expenditures if they fail to comply with University policies and procedures.

A traveler advances personal funds for the purchase of airline tickets at his/her own risk. Reimbursements to individuals will not be made prior to completion of travel.

e) **Spouse or Other Dependent Expenses**

Incremental costs for travel, lodging, meal, or other travel expenses for spouses or other dependents will not be reimbursed. Please consult the Office of the Controller if special consideration is requested. Although spousal travel is not generally allowable, exceptions are

made when the University requires the spouse to attend an event as a condition of one's work assignment. It is generally limited to deans and senior officers and should occur infrequently. IRS regulations outline the requirements for reimbursements for spousal travel; failure to meet this test can result in the determination of additional taxable income to the employee.

f) Travel Expenditures not Reimbursable by the University

1. Airfares, Business or Premium Economy class, for travel with scheduled flight time, including stopovers and change of planes, of 12 hours or less
2. Airfares, First-class
3. Airline clubs
4. Airline upgrades
5. Books, Magazines, Newspapers for personal use
6. Child-care, babysitting, house-sitting, pet-sitting/kennel charges
7. Commuting between home and campus
8. Corporate Charge Card delinquency assessments. (An exception may be if the delinquency assessment is not due to the actions of the traveler)
9. Costs incurred by traveler's failure to cancel transportation or hotel reservations in a timely fashion
10. Evening-wear rentals
11. Formal wear expenses
12. Flowers
13. Gifts
14. Haircuts and personal grooming
15. Laundry and dry-cleaning
16. Passports, vaccinations, and visas, when not required as a specific and necessary condition of the travel assignment
17. Personal entertainment expenses including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theatre movies, social activities, and related incidental costs
18. Shoeshine services
19. Travel accident insurance premiums and/or purchase of additional travel insurance (with the exception of international health insurance)
20. Other expenses not directly related to the performance of the travel assignment

In addition to the list above, the following travel-related items are not allowable as a direct cost on a sponsored program:

1. Airfares, Business or Premium Economy class – Business or premium economy class travel is reimbursable only with advance written approval of the sponsor and when the scheduled flight time, including stopovers and change of planes, is in excess of 12 hours. (Cost accounting note: The additional cost of a business class fare over the coach fare is a federal unallowable cost and must be segregated in a separate non-sponsored chart string. Documented medical exceptions are allowable.)
2. Alcohol
3. Expenses associated with the recruitment of faculty

4. Passports, vaccinations, and visas, when not required as a specific and necessary condition of the travel assignment. Only certain visa fees are allowable on sponsored projects. Refer to <http://www.northwestern.edu/asrsp/immigration.html> for a current list of allowable fees.

g) Travel Insurance

Faculty and staff are covered by the University's blanket accidental death and dismemberment insurance while on approved travel outside the city or cities in which they reside and/or normally work. This does not include commuting between home and normal work sites or traveling in aircraft other than commercial or approved charter aircraft. The beneficiary is the same as the beneficiary designated under the Northwestern University Group Life Insurance program.

Insurance is provided when business tickets are ordered through any of the three University-designated Travel Agencies and charged directly to a chart string. If the entire cost of the passenger fare has been charged prior to departure for the airport, terminal or station, coverage is also provided for common carrier travel (including taxi, bus, train, or limousine, but not including courtesy transportation without a specific charge); immediately,

- a) Preceding your departure, directly to the airport, terminal or station,
- b) While at the airport, terminal or station, and
- c) Immediately following your arrival at the airport, terminal or station of your destination.

The coverage level is \$500,000 for domestic and international travel.

Checked and carry-on luggage is insured up to \$1,250, when the cost of a common carrier ticket and baggage fee are both ordered through any of the three University-designated Travel Agencies and charged directly to a chart string. Checked and carry-on luggage coverage is secondary to compensation that must be paid by the common carrier's insurance coverage. The following items are not covered:

- Cash
- Contact lenses
- Documents
- Eyeglasses
- Hearing aids
- Prostheses
- Sunglasses
- Tickets

Notice of claim must be made within 20 days.

Please contact the Procurement Card Office for more information regarding this coverage.

Because NU provides the coverage described, separate insurance is not eligible for travel expense reimbursement.

Questions regarding insurance coverage for non-employees undertaking University-approved travel, coverage for individuals whose employee status is unclear, or whether certain travel qualifies as approved travel, should be directed to Human Resources prior to the trip.

h) Per Diem

Per diems are permissible for meals and incidental expenses (M&IE) for authorized business travel. For M&IE, the reimbursement method selected must be used for the entire trip and should be established ahead of the trip. For lodging, all actual expenses must be supported by receipts. Per diem allowances shall not exceed the maximum stated by the government's published standards.

The following matrix provides guidance regarding the reimbursement methods.

Criteria	Reimbursement Method Options	
	Per Diem	Actual Expenses**
Lodging		X
Meals and Incidental Expenses	X	X
Trip duration is less than or equal to 12 hours.		X
Trip duration is greater than 12 hours.	X	X
First day of travel	75% of the per diem rate	X
Last day of travel	75% of the per diem rate	X

** Receipts must be submitted for reimbursement. Meals must comply with policy limits.

The M&IE per diem amount should be reduced by the per diem amount of the meal provided or included in the registration or conference fee, unless one of the following applies:

- The employee is unable to consume the furnished meal(s) because of medical requirements or religious beliefs;
- The employee was unable to take part in a furnished meal due to the conduct of official business.

To calculate deductions for meals provided:

- Domestic travel: <http://www.gsa.gov/portal/content/101518>
- Foreign travel: http://aoprals.state.gov/content.asp?content_id=114&menu_id=81

In the case of travel charged to a sponsored program, the reimbursement arrangements may require prior sponsor approval.

Per Diem Rates

The employee's travel location determines the maximum per diem reimbursement rate. Dates and locations for other points visited for business should be noted to substantiate the per diem rate used. In order to expedite the review process, travelers are required to include a print-out of the per diem rate table in their supporting documentation.

The following provides information on the per diem rate to use based on the travel destination.

Travel Destination	Where to Find the Per Diem Rate
Domestic, also known as Continental United States (CONUS)	<p>http://www.gsa.gov/portal/category/21287</p> <p>The rates are established by the General Services Administration. The rates are listed by city/state or zip code and date. It is recommended that travelers use the zip code of their travel destination to identify the applicable per diem rates.</p> <p>If a city is not listed, check to ensure that the county within which it is located is also not listed. Visit the National Association of Counties website at http://www.naco.org/Pages/default.aspx to determine the county a destination is located in. If the city is not listed, but the county is, then the per diem rate is the rate for that entire county.</p> <p>If the city and the county are not listed, then that area is considered to be a Standard CONUS location which is \$46 for meals and incidental expenses.</p>
Foreign	<p>http://aoprals.state.gov/web920/per_diem.asp</p> <p>The rates are established by the U.S. Department of State and are listed by travel country/city (post name)/date.</p>
Outside CONUS, Overseas Non-Foreign Areas, such as Alaska, Hawaii, Puerto Rico and Guam	<p>http://www.defensetravel.dod.mil/site/perdiemCalc.cfm</p> <p>The rates are established by the Defense Travel Management Office - Department of Defense Center for Travel Excellence. The rates are listed by country/state.</p>

Incidental and Additional Expenses

The following provides guidance on the expenses that are part of per diem incidentals and additional expenses that are reimbursable with receipts.

Expense	Incidental Expenses* Part of the M&IE per diem rate	Additional Expenses** Receipts required
Tips and fees given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships.	X	
Transportation between places of lodging or business and places where meals are taken, if suitable meals cannot be obtained at the travel location.		X
Shuttle, limousine, or livery service charges, to and from airports and railroad stations plus reasonable tips, where such costs do not exceed comparable taxi fare.		X
Internet connections for business use at hotels, conference sites, airports and Internet cafes while traveling.		X
Taxi fares, including tips, to and from airports and railroad stations.		X
Mailing cost associated with filing travel expense reports.		X

* As defined by the Federal Travel Regulations.

** Please consult the Receipts section of this policy for additional guidance.

i) Receipts, in General

The University's reimbursement policy is based on documentation of reasonable and actual expenses, supported by original itemized receipts. Original itemized receipts must be submitted for all travel expenses including airline and rail, hotels, meals, automobile rental, and incidentals. Monthly credit card statements and/or travel agency invoices and statements alone are not acceptable as backup documentation. Receipts are not required for meals and incidental expenses, if the per diem reimbursement method is selected. Please consult the Per Diem section for details.

1) Expense under \$40 without a Receipt

Reimbursement of expenses under \$40 for which receipts were unobtainable will be allowed only on a limited basis in the event of the occasional missing receipt and not for

an aggregation of expenses, especially meals. The University reserves the right to withhold reimbursement of expenditures lacking receipts and a valid reason for such omission. A consistent pattern of reimbursement requests without receipts will cause AP to return the reimbursement request to the traveler and ask the school or unit to follow up as appropriate.

2) Expense \$40 or Greater without a Receipt

An expense of \$40 or greater without a valid receipt will only be considered for reimbursement when submitted with a completed Expense Policy Exception Request, available on the NUPortal Purchasing & Payments tab, signed by the Dean, Vice President or designee.

j) Travel Advances

Travel advances are issued to a university employee for out-of-pocket expenses that will be incurred during travel on University business. Employees may request a travel cash advance through the NUFinancials Travel Authorization/Cash Advance process and receive an advance via the employee's normal payroll payment method, either direct deposit to the employee's primary payroll bank account or a check. Travel advance checks may be cashed at the Bursar.

Advances charged to a sponsored project must be approved by ASRSP.

General Travel Advance Restrictions

Listed below are restrictions on Travel Advances:

1. Advances are only available for University employees. Non-University employees are not eligible for any type of advance.
2. Advances are only issued five working days prior to the travel.
3. Advances must be \$350.00 or more.
4. Advances are not available for a travel period that is less than 14 days. It is assumed that employees will be able to cover costs for shorter trips and process an expense reimbursement upon return.
5. Advances may not be used to purchase primary modes of transportation.
6. Advances should be reconciled within five working days of return from travel but no later than 90 days from date of return. Unreconciled advances will be charged to the traveler's departmental budget, and, as required by federal law, the amount will be reported to the IRS as taxable compensation to the traveler.
7. Advances will not be issued to an employee who has not fully accounted for an earlier advance except when this individual must leave for another trip within the five working days following return from the earlier travel.
8. The University reserves the right to withhold advance privileges from any individual who fails to abide by University policies.

3. Transportation

a) Airfares/Airline Fees

University-approved air travel with scheduled flight times, including stopovers and change of planes, of 12 hours or less must be at the most reasonable and economical rate. Business class and premium economy travel are permitted, with written pre-approval from the sponsor

for sponsored projects, when scheduled flight time, including stopovers and change of planes, is in excess of 12 hours. Premium economy fare class is not offered in all markets and on average is one-half the cost of a business class fare. All travelers should use the least expensive airfare, including non-refundable and penalty fares, based on a two-hour "window" on either side of their preferred departure or arrival times. Air carrier selection cannot be biased by the traveler's frequent flyer affiliation. The lowest cost air travel should take precedence.

Travelers are strongly encouraged to book well in advance of travel to secure the lowest fares. In addition, travelers are encouraged to select special or promotional flights that may require significant advance booking, use alternative airports, entail a connection, or feature departure and/or arrival times slightly different than originally specified by the traveler.

Reasonable and actual add-on airline fees, within the fare class for which the traveler is authorized (coach or business class), are reimbursable. Such add-on fees include checked baggage fees and advance seat selection fees. Add-on airline fees should be paid by the traveler and submitted for reimbursement with an original detailed receipt. The use of upgraded/preferred coach seating options are generally a traveler's personal choice and therefore is a traveler's personal expense. If travel is on a sponsored program, the sponsoring agency may have restrictions and require advance approval.

b) Foreign Air Carrier

Use of foreign-based carriers is restricted on sponsored programs. See the "Sponsored Program – Special Considerations" section of this document.

The use of foreign carriers is allowed on non-sponsored sources of funds, as long as this complies with other University travel policies and procedures.

c) Ground Transportation

Taxi fares, including tips, are reimbursable where public transportation is not practical. This includes taxis between hotels and railroad stations or airports, between appointments or between hotels and places of temporary duty.

Shuttle, limousine, or livery service charges, to and from airports and railroad stations plus reasonable tips, are reimbursable, where such costs do not exceed the comparable taxi fare. Uber, Lyft and other similar transportation services are permitted options, and may include surcharges and fees. Surcharges and fees may be reimbursable if the total cost is comparable to other ground transportation options, and must be clearly documented to substantiate reimbursement. Receipts are required for reimbursement from the University.

Direct billing arrangements between taxi, shuttle, and/or limousine services and University departments are not allowable for travel by University employees or guests of the University. See the "Charging to a NUFInancials Chart Strings" section of this document for more details.

d) Commercial Rental Vehicles

Commercial rental vehicles should be used only when it is not possible to use the Motor Pool, as follows:

- Commercial rental vehicles should not be used if less expensive transportation is available.
- The University's designated vehicle rental agency should be used whenever possible.
- Midsize, economy, compact or subcompact vehicles should always be rented. Reimbursement will be made for other types of vehicles in exceptional cases (e.g., several travelers are riding in one car, equipment being transported, etc.).
- Travelers should rent vehicles in the University's name with the authorized traveler as the named driver. Under no conditions should the authorized traveler allow another person to operate their rental vehicle.
- Travelers should not purchase a collision damage waiver (CDW) from the rental agency if the rental is in the U.S or Canada; coverage should only be purchased for international rentals.
- Travelers must report all accidents to the Office of Risk Management within 24 hours, and immediately when any accident results in any personal injury or towing of a vehicle. The traveler should follow the rental agency accident report instructions, in addition to forwarding a copy of the report to the Office of Risk Management. Departments failing to report an accident within 24 hours will be charged \$1,000.00 deductible that will increase by \$500.00 every day after the accident the department does not completely report it to the Office of Risk Management. See the "Travel Insurance" section of this document for additional information.

e) University Motor Pool

Current policies, procedures, and prices for renting University-owned vehicles are available from the Motor Pool at <http://www.northwestern.edu/fm/services/motor-pool/index.html>.

For approved travel by automobile, a University-owned vehicle should be rented from the Motor Pool whenever possible. This is preferred to using a personal or commercially-rented vehicle. Motor Pool vehicles are for University business only. Only NU employees or students who have completed the Risk Management defensive driving are permitted to operate the vehicle. Please consult the Motor Pool Policy regarding the appropriate use of Motor Pool vehicles.

Incidental costs associated with the use of a University-owned vehicle, including parking fees, tolls, fuel and all related, appropriate and necessary costs not covered by the sign-out agreement with the University, will be reimbursed. This does not include damage or abuse of the vehicle, or parking and moving violations. Contact the Motor Pool for procedures on obtaining fuel.

Notify the University Motor Pool and the Office of Risk Management immediately after an accident, especially if it involves personal injury or vehicle damage. Any accident not reported to the Office of Risk Management will result in a \$1,000 deductible applied and will increase by \$500.00 every day after the first 24 hours the accident is not completely reported to the Office of Risk Management.

f) Private Air Carrier

The use of private aircraft for University business is prohibited.

g) Private Automobile Transportation

Travel using privately owned vehicles may be desirable to save time, transport equipment, or reduce cost when a number of persons are traveling together.

The rate of reimbursement, 54 cents per mile effective 01/01/16 (or 57.5 cents per mile effective 01/01/15-12/31/15), is based on U.S. Federal Government reimbursement rates. This reimbursement covers all fuel, maintenance, insurance, transportation, and operating costs. Fuel costs are included in the per-mile reimbursement rate and are not reimbursed separately for use of privately owned vehicles. Damage to a privately owned vehicle used for University business is covered by the individuals' private insurance, costs for which are also included in the mileage reimbursement. The University does not assume responsibility for deductibles or other uninsured loss to the vehicle.

Tolls and reasonable parking charges will be reimbursed in addition to the mileage allowance. No reimbursement will be made for the cost of repairs to the vehicle or other such costs whether they result from the traveler's actions or the actions of others. Costs for parking and moving violations are not reimbursable.

If, primarily for the convenience of the traveler, a personal automobile is used for approved travel to points more than 300 miles beyond the point of origin, the following applies:

- Reimbursement will not exceed the lesser of the cost of the per-mile reimbursement plus tolls, or
- The least expensive round-trip air fare between the nearest commercial airport serving the origin and destination cities, plus associated transfer costs to and from the airport.

h) Rail Transportation

The University will reimburse the cost of railroad fare not to exceed the cost of the least expensive airfare.

i) Intercampus and In-Town Travel

Many schools/departments have expanded their operations to include offices on both the Evanston and Chicago campuses or have reason to have staff attend frequent meetings on either campus or in the Chicagoland area. Questions are often raised about the appropriate method and policies regarding the reimbursement for intercampus and in-town travel (e.g. parking, mileage).

Travel arrangements must be authorized in advance by the traveler's supervisor. The supervisor should evaluate what mode of transportation and reimbursement is appropriate given the nature of the assignment. Transportation and reimbursement options are subject to the budget availability of the unit, and the optimal time and budgetary trade-off for transportation services.

If an individual has special or unusual requirements, consult your supervisor.

Internal Revenue Guidance

A starting point for the University's policy guidance is provided by the Internal Revenue Service. Internal Revenue Service (IRS) Publication 463 Travel, Entertainment, Gift, and Car Expenses provide guidance on business-related travel, entertainment, gift, or transportation expenses. In order to begin to develop guidance for travel expenses, the definitions of the main place of business and transportation expenses must be considered.

Per the publication, the main place of business is determined by considering the following:

- The total time ordinarily spent in each place.
- The level of your business activity in each place.

According to IRS Publication 529 Miscellaneous Deductions, the cost of commuting between your residence and your place of business is nondeductible. For Northwestern University (Northwestern), most employees are assigned to one campus as their main place of business. Additionally, the most common transportation expense would be travel to a business meeting away from the employee's regular workplace.

j) Tolls & Parking Fees

Tolls and reasonable parking charges will be reimbursed. Receipts should be attached to the NUFinancials Expense Report.

4. Lodging

Travelers must book standard accommodations in reasonably priced, commercial-class hotels and motels. Use of preferred hotel vendors is encouraged. For a complete listing of Big-10 discounted hotels for faculty and staff travel, and preferred Evanston and Chicago hotels for University guests, please visit <http://www.northwestern.edu/auxiliary-services/travel/hotels/index.html>. Travelers should ask for educational discounts at all hotels and motels, many of which charge reduced rates to those who identify themselves as University faculty or staff. To ensure the lowest possible costs, the traveler is encouraged to book lodging through the designated University Travel Agencies.

Travelers will be reimbursed for the reasonable and actual cost of lodging. The Business Travel News Corporate Travel Index showing average negotiated hotel rates for the top 100 U.S. and international travel cities is available for reference on the NU Travel website at http://www.northwestern.edu/auxiliary-services/travel/resources/rate_references.html.

a) Conference-site Hotels

Conference-site hotels will be reimbursed at the actual cost. To verify conference site hotel rate, include conference literature with the Expense Report when requesting reimbursement. In unusual circumstances where designation of the conference rate is not listed on literature or on the hotel itinerary/bill, a signed Expense Policy Exception Request, available on the NUPortal Purchasing & Payments tab, may be submitted along with the conference literature.

b) Lodging with Friends or Relatives

When lodging with friends or relatives, employees may be reimbursed for additional costs the host incurs in accommodating them, if the employee is able to substantiate the costs and they are reasonable. If there was no charge for the accommodations and the expense can be

substantiated, a token of appreciation (not to exceed \$100 and no alcohol for sponsored projects), such as a meal or flowers, may be given to the host.

c) Nonconventional Lodging

For nonconventional lodging, employees may be reimbursed for actual costs of other types of lodging when there are no conventional lodging facilities in the area (e.g. remote areas) or when conventional facilities are in short supply because of an influx of attendees at a special event.

When an employee rents a room, apartment, house, or other lodging on a long-term basis (e.g., weekly, monthly), the following expenses may be considered part of the lodging cost:

- The rental cost for a furnished dwelling; if unfurnished, the rental cost of the dwelling and the rental cost of appropriate and necessary furniture and appliances (e.g., stove, refrigerator, chairs, tables, bed, sofa, television, and/or vacuum cleaner);
- Cost of connecting/disconnecting and using utilities;
- Cost of reasonable maid fees and cleaning charges;
- Monthly telephone use fee (does not include installation and long-distance calls); and,
- If ordinarily included in the price of a hotel/motel room in the area concerned, the cost of special user fees (e.g., cable TV or Internet charges).

5. Meals while Traveling

Travelers should use reasonably priced restaurants and dining rooms. In planning entertainment for University guests, all efforts should be made to provide reasonable meal arrangements.

Original itemized receipts must be attached to the NUFInancials Expense Report for reimbursement of meal expenses, unless the per diem reimbursement method is selected. Please consult the Per Diem section for details.

1) Breakfast and Lunch:

Reasonable and actual expenses

For breakfast and lunch meals, the University's reimbursement policy is based on documentation of reasonable and actual expenses, supported by original itemized receipts.

2) Dinner – Faculty and Staff Travel or Hosting University Guest:

\$65 per person (including tax and tip)

The recommended standard for reimbursement for dinners for faculty and staff when traveling on University business and for dinners hosted by faculty or staff members for University guests is \$65 per person (including tax and tip). See Evanston restaurants with fixed price dinner menus that meet this reimbursement standard at

<http://www.northwestern.edu/userservices/travel/dining.html> .

3) Dinner – Special Recruiting/Donor Dinners:

\$90 per person (including tax and tip)

With the approval of the appropriate Dean or Vice President, in special recruiting or donor circumstances for vice presidents, deans, department heads and tenure line faculty, the maximum recommended standard for dinner reimbursement is \$90 per person (including tax and tip).

The original itemized receipt must be attached to the NUFinancials Expense Report. If meals for other individuals are included in the total, their names and relationship to the University must be specified on the Attendees page, as well as the business purpose of the meal. For group meals, the most senior employee should assume the responsibility of paying the bill.

Reimbursement of meals under \$40 for which receipts were unobtainable will be allowed only on a limited basis in the event of the occasional missing receipt and not for an aggregation of meals. When such meal receipts are unobtainable, proof of travel must be attached to the Expense Report in the form of a hotel bill, airline passenger receipt, conference literature, or comparable materials. Payments for group meals while traveling require a written explanation when no receipts are available. The University reserves the right to withhold any meal reimbursement not having sufficient proof of actual expenditures and a valid reason.

6. Other Travel Expenditures

a) Taxes

Taxes on travel and business entertainment services are allowable and reimbursable.

b) Telephone Calls/International Phone Cards

Telephone calls and faxes, specifically those necessary to obtain transportation and hotel reservations, or to communicate with the office or one's family to indicate safe arrival, are reimbursable.

International phone cards are recognized as a cost effective way of paying for international business calls. International phone cards purchased for valid business purposes for \$25 or less are reimbursable with no individual call documentation required. International phone cards purchased for more than \$25 are reimbursable but also require that the phone card owner maintains a log of business calls for which the phone card is used, listing the person called, date of call, length of call and business purpose of the call. To meet audit requirements, the phone card usage log should be filed with the original phone card purchase documentation.

If a traveler chooses not to use an international phone card, they are permitted to request reimbursement for business calls with appropriate documentation substantiating the expense.

c) Tips

Reasonable tips associated with baggage handling, storage and other services are reimbursable. **Note that when the per diem method of reimbursement is used, this

expense is covered by the incidentals portion of M&IE and, therefore, travelers are not eligible to receive reimbursement for actual funds paid out for tips.

d) Travel Internet Connectivity

Charges for Internet connections for business use at hotels, conference sites, airports and Internet cafes while traveling are reimbursable with receipts.

7. Payment Considerations

a) Amex Corporate Card

The AMEX corporate card is available to any active NU employee (with Department Dean / Admin approval) as a means to keep business-related travel expenses separate from personal finances. This is a personal liability card to be used **ONLY** for University business travel expenses.

1) Limits of Use

The corporate card is to be used only for business-related travel and entertainment expenses as defined in throughout this policy. **Personal use of the card is prohibited.**

2) Card Reimbursement Process

- The cardholder will request reimbursement of all University-approved expenses via Accounts Payable. AP will reimbursement cardholder only after verifying that all expenses are allowable under University Policy and that all required supporting documentation related to expenses has been provided and is valid.
- Reimbursements will never be made prior to completion of travel.
- The University will reimburse the cardholder directly; we will never remit payment directly to American Express.

3) Account Delinquency

- The total amount owed for charge card usage is due upon receipt of the statement every month. An account is considered delinquent if payment has not been received and credited to the cardholder's AMEX account within 30 days after the statement billing cycle ends.
- If an account becomes delinquent more than 6 times in any 12-month period or when the account has not been paid within 60 days, employee participation in this corporate card program is terminated, with notification to the employee's manager.
- Employees whose corporate cards have been cancelled due to nonpayment / delinquency of charges will not be allowed to rejoin the program.

4) Employee Separation / Retirement

If a cardholder separates, terminates, or retires from the University he / she will return the corporate card to the Office of Treasury Operations prior to departure. The corporate card account should be paid up-to-date and should not carry a balance.

b) Charging to NUFinancials Chart Strings

1) Expenses Authorized for Charging Directly to Chart Strings

- **Airline Tickets**
Recharging of airline tickets to a department or sponsored project (through the University's financial system) for University-approved business travel is provided through all of the University-designated Travel Agencies. This is the recommended method for purchasing airline tickets for approved business travel.
- **Lodging**
Hotel accommodations for preferred vendors may be charged to a chart string for University-approved business travel booked through the University-designated Travel Agencies. Hotel incidentals must be charged to a personal credit card.
- **Hotel Arrangements for Hosting Conferences or Academic Functions**
We understand that, when hosting conferences or academic functions, it is important as a courtesy to visitors for the department to arrange for a block of hotel rooms on their behalf; or to book a special function, conference room, or ballroom in advance. If you have such circumstances, contact your area business office in advance to coordinate an arrangement with the hotel. Coordination at this level assures another level of review and control over the billing arrangement.

Contact Travel Services at (847) 491-5993, or see a listing of preferred local hotels with which Auxiliary Services has negotiated discounted rates, some of which also have authorization from Auxiliary Services to provide direct billing to University departments for the circumstances described above, at <http://www.northwestern.edu/auxiliary-services/travel/index.html>. A Hotel Reservation Agreement Form may be downloaded from this site to arrange billing with the hotel for each event.

2) Expenses Not Authorized for Direct Billing

- **Taxi, Shuttle, and/or Limousine Services**
Direct billing arrangements between taxi, shuttle, and/or limousine services and University departments are not allowable for travel by University employees or guests of the University. Employees and guests should pay for taxi and limousine services and then submit reimbursement requests on a NUFinancials Expense Report (employees) or Visitor's Expense Report (guests), available on the NUPortal Purchasing & Payments tab. In highly exceptional circumstances, arrangements may be made for such billing subject to prior review and approval of the area business office and the Director of Purchasing Resource Services (PRS).

c) Per Diem – see Pre-Travel Considerations on page 10.

d) Receipts, in General – see Pre-Travel Considerations on page 12.

e) **Travel Advances** – see **Pre-Travel Considerations on page 13.**

f) **Cancellations & Refunds**

Arrangements for all charges, cancellations, and refunds associated with University-approved travel are the responsibility of the department, school, and/or traveler.

8. Reimbursement Processes

a) **NUFinancials Expense Report**

In order to obtain reimbursement for personal funds expended for travel, and to account for any amounts expended using an advance, all expenses must be documented on the NUFinancials Expense Report, including pre-paid and direct-billed expenses.

1) **Create Expense Report within 30 Days**

Within 30 days after the completion of each trip, a NUFinancials Expense Report should be submitted.

2) **NUFinancials Expense Report Requirements**

a) **One Expense Report per Trip**

All expenses for a trip must be consolidated and submitted on a single Expense Report. Consolidating small incidental receipts (e.g., in-town cab rides or recruiting meals) on one expense report is permissible. However, the timeframe should not exceed 90 days.

b) **Monthly Expense Report for Extended Travel**

Those traveling for extended periods should submit an Expense Report and documentation on a monthly basis.

c) **Business Purpose**

The Expense Report must document the business purpose of the travel. When available, the itinerary for a trip should be included with the supporting documentation to substantiate the business purpose.

d) **Documentation of Differences between Receipt and Expense Report Amount**

Occasionally, the amount claimed on an Expense Report is more or less than the amount of attached receipts. In this case, a written statement explaining the differences should accompany the Expense Report.

e) **Include Currency Conversion Documentation**

Include rates used in converting foreign currency to U.S. funds. The rates should be those used at the time of transaction, not the rates in effect at the time the Expense Report is submitted. For a transaction in a foreign currency, the original itemized receipt plus documentation of the exchange rate is required in the form of 1) a charge card or credit card statement or, 2) for a cash transaction, a calculated U.S. dollar equivalent on the date of the transaction. A currency converter is available at <http://www.oanda.com/currency/converter/>. Specify the amount of the expense, the transaction date, the original currency to convert from, “US Dollar. USD” to convert to, and select the “Interbank rate: +4%”. Submit a printout of the conversion web page with the Expense Report.

f) Cash Advance

Cash Advances must be reflected in the “Cash Advance Applied” section of the Expense Report. When the Cash Advance exceeds the Reimbursable Expenses, the “Total Due Vendor” amount must be returned via a personal check made payable to “Northwestern University” that accompanies the Expense Report documentation submitted to Accounts Payable.

g) Chart strings and Account Codes

In order to streamline processing of travel documents, verify that the full chart string is included in the space provided on the NUFInancials Expense Report and always use the appropriate account, i.e. 76765 for domestic travel and 76770 for foreign travel.

h) Expense Report for Sponsored Program Travel

Business travel being charged to a sponsored program must be approved by Accounting Services for Research and Sponsored Programs (ASRSP).

i) Signatures and Approvals

The Expense Report must be approved by the traveler and a supervisor. The Expense Report will be routed via electronic workflow for approvals. The supervisor must review and approve the Expense Report. Faculty must obtain approvals from the department chair or faculty supervisor. This is a basic financial control, required by generally accepted accounting and audit principles and it should always be observed.

3) Policy Exception Request

In those instances where requests for travel and other business reimbursements do not conform to stated University policies, an Expense Policy Exception Request, available on the NU Portal Purchasing & Payments tab, must be submitted with the traveler's Expense Report, explaining the reasons for not conforming to stated University policies, signed by the dean, vice president or their designees. The traveler's supervisor's approval on an Expense Policy Exception Request is not adequate unless that person has been assigned as designee. The Expense Policy Exception Request is included with the Expense Report for review and approval via the electronic workflow.

For business class tickets purchased from an University-designated travel agent, the approved Expense Policy Exception Request must be submitted to the travel agent prior to the issuance of the airline ticket.

4) Ninety-day Rule

All expenditures, costs and cost transfers should be assigned to their proper source of funds within 90 days of their occurrence in order to be posted. Processing of all travel expenditures against both sponsored and non-sponsored sources of funds must adhere to the 90-day rule. Expenditures and costs over 90 days will be posted only on an exceptional basis. For sponsored program expenditures, expenditures and costs over 90 days will be posted only on an exceptional basis and only with a 90-Day justification letter signed by the PI and submitted with the Expense Report. See <http://www.northwestern.edu/financial-operations/policies->

[procedures/policies/90-Day Rule Policy and FAQs.pdf](#) for additional information concerning the 90-day rule.

See the “Cost Transfers to Sponsored Accounts” memo for steps in submitting a correction journal along with supporting documentation and the required explanation/justification of the cost transfer at http://www.northwestern.edu/coststudies/Cost_Transfers_Policy.pdf.

9. Sponsored Programs – Special Considerations

a) Allowable Travel for Sponsored Projects

Consistent with agency regulations, sponsored travel has special considerations. All travel must be completed within the beginning and end dates of the sponsored program.

Reimbursements to individuals will not be made prior to completion of travel.

b) Domestic vs. Foreign Travel on Sponsored Programs

1) Domestic Travel

Domestic travel is defined as travel within the US, its territories or Canada.

2) Foreign Travel

Foreign travel is defined as travel between the US, including its territories or Canada and any other country; OR travel between points outside the US, its territories, or Canada.

3) Approval

Many sponsored programs require that foreign travel be approved or authorized in writing in advance by the sponsoring agency. In addition, some sponsored programs require that travel to certain areas be cleared through other government channels. For these and similar reasons, ASRSP must be consulted when foreign travel under Federal or non-Federal sponsored programs is planned.

c) Use of Foreign-based Carriers on Sponsored Programs – Fly America Act

When making travel arrangements to a foreign country, which are to be paid by sponsored program funds (particularly those programs that are federally funded), it is required that a US-based air carrier be used. This requirement applies based on the Federal guidelines provided below regardless of factors of cost, convenience, or personal preference. Be advised that the traveler, and not the travel agency, is responsible for compliance.

Additional guidance can be found at the [ASRSP website](#).

1) Use of U.S. Flag Air Carriers

The Federal Fly America Act mandates that travel sponsored by the Federal government must be on U.S. airlines or a foreign air carrier that code shares with a U.S. Flag carrier on the flight taken. This includes flights within the U.S. If there is no U.S. carrier to your destination, you must travel on a U.S. carrier as far as possible. By law, additional cost for U.S. carrier flights is not sufficient justification to fly on foreign carriers. Please note that the same rules apply to a foreign visitor’s flights.

If you are scheduling international travel that is federally funded, you are allowed to

schedule international travel on foreign air carriers that code share with a U.S. Flag carrier. Code sharing occurs when two or more airlines “code” the same flight as if it were their own. In other words, a U.S. airline may sell a seat on the plane of a foreign airline carrier; this seat is considered the same as one on a plane operated by a U.S. flag carrier. Compliance with the Fly America Act is satisfied when the U.S. flag air carrier’s designator code is present in the area next to the flight numbers on the airline ticket, boarding pass, or on the documentation for an electronic ticket (passenger receipt).

2) Open Skies Agreement

The Federal Fly America Act mandates that travel sponsored by the Federal government must be on U.S. airlines. One exception to this requirement is transportation provided under a bilateral or multilateral air transport agreement called “Open Skies Agreements.” There are currently four Open Skies Agreements that permit traveling on a European Union, Norwegian, Icelandic, Australian, Swiss or Japanese carrier under specific circumstances. See: [Foreign Travel Flowchart](#).

Though the Federal Open Skies policies allow use of foreign airlines, the easiest and safest way to comply with Federal air travel regulations is to continue to book flights only on U.S. airlines.

The use of a U.S. air carrier is required on Department of Defense awards even when there is an Open Skies Agreement in place.

3) Generally Permitted Exceptions

- No U.S. flag air carrier provides service on a particular leg of the route. (Travelers may use foreign air carriers to or from the nearest interchange point with a U.S. Carrier).
- Use of a foreign air carrier is necessary for medical reasons (additional supporting documentation required)
- Use of foreign air carrier is required to avoid unreasonable risk to traveler’s safety. (see [41 CFR 301-10.138 \(b\)\(2\)](#) for required supporting evidence).
- Service on a foreign air carrier is 3 hours or less and the use of a U.S. flag air carrier doubles time enroute.
- Air Travel is between U.S. and another country and use of a U.S. carrier on a non-stop flight extends travel time by 24 hours or more.
- Use of a U.S. carrier would increase the number of aircraft changes outside of the U.S. by 2 or more.
- Use of a U.S. carrier extends travel time by 6 hours or more.
- Use of a U.S. carrier requires a connecting time of 4 hours or more at an overseas interchange point.
- Use of foreign air carrier is permissible under the Open Skies Agreement. See: [Foreign Travel Flowchart](#).

d) Per Diems

Per diems are permissible for meals and incidental expenses (M&IE) for authorized business travel. Certain awards have per diem limitations. Such requests should be made in advance

of the trip, as these arrangements may require agency approval. If approved, the University uses the Federal Government's published per diem rate schedules to govern reimbursement standards. See the "Per Diem" section in this document.

10. Travel for Non-University Personnel

a) Travel Policy for Non-University Personnel

The travel policies and procedures stated in this document apply fully to individuals who are not University faculty or staff, but who are to be reimbursed by the University for University-approved travel, including transportation, lodging, and other travel-related costs. These individuals include guest lecturers or researchers, consultants, research subject participants, and prospective faculty or staff. Funds to support such travel are commonly limited by departmental budgets and/or the terms of sponsored programs. No commitment for reimbursing such expenses should be made before ascertaining that the University's travel policies and procedures authorize such activities. The appropriate University officer may approve more specific or restrictive policies for individual departments with special needs. Special considerations and additional restrictions apply to travel for non-resident aliens, described at <http://www.northwestern.edu/hr/payroll/nonresidentindcont.html> .

Questions regarding insurance coverage for non-employees undertaking University-approved travel, coverage for individuals whose employee status is unclear, or whether certain travel qualifies as approved travel should be directed to Risk Management prior to the trip. See the "Contact Information" section of this document.

To ensure compliance, the department is responsible for informing guests of the University's travel policy and procedures prior to their visit, and providing them with the Visitor's Expense Report, available on the NUPortal Purchasing & Payments tab, to document travel expenses. Visitor Expense Reports should be approved by authorized personnel in the unit. To request reimbursement, the department arranging the travel is responsible for having all visitor forms properly completed and processed with original receipts attached if applicable.

b) Employment Interviews

Prospective employees may be reimbursed for travel expenses incurred in connection with an employment interview at the University, if authorized by the hiring department. The University's travel policies and procedures must be followed. Travel arrangements for the prospective employee should be made through the approved NU Travel Agencies and charged directly to the appropriate department funding source in the University's financial system. Reimbursement for out-of-pocket travel expenses is requested by submitting the completed Visitor's Expense Report, available on the NUPortal Purchasing & Payments tab, along with original receipts if applicable.

c) Lecturers and Other Official Visitors

Departments may authorize reimbursement to visiting lecturers and other official visitors for expenses incurred in connection with their travel to the University. The University's travel policies and procedures must be followed. Travel arrangements should be made through the approved NU Travel agencies and charged directly to the appropriate departmental funding source in the University's financial system. Reimbursement is requested by submitting the

completed Visitor's Expense Report, available on the NUPortal Purchasing & Payments tab, along with original receipts if applicable.

11. Entertainment & Courtesy

a) Authority and Responsibility

Travel, entertainment and courtesy transactions must be authorized in advance by the traveler's supervisor. Employees must be authorized to commit the University's resources, and are subject to disciplinary action up to and including the termination of employment if proper authorization is not obtained. A process should be established within each school/unit as to how authorizations for transactions will be documented. It is the responsibility of each school/unit to determine how it chooses to implement the authorization process (e.g. e-mail, authorization form).

Employees must verify that planned expenditures are eligible for reimbursement before making arrangements. Within 30 days after completion of the travel or purchase, the employee or his/her proxy should submit a NUFinancials Expense Report and supporting documentation with receipts attached to the NUFinancials Expense Report to obtain expense reimbursement.

University relies upon individual judgment at all levels of the organization in determining whether entertainment & courtesy expenses are necessary and reasonable. Persons responsible for University expenditures in the areas of entertainment and courtesies are urged to be thoughtful when considering making these expenditures and to exercise discretion and good judgment in the use of University funds regardless of their source. Nothing substitutes for thoughtful judgment as the first line of review. Resources expended for entertainment and courtesies are resources unavailable for other important purposes within a program, school, department, center, or division. Therefore, each unit gains from a careful and thoughtful application of resources, avoiding frivolous expenditures which waste University resources.

The faculty or staff supervisor is responsible for reviewing the Expense Report for compliance with policy and for providing proper payment documentation. Supervisors are required to review expenditures, and in cases where there is reason to believe the expenditures may be inappropriate or extravagant, withhold reimbursement. Deans and central administrative offices also review reimbursements and may question expenditures at any time.

Each school is responsible for ensuring that personnel properly implement and administer this policy.

The ultimate responsibility for the review and approval of transactions lies with the school/unit. Accounts Payable (AP), upon receipt of the complete Expense Report, will verify that it has been signed by the traveler and the traveler's supervisor, and approved by all required approvers via the electronic workflow approval process. AP verifies that any attached Expense Policy Exception Request has been signed by the Dean, Vice President or his/her designee. If the Expense Report does not contain the proper signatures and exceptions are not accompanied by an Expense Policy Exception Request, the Expense

Report is returned to the school/unit for revision. AP will, at its discretion, review expenses for reasonableness and compliance with policies and guidelines. Items that are not returned by AP should not be construed as acceptance for future practice. AP does reserve the right to seek additional information when deemed warranted and there are post audit procedures to assist in evaluating transaction data.

For sponsored projects, Accounting Services for Research and Sponsored Projects, ASRSP, verifies that charges on the Expense Report are in compliance with both sponsor and University policies, approves the Expense Report via the electronic workflow approval process, and forwards the Expense Report to Accounts Payable. If the Expense Report contains a charge that is not allowable, the Expense Report is returned to the department for revision.

b) Events

Annual holiday parties are allowable if they are reasonable in scope, with only one party per department, school, or unit, supported by unit funds. The current standard for maximum cost per person is \$27. The allocation is intended to cover the total cost of the event, including facility charges (if applicable). If additional guest (e.g. spouses, etc.) are included, the allocation does not apply to those guests. Additional costs should be reimbursed personally. Schools or units may establish per person guidelines consistent with the availability of resources, but should not exceed the guideline established above (\$27/person). Also, other incidental costs incurred by faculty, staff, and students in order to participate in such events such as parking or babysitting, are not allowable for reimbursement. See "Travel Expenditures not Reimbursable by the University" in "Travel Policies and Procedures" at <http://www.northwestern.edu/financial-operations/policies-procedures/policies/travel.pdf>.

One general appreciation party or event during an academic year for staff, faculty, or students is also acceptable. Schools or units may establish per person guidelines consistent with the availability of resources, but should not exceed the guideline established for holiday events (\$27/person). The allocation is intended to cover the total cost of the event, including facility charges (if applicable). If additional guest (e.g. spouses, etc.) are included, the allocation does not apply to those guests. Additional costs should be reimbursed personally. Also, other incidental costs incurred by faculty, staff, and students in order to participate in such events such as parking or babysitting, are not allowable for reimbursement. See "Travel Expenditures not Reimbursable by the University" in the Travel policy at <http://www.northwestern.edu/financial-operations/policies-procedures/policies/travel.pdf>.

Events to recognize retirement of University employees, when authorized by a Dean or the senior area administrative officer are allowable.

Retreats to analyze school or unit issues are allowable if approved in advance by the most senior officer (Provost, Executive Vice President, or Dean). Ideally, such meetings should be held on campus.

Judgment is required in planning social events for the purpose of introducing new faculty and staff to employees. Where such events are deemed to be appropriate, efforts should be

made to ensure that the expenditures are reasonable. The cost of events that do not have a clear purpose or are of general nature ("uplifting of morale") should be borne by the participants or management personally, on behalf of the participants.

Parties in celebration of other major life events--weddings, birthdays, births, promotions, dissertation defenses, or recognition of colleagues separating from the University are unallowable. Contributions should be solicited from friends and fellow workers to cover the expenses of these occasions.

Costs of other activities, including amusement, diversion, and social activities, are also prohibited on sponsored accounts.

c) Meals

In-town meal reimbursement is allowable if there is a legitimate business purpose involving non-University personnel. The inclusion of University employees should be moderated as much as possible (e.g., no more than 2-3 other employees in attendance). In planning entertainment for University guests, all efforts should be made to provide reasonable meal arrangements. Reasonably priced restaurants or catering services should be used. For group meals, the most senior employee should assume the responsibility of paying the bill.

It is the policy expectation that each employee will pay for their own meal if discussing University business while "in town". If Vice-Presidents and Deans must arrange meetings during mealtime to facilitate a confidential matter or unusual scheduling constraints, it is permissible to seek reimbursement of an "in town" meal. This should occur infrequently. The reimbursement must note the business purpose of the meal and the attendees must be documented on the reimbursement. This also applies to Dean-initiated meetings of a quarterly or monthly interval in which light refreshments are served, and/or program-based working events which are pre-planned. A guideline of \$8-\$10 per person should be used in planning such events.

The recommended standard for reimbursement for dinners hosted by faculty or staff members for University guests is \$65 per person (including tax and tip). See Evanston restaurants with fixed price dinner menus that meet this reimbursement standard at <http://www.northwestern.edu/userservices/travel/dining.html> .

With the approval of the appropriate Dean or Vice President, in special recruiting or donor circumstances for vice presidents, deans, department heads and tenure line faculty, the maximum recommended standard for dinner reimbursement is \$90 per person (including tax and tip), but schools and units may establish lower amounts consistent with the budgetary allocations available for overall recruiting or fundraising efforts.

Taxes and gratuities on meals are reimbursable for approved business and entertainment services.

If meals for other individuals are included in the total, their names and relationship to the University must be specified on the Attendees page, as well as the business purpose of the

meal. For group meals, the most senior employee should assume the responsibility of paying the bill.

This documentation requirement also applies to dining services at the Allen Center and Norris Center, events catered by outside vendors and events where food is purchased from the grocery store or bakery, or other source. The Allen Center and Norris Center will provide billing services for departmental groups of ten or more for functions with a legitimate University business purpose. Individual meals must be paid for in advance and reimbursement sought after the fact with proper receipts and justification.

The cost of meals during normal working hours, when not traveling is generally unallowable. Examples include: meal reimbursement while visiting either the Chicago or Evanston campus for work-related purposes; reimbursement for "working meals", where one employee takes another employee to breakfast, lunch, or dinner; and reimbursement for "social meals", defined as two or more individuals from within the University eating together. Formal meetings to discuss legitimate University business normally can be held during regular business hours.

d) Refreshments

Coffee service and water for reception areas where there is public traffic is allowable.

Modest refreshments at school-wide or department meetings are allowable at either monthly or quarterly intervals. For example, box lunches for chairs' meetings can be purchased in the range of \$8-10 per person. Morning meeting refreshments should be kept to a minimum.

Purchase of food on a continual basis for employees or students is unallowable. Food purchased for a regularly scheduled weekly meeting or for daily consumption within an office or classroom is an inappropriate use of University funds. Contributions should be sought to cover such expenses.

The cost of alcoholic beverages is prohibited on all sponsored projects and should be discouraged in all settings. When purchased on a non-sponsored project, the correct account should be used (76769 Domestic Alcoholic Beverages for expenses incurred in the U.S. for alcoholic beverages or 76774 Foreign Alcoholic Beverages for expenses incurred outside of the U.S. for alcoholic beverages). Every effort should be made to segregate out alcohol from other costs and use the established account. Employees are reminded to be in compliance with the University's Policy on Drugs and Alcohol.

All food purchases should be submitted for reimbursement with an Expense Report stating the business purpose of the purchase, with original receipts attached. When food is arranged through a caterer, a requisition should be created in advance specifying the One Time Service option and an invoice received upon delivery of services. Note that tax will not be reimbursed for purchases of food and incidentals from local vendors or grocers.

Petty Cash funds may be used for food purchases under \$100 with proper documentation provided, including the business purpose of the event.

Food purchases are not an allowable use of cash advances. They should be purchased using a purchase order, or paid in advance by an individual with reimbursement sought after the fact. If you have special circumstances, contact your area administrator in advance to coordinate with Controller's Office an arrangement for payment of the food purchase using a cash advance. Coordination at this level assures another level of review and control over the billing arrangement, and that the Controller's Office will have a record of this exception.

e) Gifts and Flowers

Gifts and flowers to any University employees for any purpose other than those provided through the official University Human Resource employee recognition programs are unallowable. Deans and Vice-Presidents have discretion to determine whether flowers are appropriate in certain cases where institutional representation is important.

Holiday gifts for faculty and staff are unallowable. Personal contributions among colleagues should be the method of providing such gifts.

Gifts and flowers in celebration of other major life events--weddings, birthdays, births, promotions, dissertation defenses, or recognition of colleagues separating from the University are unallowable. Contributions should be solicited from friends and fellow workers to cover the expenses of these occasions.

f) Club Memberships

Club memberships of any type are generally not allowable; exceptions must be approved by the Provost or Executive Vice President. For approved exceptions, club induction dues and any capital assessments are reportable as income to the employee. Meals and events are reimbursable only to the extent that such costs relate to discrete, bona fide entertainment expenses that are documented with guests' names and the University business purpose of the entertainment.

Forms/Instructions

N/A

Appendices

N/A

Related Information

N/A

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History /Revision Dates

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Next Review Date: March 1, 2017