



## TRAVEL AND ENTERTAINMENT

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### Policy Statement

All expenditures for travel, entertainment, and related expenses must support and advance Northwestern's mission of education, research, and public service. This policy establishes minimum requirements for the approval and reimbursement of University-approved travel and entertainment expenses, as defined below. Each community member responsible for making decisions concerning such expenditures should always ask whether an expense represents an appropriate and worthy use of University funds. All travel and entertainment expenditures must be (i) documented as to business purpose, (ii) allocable to an appropriate funding source, and (iii) approved by an appropriate supervisor.

### Purpose

The University is responsible for managing its resources prudently and for reimbursing expenses consistent with legal and regulatory requirements. Accordingly, this policy provides guidance on permissible expenditures of University funds from all sources for University-approved travel and entertainment; and outlines authority and responsibility for approval and reimbursement of such expenditures.

### Audience

All members of the Northwestern community, including those authorized faculty, staff, students, and guests who travel, entertain, or extend courtesies on behalf of the University.

### Definitions

*Scanned Receipts:* Electronic copies of documentary evidence are acceptable by the IRS per Revenue Proclamation 97-22; the copies must be identical to the originals and contain all of the information of the original receipt.

*Deans and Vice Presidents:* for purposes of this policy, the deans of Northwestern's schools and the vice presidents of its administrative units.

*Entertainment:* meals, activities, or events provided for University purposes.

*In-town travel:* travel within the City of Chicago and to/from/within its suburban areas, or other metropolitan areas where Northwestern has a permanent location, with respect to employees of that location.

*Inter-campus travel:* travel between the Evanston and Chicago campuses.

*Non-conventional lodging:* a room, apartment, house, or other lodging (such as AirBNB, VRBO, etc.) that is not a hotel or motel.

*Per diem:* a standard daily allowance for meals and incidental expenses incurred when traveling.

*Pre-approval review:* advance notification of travel and entertainment plans before expenditures are authorized. Administrative and academic units of the University may establish their own guidelines for this review.

*Post-audit review:* review of transactions after approval and posting for conformance with policy and to monitor effectiveness of reviews by approvers. Administrative and academic units of the University may establish their own guidelines for this review.

*University-approved travel:* 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 from another destination, but does not include commuting between one's home and normal place of employment.

## Policy Implementation

### I. *Allowable Expenses*

Expense must meet the following minimum requirements for allowability:

- *Allowable under Accountable Plan:* An expense reimbursement that satisfies the requirements of Internal Revenue Service regulations by meeting the requirements of a business purpose, substantiation of the expense and purpose, and returning amounts in excess of substantiated expenses in the case of advances. See IRS Regulations section 1.62-2(c)(2).
- *Adequate records* Adequate records and documentary evidence, such as receipts, are needed for all lodging expenses, and other expenses; but are not required for non-lodging expenses or transportation expenses for which a receipt is not readily available when the amount is less than the published [Northwestern spending limit guidelines](#) or per diem allowances for meals and incidentals reimbursed under an accountable plan and not exceeding the federal rates.
- *Cost Allowability for Sponsored Charges:* Northwestern follows the federal principles outlined in 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), including the Cost Accounting Standards contained therein, as well as specific terms and conditions of individual sponsored agreements.
- Transactions must be in compliance with Federal and State laws.

### II. *Authority and Responsibility for Approving Expenses*

- Deans and Vice Presidents are responsible for implementing this policy by assigning appropriate expense approver roles and establishing procedures for review in the approvers' respective areas and for authorization of exceptions to policies. These procedures and guidelines may be more restrictive than the requirements in this policy and related policies. A process should be established within each school and administrative unit for the timely submission, authorization, review, and approval of transactions; such processes should have sufficient controls to mitigate the potential for unauthorized expenditure of University funds. In very limited cases, when approved by a Dean or Vice President and essential for University business purposes, certain less restrictive exceptions may be granted. Review procedures may include a combination of pre-approval and post-audit reviews. Recommendations on best practices can be found [here](#).
- In those instances where requests for travel and other business related expenses do not conform to stated University policies, an Expense Policy Exception Request Form (available on the [PPS Accounts Payable website](#)) must be reviewed and signed by the Dean, Vice President, or designee and be submitted with the traveler's Expense Report.
- Guidance on electronic workflow approval roles and responsibilities is available on the [Accounts Payable website](#). Standards for Business Conduct may be found [here](#).
- The Provost and the Vice President & Chief Financial Officer review and approve expense reimbursement requests submitted by Deans and Vice Presidents, respectively. The President reviews and approves expense reimbursement requests submitted by the Provost and Vice President and Chief Financial Officer.
- All transactions are subject to review and audit. Northwestern's Accounts Payable Department (Accounts Payable) periodically reviews expenses for reasonableness and consistency with this policy and related guidelines. Northwestern's Office of

Accounting Services for Research and Sponsored Projects (ASRSP) reviews expenses charged to sponsored accounts. Northwestern's Internal Audit Department conducts routine audit activities to evaluate whether travel and entertainment expenses are appropriate, accurate and in compliance with the appropriate policies.

### III. *Specific transaction requirements*

- **Timing of reimbursement request**

- i. For best practice, reimbursement requests should be submitted within 30 days after completion of travel/incurrence of non-travel-related expense. Per the [University 90-day Policy](#), transactions more than 90 days old require an Expense Policy Exception Request Form (available on the [PPS Accounts Payable website](#)) be submitted with the traveler's Expense Report. Late submissions require additional substantiation and Dean, Vice President, or designee approval. This applies to corporate card transactions as well.
- ii. Reimbursements to individuals will not be made prior to completion of travel to ensure business activity is performed.
- iii. Travel Advances. Travel advances are generally not encouraged since booking travel through the Northwestern travel program allows expenses to be booked directly to a chart string, corporate cards are available to staff that travel regularly, and the reimbursement process has been significantly streamlined for faculty, staff, students, and guests that do not have a corporate card. When a travel advance is necessary, see [travel advance conditions](#).

Refer to the [Managing Travel Advance Training Guide](#) in the Northwestern Knowledge Base portal.

- **Documentation of Expenses**

- i. Documentary evidence, such as receipts, are required for all lodging expenses.
- ii. It is considered a best practice to attach a receipt for all actual expenses incurred, regardless of dollar amount. However, the dollar amount when receipts are mandatory is aligned with Federal GSA requirements (see [Northwestern spending limit guidelines](#)). This applies to the following:
  - non-lodging expenses
  - transportation expenses for which a receipt is not readily available
  - per diem allowances for meals and incidentals reimbursed under an accountable plan and not exceeding the federal rates.
- iii. For expense reports that include expenses expressed in foreign dollars, a copy of the currency conversion work sheet must be attached to the expense report. Refer to the [Entering Foreign Currency Job Aid](#) in the Northwestern Knowledge Base portal.
- iv. Electronic copies of documentary evidence, such as scanned receipts, are acceptable by the IRS per Revenue Proclamation 97-22; the copies must be identical to the originals and contain all of the information of the original receipt.

Additional documentation retention guidance is available [here](#).

- **Unallowable on a sponsored program**

- i. Below are some of the costs not allowable as a direct cost on a sponsored program:

- 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.)
- Alcohol
- Expenses associated with the recruitment of faculty
- 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. A current list of allowable fees can be found [here](#).
- Meals for in-town conferences
- Expenses related to amusement, diversion, and social activities
- For a complete list, visit [Cost Allowability for Sponsored Charges](#)

#### IV. *Travel*

Faculty, staff, and students should use the [Northwestern travel program](#) whenever possible to book flights, hotels, and rental cars. However, please note that it is not out of policy (no policy exception form required) to book flights, hotels, etc. directly with the airline or hotel when necessary. Those that travel regularly should use a Corporate Card (with travel and entertainment enabled) whenever possible when booking travel outside the program.

Actual expenses incurred (or per diems) for approved travel are reimbursable unless billed to a chart string when booked through Northwestern’s travel program up to the published [Northwestern spending limit guidelines](#).

- **Specific Transportation Expenses**

- i. Airfares/Airline Fees

- First class travel is generally not allowable. Airfare classes other than economy (such as Business Class) are permitted when scheduled flight time, including stopovers and change of planes, is in excess of 7 hours, and when using non-sponsored sources of funds.
- Airlines continue to add distinctions of economy seating as a mechanism to price-separate consumers. In cases where an “Economy Plus” ticket is a reasonable additional cost on non-sponsored travel and provides for certain benefits to improve the travel experience, such fare class is allowable.
- Premium fares may not be charged to a sponsored program.
- If travel is on a sponsored program, the sponsoring agency may have additional restrictions and require advance approval. For guidance, see [ASRSP’s travel webpage](#).
- Travel services and arrangement guides may be found on [Northwestern’s travel website](#).

ii. Foreign Air Carriers

- Foreign carriers are allowed on non-sponsored sources of funds.
- Foreign carriers are restricted on sponsored programs. For guidance, see [ASRSP's travel webpage](#).

iii. Ground Transportation (taxi, ride share, etc.)

- Reimbursable ground transportation to or from a destination includes travel between hotels and railroad stations or airports, between appointments, or between hotels and places of temporary duty.
- Direct billing arrangements for ground transit options are not allowed for employees.
- Direct billing arrangements for University guests are permitted for offices that have responsibility for frequent coordination of guest visits if approved by and must be approved in advance by a Dean, Vice President, or designee.
- For units authorized for direct transportation billing, a log of University guests or employees using the service must be maintained, the business purpose recorded, and proof of reconciliation of the billing to the log maintained.
- Guidance on the use of ground transportation services for University guests is available [here](#).

iv. Commercial Rental Vehicles

- Rental vehicles are reimbursable. Arrangements can be made through the University's travel program to ensure competitive rates and insurance coverage. More information is available on the [Vehicle Rental](#) page.
- Incidental costs associated with the use of a rental vehicle, including parking fees, tolls, and fuel may also be reimbursed.
- 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 only purchase liability insurance and the collision damage waiver (CDW) from the rental agency if the rental is for a Student Organizations or Club, or when renting outside of the U.S and Canada.
- 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.
- Visit [Risk Management vehicle use](#) for additional information.

v. Private Air Carrier

- The use of private aircraft for University business is generally prohibited. However, if a determination is made that private aircraft

travel is essential to the achievement of a critical University business objective, the Provost or Vice President and Chief Financial Officer may approve in advance select University personnel for private aircraft travel. Such events must follow the University's Protocol for Private Air Travel.

- The University reserves the right to refuse reimbursement of expenses related to private aircraft use if there is no consultation in advance of the travel.

vi. Private Automobile Transportation

- Travel on University business using privately-owned vehicles is reimbursed based on [IRS mileage reimbursement rates](#).
- Tolls and parking charges may be reimbursed in addition to the mileage allowance.
- Repairs to the vehicle and charges for parking and moving violations are not reimbursable.
- Additional guidance on travel by private automobile is available [here](#).

vii. Intercampus and In-Town Travel

- Inter-campus and in-town travel is generally not reimbursable as the University provides transportation solutions to address this need, but in limited cases with business justification, Deans and Vice Presidents may elect to approve such in-town or inter-campus expenses.
- More information is available on the [Transportation and Parking office](#) website, including information on discounted parking passes.
- Parking in downtown Chicago when attending a conference or off-campus meeting is reimbursable when using the inter-campus shuttle is not convenient due to the location of the meeting.

• **Specific Lodging Expenses**

- i. Travelers will be reimbursed for actual cost of lodging. Guidelines and recommendations for reserving accommodations are available [here](#).
- ii. Non-conventional Lodging (such as VRBO, AirBNB, etc.)
  - Rentals of non-conventional lodging are reimbursable.
    - Accommodations and costs should be comparable to traditional lodging.
  - If lodging with family or friends, employees may be reimbursed for additional costs the host incurs in accommodating them.
  - When an employee rents a room, apartment, house, or other lodging on a long-term basis (weekly or monthly), additional expenses may be considered part of the lodging cost; guidelines for such expenses are available [here](#).

• **Meals while Traveling**

- i. Expenses for meals while traveling are reimbursable under the actual cost or per diem reimbursement method (see Per Diem Requirements).

- ii. Reimbursement is limited to Northwestern's published [Northwestern spending limit guidelines](#). Additional reimbursement guidelines are available [here](#).
    - Reimbursement limits for expenses using sponsored dollars are limited to the [GSA Guidelines](#).
  - iii. Meals that include individuals other than the traveler must be supported by listing names and relationship of individuals to the University on the expense report, and the business purpose of the meal.
- **Other Travel Expenditures**
  - i. Taxes on travel lodging, meals, and business entertainment services are allowable and reimbursable.
  - ii. Telephone/Other Communications/Internet
    - Costs for telephone and other communication methods during travel are reimbursable. Guidelines on international communications are available [here](#).
    - Charges for Internet connections for business use at hotels, conference sites, airports, airplanes and cafes while traveling are reimbursable.
  - iii. Tips and gratuities associated with baggage handling, storage, and other services are reimbursable. When the per diem method of reimbursement is used, this expense is covered by the incidentals portion of M&IE.
- **Travel of Non-University Personnel**
  - i. Non-University personnel (including guest lecturers, researchers, consultants, research subject participants, and prospective faculty or staff) may be reimbursed for travel expenses incurred for authorized University business purposes and subject to University travel policies and procedures. Additional guidelines and considerations relating to visitor travel are available [here](#).
  - ii. For lodging, all actual expenses must be supported by receipts.
  - iii. Additional per diem guidance is available [here](#).
- **Per Diem Requirements**
  - i. 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.
    - Per diem limits apply to visitors and guests as well.
  - ii. Per diem allowances shall not exceed the maximum stated by the government's published standards, including only 75% of the per diem rate on the first and last day of travel. In the case of travel charged to a sponsored program, the reimbursement arrangements may require prior sponsor approval.
    - Expenses covered by conference registration (such as lunch) must be deducted from the per diem allowance.
- **Non-Reimbursable Travel Expenditures**
  - i. Expenses not directly related to the performance of the travel assignment are non-reimbursable, regardless of funding source. Examples of Non-Reimbursable Travel Expenditures include, but are not limited to:



- Books, Magazines, Newspapers for personal use
- Child-care, babysitting, adult or senior care, house-sitting, pet-sitting/kennel charges
- Commuting between home and campus
- Costs incurred by traveler's failure to cancel transportation or hotel reservations in a timely fashion
- Evening-wear rentals; formal wear expenses
- Flowers
- Gifts
- Haircuts and personal grooming
- Laundry and dry-cleaning; shoeshine services
- Passports, vaccinations, and visas, unless required as a specific and necessary condition of the travel assignment
  - 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 the University.
  - Reimbursement of visa fees is allowable where foreign travel is authorized as part of a sponsored program budget and a visa is necessary for travel. Only certain immigration fees are allowable on sponsored projects.
- 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
- Travel accident insurance premiums and/or purchase of additional travel insurance (with the exception of international health insurance)
  - Because Northwestern provides travel insurance coverage for faculty and staff traveling on University business, separate insurance is not eligible for travel expense reimbursement.
  - 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. Such insurance does not cover 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. Additional coverage guidance is available [here](#).
- Spouse or Dependent Expenses
  - Incremental costs for travel, lodging, meal, or other travel expenses for spouses or other dependents will not be reimbursed.
  - Although spousal travel generally is not reimbursable, an

exception may be made when the University requires the spouse to attend an event as a condition of one's work assignment. The exception generally should be limited to deans and senior officers, and should occur infrequently.

## V. *Entertainment*

Entertainment costs are reimbursable using non-sponsored sources of funds per discretion of Deans and Vice Presidents and when deemed to support University objectives.

Many University events can be exempt from taxes.

The following events are subject to the published [Northwestern spending limit guidelines](#):

- **University Funded Events**

- i. Two total events in the following categories each year.
  - Annual Holiday Parties
  - General appreciation party or event
- ii. Social entertainment that is essential for fulfillment of leadership duties. These events may occur in personal residences, in University space or outside the University.
- iii. Certain departmental, social and life events.
  - School-wide or departmental meetings
    - Lunch or modest refreshments at school-wide or department meetings are allowable at either monthly or quarterly intervals as appropriate, budget permitting.
  - Committee, society, and other faculty organization meetings
  - Faculty/Staff retirement from Northwestern events
  - Social events for the purpose of introducing new faculty and staff
  - Annual retreat
- iv. Events for which University funds may not be used
  - Events that do not have a specific University business objective purpose should be funded by the participants or management personally, on behalf of the participants.
  - Events in celebration of other life occurrences--weddings, birthdays, births, promotions, or dissertation defenses are unallowable. Funds should be solicited from fellow employees to cover the expenses of these occasions.
  - Costs of other activities, including amusement, diversion, and social activities, are prohibited on sponsored accounts.

- **In-Town Meals with Visitors and Employees**

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. The reimbursement

request must note the business purpose and the list of attendees. All efforts should be made to provide reasonable meal arrangements.

- i. Each employee is to pay for their own meal if discussing University business with other University personnel while “in town”.
- ii. 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.
- iii. Dinners hosted by faculty or staff members for University guests. See Evanston and Chicago restaurants with fixed price dinner menus that meet this reimbursement standard [here](#).
- iv. Special circumstances of recruiting or fundraising for Vice Presidents, Deans, and Department Chairs. The appropriate Dean or Vice President must approve, and schools and units may establish amounts lower than the published [Northwestern spending limit guidelines](#) to be consistent with the budgetary allocations available for overall recruiting or fundraising efforts.
- v. The reimbursement guideline amounts are inclusive of taxes, gratuities, meals, staff benefit and other surcharges, and credit card processing fees.

- **Refreshments**

- i. Alcoholic beverage costs are prohibited on all sponsored projects.
- ii. No alcohol may be served to individuals under the age of 21 per Illinois state law. Guidelines for the service of alcohol at University events are to be followed for events that include alcohol, and can be found [here](#).

- **Gifts and Flowers**

- i. Gifts and flowers to University employees other than those provided through Northwestern’s Office of Human Resources employee recognition programs generally are unallowable. Gifts to employees may be subject to tax, contact [Tax and Regulatory Services](#) for guidance and the [Payroll office](#) for specific information.
- ii. Deans and Vice Presidents have discretion to extend courtesy and sympathy to donors, employees, and students as circumstances dictate.

- **Club Memberships**

- i. Club memberships of any type are generally not allowable; exceptions must be approved by the Provost or the Vice President and Chief Financial Officer.
- ii. 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 such costs relate to University business purpose and expenses that are documented with guests’ names and the University business purpose.

## **Consequences of Violating this Policy**

Employees who commit the University’s resources without proper authorization are subject to disciplinary action under University policies and procedures, up to and including termination of employment. If a review of expenditures does not substantiate the University business purpose of travel or entertainment, the University also reserves the right to treat the reimbursement as personal income.

## Related Information

*Supplemental webpages*

[Northwestern's Travel Website](#)

[Accounts Payable Expense Reimbursements](#)

[ASRSP Sponsored Expenses](#)

*Other information*

[90-day Rule Policy](#)

[Accounts Payable guidance on workflow approval roles and responsibilities](#)

[U.S. General Services Administration reimbursement rates](#)

[Northwestern Vehicle Rentals](#)

[Purchasing and Payment Policy and Procedures](#)

[Risk Management Business Travel Accident Insurance](#)

## Contacts

The following individuals can address questions regarding this policy:

<i>Officer</i>	<i>Phone</i>	<i>Email</i>
Vice President and Chief Financial Officer	847-491-7350	<a href="mailto:amanda.distel@northwestern.edu">amanda.distel@northwestern.edu</a>
Controller	847-491-4722	<a href="mailto:nicole.vanlaan@northwestern.edu">nicole.vanlaan@northwestern.edu</a>
Assistant Vice President, Procurement, Payment, and Logistics	847-491-8121	<a href="mailto:j-konrad@northwestern.edu">j-konrad@northwestern.edu</a>

## History

Origination date May 1, 2000; last amended date March 1, 2024.

Effective upon issuance, the information herein supersedes all previous travel and entertainment policy documentation.