

Northwestern

Introduction to Travel Expenses for Sponsored Projects



Welcome to the desktop mini course, Introduction to Travel Expenses for Sponsored Projects.

Course Topics

- The following questions will be addressed in this course:
 - Who authorizes travel?
 - Which travel expenses are reimbursable?
 - What are best practices for Northwestern travel?
 - What is the reimbursement process?
 - Where can I learn more?



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Narration:

The following questions related to travel expenses for sponsored projects are addressed in this course:

- First - Who authorizes travel? All travel must be approved in advance.
- Next - Which travel expenses are reimbursable? For sponsored project travel, it is important to be aware of the many restrictions on expenses and to plan travel accordingly. You should also be aware of the potential serious consequences of charging unauthorized or unallowable travel expenses to a sponsored project.
- Then - What are Northwestern's travel best practices? Acquaint yourself with University-recommended procedures for booking travel and handling travel expenses.
- And – What is the reimbursement process? Authorized and allowable travel expenses paid for by the traveler are reimbursable as long as funds are available. Find out how to request reimbursement.
- Finally, you will be directed to resources where you can learn more about sponsored project travel and find answers to any questions you may have.

Sponsor Authorization for Travel

- Prior to the trip, travel must be authorized by the project's sponsor via:
 - Inclusion in the sponsor-approved project budget
 - Prior written sponsor approval if travel will exceed the budgeted amount (for some funding agencies)
 - Special Principal Investigator request approved in writing by the sponsor



Narration:

Prior to the trip, travel must be authorized by the project's sponsor. There are 3 options:

- The travel and associated expense may be included in the project budget previously approved by the sponsor.
- However, if the travel expenses will exceed the budgeted amount, some funding agencies require that the PI receive written approval for the additional expense.
- For travel not included in the project budget, the Principal Investigator may make a special request to the sponsor. The sponsor then has the option to authorize the requested travel in writing.

NU Authorization for Travel

- Supervisor authorization is required prior to the trip:
 - By the Department Chair for Principal Investigator travel
 - By the Principal Investigator for project staff and student travel
- Travel authorization must be documented.



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Narration:

Also prior to the trip, travel must be authorized by the traveler's Northwestern supervisor. For purposes of travel authorization:

- The Department Chair is the supervisor that authorizes travel for the Principal Investigator.
- And, the Principal Investigator is the supervisor that authorizes travel for project staff and students working on the project.

Travel authorization must be documented in the normal manner defined by the school or unit. Find out what the procedure is in your school or unit.

Allowable Travel Expenses

- There are three reference points:
 1. Northwestern travel policy at:
<https://www.northwestern.edu/financial-operations/policies-procedures/policies/travel.pdf>
 2. OMB Uniform Guidance, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"
<https://www.northwestern.edu/asrsp/federal-initiatives/uniform-guidance.html>
 3. Individual sponsor restrictions



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There are three reference points for determining which travel expenses are allowable:

1. First, refer to Northwestern travel policy.
2. The second reference is federal guidelines outlined in Office for Management and Budget's Uniform Guidance "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"
3. Finally, be aware of individual sponsor restrictions that may be more restrictive than Northwestern or OMB Uniform Guidance policy guidelines

Because of the three reference points, determining allowable costs for sponsored projects can be complex. Therefore it is crucial to check all sources for restrictions before travel commences to avoid committing personal funds that may not be reimbursable.

Prior to Travel

- Refer to the Northwestern travel policy on allowable expenses, especially for:
 - Guidelines for reasonable travel expenses
 - Expenses not allowed for any University travel
 - Sponsored project travel restrictions
- Consult with ASRSP and OSR concerning sponsor:
 - Unallowable expenses
 - Travel restrictions



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Narration:

Prior to making travel plans, it is strongly recommended that the traveler and administrator assisting with travel arrangements refer to the Northwestern travel policy on allowable expenses, especially for guidelines for reasonable travel expenses, expenses not allowed for any University travel as well as expenses not allowed for sponsored project travel. It is best to consult with ASRSP, Accounting for Research and Sponsored Programs, and OSR, the Office for Sponsored Research, concerning special sponsor unallowable expenses and travel restrictions.

NU Allowable Expenses

- Northwestern faculty and staff will be reimbursed and outside vendors will be paid for travel-related costs and activities that are:
 - Necessary
 - Appropriate
 - Approved



Narration:

The general rule in the Northwestern travel policy is that Northwestern faculty and staff will be reimbursed and outside vendors will be paid for travel-related costs and activities that are necessary, appropriate, and approved. This is the general guideline. The University travel policy outlines allowable and unallowable sponsored project expenses in much greater detail.

NU Unallowable Expenses

- First and business class airfares, private planes
- Non-U.S. airlines with few exceptions
- Alcoholic beverages
- Personal auto travel of more than 300 miles
- Faculty or staff family member or personal expenses
- Add on fees and upgrades
- Avoidable penalties, rush fees, or late fees
- Items not related to or required for the specific travel assignment



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Narration:

Sample expense categories not ordinarily allowed by Northwestern's travel policy for sponsored projects include:

- First and business class airfares, non-U.S. airlines, and private planes. Business class is allowable with sponsor approval under some circumstances. Also, non-U.S. are allowable on an exceptional bases. Please reference ASRSP Travel page for more detail.
- Alcoholic beverages
- Personal auto travel of more than 300 miles
- Faculty or staff family member or personal expenses
- Add on fees and upgrades are generally not allowable on sponsored projects
- Avoidable penalties, rush fees, or late fees
- And, items not related to or required for the specific travel assignment

These are general categories of expenses. The University travel policy contains more specifics on each of these areas as well as on other unallowable travel expenses.

Uniform Guidance - Cost Principles

- Office of Management and Budget's (OMB) Uniform Guidance (UG), Subpart E "Cost Principles," requires that sponsored project expenses are:
 - Allowable
 - Allocable to the project
 - Reasonable
 - Treated consistently in like circumstances



Narration:

The second point of reference for allowable expenses is the Office of Management and Budget's Uniform Guidance, Subpart E "Cost Principles." This federal policy document requires that sponsored project expenses are allowable, allocable to the project, reasonable, and treated consistently in like circumstances.

At this time, travel-related expenses defined as allowable or unallowable per Uniform Guidance are covered in and consistent with the Northwestern travel policy for sponsored projects.

Sponsor Allowable Expenses

- If specific sponsor guidelines are more restrictive than University policy or UG, Subpart E, then sponsor rules shall apply.
- The allocability guideline:
 - Only expenses that benefit the sponsored project may be charged to the project.



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Narration:

The third point of reference for allowable expenses for sponsored projects is the funding agency's restrictions in general and for the individual project. If sponsor guidelines are more restrictive than University policy or UG, Subpart E, then sponsor rules shall apply.

An important guideline to remember for all sponsored project expenses concerns allocability: Only expenses that benefit the sponsored project may be charged to the project.

Travel Expense Considerations

- At the discretion of the school, department or unit, certain legitimate travel expenses that are not allowed on a sponsored project may be charged to a departmental non-sponsored account as long as:
 - Funds are available
 - The use of funds is approved, preferably in advance



Narration:

At the discretion of the school, department or unit, certain legitimate travel expenses that are not allowed on a sponsored project may be charged to a departmental non-sponsored account as long as funds are available and the use of funds is approved, preferably in advance. Check with your school, department or unit to find out whether charging sponsored project expenses to a departmental account is allowed, under what circumstances it is allowed, and the applicable procedures to be followed.

Non-Compliance Risks

- Expense reimbursement may be withheld for:
 - Unauthorized travel
 - Also may result in disciplinary action up to and including termination of employment
 - Unallowable, inappropriate or extravagant expenses
 - Late submission for reimbursement, over 90 days after the expenses were incurred.



Narration:

Be aware that expense reimbursement may be withheld for unauthorized travel. Unauthorized travel may result in disciplinary action up to and including termination of employment. Expense reimbursement may also be withheld for unallowable, inappropriate or extravagant expenses or for late submission of expenses for reimbursement. Late is defined as submitting expenses over 90 days after the expenses were incurred. So, be sure to follow guidelines for authorizing travel in advance and for charging only allowable expenses to the sponsored project. And, always submit travel expenses for reimbursement promptly.

Non-Compliance Consequences

- Potential consequences include:
 - Sponsor audit of the project
 - Damage to University and PI reputations
 - Assessment of a penalty against the University
 - In extreme cases,
 - Lawsuit against and prosecution of the PI
 - PI barred from receiving future sponsor funding



Narration:

University compliance with federal regulations for sponsored projects is monitored by the federal government. If the federal government has concerns about compliance, they may choose to investigate individual sponsored projects at Northwestern by performing an audit. If the project is found to be out of compliance, there is the potential for damage to the reputations of the University and the Principal Investigator, and possible assessment of a financial penalty against the University. In extreme cases, the federal government may initiate a lawsuit against the Principal Investigator. If found guilty, a PI could be barred from receiving future federal funding.

Sponsored project travel expenses are carefully scrutinized by the federal government. Northwestern relies on PIs and administrators like you to stay informed about travel policies and to implement appropriate compliant practices.

Travel Best Practices

- Air travel
- Lodging
- Car rentals
- Meals and incidental expenses



Narration:

Now let's look at Northwestern's best practices for travel. We will review best practices for four main travel areas: air travel, lodging, car rentals and meals. For other travel best practices and for more details, be sure to review University travel policies and procedures.

Air Travel Best Practices

- Book airline reservations through a University-designated travel agency.
- Direct bill the airfare to the sponsored project.
- Retain the airfare receipt for the Expense Report.
- Contact the travel agency promptly with any changes in travel plans.



Narration:

For air travel, the following best practices are recommended:

- First, book the airline reservations through a University-designated travel agency. These travel agencies have access to airfare discounts and they also provide services for changes in plans as well as emergency travel services when needed.
- Direct bill the airfare to the sponsored project. Travel insurance is automatically applied when airfare is direct-billed through a designated travel agency.
- Retain the airfare receipt for the Expense Report. Even though the airfare is direct-billed, it must be included on the Expense Report.
- Contact the travel agency promptly with any changes in travel plans or should any travel assistance be required.

Lodging Best Practices

- Book the hotel through a University-designated travel agency and provide a personal credit card to hold the reservation.
- Contact the travel agency promptly with any changes in plans.
- Pay the hotel bill at the end of the stay with a personal credit card and retain the receipt for the Expense Report.



Narration:

Next, we will take a look at best practices for lodging. As with airline reservations, lodging reservations should be made through a University-designated travel agency. The travel agencies have access to hotel discounts afforded the University. A personal credit card must be provided to hold the reservation. Be sure to contact the travel agency promptly with any changes in plans. At the end of the stay, the hotel bill should be paid by the traveler with a personal credit card and the receipt must be retained for the Expense Report. If Orbitz is used, hotels stays can be billed directly to a chart string.

Car Rental Best Practices

- Reserve a car through a University-designated travel agency using a personal credit card.
- Contact the travel agency promptly with any changes in plans.
- Do not purchase a collision damage waiver (CDW) in the U.S. and Canada.
- Report accidents to Risk Management.
- Pay the bill with a personal credit card and retain the receipt for the Expense Report.



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Narration:

If renting a car for sponsored project travel, it is a Northwestern best practice to make the reservation through a University-designated travel agency. The travel agent will reserve an economy, compact or subcompact vehicle with the University preferred car rental agency, National Car Rental. (Or Enterprise). The traveler's personal credit card is required to reserve the car. As always, contact the travel agency promptly with any changes in plans. When picking up the car, the traveler should not purchase a collision damage waiver (CDW) for rentals in the U.S. and Canada. Note that any accidents must be reported to Risk Management within 24 hours. When returning the car, the traveler pays the bill with a personal credit card and retains the receipt for the Expense Report.

Meals Best Practices

- Consider receiving a per diem for meals & incidental expenses (no receipts required)
- The option selected, per diem or actual expenses with receipts, applies to the whole trip.
- Or, plan to keep original detailed receipts for actual costs of meals within NU guidelines:
 - Breakfast and lunch – reasonable, actual cost
 - Dinner - \$65 limit
 - No alcoholic beverages



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Narration:

There are two best practice options for paying for meal expenses incurred while traveling. The option selected, either per diem or actual expenses with receipts, will apply for the whole trip.

One option is a per diem, a flat per-day amount for meals and incidental expenses which is defined on the federal government website by city or county. When using this option, no receipts for meals are required. Regardless of the amount the traveler spends on meals, he or she will receive the per diem amount for the location.

The other option is to keep original detailed receipts for actual costs of meals within Northwestern guidelines. The breakfast and lunch guideline is to submit actual costs for reasonably priced meals. For dinner, there is a limit of \$65. Remember that alcoholic beverage expenses may not be charged to sponsored projects.

Expense Report & Reimbursement

- One Expense Report per trip
- Submit within 30 days
- Attach detailed original receipts
- Budget check the Expense Report
- Get Principle Investigator (PI) signature
- Submit the Expense Report for workflow and ASRSP approvals
- The traveler is then reimbursed through his/her normal payroll payment method



Narration:

At the conclusion of each trip, an Expense Report must be submitted through the NUFinancials system to document all allowable expenses for the trip and to request reimbursement for expenses paid for by the traveler. Follow these steps:

- First, create an Expense Report for the whole trip in the NUFinancials system within 30 days of the traveler's return.
- Be sure to attach detailed original receipts as required. They must be scanned and attached to the expense report in the financial system.
- The Principle Investigator is not included in the electronic workflow so a PI signature must be obtained and attached unless the PI is the traveler.
- Submit the Expense Report for workflow and ASRSP approvals.
- ASRSP will forward the approved Expense Report with attached receipts to Accounts Payable for processing of the reimbursement to the traveler.
- Finally, the traveler will be reimbursed via the his or her payroll payment method, usually direct deposit.

This concludes the introduction to sponsored project travel expenses policies and procedures. In the next section, you will find out about training opportunities and other resources where you can learn more about travel expenses and reimbursements.

Policy & Procedure Information

- Northwestern travel policy and procedures:
 - <https://www.northwestern.edu/financial-operations/policies-procedures/policies/travel.pdf>
 - <https://www.northwestern.edu/asrsp/expenses/travel.html>
- OMB Uniform Guidance, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”
 - <https://www.northwestern.edu/asrsp/federal-initiatives/uniform-guidance.html>



Narration:

On the web, you can reference both Northwestern’s travel policies and procedures and the federal government’s travel guidelines at the URLs on this slide.

Expense Report Procedures

- Procedures for entering an Expense Report
- <https://www.it.northwestern.edu/admin-systems/nufinancials/tips.html>



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Narration:

Instructions for creating an Expense Report can be found on the Northwestern website at the URL on this slide.

Contact for Federal Policies

- For federal sponsored project travel policies:

<https://www.northwestern.edu/asrsp/about/staff.html>

- Research Expenditure Audit Coordinators



Narration:

There are various individuals at Northwestern who can help you find answers to your travel expense questions. Be aware that, for all questions about travel policies and expenses, it is best to find answers before the travel occurs and expenses are incurred.

Contacts for Sponsor Policies

- For information about travel expenses for specific sponsored projects:
 - The project's ASRSP Grant and Contract Financial Administrator (GCFA)
 - <https://www.northwestern.edu/asrsp/staff.html>
 - The project's Office of Sponsored Research (OSR) Grant Officer (GO):
 - https://osr.northwestern.edu/staff_directory



Narration:

If you have detailed questions about travel for specific sponsored projects, it is best to contact the project's Grant and Contract Financial Administrator (GCFA) or Grants Officer (GO) who can work with you to sort out travel requirements or restrictions related to a particular project or sponsor.

Congratulations!

- You have now completed the Introduction to Travel Expenses mini course. You have been introduced to:
 - Federal travel expense regulations for sponsored projects and the Northwestern policies that support these regulations
 - Established NU travel expense reimbursement procedures



Narration:

Congratulations!

You have now completed the Introduction to Travel Expenses mini course. You have been introduced to federal travel expense regulations for sponsored projects, Northwestern travel expense reimbursement policies, and the procedures used to comply with them at Northwestern University.