



TGS Expense Policies & Best Practices

August, 2023

Agenda

- General Expense Guidelines
- Travel and Expense Reports
- Meals
- Purchases
- Appendix

We understand that TGS staff who are serving the mission of The Graduate School will encounter a variety of business expenses while traveling and/or during your regular business operations – this is encouraged and supported – but we want you to know that the following materials are to help you to do your job effectively, to better understand the accounting and financial policies of Northwestern and TGS, to avoid delays in the expense approval processes outside of TGS, and to understand that the Finance team is here to help.

General Expense Guidelines

- Expenses must be authorized by the unit leader and included in the current fiscal year's budget
- Gifts and flowers for staff celebrations, condolences etc., are to be self-funded
- Distribution of gift cards is highly discouraged due to tax implications to the recipient
- Leverage spending with the same or similar vendors across units (e.g., swag, events/catering, etc.)
- Funds awarded to non-TGS partners (e.g., depts., students, etc.) should be charged directly to a TGS chartstring rather than transferring funds
- Northwestern is tax exempt and sales tax will not be reimbursed. Be sure to provide a [tax-exempt letter](#) when making purchases
- Northwestern does not reimburse for on-campus parking (including Chicago campus) and employees/students must not use visitor parking passes

General Expense Guidelines (cont.)

- Policy exceptions must be requested in advance and be signed by the Associate Dean for Finance and Business Operations
 - Reference the policy for which the exception is needed
 - Indicate what steps will be taken to reduce or eliminate future exceptions
- Staff professional development must be requested annually from the TGS staff PD budget and may not be charged to individual unit budgets
 - Working at a conference/event as a responsibility of your job (e.g., working a table) = unit budget
 - Attending a conference/event to improve your skills, grow in your job = staff PD budget
- Speaker fee/honorarium Northwestern average rate is \$200-\$400
 - Fees of \$1,500 or above require advance approval from Associate Dean of Finance and Business Operations
- All expenses should be submitted in a timely manner, and by no later than August 15th in order to clear in the current fiscal year.

Travel and Expense Reports

Allowable

- Coach/economy class airfare
- Taxi or standard car ridesharing service to/from airport. Alternative forms of transportation are reimbursable at the taxi rate.
- Reasonable add-on airline fees (checked baggage, etc.)
- Lodging including Airbnbs
- Meals while travelling out of town

Unallowable

- Upgraded airline seating (business class/preferred coach)
- Upgraded ride share vehicles or hotel room
- Entertainment expense during travel (e.g., in-room movies, room service or amusement park tickets)
- Alcoholic beverages
- In-flight Wi-Fi
- Personal toiletry items, masks, or clothing
- Gum, cigarettes, etc.
- Breakfast and dinner during in-town conferences
- Expenses related travel between campuses or commuting to either campus including mileage, parking, rideshares, taxis
- Passport or Visa fees

Travel and Expense Reports (cont.)

- All expenses related to trip should be included on one expense report, including pre-paid expenses.
 - Prepaid expenses (e.g., Egencia, advance registration fees) should be marked “Y” in prepaid/non-reimbursable field and “Prepaid by Northwestern”
- Each expense is listed on a separate line and must have a line description which describes the purchase
- Itemized receipts must be submitted for all travel expenses
 - All receipts should be included together in one pdf attachment
- Use [University designated travel agencies](#) for flight, hotel, and car rentals
- Expenditures and costs over 90 days will be approved only on an exception basis with a 90-Day justification letter or Policy Exception Request
 - Indicate what steps will be taken to reduce or eliminate future 90-Day exceptions
- For international travel, provide exchange rate converter (e.g., Oanda) following each expense receipt
- Expenses cannot be reimbursed until after the travel is completed

Travel and Expense Reports (cont.)

Guidance

- If meals are provided as part of the conference registration fee, employees will not be reimbursed for out-of-pocket meals
- For group meals include the name and role of each individual/employee OR employees can request their share on their own expense report
- Breakfast and dinner will not be reimbursed for local, in town conferences
- Hotel rooms will not be covered for local conferences/events/programmatic activities
- Reimbursement of expenses without a receipt:
 - May be reimbursed on an exception basis only and not for an aggregation of expenses, especially meals; the University and TGS reserves the right to withhold reimbursement of expenditures lacking receipts and a valid reason for such omission. Considered only when submitted with a completed [Expense Policy Exception Request](#) signed by the TGS Associate Dean of Finance and Business Operations

Travel and Expense Reports (cont.)

Guidance (cont.)

- Ground transportation reimbursement: [Use federal mileage rates](#) and attach printout of map including miles. For travel under 300 miles, where total cost including tolls is less than the lowest airfare.
- Photos of receipts are allowed, and can be uploaded into *My Wallet*
- Only upload receipts/documents related to the trip
- If traveling with family or friends, only expenses for the staff/faculty member, prospective student, student, or others with the relationship to Northwestern is reimbursable
- Try to match the order of line entries to the order of receipts in the attachment

Travel and Expense Reports (cont.)

Per Diems

- Preferred method for meals and incidental expenses for business travel
- When using a per diem, receipts are **not** required for meals and incidental expenses
- A copy of the per diem rate table must be included in expense supporting documentation
- All actual lodging expenses must be supported by receipts
- The reimbursement method must be selected prior to the trip and used for the entire trip
- **Reimbursement method options:**
 - **Per Diem:** First and last day of travel @ 75% of the per diem rate
 - **Actual Expenses:** Lodging, trip duration less than or equal to 12 hours
 - **Either:** Meals and incidental expense, trip duration greater than or equal to 12 hours
- [Domestic](#) and [International](#) per diem rate

*If I'm traveling and decide to use the per diem rate,
should I use my corporate card?*

No, if the per diem reimbursement method is selected prior to the trip, it should be used for the entire trip and expenses for meals and incidentals should be paid out of pocket. To receive reimbursement, create an expense report upon your return and select the per diem rate based on the trip location.

Local Meals

Allowable on University funds

- **Modest refreshments:**
 - Monthly/quarterly department meetings - rare
 - School-wide meetings (e.g., executive leadership meetings)
- **Events:** One school level annual holiday and appreciation party for staff, faculty, or students
- **Onboarding lunch:** One onboarding lunch per new hire with up to 2 other employees
- **Dinner:** Small groups of 2-3 employees/guests for business purposes (e.g., recruitment of students, faculty or executive level staff)

Unallowable on University funds

- Refreshments at regularly scheduled team meetings
- Team/unit holiday parties
- Team/unit dinners
- Incidental costs incurred by faculty, staff and students to attend event (e.g., parking, transportation)

Local Meals (cont.)

Guidelines

- Lunch meetings should be kept to a minimum and documentation must include the business purpose, attendees and their titles
- The maximum allowable expense including tax:
 - **Department / School meeting:** \$15 per person (box lunch)
 - **Events:** \$30 per person (including facility charges, service fees, entertainment, decorations, etc.)
 - **Dinner:** \$90 per person (for faculty and staff travel or hosting university guests)
- When catering services or facility space is arranged, a requisition/PO should be created in advance and invoiced upon delivery of services
- Gift cards cannot be sent to meeting attendees for meals during remote meetings

Alcohol Policy

- Alcohol should not be served at any TGS sponsored event
- TGS will not reimburse for alcohol while traveling or at local establishments
- Exceptions may be requested IN ADVANCE via a [Policy Exception form](#) to the TGS Associate Dean of Finance and Business Operations including the business purpose of why alcohol is necessary

Purchases

Allowable on University funds

- Expenses related to official University business, to support the mission of TGS and the University
- Expenses that match the purpose of the award/funds (e.g., research expenses on a research award, conference related expenses on a conference travel grant)

Unallowable on University funds

- Expenses that do not match the purpose of the award/funds
- Gifts and flowers in celebration of major life events, in condolences, or recognition of colleagues separating from the University
- Personal expenses including home office furniture, cell phones
- Sales tax
- Charitable donations

Purchases (cont.)

Guidance

- Purchases should be made through [iBuyNU](#) and/or via a purchase requisition in advance of event/incurred expense
- [Northwestern Preferred Vendors](#) should be used whenever possible; exceptions are made when an alternative vendor quality and value are superior
- Northwestern is a tax-exempt entity; a [tax-exempt letter](#) should be used in any cases when a vendor would normally charge sales tax. May be [exempt in other states](#) as well.
- [Direct Payment Requests](#) can be used to request a check for registration fees, subscriptions, membership dues, and contracted and direct billed services (e.g., consultant payments)
- [Purchase requisitions](#) and other forms of payment requests should clearly indicate the business purpose of the item and the end user or group; for example “Video camera for Mary for recording TGS events”
- Contracts over \$1,000 need to be reviewed by the Associate Dean of Finance and Business Operations, any \$5,000 and over needs to be signed the Associate Dean of Finance and Business Operations

Purchases (cont.)

Corporate Credit Card (formerly P or Procurement card)

- To be used for business-related expenses when a purchase order or iBuyNU is not feasible
- Travel expenses (when not using per diem)
- Reduces the processing time for reimbursements
- Should not be used to order from vendors that are in iBuyNU
- Cannot be used in NU departments or units (e.g., campus bookstore)
- Personal use of the card is prohibited
- Can be used for pre-travel expenses such as registration fees
- Each cardholder is responsible for [reconciling](#) charges weekly or at a minimum monthly; repeated late reconciliation may result in the loss of corporate card
- Cardholders who either transfer to a new department or leave the University should cease use of their card a couple of weeks before they leave, notify the Corporate Card office, and return the card. Make sure all outstanding transactions are reconciled on an expense report and approved before leaving.

Appendix

Travel and Expense Reports

- [Travel, Entertainment & Courtesy Policy](#)
- [University Designated Travel Agencies](#)
- [Visitor's Expense Report](#)
- [Expense Policy Exception request](#)
- [Domestic](#) and [International](#) Diem Rate
- [TGS Expense Guidelines](#)

Meals

- [NU Travel, Entertainment & Courtesy Policy](#)
- [Policy Expense form](#)

Purchases

- [Purchasing and Payment Policy & Procedures](#)
- [iBuyNU](#)
- [Purchase requisition approvals & Workflow](#)
- [Illinois One-Time Tax-Exempt Letter](#)
- [Procurement Card Program Website](#)
- [Northwestern Preferred Vendor](#)
- [Direct Payment Request](#)