



Northwestern
University

Approving University Official(s): Senior Vice President for
Business and Finance

Responsible Office: Office of Financial Operations

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TRAVEL AND ENTERTAINMENT

[Policy Statement](#)

[Purpose](#)

[Audience](#)

[Definitions](#)

[Policy Implementation](#)

[Consequences of Violating this Policy](#)

[Related Information](#)

[Contacts](#)

[History](#)

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

Accountable Plan: An expense reimbursement plan 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 of \$40 or more; but are not required for non-lodging expenses less than \$40, transportation expenses for which a receipt is not readily available, 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.

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 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 of \$40 or more; but are not required for non-lodging expenses less than \$40, transportation expenses for which a receipt is not readily available, 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 implementing procedures and guidelines may be more restrictive than the requirements in this policy and related policies. 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. 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. Recommendations on best practices can be found [here](#).
- 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 Senior Vice President 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 Senior Vice President.

- 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**

- Reimbursement requests must be submitted within 90 days after completion of travel/incurrence of non-travel-related expense. Late submissions require additional substantiation and supervisor review per [University 90-day Policy](#).
- Reimbursements to individuals will not be made prior to completion of travel to ensure business activity is performed.

- **Documentation of Expenses**

- Documentary evidence, such as receipts, are required for all lodging expenses, and other expenses of \$40 or more.
- Receipts are not required for:
 - non-lodging expenses less than \$40
 - 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.
- 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 guidance is available [here](#).

- **Unallowable on a sponsored program**

- The costs listed [here](#) are 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

IV. *Travel*

- **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; see here for additional guidelines.
- **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.
 - ii. For lodging, all actual expenses must be supported by receipts.
 - iii. 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.
 - iv. Additional per diem guidance is available [here](#).
- **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

- 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 and must be approved in advance by Procurement and Payment Services.
- 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

- Incidental costs associated with the use of a rental vehicle, including parking fees; tolls; fuel may be reimbursed.
- Collision damage waiver (CDW) coverage is reimbursable only for international rentals.
- Additional commercial vehicle rental and insurance guidelines are available [here](#).

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 Senior Vice President 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 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.

- **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

- Rentals of non-conventional lodging are reimbursable.
 - 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. Meals including multiple other individuals must be supported by listing names and relationship of individuals to the University on the expense report, and the business purpose of the meal.
 - iii. Recommendations for reimbursement guidelines are available [here](#).
- **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](#).

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
The following events are subject to these spending thresholds:

- **University Funded Events**

- i. Two events in the following categories each year, with a \$30 per person maximum, per event, including facility costs.
 - Annual Holiday Parties
 - General appreciation party or event
 - Retreats
- 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, with a \$30 per person maximum, per event, including facility costs.
- iii. Certain departmental, social and life events, with a \$15 per person maximum, per event, including facility costs.
 - School-wide or departmental meetings
 - Committee, society, and other faculty organization meetings
 - Faculty/Staff retirement from Northwestern events
 - Social events for the purpose of introducing new faculty and staff
- 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**

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

- ii. Each employee is to pay for their own meal if discussing University business, with other University personnel, 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.
- iii. The standard for reimbursement for dinners hosted by faculty or staff members for University guests is \$90 per person (including the cost of alcoholic beverages, tax and tip). See Evanston and Chicago restaurants with fixed price dinner menus that meet this reimbursement standard [here](#).
- iv. Under the special circumstances of recruiting or fundraising, the maximum dinner reimbursement is \$130 per person (including the cost of alcoholic beverages, tax and tip) for Vice Presidents, Deans, department heads and tenure line faculty. The appropriate Dean or Vice President must approve, and schools and units may establish lower amounts consistent with the budgetary allocations available for overall recruiting or fundraising efforts.
- v. Taxes and gratuities on meals are reimbursable for approved business and entertainment services.

- **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 [here](#) for more 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 Senior Vice President.

- 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>
Senior Associate Vice President for Finance and Treasurer	847-491-7350	amanda.distel@northwestern.edu
Controller	847-491-4722	nicole.vanlaan@northwestern.edu

Executive Director of
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History

Origination date May 1, 2000; last amended date October 15, 2020.

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