

TRV: 525 – TRANSPORTATION EXPENSES

REASON FOR THIS POLICY

Clear standards for meal and incidental expense reimbursement for individuals traveling on University business.

ENTITIES AFFECTED BY THIS POLICY

- All units and departments that may authorize University business travel.
- Comptroller's Office
- Reimbursement Processing Support Unit

WHO SHOULD KNOW THIS POLICY

- Individuals who travel for University business
- Supervisors of individuals who travel for University business
- Local Fiscal Oversight (LFO) designees of individuals who travel for University business

POLICY

A. Applicability

This policy applies to all University community members, including faculty, staff, students, agents, and Volunteers who travel for the purpose of conducting University business, which for purposes of this policy excludes normal or everyday personal transportation to and from the workplace.

For the purposes of travel policy, all references to "event" should be taken to include the following list: meeting, colloquium, convention, symposium, seminar, assembly, gathering, convocation, course, class, workshop, lecture, forum, event, training, summit, research travel or similar activity held by any association or organization involving discussion, research, or the exchange or dissemination of information.

B. General Requirements and Prohibitions

1. Transportation expenses may only be incurred for authorized travel on university business. Mode of transportation is to be selected based on the most reasonable and customary means, the most commonly traveled route consistent with the authorized purpose of the trip, time effectiveness and for the benefit of the university.
 - a. Transportation expenses may include university fleet vehicle, public transportation, airfare, checked bags, rental cars, mileage, fuel/gas, road tolls, bridge fees, and parking.
2. Itemized, legible receipt(s) that illustrate proof of payment must be submitted to support the Travel Expense Claim regardless of payment method. Receipt submission is the responsibility of the individual who made the PCard purchase or is requesting the reimbursement.
 - a. If a NAU PCard was used to incur the expense, reconciliation of the expense in PeopleSoft Financials is also required and to be completed by the individual making the purchase.
3. If operating a motor vehicle on university business a university traveler, employee or student, must be registered as an [Authorized Driver](#) before travel expenses may be incurred or reimbursed.

4. Taxi cabs and rideshares, such as Uber and Lyft, may be used for local transportation when necessary and economical.
 - a. Taxis and rideshares taken to/from meals are part of the Meals and Incidentals Expense (M&IE) claim and will not be reimbursement separately; the exception is transportation to/from business meals but require substantiation of the business purpose and supporting documentation attached to the Travel Expense Claim; OR when a meal is not available within a safe or reasonable walking distance, delivery service charges or transportation costs (mileage and/or taxi/rideshares) between places of lodging or business and places where meals are acquired or consumed is reimbursable as an additional transportation expense if an explanation is noted as part of the documentation. A traveler's personal preference does not apply.
5. When driving a personal vehicle, only mileage will be reimbursed. When driving a rental car only the cost of the rental and fuel will be reimbursed; prepaid fuel options are not reimbursable. When driving a fleet vehicle, the Voyager gas card issued with the vehicle should be used. If no Voyager card is available, fuel may be reimbursed.
6. Travelers with a university fleet vehicle or rental car that are on authorized "down-time", or not actively in university business travel status, must leave the vehicle parked and unused until travel status resumes.
7. Traffic citations issued to a driver during authorized travel are not reimbursable; unless the traveler was driving a university vehicle and the citation was issued due to a vehicle mechanical problem.
8. Reimbursement of cancellation and late fees is discouraged. However, they are reimbursable in unusual circumstances at the discretion of department leadership, provided that the business purpose is documented and attached to the Travel Expense Claim. They may not be reimbursed when the fee is incurred for personal purposes and is considered avoidable.

C. NAU Fleet Vehicles

1. Whenever practical, a University fleet vehicle should be utilized for in-state travel. Fleet vehicles are *only* for transporting NAU employees and students engaged in university business. Volunteers may ride in a fleet vehicle but must first be registered with NAU Risk Management.
2. Travelers using university fleet vehicles should not normally incur vehicle expenses. Travelers must follow NAU Transit Services procedures for fuel, service, and minor repair expenses. Use of the Voyager gas card for fuel purchases is encouraged.
3. University owned vehicles driven to Mexico require specific insurance. It is the driver's responsibility to contact NAU Risk Management, prior to travel, to arrange for the appropriate documentation.

D. Rental Vehicles

1. Use NAU's corporate contract with Enterprise Car Rental. <https://elink.enterprise.com/en/norazuni.html> Benefits include free CDW insurance coverage, no charge for underage (< 25-years old) or multiple drivers.
The rental must be paid with a NAU PCard or personal payment method at the rental counter.
 - a. Turo and similar car-sharing rental options are not allowable expenses.
2. Transportation to a destination out-of-state, via rental car, requires pre-authorization and a Justification for Exception to Policy be submitted to the Comptroller's Office prior to booking, no matter the payment method.
 - a. Destinations within 100-miles of the Arizona border can qualify for in-state travel status, however, this must apply to all aspects of the trip including SAAM lodging and M&IE expense allowance rates, default to \$94/night-lodging and \$45/day-M&IE.
3. Rented or leased vehicles may be used for ground transportation at the point of destination, traveler flew out-of-state, when it is in the best interests of the university to do so. Rented vehicles may not be used when taxis, buses and other alternatives are more economical.
 - a. Renting a vehicle is not allowed if traveler is traveling out-of-state to attend a conference or

workshop.

4. Collision Damage Waiver Coverage (CDW) is required for all out-of-state car rentals; and is allowable for in-state rentals but is not required.
5. Supplemental Rental Car Insurance: When a traveler rents a motor vehicle for university business using a NAU PCard, the traveler and vehicle are insured for liability and physical damage losses through the university's insurance program. Vehicle liability insurance is not a regular rental vehicle expense and will not be reimbursed.
 - Vehicle insurance purchased at the direction of NAU Risk Management for vehicles rented outside of the U.S. is a legitimate rental vehicle expense and will be reimbursed. Proof-of-insurance cards are available from NAU Risk Management and should be obtained prior to renting a motor vehicle outside of the U.S.
6. Prepaid Fuel Option: The pre-purchase of gas at the time of rental vehicle pickup, that allows the traveler to return the rental vehicle without having to refill the tank, is not to be used and will not be reimbursed. The cost effectiveness of this option is difficult to substantiate as refunds are not given for unused fuel.
7. Optional upgrades are not allowable, including but not limited to satellite radio, GPS, personal accident insurance, personal effects coverage, supplemental liability coverage, pet fees, etc.
8. Guidelines for size of vehicle to rent:
 - (1-2) individual traveling for (1) week or less: compact vehicle
 - (3) individuals traveling for (1) week or less: mid-sized vehicle
 - (2-3) individuals traveling for more than (1) week: mid-sized vehicle
 - (4) individuals traveling for (1) week or less: mid-sized vehicle
 - (4) individuals traveling for more than (1) week: the discretion of department head, taking into consideration economy and the needs of the university.

E. Personal Motor Vehicle Use

1. Written permission to use a personal vehicle for university business must be obtained from the traveler's supervisor prior to travel. A traveler's use of their personally owned vehicle to conduct University business when not pre-authorized by University policy and department leadership will not be reimbursed.
2. A traveler driving a privately owned vehicle on university business must have current personal liability vehicle insurance, a valid driver's license, and meet [Authorized Driver](#) program requirements.
 - University collision coverage is not provided for privately owned vehicles, even when operated within the course and scope of employment and authorization.
 - If a traveler driving a personal motor vehicle is involved in an accident, regardless of who is at fault, the State will not reimburse the traveler for any damages to their personal vehicle.
 - Mexican authorities do not recognize insurance from the U.S. and only university-owned vehicles are covered on the State of Arizona's automobile liability. Therefore, employees are discouraged from taking private vehicles to Mexico.
3. Mileage is the only reimbursable personal vehicle expense and is calculated for the most direct route to and from each business travel destination using the State of Arizona's posted mileage rate (\$.445/mile), see the State of Arizona Accounting Manual (SAAM). The mileage reimbursement rate includes all automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, and insurance.
 - Mileage is reimbursable when conducting university business within a 50-mile radius of the traveler's duty post with supervisor's approval.
 - Miles driven to/from meals is part of the Meals and Incidentals (M&IE) claim and will not be included in the overall mileage reimbursement.

4. Commute Miles: The cost of commuting between a personal residence and a regular duty post is not reimbursable regardless of the distance.
 - a. Mileage reimbursement will generally be calculated with the traveler's duty post as the starting point.
 - b. If university business travel begins or ends at a traveler's residence and not their regular duty post, the distance (miles) from the residence to the duty post is subtracted from the overall mileage claim. Commute miles must also be deducted on weekends, holidays, and other nonstandard workdays.
 - c. If traveler's personal residence is included among their regular duty posts, commute mileage will be considered the distance from the personal residence to the most frequented duty post.
 - d. If traveler works 100% from home, the travel or transportation cost of one daily round trip to and from a university facility is not reimbursable, unless the one-way distance between traveler's home and the aforementioned university facility exceeds fifty (50) miles, in which case mileage in excess of fifty (50) miles in each direction may be reimbursed.
5. Mileage is calculated and reimbursed in one of two ways, by submitting:
 - a. A completed NAU Travel Mileage Log of actual odometer readings with mileage rounded to the nearest whole mile using the 5/4 rounding method, and with physical departure/arrival addresses, dates and times noted, or
 - b. A Google map .PDF that specifies departure and arrival physical addresses and lists map miles for (1-way) travel. Round trip (RT) calculations will be made as needed/when appropriate.
6. Personal Vehicle use Out-of-State: If a personal vehicle is used for the convenience of the traveler, the traveler will not be reimbursed for extra meals, lodging, or parking expenses incurred due to the extra travel time, and mileage will only be reimbursed the lesser of:
 - a. Actual map or odometer miles driven at the rate published in the State of Arizona Accounting Manual (SAAM), or
 - b. The cost of a round trip flight from a common carrier airline based on economy fare, booked reasonably in advance, and that meets the business need of the trip. Three (3) cost comparisons must be run at the time all other travel arrangements are being made or no reimbursement.

If an employee chooses to use a personal vehicle to transport their family, they will not be considered to be traveling on University business, their time is to be recorded as leave; neither they nor their family will be covered by University provided collision or liability insurance and no associated travel expenses, including mileage, will be reimbursable.

F. Parking

1. If department leadership has preapproved the use of a motor vehicle, parking fees are allowable if incurred at a temporary duty post, hotel for overnight lodging, etc. Valet parking fees are not allowable when public or self-serve options are available.
2. When conducting university business on the Flagstaff Mountain Campus parking is reimbursable for non-Mountain Campus employees, students, and community members at a rate of \$8.00 per day. Travelers are encouraged to secure their parking permit in advance of their travels on the NAU Transit Services website.
3. **General Airport Parking Guidelines:** While it is impractical to list parking rates for every airport in the country or even in the State, there are some general guidelines that all university travelers are to follow when parking at airports.
 - Economy, long-term, off-premises parking serviced by shuttle is to be chosen when available.
 - The University will not reimburse upcharges for covered or inside parking.
 - Receipts, itemized with expense details are required.
 - In addition to base parking charges, employees will be reimbursed for any taxes, one-time fuel charges, or other non-optional fees that are imposed.
 - Reservation fees are not reimbursable.

4. **Sky Harbor Airport (Phoenix) and Tucson Airport Parking:** A university employee may park wherever they find it convenient to do so but will only be reimbursed the lesser of the actual amount incurred, **or**
 - a. **Phoenix Sky Harbor Airport:** (\$6.50) per day base rate.
 - b. **Tucson Airport:** (\$4.50) per day base rate.

The State of Arizona Accounting Manual (SAAM) has parking facilities listed that offer rates that comply with State reimbursement limits. An employee's failure to utilize one of the SAAM posted parking facilities will not justify the granting of an exception from the reimbursement limitations.

G. Commercial Airlines

1. Airfare is to be booked at the most economical fare that fits the business need, but the purchase of change-able tickets, usually categorized as economy plus or premium economy (main cabin), is encouraged and allowable.
2. **Allowable Expenses:**
 - Seat purchase, only when no "free" seats are available on a specific flight, must be in main cabin – not in business or first class.
 - Checked or carry-on baggage fees, within reason as appropriate for the duration of the trip.
 - Processing fees, when documented on an original receipt or flight itinerary as an extra fee.
 - Airport parking and mileage expenses for privately owned vehicles if less than roundtrip taxi or rideshare fare between the traveler's residence and the airport, or duty post and airport, whichever is applicable.
3. **Non-Allowable Expenses:**
 - Seat upgrade from economy (main cabin) to business or first class.
 - Priority or early-bird boarding.
 - Flight and/or Trip insurance, purchased by the traveler.
 - Parking if a traveler is dropped-off or picked-up at the airport terminal using a privately owned vehicle.
 - Tips to baggage handlers as these are considered "incidentals" and are part of the Meals and Incidentals Expenses (M&IE) reimbursement rate.

H. Combining Business and Personal Travel

1. The University may authorize a traveler to combine business and personal travel. If personal travel occurs during time normally scheduled for work, the traveler must charge the time to annual leave.
2. If transportation costs are increased due to a lengthened trip the traveler is responsible for purchasing their own flight to and from the business destination and will be reimbursed only if they provide (2) additional quotes/comparison flights; comparisons must...
 - be run at the time the actual flight is booked
 - be run at least (2) weeks in advance of departure date
 - meet the actual business need of the trip
 - show that neither the departure or the return fall on a holiday weekend

I. Airline Travel Under Federal Grants

1. With few exceptions, The Fly America Act requires travelers on federally funded grants to use U.S. flag carriers regardless of the cost or convenience. Under the regulations, you must ensure that all flights, where possible, are scheduled on U.S. flag carriers or on foreign air carriers that code share with a U.S. flag carrier.
However, there are some exceptions:
 - a. **Open Skies Agreement:** An important exception is the [Open Skies Agreement](#) between the United States and the European Union. This allows federal grant-funded travelers flying to a destination serviced by a European Union airline to fly on either a U.S. carrier or a European

Union carrier as long as they touch down in an EU country. Agreements also have been negotiated with Australia, Switzerland, and Japan; travelers should check whether there is an agreement for their destination country before purchasing tickets.

- b. Extend Travel Time: Use of U.S. carrier service would extend travel time, including delay at point of origin, by 24 hours or more.
- c. No Non-Stop or Direct Service Flights: U.S. carriers do not offer nonstop or direct service between point of origin and destination. However, some additional complex rules apply; see the Fly America Act at the website listed above.
- d. 3rd Party Purchase: When the costs of airfare are reimbursed in full by a third party, such as a foreign government or an international agency.

Supporting documentation validating and/or verifying any exceptions must be submitted and included with the Travel Expense Claim.

J. Chartered Flights

1. The use of chartered aircraft for university business travel is allowed provided a common carrier is not feasible or an alternate mode of transportation is not practical. Department leadership, not the traveler, will determine if such travel is justified and is in the best interest of the university.
2. Chartered air services may only be obtained from FAA licensed commercial flight operators.

K. Privately Owned Aircraft

1. The use of a privately owned aircraft to transport travelers, including themselves, on university business is allowable only for those approved and authorized by the State of Arizona Risk Management Section.
 - a. Pilots must contact NAU Risk Management for specific requirements before flying on authorized university business. AZ Property and Liability Insurance Services must approve each application to fly on state business before coverage will apply.
2. Mileage Reimbursement for Privately Owned Aircraft: Reimbursement is based on the shortest air route from flight origin to destination and is reimbursed at the rate set by the Arizona Department of Administration, plus any actual landing, and parking fees. Reference the State of Arizona Accounting Manual (SAAM) for current rate.

RESPONSIBILITIES

Traveler: agrees to and will adhere to all university travel policies, will always seek pre-trip authorization and approval from department leadership to expend funds for travel, and will provide all policy required and requested documentation to the travel specialist pre and post travel.

Departmental Supervisors: reviews business travel requests of direct report employees and Volunteers as required by travel policy and verifies business need.

Local Fiscal Oversight Designee: reviews all travel requests and verifies funding source (speedchart, sub_dept, account codes) and determines and communicates any funding caps or limitations.

Departmental Leadership: ensure that only properly qualified and authorized individuals are allowed to travel on official University business for University programs and activities under their direction and control.

Reimbursement Processing Support Unit Staff: initiates and completes all travel expense claims and reimbursement via Expense Report or Check Request; and assists with booking travel upon request.

PROCEDURES

[Justification for Exception to Policy](#)

RELATED INFORMATION

Forms or Tools

[Annual Travel Certification \(ATC\)](#)

[Authorized Driver](#)

[Cost Comparison How-To](#)

[Currency Converters](#) - <http://www.xe.com/> **OR** <http://www.oanda.com/converter>

[Employee Service Center \(ESC\)](#)

[Enterprise Car Rental – NAU Contract](#)

[Google Translate – *documents and receipts*](#)

[Long-Term Travel Case Submission Business Process & Blanket Travel Approval Memo](#)

[Mobile Phone App: ServiceNow! – NAU Employee Service Center](#)

[NAU Mileage Log](#)

[Out-of-State Request for Multiple Representation](#)

[Current Arizona State Reimbursement Rates \(SAAM\) – Lodging & Meals Schedule](#)

[US Department of Defense \(DoD\) Reimbursement Rates – Lodging & Meals Schedule](#)

[Travel Case Submission How-To - *transcript*](#)

[Travel Case Submission Quick Reference](#)

[Travel Advance/Zelle Workbook](#)

[Traveler Itinerary - *template*](#)

Cross-References

[Comptroller's Office](#)

[NAU Risk Management](#)

[NAU Transit Services – Fleet Services](#)

[The Office of Foreign Assets Control \(OFAC\)](#)

Sources

[State of Arizona Travel Policy](#)

[Arizona Board of Regents Travel Policy](#)

[Arizona Revised Statutes § 38-621 – 38-627](#)

[Fly America Act](#)

APPENDIX

None.