

Corporate Travel

First Produced:	25/8/94 (previous title)	Authorisation:	Te Kāhui Manukura
Current Version:	13/9/16	Queries:	Chief Financial Officer
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Review Cycle:	5 yearly		
Applies From:	Immediately		

1 Introduction

1.1 Purpose

The policy is to ensure that Ara Institute of Canterbury¹ meets approved actual and reasonable costs of business travel and related activities for authorised staff on necessary Ara business and to ensure maximum value for money expended.

1.2 Scope and Application

This policy applies to the purchasing and use of domestic and international travel and related activities by any Ara employee carrying out approved Ara business activities (See formal delegations under 1.3 and definition of “travel” under 1.4a below)

1.3 Formal Delegations

Prior approval of travel in accordance with the following delegations is required.

a	International Travel *	Approved By
	Level 100	Council Chair
	Level 200	Level 100
	Levels 300 to 600	Level 200
	* Note: Eastern Seaboard of Australia should be considered under Domestic Travel Delegations	
b	Domestic Travel	Approved By
	Level 100	No approval necessary
	Level 200	No approval necessary
	Level 300	Level 200
	Levels 400 to 600	Level 300
c	The Chief Financial Officer has delegated authority to monitor travel expenditure and procedures undertaken within each Division to ensure consistency with this policy.	

¹ From herein referred to as Ara

1.4 Definitions

a **Delegation Levels:**

LEVEL	DELEGATION
100	Chief Executive
200	Senior Managers who report to CE and/or are responsible for significant institutional strategic and operational outcomes.
300	Senior Managers with significant staff and budget responsibilities and/or are strategic senior specialists reporting to 200 level.
400	Operational Managers both Academic and Services.
500	Team Leaders, Supervisors specialist leaders, PASMS.
550	Mentors/Support, defined local leadership, SASM.

- b **Travel:** Air flights, car rentals, bus/ferry charges, accommodation and hotel related expenses plus any other travel related expenditure.
- c **Contracted Travel Management Company:** Ara Institute of Canterbury's contracted Travel Management Company (TMC) for travel and associated services are engaged to effect the highest overall standards of quality, price and service to Ara. Volume discounts and detailed reporting can only be obtained if bookings are made through the contracted Travel Management Company. The Ara TMC is the channel through which access to the All of Government Pricing for air travel is obtained.
- d **Ara Travel Coordinator:** Designated Travel Coordinators in each Division, responsible for booking all travel for Ara. Staff are not permitted to book their own travel requirements without prior approval from the Chief Financial Officer, unless an emergency situation (see j below).
- d **International:** Any travel outside of New Zealand except to Eastern Seaboard of Australia which is regarded under Domestic Travel Delegations.
- e **Domestic:** Any travel within New Zealand or Eastern Seaboard of Australia.
- f **Loyalty Benefits:** Any reward or loyalty points schemes offered by airlines and other travel related services e.g. air points or various accommodation and meal reward schemes.
- g **Actual and Reasonable Expenses:** Approved costs which are actually incurred and deemed to be a reasonable standard and price for the Ara employee.
- h **Accommodation:** Accommodation plus other reasonable expenses incurred during a stay such as meals, phone calls, etc incurred during a hotel stay.
- i **Frequent Flyer:** The Ara test for whether someone can be considered a frequent flyer has been set at a minimum of 10 domestic/international return trips per annum, on a yearly basis.
- j **Emergency Situation:** Any situation that arises, where a staff member has no direct access to the Ara Travel Coordinator or the contracted Travel Management Company, and has no option but to break policy regarding their travel arrangements. This would typically only occur with international travel.

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<p>Related Ara Procedures(indicate if attached to policy or where they can be found)</p> <ul style="list-style-type: none"> • 	<p>Related Ara Policies</p> <ul style="list-style-type: none"> • CPP302 Financial Management • CPP304 Discretionary Expenditure • CPP402 Use of Vehicles for Ara Business
<p>Related Legislation or Other Documentation</p> <ul style="list-style-type: none"> • Travel contacts, forms, guidelines and this policy are available via the Ara intranet site under Site Map/Resources/Orbit Travel 	<p>Good Practice Guidelines(indicate if attached to policy or where they can be found)</p> <ul style="list-style-type: none"> •
<p>References</p> <ul style="list-style-type: none"> • 	
<p>Notes</p> <p>May 2013 minor amendment made to approval of International and Domestic Travel Delegations specifically levels 300 to 600.</p>	

2 Principles

Travel expenditure, particularly International travel, is often subject to external scrutiny and review. Consequently:

- 2.1 All expenditure on travel will be appropriately authorised as necessary for the achievement of the organisation's objectives.
- 2.2 Ara will meet approved actual and reasonable costs of business travel and related activities for authorised staff.
- 2.3 All expenditure on travel will ensure maximum value for money and minimal waste.
- 2.4 No staff member shall take any action which would result in Ara being liable for costs not related to official Ara business.

3 Associated Procedures for Ara Academic & Corporate Policy on: Corporate Travel

Contents:	3.1	Booking Travel
	3.2	International Travel
	3.3	Rented Vehicles, Taxis and Use of Private Vehicles
	3.4	Accommodation
	3.5	Other Travel Related Costs
	3.6	Airline Lounge Memberships
	3.7	Travel Insurance
	3.8	Safety
	3.9	Family Members Accompanying Staff
	4.0	Private Travel (Non Ara Business Related)

3.1 Booking Travel

- a All Ara travel arrangements are booked through the allocated Ara Travel Coordinator who will liaise with the contracted Travel Management Company. Staff are not permitted to book travel arrangements directly or with any other travel supplier unless prior approval is granted by the Corporate Services Director
- b The Ara purchase order number, T1 cost centre code(s) and account code(s) are used by the Ara Travel Coordinator for all bookings, at all times.

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- c Changes and alterations to travel arrangements are made through the Ara Travel Coordinator, UNLESS an emergency situation arises (refer Definition 1.4j).
- d The Ara Travel Coordinator uses the online booking tool provided by the contracted Travel Management Company for all domestic flights, hotels and car rental bookings (some Trans-Tasman flights may also be booked using this tool). Domestic multi-city flights, land only or more complex international travel requirements, should be emailed through to the contracted Travel Management Company on the General Travel Request form, or via telephone if necessary. For staff authorised to liaise direct with the contracted Travel Management Company, or for personal leisure requirements, this form is available on the Ara intranet site (refer to link under Site Map/Resources – currently Orbit Travel).
- e The contracted Travel Management Company is responsible for reconciling all charges against our travel suppliers and will provide a full reconciliation back to Ara to authorise each month.
- f Staff are not permitted to use personal or Ara credit cards to pay for any Ara related flights or accommodation expenses, UNLESS there is no other method of payment available or an emergency situation arises (refer also 1.4j).
- g Ara has an ‘open skies’ policy. This means that all travel for Ara business is booked on the airline offering the cheapest fare available at the best time on the day. There are no preferences for one airline over another.
- h Air travel is to be booked at the earliest opportunity to achieve the cheapest fares possible. Business or first class travel is only permitted in extreme emergency circumstances.

3.2 International Travel

International travellers on corporate business are covered for expenses by Ara, in accordance with the following requirements:

- a **Actual and Reasonable:** (refer Definitions): All legitimate business expenses may be charged, expended against a cash advance or reimbursed. All receipts over the equivalent of NZ\$20 must be retained and furnished in a reconciliation report to the direct line manager.
- b **Per Diem (or daily) allowance:** A per diem allowance is provided to cover the costs of meals, accommodation, and incidentals while overseas.

Where practicable, and by prior agreement with applicable Director, a per diem rate may be negotiated prior to travel.

This is for use only where it is difficult to charge back costs to the Polytechnic or obtain receipts, even for substantial transactions.

If the above is likely to apply, a set amount may be able to be negotiated to cover the duration of the trip. Where such a per diem is approved in advance, accounting for expenditure after completion of the journey would not be required. Receipts are not required to be submitted.

For guidelines to per diem amounts refer to current Ministry of Foreign Affairs rates: <http://www.aid.govt.nz/contracts/per-diems>. (Note - these rates include accommodation costs.)

- c **Cash advances or travellers’ cheques:** These may be obtained from the Finance Section with a purchase order signed in accordance with the delegations in 1.3. These will not be issued more than two days before the intended travel and are conditional

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on a full and receipted reconciliation in NZ\$ upon return. Direct line managers are expected to audit reconciliations for accuracy and policy compliance and sign approval or otherwise accordingly.

3.3 Rented Vehicles, Taxis and Use of Private Vehicles

- a Rented vehicles are booked by the Ara Travel Coordinator, through the contracted Travel Management Company, UNLESS an emergency situation arises.
- b Rented vehicles are only used when other means of transport are unavailable, impractical or more costly. The use of rented vehicles must be justified as a business need, rather than a personal preference, and authorised by the direct line manager.
- c All rentals should be for small (Group B 1.3L) or intermediate (Group C & D 1.6L) sized vehicles. If three or more passengers are travelling together, a larger car may be necessary (Group E 2.0L).
- d For rented vehicles within New Zealand, optional insurance coverage should be declined as Ara has pre-arranged such cover with our insurer. Outside of New Zealand, full coverage should be purchased.
- e Under no circumstances may a rented vehicle be driven by anyone other than the hirer or an alternative driver recorded on the vehicle rental contract. All drivers must be either Ara employees or students of Ara.
- f Ara staff should re-fuel rented vehicles before returning them to the supplier to avoid surcharges and high fuel costs. The original vehicle rental agreement must be returned with any expense report or reconciliation.
- g Ara will meet the cost of taxi fares and other local transport costs when used for business purposes. Taxis are to be used judiciously and staff are expected to share taxis wherever possible. Taxi charges should be paid by the employee and claimed back, unless the employee has taxi chits or a taxi charge card or a Ara credit card.
- h The use of private vehicles must be agreed with the direct line manager prior to the commencement of the travel. Refer to Use of Vehicles for Ara Business policy.
- i Ara employees are required to follow all traffic and road laws. Ara accepts no responsibility for misdemeanours or traffic offences committed by staff while driving any vehicle. This includes parking fines.

3.4 Accommodation

- a Accommodation is booked by the Ara Travel Coordinator, through the contracted Travel Management Company, UNLESS an emergency situation arises.
- b Domestic accommodation charges are reconciled by the contracted Travel Management Company monthly and forwarded to Ara to authorise for payment.
- c International accommodation may be required to be paid by the traveller on check-out. This can be paid for using Ara or personal credit cards. The folio bill and receipt must be retained by the traveller for reconciliation purposes.
- d Accommodation bookings are to be at the economy standard within NZ. The norm will include single room with bathroom facilities. Depending on the country, international accommodation can be above economy standard, but must be approved by the Chief Executive or the relevant Director prior to the booking being made. Note that in some cases overseas, the higher standard accommodation includes free airport transfers, laundry concessions, complimentary Business Centre access, free breakfast

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and/or other benefits that can be more cost-effective than the 'economy' standard. The contracted Travel Management Company is able to advise travellers if these are available.

- e Mini bar facilities should not be used by domestic travellers. International travellers may use mini bar facilities for the purchase of bottled water or out-of-hours refreshments/meals if required.
- f Additional accommodation or expenses incurred as a result of a non-Ara employee staying with an employee must be paid in full by the employee personally upon check-out.

3.5 Other Travel Related Costs

- a Ara will meet travellers' actual and reasonable costs including approved business related gifts, taxis, parking charges, meals, Business Centre charges, business and occasional private telephone calls, visas*, passport renewals*, airport taxes, preventative inoculations, travel medications* and laundry*. They may be appropriately charged or reimbursed (on the production of receipts for items exceeding NZ\$20).

* denotes 'international travel only' for regular travellers on Ara business

- b Travel related expenses that are not covered by Ara and cannot be claimed back include baby sitter fees, barber/hair care, traffic fines, hotel room movies, luggage, toiletries, reading matter, medical and dietary supplements. Excess baggage charges will not be covered by Ara unless they are business related.
- c Ara employees are responsible for making their own travel reimbursement claims. Full explanatory documentation is required to accompany claims - EFTPOS slips do not contain sufficient evidence of expenditure.

3.6 Airline Lounge Memberships

Lounge memberships with one airline for Ara Senior Managers who are frequent flyers (see 1.4.i) may be a business expense at the discretion of the Chief Executive. Level 200 managers may, at their discretion, approve memberships for their staff meeting the criteria specified under item 1.4 i.

3.7 Travel Insurance

- a Staff eligible for travel insurance through Ara include:
 - i Staff travelling on Ara business (insurance will be covered and paid for by Ara).
 - ii Tenured staff travelling for personal reasons (paid for by the staff member) – refer 3.7d, below.
- b Spouses are eligible for travel insurance through Ara, as follows:
 - i If travelling with a Ara staff member who is on Ara business, and the spouse is specifically invited, or because of the nature of the business activity (e.g. receptions, opening functions) would be expected to attend, insurance can be covered by Ara at Ara rates, with the approval of the Chief Executive.
 - ii If accompanying a Ara staff member, who is on Ara business, but as a companion (without involvement in specific Ara business) may be covered by the Ara insurance policy, but at the rates set by the Finance Section and at their personal expense.

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- c The Ara Travel Coordinator or traveller must notify the insurance contact within the Finance Section in advance of the dates of travel and destination, so it can be officially documented for Ara Institute of Canterbury's insurer.
- d Discounted travel insurance rates are available to staff and their spouses/partners and dependent family members travelling on non Ara business. This rate includes a small handling and administrative charge. Ara will review the charge out rate at the beginning of each year. If the claims rate is high for one year, the premium rate for the next year may be higher. The current rate is available from the insurance contact within the Finance Unit.

3.8 Safety

Travel to destinations where the safety of Ara staff is likely to be put at risk is not a requirement, e.g. for recruiting international students or developing internal linkages. Every staff member is encouraged to discuss any concerns regarding the health, safety and appropriateness of any location, accommodation or transport with those who hold discretion and accountability for travel expenditure.

Ara staff may refuse to travel if they reasonably believe that their health and/or safety could be compromised. Likewise, Ara Management may also prevent an employee from travelling for the same reasons.

3.9 Family Members Accompanying Staff

Family members are allowed to accompany a staff member who is on official Ara business provided:

- a No additional costs are incurred by Ara, unless it can be demonstrated and is approved by the staff member's direct line manager that their presence is both essential and directly related to the effective accomplishment of Ara business (refer also 3.7b).
- b The presence of family does not interfere or compromise the work related purpose(s) of the trip.
- c They do not attend any work related meetings/functions unless expressly invited to do so by the 'host' or work-related colleagues.

3.10 Private Travel (Non Ara Business Related)

- a Ara rates and benefits are available to staff who travel and pay privately. Staff should identify themselves to Ara Institute of Canterbury's contracted Travel Management Company to receive recognition.
- b If personal travel needs to be charged to a Ara account for any reason, the Ara Travel Coordinator will arrange for a "Request to Invoice" form to be completed in the name of the traveller. This is forwarded to the Finance Section, coded and authorised, with a copy of supporting financial documentation attached. Payment of personal travel must be made by the traveller, to the Finance Section, within 20 days of receiving an internal tax invoice. Under no circumstances is cash to be sent via internal mail. A 3.5% surcharge will be added for any personal travel reimbursed by private credit card. [Full costs incurred by Ara including commission or management fees charged by the organisation's corporate travel agent will be oncharged to the traveller.](#)

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