Business travel is growing and evolving at a faster rate than ever before. The Global Business Travel Association (GBTA) predicts that the business travel market will reach $1.6 trillion by 2020 and $1.7 trillion by 2022. The confluence of technology, traveler influence, industry disruptors, and new entrants into the travel industry is creating an environment where travel managers and their organizations are constantly assessing the changes and trends in the industry, determining which ones directly impact their travelers and travel policies, and figuring out how to include them in their programs based on factors such as company culture, size, and global reach.

Technology is a key driver of the change, and so are the travelers themselves who are seeking more flexibility and personalization in their business travel experience. Your organization’s travel policy and how it adapts to changing travel trends impacts everything from employee recruiting and retention to productivity and satisfaction. On top of that, the modern road warrior can take a potential employer’s travel policy into account when deciding whether to work there, as business travel is becoming more of a retention and recruiting mechanism.

By the time you finish reading this document, you will walk away with best practices and insights on how to:

1. Evolve your organization’s policy to one that is more current and proactively addresses change, while aligning with corporate culture, policies, and practices, and

2. Review your policy through the lens of business travel growth and changing industry trends to determine which factors impact your organization and its travel policy.

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Is it possible for corporate travel policies to keep up with the ever changing business travel environment and adhere to best practices? The answer is yes! It requires time, focus, and the participation of stakeholders from different parts of the organization to identify what needs to change and when.

Emerging Trends

A number of key trends have emerged recently that impact the way travel is managed today. These trends can be categorized into three broader themes that are top-of-mind for travel managers. As you continue reading this paper, keep these themes in mind when evaluating the applicability of the best practice recommendations to your own travel policy. These themes include:

- **Trust** – Travel managers and employers are entrusting travelers with making cost-conscious and responsible booking decisions.

- **Security** – Organizations are reviewing and revamping their traveler security protocols during the booking process and while an employee is on a trip.

- **Emerging Solutions** – New entrants to the market, both travel suppliers and technology tools, are responding to the changing needs of travelers.

Organizations are trusting their employees with technologies that enable them to book travel through multiple channels (e.g., mobile apps or chat bots) while ensuring that bookings are compliant with the organization's business requirements. This gives employees the freedom to manage their own bookings and travel decisions while helping the organization achieve its goals. Organizations are becoming more stringent on how duty of care is addressed in both travel policy and trainings. In many cases, travelers are required to complete security training or specific clearance protocols prior to booking any travel, especially when traveling to high risk countries. Finally, new technology solutions are on the rise. Organizations are implementing solutions that are revolutionizing the way travel is booked and how savings are realized.

The three macro travel management themes (Trust, Security, Emerging Solutions) align with the five sub-trends described below to provide a more complete view of changes in the industry and how they impact policy. These trends are leading to new ways of thinking about how to achieve an organization's business goals, from the purchasing of goods and services, to regulatory compliance and duty of care, to travel program goals and preferred supplier programs.

The sub-trends described below provide more insight into the how these trends are impacting policy.
What does this mean for your corporate travel policy?

Traditional travel policies with tight restrictions and rigid enforcement may not accommodate the changing needs of the new corporate traveler, resulting in traveler friction and misaligned interests between the traveler and the organization. Many organizations are shifting towards more relaxed policies and employee-centric programs where travelers are empowered to make the best decisions based on their own travel needs in conjunction with the employer’s travel program goals.

Not that long ago, there was a push to replace business travel with virtual collaboration and other tools to reduce travel costs. There is less focus on virtual collaboration today, which is contributing to the current and predicted travel industry growth. Business is booming, business travelers are on the road frequently, and companies are adjusting their travel policies to accommodate this increasing travel spend.

Similar to Traveler Empowerment, Traveler Centricity also revolves around traveler preferences, but expands upon that topic to keep the traveler’s best interests front and center within the travel program. In this case, travel suppliers are reacting to the changing needs of business travelers by personalizing offerings, taking into consideration convenience, flexibility, and traveler lifestyles. Duty of care is also a component of Traveler Centricity since it directly impacts the traveler’s best interests while on the road.

New suppliers are changing the travel industry with different offerings across air carriers, hotels, and ground transportation. The travel supplier landscape has shifted with the rise of companies such as Airbnb, and concepts such as the sharing economy and bleisure. While these offerings have been in the marketplace for a few years, some of these suppliers are further tailoring their product to be more easily integrated into corporate travel programs. This increases the need to update travel policies to ensure traveler compliance and, more importantly, traveler safety.

Technology has changed travel in profound ways. Today’s traveler can do everything on their mobile device, from booking and managing trips to submitting expense reports. With the benefits of technology comes an increased scrutiny around compliance and security – both of which need to be addressed in the corporate travel policy.
Translating Trends into Best Practices

The trends discussed above are leading to completely new ways of thinking about your organization’s travel policy. Translating these trends into travel policy best practices requires re-evaluating areas of the organization’s policy that touch on travel booking, expense management, and travel technology solutions.

Sound overwhelming? Unfortunately, there is no one-size-fits-all solution to determine which trends to incorporate into policy, so pick what makes sense for your organization. Consider your corporate culture, your propensity towards enforcement of a policy, and the travel patterns of your travelers. This document will help you as you evaluate the factors influencing your travel program, while providing ideas on how to address them.

Travel Policy Must-Haves

The extent of your corporate travel policies will vary based on the organization’s goals. There are 15 topics that every travel policy should address in some capacity, ensuring a comprehensive and clear statement of organizational expectations that delineates everything from traveler security practices to how travelers should book their travel. These 15 areas are:

- Air Travel
- Bleisure
- Compliance and Distribution
- Duty of Care
- Expense Reimbursement
- Gifts and Entertainment
- Ground Transportation
- Lodging
- Meals
- Miscellaneous
- Relocation
- Stakeholders and Ownership
- Telecommunications
- Travel Booking Tools
- Trip Approval Workflow
The following pages dive deeper into each of the travel policy must-haves, covering insights and best practices that will help you assess your overall policy and evolve it into one that is better aligned with today's business traveler and the evolving business travel environment.

**Air Travel**

**Basic Economy**
Basic Economy is a new fare class that offers unbundled, more cost-efficient fares with additional restrictions including non-refundable, non-changeable fares. In many cases, seat selection and carry-ons are excluded from the price but can be added on at a cost. Some organizations have embraced Basic Economy, but the majority remove it as an option and request their Travel Management Companies (TMC) to exclude this fare class from search results. According to a poll that included 186 travel managers and buyers, “a majority of travel programs (63 percent) never allow basic economy and even more (79 percent) configure their booking tool to hide basic economy fares when travelers are not authorized.” Generally Basic Economy is too restrictive and inflexible for the changing needs of business travelers. When looking at the total cost of trip, organizations often find these tickets end up costing more than economy tickets once ancillary fees are included.

**Loyalty Program Points**
The majority of travel policies allow travelers to collect loyalty program points from the suppliers with whom they book travel (primarily air, hotel, and rental car points). These points can be used for air and lodging upgrades, or they can be redeemed personally for non-business travel. The use of points should be addressed in a policy. If an employee chooses to redeem their points for an upgrade on a business travel flight, the policy should provide guidance on the rules surrounding their redemption. This includes whether or not employees can expense the fees associated with points redemption, which is generally not allowable.

**Business Class Travel**
In the past, business class was generally permitted for executives and senior leaders, where more junior employees were required to fly economy. Over recent years, the trend has been to remove this ‘grade driven’ approach to maintain equality across all levels of the organization and be considerate of the traveler’s well-being. In a May 2018 survey, 742 U.S. based road warriors were asked for the top 2 factors that would “encourage them to stay longer with their current employer”. The most popular choice, with 31% of respondents indicating it as one of the two factors, was “allowing business class seating on flights over six hours.” While companies are looking for ways to reduce travel burnout and increase employee satisfaction, in general travel policies vary widely on this subject. Some companies do not permit any business class travel, some allow it for international travel over a certain duration, and some allow it for travelers above a certain level in the organization – or any combination of the three! For those allowing business class travel, the guideline is to allow the first class of service above premium economy for direct flights longer than 6-8 hours.

**Bleisure**

Bleisure is a growing trend that coordinates business trips with personal travel plans.
Personal Travel Extension
The ability to coordinate planned business trips with short personal extensions is a growing perk of business travel. Overall, approximately 2.2 million bleisure trips took place in 2017. That’s about 10% of all business trips. Organizations should clearly define what is acceptable for personal elements of a trip that can be claimed on an expense report. The majority of organizations that permit bleisure trip extensions require travelers to identify and pay for personal elements of the trip themselves, including any difference in airfare if the bleisure extension costs more than returning during the business week. As part of an organization’s duty of care for the safety of their travelers, the policy should also speak to whether a traveler receives full duty of care and insurance coverage while on the leisure part of their trip.

Spouse/Partner Travel
Typically spouse or partner travel is non-reimbursable. Some organizations do allow the booking of spouse and partner travel via their TMC, but rarely do they allow using the organization’s online booking tool. Organizations sometimes include an option to pay for spouse or partner travel with prior approval, for example for travel to a company event or where the attendance is deemed to be a benefit to the organization. Ultimately, companies must consult with their own internal experts in procurement and finance to determine whether to allow companions to travel with employees or use corporate resources, as doing so could imply that the companion has similar benefits to employees, such as itinerary changes, travel insurance, afterhours access to booking agents, and evacuations during emergencies.

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Compliance and Distribution

Online Booking Tools and Mobile Apps for Policy Distribution
Traditionally, travel policies were distributed to travelers as hard copies. With recent developments in online booking tools and mobile apps, travel policies can now be accessed digitally in the same places employees are booking their travel or claiming their expenses post trip. This improves the user experience as they can refer to the travel policy from anywhere, at any time, in order to ensure they are always compliant. Additionally, booking tools provide software guardrails embedded in the technology, which prevent employees from booking outside of policy. This is a highly effective but less obtrusive way of ensuring that policy guidelines are followed and business goals are achieved.

Driving Travel Policy Compliance
There are a number of ways that organizations can drive travel policy compliance. First, mandate and enforce that travelers book travel by leveraging the solutions available to them. Second, provide easy access to the latest travel policy via the online booking tool, mobile applications, or the organization’s intranet. Compliance can also be checked at the reimbursement stage via the expense management tool as long as travel policy guidelines are configured into the expense reporting process. While this is the least preferable method of policy enforcement as the expense has already been incurred, it allows organizations to catch any non-reimbursable spend by the traveler and withhold payment for out-of-policy expenditures.

Travel Policy Audit
There are five key points throughout the travel process where travel can be audited;
1. Prior to the trip using a pre-trip approval process,
2. During the booking process itself,
3. After booking travel,
4. After submitting expenses, or
5. After expenses have been paid to the traveler.

Travel policy audits focus on the enforcement of travel policy. The selected audit method(s) should be articulated in the travel policy together with the potential implications of non-compliance. It is advantageous to audit travel bookings against the travel policy as early as possible so actions can be taken to prevent non-compliant travel or prevent reimbursement of non-compliant travel where possible. The earlier non-compliance is identified, the better, especially if it is prior to the expenditure of funds. That said, post-reimbursement auditing can be used to identify habitual non-compliance, even at a low level, that may not have been detected earlier in the process. Online booking tools, TMC’s, and expense management tools can provide reports specifically designed to identify non-compliance.

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Duty of Care

Duty of care refers to the obligation an employer has to ensure the safety and security of employees; 95% of companies view duty of care as a strategic priority for their travel program. There are many aspects to duty of care, and here we focus on three.

Capturing Offline Bookings

Travel managers encourage the use of company designated booking tools; in fact, a study by TripActions found that 75% of business travelers are required to use their company provided booking tools and resources. But travelers don’t always comply. Sometimes they find a flight route they like better than what’s offered in the booking tool. Sometimes they are trying to stay at a hotel where they can collect just enough reward points to make the vacation in Fiji feasible, and that hotel is not on the preferred supplier list. Organizations require visibility into offline bookings to know where travelers are and how to help them during emergencies, whether they are complying with preferred supplier programs, spending beyond the intent of the policy, or creating a potential optics issue for the organization by staying at resorts, spas, or casinos.

If adherence to an organization’s mandated booking tools continues to be an ongoing challenge, there are tools available that capture offline bookings when travelers buy directly from suppliers. These tools make it possible to pull bookings made in other channels back into the managed travel program prior to travel. Though some travel managers have concerns that this gives travelers permission to book outside of the mandated booking tools, the benefits may outweigh the risks. A post-trip method for collecting offline booking information is to identify them through the expense reporting process. While this method does not provide pre- or real-time insight, it can function as part of an educational compliance management program that identifies noncompliant spend and educates travelers as to the nature of noncompliance, and the reason it is not acceptable.

Types of Transportation

Today, there are more transportation options than ever before (e.g., air, rail, car, bikes, scooters). Travel policies should clearly state which methods are allowed, but balance the stated methods with letting the traveler determine the best type of transport for their business purpose. Understanding the potential safety impacts along a traveler’s route is important, but even more critical is understanding and accommodating the unique safety requirements of the individual traveler.

Traveler Tracking

Organizations have an obligation to know where their employees are at any point in time when traveling for work, but this can be challenging with so many options for booking transportation. There are a few duty of care tracking tools available to organizations in the marketplace today. An employee’s consent to the organization’s use of tracking tools should be part of the onboarding process, at which point it can be explained why and how tracking tools are being used. It should also be made clear that the organization is committed to not violating an employee’s privacy based on the employee’s consent around travel tracking, except in emergencies where evacuation may be necessary for their safety and security. Because travelers can be confronted with life or death situations, mandating the use of a traveler tracking tool can help ensure employee whereabouts are known.

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Expense Reimbursement

Mandating Use of Corporate Card
Mandating the use of a corporate card program can provide significant oversight and control of travel spend. Given the potential benefits of card programs that can translate into savings and financial benefits for companies, many organizations elect to mandate their card program. Without a mandate, travel spend visibility is decreased and duty of care responsibilities are more challenging. There are pros and cons for employees required to use a corporate card, but using a personal card to cover travel expenses also has its advantages and disadvantages. Using personal cards can more easily allow for the employee to collect and keep reward points. The downside of using a personal card for business travel is that trips can be quite expensive and reimbursements don’t always come fast enough, leaving the employee to pay their monthly statement out of pocket. Another downside to using personal cards for business travel is that there is potential impact to an employee’s personal credit rating if the employee’s monthly payments are delayed. Companies often prefer to provide a mandated corporate card program to employees for employee satisfaction and duty of care. In the event of an unexpected emergency, companies can use an employee’s last credit card transaction as a way to track them for security purposes.

Card Program Liability
Individual liability programs – where the cardholder is responsible for payment to the card issuer – were popular for many years as a way to ensure timely submission of expense reports. The expectation was that the cardholder would be motivated to submit their expense report in a timely fashion in order to get reimbursed and have sufficient funds to make their corporate card payment. This approach typically requires a credit check on the employee’s personal ability to pay and can have an impact on the employee’s personal credit rating.

With the advent of better expense reporting tools that not only make it easier for an employee to submit their expenses, and in many cases even submit receipts using their mobile phone, but also offer reminders to employees and their management that expense transactions are waiting to be reconciled, organizations have become more willing to take a corporate liability approach. This eases the credit burden on employees and gives the organization more control over timing of payment, which can lead to additional financial benefits from the card issuer. Even with individual liability programs, the card issuer often looks to the organization as ultimately responsible for payment if collection efforts with employees are unsuccessful, thus making corporate liability more attractive and now considered a best practice.

An organization’s corporate credit card program details should be included either in the travel policy or in a separate corporate credit card policy. Employees should be made aware of all aspects of the program including eligibility, card use and responsibilities, the card application process, whether the card’s membership rewards program fee (if applicable) is reimbursable, and whether the card can be used for personal expenses.

**Gifts and Entertainment**

**Gifts in Lieu of Lodging**
Sometimes employees use business travel as an opportunity to stay with friends or family in lieu of a hotel, saving the organization money and also creating a better and more personalized experience for themselves. With this trend, companies need to address whether travelers are permitted to stay with friends or family and if they can purchase a gift to recognize their host’s hospitality and how much they can spend.

**Gifts as a Reimbursable Expense**
Employee and non-employee gift giving is a potential compliance concern when the expense shows up for reimbursement on an expense report. Many organizations use their travel policy to specify whether or not gifts can be submitted for reimbursement through the expense management tool, what limits are allowable, and differences between allowances for employees vs. non-employees. If gifts are handled outside of the expense management tool, potentially as part of a human resource policy, the travel policy should clearly state the organization’s approach to gift reimbursement.

**Ground Transportation**

**Sharing Economy**
Ridesharing is a commonplace transportation option for the modern business traveler. Providers like Uber and Lyft are ubiquitous and make up a growing percent of expenses. In 2018, “corporate consumers spent 10% of their costs on Uber”\(^8\). Your travel policy should specify in which countries you can use companies like Uber and Lyft and the type of car you can ride in. For example, can employees use Uber pool and share a ride with strangers, or should they use Uber XL or Uber Economy? Each of these variations differ in level of security in different countries. Generally, organizations require that employees take a private car through the economy option. The premium, XL, and VIP car services are typically restricted.

**Black Cars and Private Cars**
Use of black cars, also referred to as a car service, varies by organization. For example, are employees only allowed to book black cars when the cost is close to other ground transportation options? What if the traveler is arriving at an unfamiliar destination or foreign country or at night? From a duty of care perspective, employees traveling to high risk areas should be informed about ground transportation options that have been vetted by their organization’s global security department. This is especially true in countries where kidnappings of foreigners or terrorist attacks are prevalent.

**Rail Travel**
Ensure that employees have guidelines for booking first class vs. coach, as well as express vs. regional rail travel. An example of this might be allowing high speed train travel only if the rail ticket is booked within a certain amount of time from the travel date. Additionally, provide guidelines on when subway or metro travel is allowed. Similar to ridesharing, there can be security implications for the use of public rail transportation in certain high risk destinations. Provide guidance, with the support of your security team, to determine when public rail transportation can be a good option.

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\(^8\) Belmonte, Adriana, “Uber just hit an impressive corporate America milestone”, Yahoo! Finance, October 25, 2018, [https://yhoo.it/2Je6k37](https://yhoo.it/2Je6k37).
Other
There are many types of transportation – traditional and non-traditional – that should be addressed in a travel policy. In addition to traditional ground transportation (e.g., car rental, rail), there are newer modes of getting from point A to point B, including electric scooter and city-wide bicycle rentals. Based on the volume of travel to cities where these services are readily available, consider which new modes of transportation should be allowed, if any. The organization’s stance should be clearly spelled out in the policy, as well as additional traveler safety and security considerations.

Lodging

Alternative Lodging
The use of alternative lodging (e.g., Airbnb, HomeAway) is becoming more common and the travel policy should clearly define when this lodging type is appropriate. The profile of your workforce is an important consideration when integrating alternative lodging into your travel policy, as not all travelers are amenable to the unique conditions associated with this type of lodging. Do your road warriors want to be in a space where they are physically closer to their colleagues than in a hotel? Some travelers may want the additional privacy hotels afford them in order to recharge and be ready for the next day’s activities. When deciding how to integrate alternative lodging into your travel policy, work with corporate security to ensure that the travel policy reflects any unique protocols that might be needed to ensure traveler safety and tracking in the event of an emergency.

Preferred Hotels
While alternative lodging is becoming more accepted by organizations, preferred hotels continue to be the most common and effective guidance for employees when they book lodging for a business trip. Policies should be explicit about when an employee is required to book a preferred hotel, as well as provide guidance on how to follow duty of care policies if the employee books outside the recommended channels. Compliance with preferred properties is a good way to control costs, since the rates are pre-determined through regular sourcing and rate negotiation processes. Additionally, booking preferred properties helps the organization adhere to duty of care policies while a traveler is on their trip. For example, when travelers stay at preferred properties in a high risk country, the travel manager knows that the hotel has security mechanisms in place that are mandated by the organization (e.g., 24 hours onsite security, room card required in elevator for floor access, safes in room). However, it should be noted that noncompliance rates for preferred hotels are around 50%, since many travelers are looking for a different experience or choosing hotels where they earn reward points. Travel managers can do a lot to increase compliance by engaging travelers in the development of the preferred hotel program.

Lodging Spend Caps
There are a number of spend cap considerations as it relates to lodging. The decision to include spend caps is largely driven by cost control and is a travel management decision. If your organization decides to impose spend caps, the policy should address three key items: (1) a full list of all of the spend caps by destination, (2) how to handle situations in which employees spend above the spend cap when a lodging option below the spend cap is available, and (3) how to handle a situation where there is no lodging option available within the spend cap.

When deciding how to integrate alternative lodging into your travel policy, work with corporate security to ensure that the travel policy reflects any unique protocols that might be needed to ensure traveler safety and tracking in the event of an emergency.
Meals
As organizations trend towards more trusting and open policies, they are allowing employees to decide how much to spend on meals by shifting to a “spend what you feel is reasonable approach,” which works as long as the organization does not have to comply with regulatory meal caps. For unregulated companies, allowing employees to determine how much to spend on meals is a reasonable approach as long as it is complimented with a “trust but verify” mindset to identify expenditures that might be out of the ordinary. It is important to carefully manage meal spend, as it is continues to be one of the larger expense categories in business travel. In 2018, 17.2% of receipts captured by Certify were meals related, coming in as the number one expense category of all expense transactions that year ($3.3B)⁹.

Alcohol
Safety and security should be considered in connection with policy related to alcohol expenditures and reimbursement amounts should be examined closely. From a duty of care perspective, alcohol consumption can create potential employer liability tied to harassment and negligence complaints. Employers should take steps to mitigate overconsumption of alcohol during working meals or when entertaining clients, thereby helping to prevent accidents or misconduct. The following guidance or rules should be considered in the travel policy:

- Safe consumption guidelines
- Prohibition of underage employees consuming alcohol at corporate events
- Requirement to assign a designated driver
- Employees can request a reimbursable taxi or rideshare home if needed

From a reimbursement perspective, caps on the number of alcoholic beverages allowed at a meal should be aligned with safe consumption guidelines.

Per Diems
The use of per diems in travel programs, and the per diem rates themselves, can vary considerably. Organizations commonly using per diems are in the public sector or are regulated businesses, such as life science companies that are subject to meal cap limits for Health Care Providers (HCPs). Other organizations with tighter policies have adopted per diems as a way to provide guidelines to employees on how much to spend on meals when traveling. As companies shift away from meal caps as defined in per diems, it is important to keep in mind the tax implications of per diems on a country by country basis. In many countries, there is a statutory requirement to reduce per diem allowances paid to travelers where a meal is provided to them. Examples include a complimentary breakfast in the hotel room rate or lunch provided during a training course or meeting. These meal deductions can be stipulated by the local government, with fixed amounts to be deducted for each meal, per location. Be sure to work with the appropriate internal resources within your organization to identify the tax exposure your employees might face based on local laws.

Corporated Travel Policy

Miscellaneous
Travel policies should contain clear guidelines around implicit travel expenses like tipping, and acceptable incidental expenses, such as laundry or valet services.

Guidelines on Tipping
The table to the right is an example of a tipping guidelines chart that is helpful to include in your travel policy. The table below is based on general US practices and should be customized to your organization’s policy. You may need more than one table to accommodate regional differences.

**TIPPING GUIDELINES**

<table>
<thead>
<tr>
<th>ARRIVING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening car door</td>
<td>$0</td>
</tr>
<tr>
<td>Transporting bags to lobby</td>
<td>$1-$2/bag</td>
</tr>
<tr>
<td>Delivery of bags to room</td>
<td>$1-$2/bag</td>
</tr>
<tr>
<td>Checking in at the front desk</td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STAYING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tipping housekeeping</td>
<td>$1-$2/twice daily</td>
</tr>
<tr>
<td>Asking concierge for directions or reservations</td>
<td>$0</td>
</tr>
<tr>
<td>Receiving room service order</td>
<td>$0-$3 extra, plus tip on bill</td>
</tr>
<tr>
<td>Delivery of requested items (e.g., extra towel, laundered clothes)</td>
<td>$1-$3</td>
</tr>
<tr>
<td>Repair visit by maintenance staff</td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DINING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordering one drink from bartender</td>
<td>$1-$2 or 10%-15%</td>
</tr>
<tr>
<td>Dining at a restaurant or buffet</td>
<td>15%-20%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEPARTING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retrieving car from valet lot</td>
<td>$2-$5</td>
</tr>
</tbody>
</table>

**Ancillary Expenses Covered**
Many policies provide guidance on a variety of ancillary expenses, such as:

- **Charitable Donations**: the policy should delineate eligibility criteria and exclusions, as well as the request procedure and corporate matching policy.
- **Professional Development**: the policy should indicate who is eligible for reimbursement, which expenses are eligible, what constitutes the request process, and how employees are reimbursed for expenditures.
- **Technical Business Publication Subscriptions**: the policy should delineate when the employer will, and will not, reimburse the costs of subscriptions for technical publications.
- **Professional Association Membership Dues**: the policy should delineate when the employer will, and will not, reimburse the costs of professional association dues.
Relocation

Guidance on Relocation Costs
Relocation can include house hunting, temporary living, home sale, rental assistance/lease cancellation, new home purchase/mortgage assistance, moving costs, spousal assistance, and tax assistance benefits. The only benefits that should be included in the travel policy are those expenses directly related to travel, with all other benefits being otherwise addressed in a specific relocation policy. Travel associated with relocation should follow standard travel policy guidelines, with exceptions granted for family members.

Reimbursable Relocation Expenses
A number of trips are necessary during the relocation process. The policy should clearly state how many trips, and of which types, are permissible. Additionally, the policy should indicate which family members are able to attend which trip types.

Typically relocation policies allow for the following trip types:
• One exploratory trip per family member
• One additional trip per employee and partner for housing hunting purposes
• One final trip per employee and partner for closing on a home purchase
• One moving trip per family member, including provisions for extended stay, if necessary

Stakeholders and Ownership

Travel Policy Ownership and Maintenance
Travel policy ownership can rest with the travel manager, HR, procurement, legal, or finance teams, however the policy is typically owned and maintained by travel managers. Travel managers seek input and approval from various stakeholders including finance, human resources, legal, compliance, procurement, and security departments. Because of the changing nature of the travel industry, it is incumbent upon the policy owner to review the policy annually and recommend changes to the policy stakeholders.

Travel Policy Structure
Over the last few years, many organizations have started to reduce the length of their travel policies, opting to switch from very detailed policies with prescriptive limits for almost everything, to a more employee-centric approach of “reasonable expenditure” in coordination with approval from the budget owner. Travel policies are often broken down into one global policy that includes information impacting all employees, and country-specific addendums with region or country-specific variations. Most organizations follow the guideline that country variations must be more stringent than the global policy. Ultimately organizations must decide for themselves which approach is most appropriate given their corporate culture and their business and employee acquisition and retention goals.

Telecommunications

Coverage of Communication Costs
As mobile devices become increasingly essential as business tools, while also providing the ability to locate and communicate with travelers during emergencies, companies are becoming more inclined to either provide stipends to cover part or all costs associated with devices, or to provide the devices themselves to employees. In an Oxford Economics survey conducted in early 2018, 89% of organizations were providing full or partial stipends to cover employees’ mobile phone expenses, a 75% increase from the two years prior¹⁰.

Reimbursable Telephone and Internet Costs
There are several costs associated with mobile devices that should be addressed in the travel policy. Organizations need to determine which basket of costs they are willing to cover. For example, will the costs of mobile devices themselves be covered, and if yes, will use of the device be limited to work activities? This question clearly goes beyond expense reimbursement and has implications for corporate security as well. Reimbursement considerations include whether the cost of monthly and international phone and data plans will be covered. Will the organization require that a Virtual Private Network (VPN) plan be installed on phones and laptops to secure these devices from intrusions while in public spaces? Will the cost of hot spot plans be reimbursed to facilitate secure data transfer from employee laptops while on the road, or will the organization provide MiFi devices to every traveler? All of these decisions must be made in conjunction with an organization’s data security team, documented in the travel policy, and reimbursed through the expense management system.

Travel Booking Tools
In order to realize the benefits of online booking tools (OBTs), such as increased policy compliance, reduced traveler spending, duty of care, and spend visibility, organizations must encourage adoption of their corporate booking tools. Resistance to OBTs is often a function of employees believing they can get a better deal elsewhere. With the increasing consumerization of these tools, adoption rates have increased in the past few years and are now expected to exceed 50% for the first time in 2019.11

Given the importance of OBTs to travel programs, companies are advised to mandate their use while simultaneously educating travelers on the importance of these tools from both duty of care and cost containment perspectives. Travelers often come to believe that offerings in the OBT are more expensive, and that by shopping elsewhere they can find better deals, thus benefitting the organization even more. However, most travelers don’t understand the need to consolidate purchases through a single channel so data can be collected for supplier negotiation purposes. Education of the tools available to travelers is critical to high compliance in any travel program.

Reward Solutions
Reward solutions are a way to help align the savings and compliance goals of companies with the convenience and comfort desires of their road warriors while traveling on business. By incentivizing behavioral change through the use of rewards, companies hope to bring traveler and corporate interests more closely into alignment. In recent years the concept of rewarding travelers for ‘cost conscious’ travel choices has become more prevalent. Keep in mind that with reward solutions, travelers may book their travel outside of the provided booking tools, introducing added security considerations. Organizations need to provide clear guidance in their policy to prevent decisions that would negatively impact employee safety and adequate comfort. Organizations also need to consider the tax implications of giving incentive-based rewards to employees, which will vary by country.

Trip Approval Workflow
Use of Pre-Trip Approval
Generally, organizations choose to employ some type of pre-trip approval, whether a manual process via a manager-employee conversation solidified via email, or through a fully automated trip request technology solution. In more highly regulated industries like life sciences or financial services, a formal approval is required prior to booking any travel. In less regulated industries and companies, a more informal process is followed. Whichever method your organization deploys, it is important to clearly define any processes or steps required prior to booking a trip.

Who Approves Pre-Trip Requests?
When an organization incorporates a pre-trip approval process into its travel program, the travel requests should be approved by direct managers according to business needs. It is important for organizations to think through the booking rules and dependencies, as untimely pre-trip approvals can drive up travel costs if approvals are delayed, especially for international and business class travel.

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In Summary

Travel policies are a critical component of any organization’s total travel program. The 15 policy areas covered in this document are important to address in your overall travel policy so that your organization establishes clear protocols across all aspects of business travel.

The challenge is how to simultaneously address each key policy area in conjunction with industry changes and new trends, and determine which factors actually impact your organization and its travel policy (because not all of them will!). With the insights and best practices shared in this document, you now have additional ideas on how to evolve your policy into one that is better aligned with today’s business traveler and the evolving business travel environment, but still aligns with your organization’s culture, policies and practices, size, geographic reach, financial strategy, and talent acquisition and retention programs.

About Acquis Consulting Group
This publication was developed in conjunction with Acquis Consulting Group (www.acquisconsulting.com), a global management consulting firm specializing in strategy and implementation, headquartered in New York City.

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