



State of Arizona Accounting Manual

Topic 50 Travel

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Section 06 Reducing State Travel Costs

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INTRODUCTION

Travel is a costly undertaking for an agency; out-of-State travel particularly so. While accomplishing the State's business often requires travel, there are frequently ways in which travel can be reduced or eliminated with little or no negative impact upon achieving an agency's mission. The following policies are provided to agency management and travelers when contemplating travel or the approval of travel requests. No set of guidelines, considerations or policies can ever be complete or may be absolutely applicable in every set of circumstances. Still, it is hoped that these policies will prove helpful in making favorable decisions for the State more likely.

POLICIES

1. No travel should be conducted, unless it is demonstrably in the best interest of the State.
2. All travel should be arranged in such a way that, while in all respects safe and reasonably accommodating the needs of the traveler, the best interests of the State take precedence.
3. When contemplating, planning or arranging travel, the overall cost of travel is to be considered. The overall cost of travel involves more than merely air fare, meals, lodging, etc. It also involves the cost of the time employees spend traveling.
 - 3.1. The cost of an employee's time while traveling includes both the employee's compensation and all employee related expenses, such as taxes, retirement contributions, health care coverage, etc.
 - 3.2. The cost of an employee's time while traveling also involves an opportunity cost; when an employee is traveling, he might be more productively involved in performing other duties for the State.
4. The following questions should be asked concerning any travel to be paid for by the State:
 - 4.1. Can travel be avoided? Are there other, more cost effective alternatives to travel?
 - 4.2. Can unavoidable travel be reasonably conducted more efficiently and economically?

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5. Travel, when necessary, should be conducted as economically as circumstances reasonably permit.
 - 5.1. This means, for example, that air travel, when there is not more than a very remote likelihood of incurring a penalty for change or cancellation, should be booked sufficiently in advance to qualify for a discounted fare.
 - 5.2. When arriving at his destination and arranging local transportation, the most economical means should be sought.
 - 5.2.1. Many hotels offer free shuttle services to and from airports.
 - 5.2.2. Even when they charge a fare, shuttle services of various kinds are frequently less expensive than taxis.
 - 5.2.3. When more than one State traveler is going to a given location, travel should be arranged in such a way that they travel together. This way, they can share taxi, limousine or shuttle services and reduce costs to the State.
 - 5.2.4. Depending upon the amount of luggage, length of local travel, schedule, employee time, physical condition of the traveler, safety, and familiarity with the destination, the use of mass transit and public transportation should be considered and often favored over more expensive means.
 - 5.3. An employee shall not be reimbursed for a given meal, including a lighter offering like a continental breakfast, if that meal's cost is included in a conference registration fee.
 - 5.4. Travelers should consider a range of departure times when flying. Sometimes, leaving an hour earlier or later can result in considerable savings for the State.
6. In the case of lodging, sometimes there is a wide range of costs for similar appropriate facilities within fairly close proximity of each other. When booking lodging, one should look for the most economical comparable combination of lodging and local transportation (including, when reasonable, walking).
7. In the cases of conferences, training events, seminars, etc., the benefit of sending multiple staff members versus the cost of doing so should always be scrutinized. While at times, it may be necessary or significantly beneficial to send several staff to such events, it is frequently the case that one or two people can cover all the presentations of interest and can communicate the information of value to other members of the staff.
 - 7.1. Attendance at conferences and the like should not be thought of as an award, fringe benefit, or morale booster.
 - 7.2. It should be borne in mind, as stated above, that the cost of attendance at these events includes not merely registration, travel, lodging, etc., but the cost of

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- participants' compensation and benefits as well as the possible loss of staff productivity.
- 7.3. Particularly at conferences, many of the presentations may be of little or no value and the information being sought can be acquired and communicated more efficiently, effectively and economically by other means.
 8. In the case of training, consideration should be given to the availability of teleconferences, webinars or other means or media that provide the desired instruction while avoiding the costs of travel.
 9. When arranging training for multiple participants, consideration should be given to transporting the trainer to the students, rather than the students to the trainer.
 - 9.1. Many training organizations offer on-site training or might do so upon request.
 - 9.2. If the cost of providing transportation, meals and lodging to a single trainer to provide on-site instruction is more economical than providing travel costs for a number of students to a training facility or conference, agency management and staff should take advantage of this option.
 10. When considering meetings that involve significant travel, the following questions should always be asked:
 - 10.1. Are face-to-face meetings, when such meetings involve significant travel, really necessary? If not, travel should be avoided.
 - 10.2. Could the same business be conducted as effectively and more economically by telephone, teleconference, web conference, email or other means? If so, travel should be avoided.
 11. Travelers should be kept mindful that all travel for the State is subject to the State's statutes and policies, including a number of limitations. Among these are:
 - 11.1. Reimbursements for lodging and meals shall not exceed the lower of the actual amounts incurred or the maximum amounts allowable for the type and location of the expense.
 - 11.2. Reimbursements for lodging while attending a conference shall not exceed the least expensive single room rate published in the conference brochure for its designated lodging establishments.
 12. Travelers should always investigate the availability of special lodging rates and take advantage of them when they are available and produce a savings for the State.
 - 12.1. Sometimes, particularly in the case of conferences, there are lodging rates at the conference hotel, such as a governmental rate, that are less expensive than the conference rate.

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- 12.2. Frequently, lodging is available at a hotel neighboring the conference hotel for less than the rates available at the conference hotel.
13. Advance planning is a key factor affecting the cost of travel.
- 13.1. In the case of conferences or similar out-of-town events, travel arrangements should, to the extent practicable, be made within one (1) calendar week of learning of the event.
- 13.2. If possible, travel arrangements—the booking of flights and lodging—should be made between ninety (90) days and thirty (30) days before the date of departure to take advantage of discounted fares, conference lodging rates, etc.
14. Except when required by the traveler's physical condition or debility, which is to be documented on the travel claim, special seating charges on airplanes, e.g., window or aisle seating by request, are the responsibility of the traveler and will not be reimbursed.
15. Charges involving upgrade from coach or economy fares to first class are the responsibility of the traveler.
16. Charges relating to the cancellation of or a change to a flight or hotel reservation are generally the responsibility of the party initiating or at fault for the cancellation or change. Whenever the agency pays the charges relating to the cancellation or change of travel arrangements, the circumstances must be fully documented and the documentation retained with the travel claim.
- 16.1. If the change or cancellation is initiated by the agency, then the agency is responsible for paying the charge.
- 16.2. If the traveler initiates the change or cancellation, either the traveler or the traveler's agency may, depending upon circumstances, be responsible for paying the charge.
- 16.2.1. If the charge results from a change in travel plans because of a personal emergency (e.g., hospitalization or death in the family, fire or burglary at home, etc.), the agency is responsible for paying the charge.
- 16.2.2. If the charge results from a change initiated by the traveler that produces an overall savings (i.e., the savings less the charge still results in a reduction of cost) to the State (e.g., taking an earlier return flight that avoids additional meal and lodging costs, etc.), the agency is responsible for paying the charge.
- 16.2.3. If the charge results from a change initiated by the traveler for his convenience and does not produce an overall savings to the State, the traveler is responsible for paying the charge.

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17. Spending on travel reduces money available for other initiatives and programs. Travel extravagance exposes the State to public criticism. Because of these and other factors, agency management should consider making compliance with travel policy, including a traveler's efforts to reduce costs to the State, an element in measuring employee performance.
 - 17.1. Employees who repetitively violate travel policy or conduct or arrange travel in ways that do not serve the best interests of the State, should be appropriately disciplined.
 - 17.2. Agency management should consider an employee's record of compliance with State Travel Policy when reviewing travel requests.