

# 8 Travel

## 9 Background

Travel (and associated costs) comprises a significant expenditure item for the Office of the Children's Commissioner (the Office).

Our travel policy has an objective of controlling direct and indirect costs, whilst ensuring employees are provided with a reasonable standard of travel.

Travel expenditure should be economical and efficient, having regard to purpose, distance, time, urgency, personal health, security and safety considerations. The best option for travel must always be taken. Staff are encouraged to travel in the most cost-effective way and to make travel reservations well in advance to take advantage of any discounts. Discounts are variable so staff will need to use best judgement and apply office expenditure principles to each situation.

Authority to approve travel, within the terms of this policy, lies with the Commissioner and Managers on a one-level-up basis. Managers may delegate authority to their staff so that they can arrange their own travel, subject to the Manager always being aware of the travel plans of staff. All travel expenditure must subsequently be reviewed and approved by the Commissioner or Managers. Travel by the Commissioner will be confirmed by the Corporate Services Manager. International travel requires the prior approval of the Commissioner. All travel expenditure invoices need to be accompanied by a written explanation detailing their business purpose.

## 10 General

The purpose of this policy is to ensure that all travel and accommodation expenditure incurred meets the requirements of the Office and audit regulations. This policy applies to all travel not otherwise covered under other policies of the office (e.g. Finance Policy & Procedure, Health & Safety)

Travel (and associated costs) is a significant expenditure item for the Office.

Our travel policy has an objective of controlling direct and indirect costs, whilst ensuring employees are provided with a reasonable standard of travel.

All employees are to be aware that, when travelling on Office business, public money is being expended and the travel philosophy is to, at all times, minimise the cost to the client (public). Employees travelling on office business should exercise the same care in incurring expenses as a prudent person travelling for personal reasons. They are accountable for all expenses incurred and all expenses must be able to "withstand public scrutiny".

Staff are encouraged to travel in the most cost-effective way and to make travel reservations well in advance to take advantage of discounted fares.

The general principle underlying any travel expenditure is that it may only be committed to further the Office's business and must be made in the most cost-efficient manner.

# 11 Responsibilities and Accountabilities

## 12 Staff travelling on Office business

- Complete a Travel Request form for approval by the Commissioner or delegate.
- Exercise the same care in incurring expenses as a prudent person travelling for personal reasons
- Clear travel advances and submit a claim within 10 days of returning from travel
- Liaise with the Commissioner's Executive Assistant or Business Advisor for travel bookings (including air travel, accommodation, car rental, taxi vouchers etc.)

## 13 Staff who book travel and accommodation

- Receive approved form from the Commissioner or delegate before booking travel
- Access the Office's Air New Zealand Travel card number to complete online bookings
- Contact the Office's contracted travel supplier to arrange international travel
- Maintain records of itineraries and receipts for reconciliation purposes.

## 14 Commissioner or delegate

- Authorise planned travel
- Authorise payment of invoice for travel.

## 15 The Office's travel suppliers

For most domestic air travel bookings, travel is purchased via Air New Zealand's All-of-government (AOG) booking portal. Access to the AOG booking portal allows the Office to increase the level of savings with its travel expenditure via this arrangement.

Travel bookings for staff are arranged through the Commissioner's Executive Assistant or Business Advisor. The Business Advisor also maintains relationships with accommodation suppliers to the Office.

Boarding passes and itineraries are provided for the traveller and booking receipts are saved electronically for reconciliation with the monthly travel card statement.

The use of a travel agent is expected to be rare and when booking online direct is not possible or too complex.

If there is any engagement with a travel agent, they will provide:

- Travel services directed to the Office's best interest and needs in accordance with this policy.
- Detailed itineraries and cost options as required for international travel.
- Options on the most direct and economical route, and options on any restrictions or cancellation fees, which apply to discount fees.
- Provision of travel and accommodation at the lowest possible cost within the parameters specified at the time of booking.

All car rental and accommodation bookings must also be made as far in advance of scheduled travel as practicable. The Office's preferred supplier of rental vehicles is in accordance with the All-of-Government Agreement and billed directly back to the Office. Accommodation bookings are made directly with the supplier. A charge back arrangement is the preferred option; if that facility is not available then the use of the Office credit card is allowed, subject to approval by the Corporate Services Manager.

## 16 Terms used

### 17 Actual and reasonable expenses

Actual expenses incurred by an employee on behalf of the Office, necessary for the effective implementation of the Office's daily operations and which are considered, by the Commissioner or delegate, to be justifiable amounts in relation to the need for incurring them.

The level of expenditure must be capable of withstanding public scrutiny.

### 18 Business related expenses

Any actual and reasonable expense incurred and paid for on behalf of the Office by an employee.

## 19 Travel

Includes transport of staff from one location to another for business purposes.

### 20 Air travel

An employee may not convert the whole or part of the ticket into cash or any other benefit and travel on a cheaper ticket.

An employee may at their own expense upgrade the ticket to a higher class of travel. In this case the employee must reimburse the Office prior to travel commencing.

To the extent practical, air travel should be booked well ahead of the actual travel, so the expenditure is the most cost-effective possible.

All air travel (both domestic and international) will be at standard "economy" class. It is acknowledged there may be circumstances where an upgrade (e.g., business class or premium economy) may be appropriate, for example where the distance or hours travelled, work schedule on arrival, or personal health, safety or security reasons make this preferable. Such an upgrade would require written justification and pre-approval from the Commissioner. As a guide, air travel would need to exceed five hours duration (i.e. schedule of flying time by the most direct route) by staff members who are on a very tight schedule. Refer to Business class air travel for further information.

### 21 Open dated return tickets

The purchase of open dated return travel tickets is prohibited except when:

- The date and time of the return travel is unknown or uncertain at the time of booking. In these cases, it is acceptable to have an open ticket for the return travel only.
- All unused tickets and vouchers must be returned immediately, upon return from the business trip, to the Offices contracted travel supplier.

### 22 Limiting alterations to booked travel

Care should be taken when making travel bookings to ensure that the date and time are correct and appropriate so as to limit costs to the Office for alterations.

## 23 Settlement of actual and reasonable business-related expenses

Actual and reasonable business-related expenses are those necessary expenses incurred by an employee of the Office, on business that will benefit the Office.

### 24 Office credit card

The Office credit card can only be used for travel expenses with permission of the Corporate Services Manager. Use of the Office Credit Card is documented under section **Error! Reference source not found.**

### 25 Charge back to the Office

The charging back of actual and reasonable costs to the Office is permitted where the employee:

- Does not have an Office credit card.
- Does not have a personal credit card.
- Is not entitled to an advance.
- A group of staff is involved.
- Prior arrangements have been made to charge the expenses back.

In those cases where the Office has made arrangements for the account to be charged back to the Office, the employee must:

- Review the accommodation account when checking out, and
- Settle all miscellaneous charges, such as mini bar, telephone (except to home and work) and laundry, etc.

The employee must not charge miscellaneous charges back to the Office. The preferred method is for employees to settle the account by personal credit card, cheque or cash and seek reimbursement from the Office. Payment will be made to the employee based on the policies documented under the Office's Finance Policy & Procedures.

### 26 Approval of expenses

All personal reimbursements and credit card expenses charged to the Office are to be approved by the Commissioner or delegate.

### 27 Entertainment expenses

Refer to section **Error! Reference source not found.** for details of the Entertainment Expense Policy.

### 28 Reimbursable expenses for domestic travel

The expenditure of taxpayers' funds by the employee must be justified and able to withstand public scrutiny. Reimbursement will be as prescribed in related policies. In addition, the following will apply.

#### 29 Basis of reimbursement

Staff members (does not include Contractors) should agree the basis on which expenses will be approved, with their Manager, prior to commencing a business trip. This will be subject to the actual contractual provisions detailed in the staff member's employment contract.

Actual and reasonable reimbursement for meals and incidentals will be reimbursed where an original GST receipt or some other acceptable documentation is provided and attached to the expense claim form. A GST invoice must be attached for all items greater than \$50 (excl. GST), to comply with New Zealand tax requirements.

Any food and incidental expenditure incurred while travelling must be within 'modest' and acceptable parameters, befitting the 'culture' of the Office.

As this is a reimbursement PAYE tax will not be deducted.

The staff member must provide an approved expense claim form within 5 days of the completion of travel for processing.

### **30 Payment on an “actual and reasonable” basis**

As a guide, reimbursed meal and incidental costs are as follows:

- Breakfast - \$17
- Lunch - \$20
- Dinner - \$35
- Incidentals - \$15

If a staff member had to pay more for a meal than the amount indicated in the guide above, this can be done, but the maximum amount of \$72 per day for all meals may not be exceeded.

Incidentals are to cover items such as:

- Tea/coffee when travelling outside of Wellington or Auckland;
- Small personal items, such as toothpaste and a toothbrush, that needs to be replaced due to unforeseen circumstances e.g. should baggage go missing or a staff member is forced to stay overnight due to travel issues;
- Children/dependents and limited care arrangements such as covering of fuel costs of a relative/friend taking a child to a sports event. The staff member must provide an explanation as to the nature of the expense and provide evidence of this expenditure;
- Phone calls to home.

The Office will not reimburse for mini bar charges or alcohol purchases.

Staff members can opt to chargeback meals as part of their accommodation booking rather than submitting an expense claim, but still in line with the meal guide above.

### **31 Single day travel**

When out of Wellington on Office business, all reasonable costs for food can be claimed (GST receipts required). This includes incidental costs such as tea or coffee and using the cost guidance provided above.

### **32 Overnight travel**

When a staff member is required to stay away overnight on work-related business, the Office will cover reasonable costs associated with the stay. This includes actual and reasonable food costs as outlined above. Separate meal expenses may not be claimed if a meal is provided as part of another package paid for by the Office. Gratuities will not be reimbursed.

Generally, expenditure of a personal nature is not reimbursable. However, exceptions may be made where reasonable circumstances exist, e.g. reasonable laundry charges when unforeseen circumstances arise.

### **33 Payment on “private accommodation” basis**

A private accommodation allowance of \$50.00 for each night will be paid where the employee has stayed with friends or relatives. This allowance is intended for use by the employee as koha to their host towards the cost of their stay. As this is a reimbursement PAYE tax will not be deducted. A receipt will not be required for reimbursement of this expense, but fair evidence of a cost paid for the accommodation may be requested i.e., receipts for contribution of costs to the host.

### **34 Daily advance for domestic travel**

Requests for travel advances should be forwarded to your Manager for approval. The amount of any advance requested should be based on the estimated reasonable cost of the proposed trip and in line with the cost guidance.

Approved travel advance forms must be submitted to the Corporate Services Manager 10 days before the date of travel.

The travel advance will be deposited directly into the staff member's nominated bank account.

Travel advances must be reconciled to actual expenditure within 5 working days of returning from the relevant trip.

If the amount advanced exceeds the actual cost of travel the balance is to be reimbursed to the Office. If the staff member incurs reasonable costs over and above the travel advance, the Office will reimburse the additional cost subject to their Manager's approval.

### **35 Reimbursable expenses – contractors**

Contractors engaged by the Office will be reimbursed on an 'actual and reasonable' basis, only where their contract provides for such payment. Contractors are not eligible to select the allowance basis of reimbursement, as this is a provision for employees only.

This means that an actual and reasonable reimbursement for meals and incidentals will be made where original Tax Invoices are supplied. It is important that contractors retain their Tax Invoices as no reimbursement can be made where Tax Invoices are not supplied.

### **36 Reimbursable expenses for International travel**

#### **37 Daily advance for international travel**

Other than charges the Office pays directly (air travel, accommodation, transportation and pre-approved rental car), a daily advance is provided to cover all costs such as meals, drinks, telephone and other incidental costs.

The Office will not reimburse for personal expenses – these should have been met from personal sources. Examples of personal expenses are in-house movies, mini bar or special hotel facilities that incur additional charges (spa, gym, etc.). Staff should pay for any personal expenses at the time they check out.

Request for an international travel daily advance must be made two weeks prior to departure and be coded and signed by the Commissioner to allow sufficient time for processing.

International per diem rates are obtained through the Ministry of Social Development's Crown Entity Monitoring team who are able to access information on travel related costs across most major cities in the world. This information is used to assess what is reasonable. Three daily rates are provided (high, medium and low). The Office policy is to use the "low" rate.

#### **38 Payment on "private accommodation" basis**

A private accommodation allowance of \$50.00 for each night will be paid where the employee has stayed with friends or relatives. This allowance is intended for use by the employee as koha to their host towards the cost of their stay. As this is a reimbursement PAYE tax will not be deducted. A receipt will not be required for reimbursement of this expense, but fair evidence of a cost paid for the accommodation may be requested i.e. receipts for contribution of costs to the host.

#### **39 Non-reimbursable expenses (examples of)**

- Mini-bar costs not associated with entertainment of third parties, where the entertainment is likely to benefit the taxpayer.
- Alcohol at meals where no entertainment of third parties, likely to benefit the taxpayer, occurs.
- Hotel and Motel 'in-house movie and video' rental charges.

### **40 Travel expense claims**

Travel expense claims must be submitted for approval and payment within 5 working days of return.



Expense claim forms are available on the common drive (under: \\corp.ssi.govt.nz\shared\OCC\COMMON\CORPORATE\FORMS\_AND\_TEMPLATES\Travel\_CO-01-01) and are shown in the appendix.

The forms to be completed are:

- Travel advance claim form – if a cash advance is required prior to travel
- Travel expense claim form – for expenses, accommodation allowances, mileage
- Expense claim form - for expenses only
- International travel – daily advance claim form for international travel

All travel expense claims must be supported by adequate documentation. This will include original receipts and tax invoices from suppliers of goods and services and currency exchange documentation for overseas travel. Credit card statements do not constitute adequate documentation for reimbursement.

Refer to the Finance Policy & Procedures for the requirements for a tax invoice.

Expense claims will be paid within 10 working days of receipt of the authorised claim.

## 41 Domestic travel

In addition to the general policies as detailed above, the following policies apply for travel within New Zealand.

### 42 Air travel

All domestic air travel is to be economy class.

Wherever practical the most economic fare should be selected for travel. For example:

- The first leg of a journey should be booked on a smart saver fare unless there are unforeseen circumstances which require changing the departure time
- The return leg of a journey may be booked on a more flexible fare to accommodate unexpected changes to travel plans<sup>1</sup>.

The Commissioner may approve the use of business class travel if it is imperative the trip is undertaken at a particular time and an economy class seat is not available.

### 43 Taxis

It is expected the use of taxis will be moderate, conservative, and cost-effective relative to other forms of transport available. The Office will not pay for travel between home and the Office, unless the reason for the travel is because the staff member is required to work past a reasonable hour (as a guide after 9pm), there is a safety concern, or similar justification. In such circumstances prior approval of the travel should be obtained where practicable from the staff member's manager.

### 44 Taxi chits

Taxi vouchers are available from the Business Advisor. All travel must be reconciled to the statement with the reason for travel. If no receipt is kept the expense must have the Corporate Services Manager's approval before the Office will make the payment. All travel costs will be coded to the appropriate code and team in Xero.

Taxi chits should not be used for personal use unless there are exceptional circumstances.

### 45 Taxi cards

Taxi cards are subject to the same principles that apply to the use of credit cards. Taxi cards are supplied for Office business purposes only. They should not be used for personal transactions unless there are exceptional circumstances, in which case the funds should be reimbursed to the Office immediately.

Taxi cards will be issued in an individual's name and that individual is responsible to ensure it is appropriately used and all record keeping is complete and up-to-date.

Taxi card statements need to be reconciled every month. Statement reconciliation must be completed with sufficient detail to record the details of the trip including its purpose.

The Commissioner or Managers approve their staff's taxi card expenses except for their own which is approved by the next level Manager. Expenses by the Commissioner are confirmed by the Corporate Services Manager.

### 46 Rental car

Rental cars should be used where other forms of public transport cannot reach the destination, and/or where considerable travel is required at the destination, and/or where it is less expensive or similar in cost to other alternatives.

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<sup>1</sup> Note that smart saver fares may be changed up to one day before travel, but incurs a change fee, plus any additional fare change.

Rental cars are to be booked through the Business Advisor or Executive Assistant. When hiring a rental car, the class of car should be the most economical consistent with the requirements of the travel and the Office's vehicle specification standards outlined in the Office's Health & Safety Policy.

Within New Zealand, the Office uses the preferred supplier in accordance with the All-of-Government Agreement where possible. It is expected the most economical type and size of rental car is to be hired, consistent with the requirements (including the distance and number of people) of the trip. Alternative rental car organisations can be accessed depending on the availability/cost of rental cars through the preferred supplier at the time of booking.

Where two or more people are travelling together it is recommended that transport be shared to reduce expenses incurred.

The driver, not the Office, is responsible for paying any fines (parking, speeding and related traffic infringement notices) incurred while using a rental vehicle on work business.

Motor vehicle insurance covers accidental damage. The Office will meet the excess charge where the damage was accidental but not where it is the result of the driver's careless or dangerous driving, or where they are under the influence of alcohol. In these cases, all charges are the liability of the driver. Vehicle insurance for rental cars is covered under the rental agreement.

With prior approval by their Manager, personal use of a rental car may be allowed by Office staff either side of a work-related trip. All costs incurred during this time are the responsibility of the employee or contractor whose name is on the hire contract. Where possible, payment for personal use is to be made at the time of returning the car so only the work-related amount is invoiced. Where not possible, payment is to be made to the Office as soon as the invoice arrives.

All vehicle incidents must be reported as required by the health and safety system.

The Office will not cover any fines (parking or traffic offences) incurred while using a corporate vehicle unless the fines relate to an aspect of the condition of the vehicle outside the driver's control.

## 47 Use of private vehicle

Staff may be reimbursed for authorised and approved use of their private motor vehicle while on Office business. Pre-approval to use a private motor vehicle for Office business must be obtained from the appropriate manager.

Personal vehicles should only be used where the cost of a rental car would be more expensive.

Staff are entitled to claim mileage at the current IRD rate per km for the first 5,000 km over the period of a tax year, and then at the reduced IRD rate per km thereafter<sup>2</sup>. These rates do not attract PAYE. These rates are compensation for all costs of running a vehicle including fuel and insurance. Receipts will not be required for reimbursement of this expense.

Total claims must not exceed the cost of undertaking the same travel using alternative means of travel. Claims for the reimbursement of private vehicle use costs must be signed by the vehicle user and must specify both the total kilometres travelled and the vehicle route (point to point).

The Office will not pay for travel by private vehicle where travel by other means is more practical and cost-effective. Pre-approval to use a private vehicle on Office business must be obtained.

The Office will not cover any fines (parking or traffic offences) incurred while using a private vehicle.

Private vehicles can be used and charged for in the manner prescribed under Finance Policy & Procedures.

## 48 Bus and rail transport

<sup>2</sup> The IRD Commissioner's statement of mileage rate for expenditure incurred for the business use of a motor vehicle.

Bus and rail transport may be used, but consideration should be given to the length of time this may require versus other modes of transport. Bookings are to be made through the Business Advisor or Executive Assistant.

## **49 Accommodation**

The standard of accommodation to be used must be:

- Appropriate to the length of stay and to the business need.
- Sustainable under public scrutiny. Accordingly, the Office's domestic standard is three stars and the acceptable domestic room rate is up to \$200 (+ GST) per night.
- Located in reasonable proximity to the place of business so as not to create any unnecessary costs.

When booking accommodation, a request should be made for "government rates" as these are often less than standard rack rates.

## **50 Private travel bookings**

Private travel is the direct responsibility of the employee. It must not be charged to the Office.

Where an employee travels on Office business and is accompanied by family or friends the cost of that private travel must not be charged to the Office. Evidence proving separate charging and payment of private travel may need to be provided.

## 51 International travel

In addition to the general policies, the following policies apply for all international travel, including Australia:

### 52 Travel advances

- Employees with an Office credit card may have the credit limit temporarily increased (refer Financial Policy & Procedure).
- Any unused travel advances in the form of cash and/or travellers' cheques must be returned immediately upon return.

### 53 Business class air travel

The Commissioner shall be entitled to travel by business class where flying time is in excess of five hours.

Business class travel where flying time is in excess of five hours for other staff members will be considered on a case-by-case basis by the Commissioner and Corporate Services Manager. The Commissioner and Corporate Services Manager may also approve the use of business class travel based on:

- The **total** travel time.
- Where the length of the trip is such that its duration is likely to be detrimental to the traveller's ability to carry out their business on arrival and a recuperation period is not available.

### 54 Period of recuperation

When travelling overseas on Office business, the trip should be arranged to allow the employee a recuperative period on arrival at and return from their destination, appropriate to the circumstances.

The recuperation period will be determined by; the duration of flying time, the class of travel, and flight availability.

### 55 Stopovers

Stopovers at the expense of the Office may not be taken during travel except in exceptional circumstances. Any stopover en-route will reduce the recuperation period provided on arrival.

### 56 Rental car

If hiring a rental car overseas for business purposes insurance must be included in the rental agreement.

### 57 Accommodation

The standard of accommodation to be used must be:

- Appropriate to the length of stay and to the business need.
- Sustainable under public scrutiny.

### 58 Insurance

The Commissioner authorises their insurance supplier to:

- Arrange the traveller's full travel insurance for the duration of travel overseas while on official business.
- Ensure the cost of insurance for private days or personal effects is not reimbursable.
- Issue an insurance certificate and insurance card, which needs to be carried on the travelling person at all times.
- Provide insurance cover details and how to claim while overseas.

### 59 Exchange gains and losses

An exchange gain or loss may arise where an employee has travelled overseas and returned the unused portion of the travel advance. This exchange gain or loss forms part of the travel expense claim.

The Office will be responsible for the exchange gain or loss on the return of the unused portion of the travel advance.

## **60 Other travel costs**

In respect of ad hoc business-related costs incurred other than through travel on Office business, the principle of reimbursement on an actual and reasonable basis applies.

## **61 Private travel**

### **62 Private travel while overseas on Office business**

In principle the Office will bear the cost of the most direct return economy air travel that would have been required to complete the Office's business. Employees travelling overseas on Office business may stop over or vary their route at their own expense. Any cost above this will be the employee's responsibility and must be paid for prior to departure. Approval for annual leave (as necessary) shall be sought prior to commencing travel.

### **63 Private travel bookings**

Private travel is the direct responsibility of the employee. It must not be charged to the Office.

Where an employee travels overseas on Office business and is accompanied by family or friends the cost of that private travel must not be charged to the Office. Evidence proving separate charging and payment of private travel may need to be provided.

### **64 Private travel insurance**

The cost of insurance for family or friends accompanying the employee on overseas travel must not be charged to the Office.

Where an employee is travelling overseas on Office business and is taking leave during the travel, the employee must pay:

- That portion of the insurance premiums to the Office prior to departure, and
- Any subsequent adjustments to the insurance premium arising from any claim that may arise as a result of the private travel.
- Evidence proving separate charging and payment of private travel insurance may need to be provided.

## 65 Travel clubs

### 66 Application Criteria

The Commissioner's prior approval is required before staff can join an approved travel club (e.g. Koru Club) at the Office's expense. Applications may be approved where:

- The employee's work requires frequent and regular air travel on an on-going basis and the expenditure can be justified on a cost benefit basis. The definition of frequent and regular is to be determined on a case-by-case basis but the overriding factor is the ability to justify the expenditure given the political sensitivity involved
- Funds are available.

Membership should be for a one-year period (reviewed annually).

### 67 Procedure

The procedure to obtain a membership is:

- Confirm the application criteria as detailed above are met.
- Apply to the Corporate Services Manager for membership.
- Apply for membership following the Office's standard purchase process.

Once membership is obtained it is subject to the following terms and conditions:

- Renewal of membership is not automatic. It is subject to annual application and on-going justification. An application for renewal must be forwarded to the Corporate Services Manager for approval as above.
- Membership is on an individual employee basis.
- No guest passes will be purchased over and above those that automatically come with the membership.
- Approved membership does not confer any rights to the holder to prefer the use of one air travel supplier.

