HOW TO WRITE THE COMPANY TRAVEL POLICY

WHAT IS IN THIS GUIDE

Company Travel Policy Explained
As Simple as it gets

When creating a company travel policy there are so many things to consider but it does not necessary mean that you have to go nuts writing it. There are only two things you have to keep in mind when putting it together and those are fairness and transparency. A good travel policy provides travelers with the freedom and autonomy they want without sacrificing governance and control.

Research shows that employees don't want to ask anyone else to book their trips; they would rather want to be able to do it by themselves. They are in need of a place that they can turn to when they need some answers (nobody wants to waste anyone's time asking repetitive questions).

Now that we have established that having a company policy is definitely a good idea (and it will save you a lot of questions, and a whole lot of answers), the question is: How do you create it?

This guide will give you everything you need to know about creating a valid company travel policy and cover travel management styles that can work for every business and tips to increase compliance with no micromanagement.

The Big Problem Behind Travel Policies (explicit content)

If you are reading this guide either you are working at a fast growing startup and it's time for your company to implement a travel policy, or you already have one that simply needs to be improved. Anyhow you want to create a travel policy that actually works, so the first you should know is that most travel policies are useless.

Yes, that's right - useless, it's just the ugly truth. It turns out that twenty something pages of boring pdf you thought nobody ever reads - nobody actually does (we will not apologize for being honest, and since we're already there, green tea shouldn't be the ice-cream flavor). Why travel policies are useless (or at least most of them):

- They are difficult to understand (sometimes even hard to read)
- No one reads them or remembers them (even if you do succeed to read them)
- Travel policies are not auto-enforced (hypocrisy at its best)
- Bureaucracy of creating, maintaining, and enforcing travel policies

You Have to Have a Travel Policy: No Company Can Do Without One

If you have already smirked in triumph thinking about the ways to explain to your boss that travel policy is a waste of time - not so fast, it's not what we're saying at all. Even though there are many problems with travel policies (like the ones outlined above) and it may leave some companies wondering if creating a travel policy is worth the effort. In reality, this is all the more reason to create policies. Your company cannot control the extra expense of an upgraded car if it hasn't set a guideline about the types of cars employees can rent!

While many large companies have company travel policies, smaller companies often do not. Yet, even if you own your own 3-person company and employees only travel twice a year, you should consider creating a policy.

Reasons Why You Should Create a Travel Policy

Travelers are likely to book out-of-policy, costing the company more money, or travelers will at the very least be dissatisfied with their business travel experience, which could reflect in their performance at the company, at a customer meeting, or in their willingness to remain as an employee. It's important to create a corporate travel policy that is not only easy to follow and helps the company control costs but also factors in employees' needs.

A travel policy will make travel booking, spending, and reimbursement processes clear and organized. With a straight-forward approach, employees will quickly learn how to properly manage and record their travel expenses.

There are many benefits to having a company travel policy:

- Keeps the travel booking process organized
- Streamlines the reimbursement procedures for travelers
- Enables more savings (clear policy + happy travelers = more policy compliance = savings)
- Helps your company avoid fraud
- Protects employees through clearly outlined safety procedures

- Fairness amongst travelers
- Flexibility and autonomy to book their own travel within set guidelines

Travel policies may vary quite a bit depending on the company's goals, travel practices, and culture; however, we have gathered some practical advice that will help companies of all sizes create an effective business travel policy.

What to Do Before Creating a Company Travel Policy

Before you even think about starting to write the travel policy, you'll want to have your preferred vendors in place, understand current travel practices, and set goals.

1. Analyze your current company travel practice

One of the best ways to create a successful policy is to first understand the current practices at your company. Take the time to map out how travel is being purchased at your company right now and collect as much data as you can about traveler practices. How often in advance are your travelers booking? When, if at all, are they booking business class flights? Use the data to understand traveler preferences (even better—ask employees about their preferences) and use that information to help you write a policy that finds a balance between traveler needs and company savings.

2. Set goals for your travel policies

When you're tasked with writing the company travel guidelines, the last thing you probably want to do is more writing—but taking some time to list your goals for these policies, and working with other company constituents on these goals, can be worthwhile. Is your top priority helping travelers book their trips? Is it safety? Or else, are you mostly concerned about employees spending money on items that aren't reimbursable? Use these priorities to help you structure the policy.

First thing to do when you want to set your priorities is to make a list of all the things that aren't working in your current travel program. For example:

- If the company is mostly concerned about non- reimbursable place a list of those items within the first page or so of the policy so that it's hard to miss.
- If employees book out of policy too often then it's clear you should improve (or create) your FAQ section and have written down (and underlined) clear budget limits

If you don't have any specific problem (or you can't recognize one) or this is your first time writing it, here is the list of some basic priorities that all companies share:

- Clarity and fairness
- Reducing travel spend
- Visibility and transparency
- Traveler autonomy, efficiency and satisfaction

Who needs to be involved

It is essential to involve different parts of the management in setting a collaborative policy. People are far more likely to adhere to policies they have helped create.

At the very least, HR, Finance and Travel Managers will have key responsibilities, but also keep in mind that creating a travel policy is not a one-person job. Regional representation will also be important, so that additions can be made to reflect the nature of the local markets. Additionally, certain industries, such as shipping and energy, will require special consideration for specifics such as crew travel policy guidelines.

How to Write Policy
In 4 easy steps

Now that we established that you have to have a travel policy we are onto the next step - to actually write one. Since you don't have a clue how to go about (you won't be reading this if you had) we are here to help you. Follow these 5 simple steps that will guide you through the process.

Choose a travel management method 1

Decide what to include 2

Outline the travel policy 3

Implement 4

Choose a Travel Management Method

Managed & Unmanaged Travel: Most companies need team members to travel regularly or on occasion, and they have a choice between unmanaged travel and managed travel.

Unmanaged travel is when employees book their own flights, hotels, rental cars and other travel services using different booking engines. After a trip is complete, an employee submits his or her receipts for reimbursement. This way of travel can lead to sporadic spending, hence little to no control.

Managed travel is different. When a company chooses managed travel, it engages an outside corporate travel agency or travel management company (TMC) to handle some or all aspects of the travel experience for a company and its team members. Here are the core advantages of choosing managed travel over unmanaged travel:

1. Travel Policy Adherence

Travel policies are important, but they can also be incredibly frustrating. Traveling team members are often unfamiliar with travel policies, and adherence can be sporadic — at best.

Managed travel helps making travel policy adherence easier. For example, booking platforms included in managed travel agreements can alert team members when they are making arrangements that violate some portion of the travel policy, whether for going over budget or another reason.

2. Online Booking and Other Travel Technology

Most managed travel engagements come with an online booking platform and other helpful technologies. Rather than randomly searching online for flights, hotels and rental cars that fit their travel schedules, team members can use an online booking platform to browse through options that gather pre-negotiated rates, options that adhere to travel policies, as well as options that are pre-loaded with their preferences and loyalty numbers.

Managed travel often includes technology that is helpful during and after trips, too. During trips, team members enjoy access to mobile applications that provide alerts, as well as one-on-one communication options when flights are canceled or when there's an emergency.

After a trip, travel technologies can make it far easier for team members to track expenses and submit for reimbursement.

3. Automation and Efficiency

When you opt for unmanaged travel, keeping up with travel planning, expense reporting and other travel-related tasks can feel like a full-time job. When you choose managed travel, you gain a level of automation and efficiency that makes travel easier and that frees up time for your team members to focus on what matters most — doing their jobs.

4. Duty of Care and Risk Management

Duty of care is the responsibility companies have to keep their employees safe and secure while traveling. Risk management is the set of actions a company takes as it lives up to that responsibility.

A managed travel company can often provide support and assistance with duty of care and risk management, too. Many managed travel providers can keep track of your team members' locations, and they can also provide direct communication access in case of emergency.

The Cons of Managed Travel

Managed travel isn't the right solution for all companies. While businesses of 5000 employees or more can reap benefits, this model is too costly for SMEs and SMBs. Here's a look at some of the drawbacks to choosing managed travel options over unmanaged travel.

1. Cost

If your team members travel often enough, a managed travel provider can help you maximize your return on investment. But that said, there is a cost associated with hiring a corporate travel agency to provide managed travel services. If your team members travel only occasionally, you may not have the scale needed to get the ROI you want from managed travel.

Travel management companies aren't just for big businesses that travel regularly, though. Ask different managed travel providers about their various options. Many offer a la carte services or stripped-down packages for companies that don't send team members traveling often — but that still want managed travel support in certain areas.

2. Finding the Right Managed Travel Provider

Of course, no two managed travel providers are exactly the same. You'll want to find a corporate travel agency that delivers the services you need and that matches well with your corporate culture and the way your team works.

 There are so many different options when it comes to finding a company to provide managed travel. Make sure you take your search for managed
travel services seriously, and be sure to look at several different options before making a final decision. Otherwise, you may grow frustrated with trying to find the right managed travel service for your company.

3. Onboarding Your Employees

For managed travel to work, you'll need buy-in from your traveling team members. You'll need to spend time onboarding them, demonstrating how managed travel will work, as well as making clear how managed travel benefits both the company and its employees.

And that last part is really important: Managed travel should make life easier and more enjoyable for employees who often travel. Frame the introduction of managed travel in those terms, and you'll have a much easier time onboarding and getting the buy-in you need. Plus, keep in mind that some managed travel agencies offer employee training and support, so you don't have to handle onboarding alone.

Companies that fit one of the criteria below should consider managed travel:

- Spending over $500.000 on travel annually
- Have 10 employees traveling 10 days per year
- Need Risk Management services
- Frustrated with current processes and procedures
- Need a travel policy
- Need travelers to adhere to the current travel policy

Even if you don't have an external travel management company, you can still have control over travel. A corporate travel booking tool is one of the easiest ways to internally manage travel. Choose a tool that contains your company travel policy within the platform, so that policy compliance is automatic. Remember that one size doesn't fit all. You should think about the nature of your organization – how strict or relaxed is it? Make sure your travel policy follows the same tone. Companies that manage travel internally can choose how strict the policies and approval flows should be.

- Options for pre-approving self-bookings
- Require upfront approval for all trips
- Don't require upfront approval for any trips
- Require upfront approval for trips over a certain monetary amount or over a certain time length or distance

When you have a traditional travel policy document (such as PDF, intranet, or wiki), you can require spoken approval from team leaders. With DIB Travel, approval requests happen inside the platform dependent on settings.

Classic and Automated Methods for Creating Travel Policies

There are two main methods for creating a company travel policy:

1. Classic - a PDF document that lives in an asset management system, an intranet page, or an internal wiki page

2. Automated - a travel policy that lives inside of your business travel booking platform and controls bookings in real time

The automated way results in less micromanagement because once a moderator sets the travel policy in the platform, anyone booking a trip should abide to those predefined rules. It literally couldn't be easier to control the real travel spend.

However, even if you use a business travel booking platform to automate travel policy compliance, it's still a good idea to have a classic policy document. You might use it for things like daily allowances and ground transportation guidelines.

Decide What to Include in Your Company

There are many variables that may drive decisions about a company's business travel guidelines. If you're the person tasked with writing the policy, you may be involved in quite a juggling act, as you have to balance the needs of employees with the needs of the company. As we already have mentioned, writing the travel policy isn't a one person job, people in HR, operations, and finance will have their opinions as to proper approaches. While we can't recommend the exact approach that's right for your company, there are certain items that every policy should cover:

1. Introduction

2. Booking process explained

3. Expense categories

4. Non-refundable purchases

5. Expense reporting and reimbursement process

6. Safety information and Travel support

7. Carbon reduction targets

Introduction

Aim to write a short introduction to the travel policy that gives an overview of the employee's most important responsibilities; the purpose of the policy; and the importance of following them.

This is your chance to communicate the most significant information for employees not to miss these. This is also your chance to help employees understand why the policy matters for the well-being of the company and its employees.

Thus, an introduction can become an effective approach towards policy compliance.

Booking process explained

In the second section of our free travel policy template, we've included everything employees need to know about where and how to book travel.

How to book travel - What is your approved process, method and/or platform for booking business travel? If your company uses a platform to enable travelers to book within policy, include the name of your approved booking platform. Otherwise, write out the name and contact details of the company or person they're supposed to contact in order to request a booking.

Use of loyalty programs - Companies usually allow travelers to collect points for their personal loyalty programs. However, employees should not choose a more expensive option only to get the loyalty points."

Leisure extensions - Sometimes business travelers want to extend their trip into the weekend, or use up some of their vacation days. You should include rules around leisure extensions (or "bleisure"), such as what cost difference is allowed for return flights.

Expense categories

The expense categories that you will reimburse travelers for (or that you will allow them to book through a mobile booking tool or company card) will constitute the bulk of your policies. You should list every travel and entertainment (T&E) item that the company is willing to cover, along with any restrictions or guidelines for booking in those categories. For almost all of the categories, you'll need to tell travelers:

• Any preferred vendors (airlines, hotel chains, rental car providers) through which they should book.
• The company's advance booking requirement. Many companies require employees to book hotels and flights at least two weeks in advance.
• The website, mobile booking tool, and/or TMC the traveler should use to search for travel and if use of the technology or TMC is required or optional.
• The payment process. Are there certain categories for which employees should use a company card versus a personal card? Is all booking completed through the mobile booking tool?

In addition to the above common items, there are a lot of other considerations you'll be tackling that are specific to each expense category. Here are our tips for each category.

1. Airfare

You will likely want to start out with a statement encouraging travelers to book responsibly and affordably. Here's one we like from the Society for Human Resource Management: "Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs." Of course, the word "reasonably" can be interpreted loosely by travelers, which is why you'll want to spell out further guidelines.

Make sure to:

- Specify the class of service. Indicate in what circumstances (if any) a traveler can book business class versus economy. For example, you might offer this luxury for flights longer than a certain number of hours and/or for high-level executives.

- Be sure to delineate any expenses that will be the traveler's responsibility, such as extra baggage fees or cancellation fees.

2. Accommodation

In order to help you control spending on lodging, you might want to consider providing employees with an average room rate in popular company destinations and asking them to stay close to that range.

Also, be sure to:

- Define the room type. Most companies require employees to book standard rooms and require that upgrades only be accepted when there is no additional cost for the company. Keep in mind that some standard rooms cost more if there's an ocean view or other perk.

- Delineate additional related expenses that will be covered. Determine if the company will pay for minibar charges, Wi-Fi, and so forth.

3. Ground transportation

Ask employees to use sensible judgment when selecting ground transportation options.

Other tips:

- Consider if you allow ride-hailing apps such as Uber, Bolt and Lyft. Let travelers know in your policy, and specify details such as if they should not use these apps during surge pricing.

- Always ask for receipts that include dates.

- Consider asking employees to use public transportation when convenient.

4. Car rentals

Booking the lowest logical rate should apply to all expense categories, but it's an especially good reminder for car rentals because costs can vary significantly depending on car type.

You will want to:

- Specify the size or type of car allowed. Sometimes, specifications are linked to how many business travelers are traveling together.

- Let travelers know if you require them to purchase insurance with their car rental.

- Consider use of personal cars. You might need to give travelers guidelines for using their own cars, especially if the company's business travel is mainly domestic.

5. Meals

Some companies get quite explicit with their meal policies. They might state that they will not reimburse meals for any time after the traveler's return flight lands. These kinds of policies may seem too strict to travelers, but they will clearly save companies money. So, the decision often comes down to understanding company culture.

Most of the policies include:

- A requirement that the employee stays within the allowable per diem.

- A statement about alcohol. Some companies only reimburse for alcohol when the meal involves a customer.

6. Client entertainment expenses

A business meal is defined in most policies as a meal during which a business-related conversation takes place immediately before, during, or immediately after the meal. It's very important to remind employees that their purchases should be reasonable and appropriate, as these expenses can quickly get out of hand. Events can also cost a lot of money and should probably require prior approval.

Useful strategies to consider:

- Specify that the most senior member of the company in presence should pay and request reimbursement.

- Set spending limits or ranges. If employees go over a certain range, their reimbursement request might need to get approval using the grand father method (your manager's manager).

- Factor in tips. Most companies cover tips, but may limit the cover to 20%

Non-refundable purchases

A good travel policy clearly states what items the company will not provide reimbursement for. Some common items that often fail to make the reimbursement cut include:

- Childcare
- Dry-cleaning
- In-room movies
- Airline change fees
- Parking fines
- Airline seat upgrades
- Hotel staff tips
- Toiletries
- Pet boarding

- In-flight purchases
- Excess baggage fees
- Clothing purchase
- Airline club memberships
- Minibar purchases or bar bills
- Laundry or dry cleaning
- Premium, Luxury or Elite car rentals
- Spa and health club usage
- Room service

Some of these items may be listed in the expense categories, but it's useful to have a full list available as its own section within the expense report.

While some companies choose to explain expense reporting for each expense category in their travel policy, others offer a separate section describing the expense reporting process. Regardless of which approach you take, there are some common items to address, and even though the expense reporting process varies widely across companies—from paper forms to high-tech mobile T&E solutions—your policy will still likely need to address the following issues:

- What documentation (forms, receipts) does the company need in order to reimburse the traveler?

- What is the expected timeline for the traveler to submit expense reports after their trip?

- How soon will the employee be reimbursed after submission?

- What happens if employees do not comply with policies?

- Is pre-approval needed for any expense categories?

- Who approves trip requests or expense reports?

Safety information and Travel support

An important goal of any company business travel policy should be to protect the safety of employees. Yet, some surveys show safety and duty fall well below cost-related policies in terms of their frequency in corporate policies. It's important to delineate any travel safety procedures in your policies to help you accomplish your company's duty of care. You might want to consider:

- Requiring travelers to submit their itineraries so you know where they will be at all times.

- Asking travelers to leave you their hotel contact details.

- Providing contact information and resources for travelers in the case of different types of emergencies.

- Describing any insurance the company holds for travel.

- Travel support - In case of trip cancelations, changes, etc., who should your travelers contact? Include contact details for your travel support provider, including phone numbers, email addresses and whatever applies. If there are multiple numbers based on region or language, include those as well.

- Support for emergency needs - In this sub-section, include your duty of care vendor (if you have one) and your travel insurance policy details. Also include the employee name or vendor name they should contact in the event of an emergency.

Some TMCs have tools that allow them to track travelers during their trips. Most tools allow travel managers to collect travel data and itineraries, helping to locate a traveler within a particular city or region—as opposed to using GPS to constantly follow an employee.

Communication with travelers:

- Inform travelers of how they can access travel information whilst on the move (this could be through a travel app provided by your TMC, or through your intranet)

- Share how you (as the employer) will communicate with the employee in the event of an emergency – case studies often help here to illustrate how situations will be managed

- Remind travelers to keep their profile information up-to-date, so any communication is received efficiently

High risk destinations:

- Classify which destinations are considered 'high risk' for your company

- Utilize pre-trip reporting to identify travelers booked to high-risk destinations

- Implement mandatory briefings for high-risk destinations, prior to travel (this will ensure travelers understand the risks involved and are able to react accordingly should anything happen.

There are many factors that present a risk in otherwise safe countries – work with your HR department to ensure you are advising on possible scenarios and how your company can support travelers. Other factors may include: vulnerability due to unfamiliarity with a new destination, fatigue when driving after a long flight, illness and crime. Additionally, some companies now include alcohol guidelines which prevent travelers from consuming alcoholic drinks whilst on business travel.

How to Set Up an Automated Travel Policy using DIB Travel

So, you've got all your bases covered: we've shared the best practices for creating a travel policy document, now it's time to dive into how you can automate your travel policy and make everyone's life so much easier.

An automated travel policy controls the bookings in real time with no micromanagement.

The process is very simple. Just set your parameters, and any future bookings must fall within the policy, or they won't get booked. For any out-of-policy bookings, employees can request approval from their manager (usually the team or department lead) right inside the app!

What you can customize:

- Advanced booking requirements
- Flight cabins allowed
- Global maximum flight budget
- Maximum flight budget for long or international flights
- Maximum flight budget by route
- Global maximum train budget
- Global maximum hotel budget per night
- Maximum hotel budget per city per night and more

Outline The Travel Policy And Set Up Your Tool

DO'S & DON'TS FOR CREATING YOUR TRAVEL POLICY	
DO	DON'T
Include information employees want to know	Include more details than are necessary
Write clearly and simply	Use legal jargon
Include specific monetary or trip length amounts	Leave out per city or per trip limits if they exist
Write guidelines that appeal to everyone	Include details like first class for executive
Use headings and subheadings that can expanded or compacted	Use a document format that can't be easily navigated

Getting the Word Out to Employees About Company Travel Policies

You've conquered the task of creating or updating your company's travel policies, but your job isn't done quite yet! If no one knows about the policy, then all the effort

is pointless.

Research has found that business travelers prefer to find policy information on the company intranet, booking tool, or from the travel arranger—as opposed to through email. This information proves that it's useful to put up your travel policy on the company intranet; to set up the policies in your mobile booking tool; and to make sure that travel arrangers have the information easily accessible. Still, we think the more you get the word out, the better. Only 13% of travelers in the survey had email as their preferred method of communication for learning the policy. Nevertheless, we recommend you to also distribute your travel policy via email to reach the best adoption rates.