Procurement of Travel at Michigan State University

January 15, 2013
Debbie Gulliver
University Travel Manager
Serving the Campus Community…

- Travel Reimbursement
- Travel & Research Advance Administration
- Education
- MSU Policies & Procedures
- Strategic Travel Contract Management
- Travel Vendor Relationships
- Fly America Act
- Regional Travel Coalition
- Meeting Planner Program
- Travel Advisory Committee
- Corporate Travel Credit Card Administration
- Direct Billing
- Departmental Consultations
- Traveler Assistance Programs
- Campus Outreach
Video

http://www.youtube.com/watch?v=Pk7yqlTMvp8
Area of Focus: Traveler Safety

Duty of Care is the university’s moral, legal, and financial responsibility to protect its employees from foreseeable risk.

It all begins with Travel Authorization.
Travel Authorization = Pre-trip Approval

1. Must be completed and approved prior to departure and should be completed and approved prior to any travel or associated reservations/payments being made.
   a. International travel requires completion of Pre-Trip Authorization Form & registration of trip in Travelers Database
   b. Use of the Form is strongly recommended for domestic, in-state, & local travel so that the Form can be attached to the reimbursement DV. Other means of authorization are accepted, including via email.

2. Applicable to all employees, nonemployees, graduate students, undergraduate students, invited guests, anyone asked to travel by MSU.

3. Applicable to local, in-state, domestic, international travel

4. On campus travel is exempt

5. Pre-trip approval does not authorize travel related to Outside Work for Pay

6. Sabbatical leave travel may be approved if a travel plan related to the sabbatical leave assignment has been submitted and approved.
Area of Focus: Traveler Safety

Prior to departure, MSU has responsibility for providing the following to travelers:

1. Destination information, entry/exit requirements, health and safety risks, destination sourcing materials so travelers can become versed in their destinations
2. Local consulate details to international travelers
3. Provide medical repatriation and repatriation insurance (including medical, travel and security assistance) contact and policy information to international travelers ([http://www.frontiermedex.com](http://www.frontiermedex.com))
4. MSU Travel Accident Insurance is provided to all MSU travelers as long as there is proof they are on approved university travel
5. Health insurance contact details and policy numbers
Traveler Safety: Everyone Has A Role

MSU has responsibility for collecting and retaining:

1. Pre-Trip Authorization
2. Emergency Contact Information
3. Travel details including flight data, lodging name, address, contact information
Risks facing Travelers:

- Lost Luggage
- Lost Identification
- Lost Entry/Exit Documents
- Lost Travel Documents
- Misplaced/Lost Medication
- Illness
- Injury
- Theft

- Attack
- Natural Disasters
- Pandemic Outbreaks
- Civil Unrest
MSU Travelers Want/Need…

1. Safety, convenience and comfort with cost savings
2. Permission to represent Michigan State University
3. Permission to spend University funds
4. Permission to be away from day to day responsibilities associated with university position
5. In accordance with Federal/State contract and grant requirements.
6. Permission for and access to MSU Motor Pool vehicles
   (http://transportation.msu.edu/index.cfm/service-guide/)
MSU Travel Works for You and Your Bottom Line by Providing…

1. Policies ~ follow industry best practices; define allowable travel expenditures while balancing safety, convenience and comfort with cost savings

2. Strategic Contracts/Programs ~ visible savings, convenience, and customer service
Air Travel Programs at MSU

1. Preferred travel agency(ies)
   a. Passageways Travel

2. Strategic contracts
   a. Direct Billing
   b. Airlines
      1. Delta Air Lines
      2. Sun Country Airlines
   c. Michigan Flyer
Purchasing Airfare: Best Practices

1. Recommend 14–60 day purchasing window
2. Lowest, logical, nonrefundable (coach/economy class)
3. Most efficient route to/from destination
Air Travel (cont’d)

Savings:

To Department: Booking through MSU’s preferred agency saves time and saves money. On-line booking fee through preferred travel agency(ies) only $5. Agent booking is $37 or $50 depending on complexity.

To Travelers:

1. Direct billing of airfare, rail, and associated fees to MSU account number
2. Electronic receipts
3. No personal financial burden for traveler
4. Discounts on Delta Vacations to MSU employees
How MSU Travelers Procure Airfare

$12M Total Airfare Purchases (in millions)

- $9M, 75% (Direct Billed)
- $3M, 25% (Out of Pocket)
Comparing Airfare Spend (direct bill only)

13,276 Domestic & International Tickets

- Domestic: 10,161 (77%)
- International: 3,115 (23%)
Preferred Travel Agency Service Fees

- Domestic Agent Assist: $202,353
- International Agent Assist: $124,150
- On Line: $43,216
- Groups: $18,560

Total: $368,384
Pop Quiz!

In December 2012, MSU Business Traveler, Joe Spartan, left MSU for a 14 day trip to Africa:

Day 1: Drive to Capital Region International Airport for 5 PM Flight
Day 2: Arrives in Dakar, Senegal at 8:40 PM
Day 5: Departs Senegal and travels to Johannesburg, South Africa
Day 7: Travel to Cape Town for a couple days
Day 9: Leaves Cape Town at 2 PM and flies to Malawi
Day 14: Arrives back at MSU and drops receipts on assistant’s desk for travel reimbursement processing
Closing Comments, Questions, and Thank you!

Debbie Gulliver
University Travel Manager

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Supplemental Materials
Ground Transportation Programs at MSU

1. MSU Motor Pool
2. National Car Rental
3. Enterprise Rent A Car
4. Michigan Flyer
Car Rental Best Practice @ MSU

1. Use Contract numbers when renting from National and Enterprise
3. Mid-size car rental
4. LDW & Liability insurance included when renting in the U.S. and Canada
5. Refuel rental cars prior to returning
Car Rental Benefits:

1. Car rental programs available for business or personal travel
2. Renters may:
   • Join frequent renter clubs at no additional cost
   • Earn free rental days
   • Receive electronic receipts from rental agencies
3. National Car Rental Program offers One-way rental contracted rates between Lansing and Detroit, and Lansing and Grand Rapids
# National Car Rental Spend Summary

<table>
<thead>
<tr>
<th>University</th>
<th>Rentals</th>
<th>Spend</th>
<th>Rate Per Day</th>
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<tbody>
<tr>
<td>MICHIGAN STATE UNIVERSITY</td>
<td>5,025</td>
<td>$726,774</td>
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<td>UNIVERSITY OF MINNESOTA</td>
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<td>INDIANA UNIVERSITY</td>
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<td>PENN STATE UNIVERSITY</td>
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<tr>
<td>NORTHWESTERN UNIVERSITY</td>
<td>3,760</td>
<td>$532,846</td>
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<td>UNIVERSITY OF ILLINOIS</td>
<td>8,113</td>
<td>$1,068,357</td>
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<tr>
<td>RELATED UNIVERSITIES/STATE USAGE</td>
<td>2,372</td>
<td>324,390</td>
<td></td>
</tr>
<tr>
<td><strong>BIG TEN CONFERENCE TOTAL</strong></td>
<td>56,766</td>
<td><strong>$8,227,005</strong></td>
<td>$38.03</td>
</tr>
</tbody>
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Lodging Programs Benefit Everyone

Programs:

1. Local Hotels
2. Major Hotel Chains
Lodging Best Practices at MSU

1. Rack or Run of the House room rates
2. Lodging per diems applicable to travel outside the Contiguous United States
3. Room guarantees, deposits, and cancellations are the traveler’s responsibility
4. International lodging expenses are limited to the lodging per diem rate set forth by the United State General Services Administration (GSA)
Lodging Programs Provide Value to Travelers

MSU Travelers are Encouraged to:

• Join Preferred Guest programs at no additional cost
  • Earn free nights at participating hotels
  • Receive electronic receipts from participating hotels
Meals & Incidentals

Programs:
1. CONtinental United States (CONUS)
2. Outside CONtinental United States (OCONUS)
3. Foreign Per Diems
Meals & Incidentals (M&IE) Best Practices

1. Travel begins/ends at place of employment – where work is accomplished
3. Dates of departure/return ~ prorated reimbursement
4. Lodging is required to be reimbursed M&IE
5. Travelers are reimbursed the applicable M&IE rate versus actual expense
6. Meals included in and provided by conferences are not reimbursable
Established Per Diem Rates Create Cost/Benefit for Travelers and MSU

1. Rates are predetermined and traveler may not claim actual unless lower than per diem rate
2. Receipts are not required