How to write an effective travel policy

This guide provides advice on planning your travel policy, key stakeholders and how to make it work successfully.
Introduction

A well-conceived and written travel policy is essential to help you control costs. It also links travel compliance to your company strategy, making sure that not only spend but also traveller satisfaction and productivity are in line with your priorities.

Importantly, the more travellers remain within specified policy, the more you can control their safety and react accordingly should emergencies arise.

Each company’s approach to travel is different. Much depends on size and culture. But the principles and key elements of an effective travel policy are universal.

This guide provides advice on who needs to be involved in planning the policy, what should be included, and how to make it work for your company.

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1. The importance of a travel policy

Why do travel policies matter? Because they are a way of maintaining control over both costs and traveller experience. They do this by establishing vital ground rules linked to bookings, determination of pricing, efficient payment methods, effective expense reporting and duty of care.

A good travel policy should explain all company procedures relating to travel - and the objectives behind them. It must be clear, concise and effectively communicated to all relevant parties.

It will be an invaluable guide, not only for all travelling employees but also for: your travel management company (TMC); travel bookers, crew coordinators (shipping & energy clients), those approving expenses, accounts/auditing teams and new employees.
2. Who needs to be involved?

It is essential to involve different levels of 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. Regional representation will also be important, so that additions can be made to reflect the nature of the local marketplace. Additionally, those in certain industries, such as shipping and energy, will require special consideration for specifics such as crew travel policy guidelines.
3. What should you cover?

The travel policy should begin with the booking of any trip and end with the paperwork required to be filled on return.

It should cover:
- Costs
- Booking processes
- Payment procedures
- Service delivery
- Carbon reduction targets
- Risk

So decisions will need to be made in advance to determine:
- The design of booking processes: how to book, amend or cancel and what to do out of hours
- How you would like your payment terms set up
- How you will create traveller profiles - with all personal traveller details and preferences
- Approval processes & required authorisations for staff at all levels

We recommend that you give particular thought to your authorisation procedure. Should requisitions be signed off and if so, by whom? Does the Finance team require a copy of the authorisation? Does your budgeting require the cost centre, job number or contract number to be shown on the travel requisitions and should your TMC show the order number on its invoice?
4. Key information that travellers need to know?

General traveller guidelines should be clearly documented in a staff travel manual distributed to all employees or posted somewhere where people have access to them, such as company intranets.

If appropriate, stipulate that all travel must be booked with your chosen TMC. This ensures that all activity and traveller locations can be tracked (from both a spend and duty of care perspective) and the best deals negotiated on volume.

Also:

- Issue comprehensive staff expense guidelines on meals, entertainment and all items of a personal nature that arise when on business travel
- Set out cash advance procedures
- Outline non-employee travel guidelines (for clients, interviewees, contractors, family etc.)
- Clarify whether travel insurance is covered by the company or individual traveller
- Ensure visa procedures are clear and that they are always monitored closely
- Include procedures for immunisations and ensure all travellers are immunised appropriately
- Detail relevant emergency procedures
5. What key sections should you include?

Your travel policy should, at the very minimum, include the following categories:

- General traveller guidelines
- Flights
- Hotels
- Car rental
- Rail and ground transportation
- Duty of care

5a. Flights

Importantly here, is the criteria for airline class of service. These are usually dependent on how senior the member of staff is, and the length of the flight.

Clear rules on preferred vendors will maximise benefit to the company and provide the best rates. Your TMC is likely to enrol the company on all relevant airline loyalty and frequent flyer programmes.

Therefore your policy should say whether rewards gained can be claimed by the employee or whether they go to the company.

- There should be clear guidance on ticketing. For example, is split ticketing allowed or should travellers use the same carrier? Should tickets be restricted or can they be unrestricted?
- Specify the flight selection criteria such as the time window, the lowest fare on the day & the lowest logical fare within parameters.
- For insurance and/or risk management reasons, you may need to specify numbers of employees allowed per flight.
- What additional costs are allowed - for example: for extra baggage, seat allocation, priority boarding, airline lounges? What is the policy on upgrades? When can they be requested, and when are they allowed?
- Does your company ban the use of certain airlines, and if so how is this communicated to the TMC and travellers, and how are records kept up to date?
5b. Hotels

Just as with flights, it’s essential to have a clear policy on which grade of hotel is allowed for staff at each level. You will also need to explain what they are entitled to in extras during their stay.

If you have negotiated a deal with a particular hotel chain, you should provide a clear policy on the necessity to stay at this chain where possible, even when the location isn’t ideal. Your TMC should negotiate a preferred hotel programme, but there may be times when a non-preferred hotel has to be used.

Specify the hotel selection criteria. Which factors are key: the hotel programme, a preferred hotel chain, the hotel grade, or distance from the destination? Hotels are one of the main areas for travel spend leakage, the more a hotel programme is mandated the better the volumes can be tracked and provide a realistic base for future negotiations.

Other questions to ask when thinking about a hotel programme and policy include:

- What is your policy for long-term stays? Should corporate apartments be used? Or specific hotels?
- What guidance can you give on day rooms for early check-ins or late check-outs?
- What is your cancellation policy?
- How much is allowed for incidental expenses, such as laundry, newspapers, bar bills, and room service?
5c. Car rental

It’s important to remember that car hire discounts are based on volume. So we recommend using no more than two car hire vendors. Opting for more may reduce the possibility of negotiating lower rates. If your demand for car rental is low, we recommend simply choosing the best price at the time of booking, with no loyalty to any particular company.

Your policy should include rules on:

- The circumstances under which employees may rent a car
- Preferred suppliers (preferably a maximum of two)
- Car class eligibility
- Refuelling: outlined as the extra charges incurred if a employee refuels
- Insurance extras: are drivers covered on an ‘umbrella’ insurance programme or is it their individual responsibility?
- Whether cars can be booked direct or always via your TMC?
- Vendor privilege memberships
- Countries where
5d. Rail and ground transportation
This section of your travel policy should refer to travel on trains, but also how employees should travel when in cities (e.g. taxis vs. buses) and options on using their own vehicles.

The priorities here are to clarify policy on:

- The class of service travellers may use (whether on domestic or international travel)
- Booking procedures
- Seat reservations
- Regional variations
- Airport travel: the options for rail versus ground transport to and from airports
- Taxi versus public transport usage
- Personal car usage: to include mileage rates, insurance etc.
5e. Duty of care – safety and security of travellers
This section of your travel policy should refer to travel on trains, but also how employees should travel when in cities (e.g. taxis vs. buses) and options on using their own vehicles.

Communication with travellers:
- **Inform** travellers 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** travellers to keep their profile information up-to-date, so any communications are received efficiently

Traveller tracking:
- **Ensure** the traveller tracking system provided by your TMC allows you to identify where your travellers are at any time

- **Emphasise** the importance of booking through your TMC; without booking data it makes tracking of travellers difficult and should emergencies arise, you will be unable to communicate swiftly with employees

High risk destinations:
- **Classify** which destinations are ‘high risk’ for your company
- **Utilise** pre-trip reporting to identify travellers booked to high-risk destinations
- **Implement** mandatory briefings for high-risk destinations, prior to travel (this will ensure travellers understand the risks involved and are able to react accordingly should difficult

There are many factors which 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 travellers. 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 travellers from charging alcoholic drinks back to the business.
6. How to drive policy compliance

A travel policy cannot succeed unless it is strictly enforced. If a policy is not proving popular, it may be misunderstood rather than ill-conceived. So continual training and effective communication are vital. Posting regular information on the company intranet or shared message boards is recommended.

It will be easier to achieve compliance by using a single TMC, preferred suppliers and setting strict payment methods, appropriate classes of travel, rules on submitting receipts and expense reports, and clear hotel guidelines.

We suggest reviewing your policy annually to reflect any changes in procedures and/or requirements. Your TMC should be able to advise on where the policy could be more effective, by analysing all management information (MI) reports.
Global travel policies vary greatly from one company to another. There will be aspects you wish to include that are not be covered in our recommendations, or other points above that are not relevant to your company. In all cases, we advise adding links for further information.

Remember:
- The best travel policies are devised by a cross-functional team representing all those who have a stake in its outcome - including the traveller
- A travel policy can be used in tandem with an expenses policy
- Clear and regular communication is vital - with updates and reminders
- It’s important to set up a structured monitoring, enforcement and review process to keep your travel policy relevant and effective

For examples of case studies and more how-to guides, visit the ATPI Knowledge Hub.
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