Policy 510.4

1 Introduction

1.1 This policy defines the requirements and process for approval for utilizing any Third Party Lodging.

2 Scope

2.1 This policy applies to all University employees and other individuals that may seek reimbursement for travel expenses from University funds.

3 Definitions

3.1 Third party lodging

lodging in an establishment that is being rented out by a third party or an establishment that is being treated like an apartment building by state or local law.

4 Policy and Procedure Statements

4.1 Third Party Lodging

4.1.1 Reimbursement for lodging in an establishment that is being rented out by a third party or an establishment treated as an apartment building by state or local law is not permitted.

4.1.2 Third Party Lodging lease agreements are prohibited among family members. Family members include, but are not limited to, whole or half blood brothers and sisters, spouses, ancestors and lineal descendants. Further a family member of the employee?s brother, sister, spouse, ancestor or lineal descendent is also considered a family member for purposes of this policy. A Third Party Lodging lease agreement with other entities in which an employee or a family member has an interest is also prohibited.

4.1.3 Exceptions to the prohibition may be granted if approved in advance by the Controller?s Office when an individual can provide evidence that the lodging is a savings to the State.

4.1.4 Evidence of a savings to the State maybe shown one of the following ways:

1. By dividing the total rental rate by the number of individuals covered on the lease to determine the individual rental rate. That amount can then be compared to the approved State reimbursement rate allowed by OSBM and the University?s Policy for In-State and Out-of-State lodging. If individuals are staying on the leased property for different lengths of time the amounts can be prorated according to the length of stay the compared to the appropriate State rate; or

2. If the amounts calculated using the above method exceed the standard reimbursement rates, savings can be shown by obtaining rates from 3 mid-range hotels in the area for comparison.

4.1.5 An exception may be granted by the Controller?s Office even if a savings cannot be shown when the individual requesting the accommodations can show sufficient justification to support the necessity for third party
lodging. Exceptions will be granted based on the criteria below:

1. The availability of suitable lodging in the area.
2. The location of available lodging in the area.
3. The type of lodging available in the area.
4. Safety considerations for Travelers (Including Students)
5. Other extenuating circumstances on a case by case basis.

4.1.6 No exceptions will be granted for excessive costs, luxury accommodations, or unnecessary services for the convenience or personal preference of travelers.

4.1.7 In each case where third party lodging request is being considered, the traveler must provide the Controller’s Office with all details regarding the arrangement, including the signed rental agreements or other documents that describe the arrangement, the amount to be charged, the length of stay, and contact information for the lodging.

4.1.8 University travelers who fail to obtain authorization for third party lodging in advance will be personally responsible for any costs that are incurred as a part of the rental/lease agreement.

5 Additional References

North Carolina State Budget Manual

6 Authority

North Carolina State Budget Manual

7 Contact Information

Controller's Office, 828-262-2110

8 Original Effective Date

July 18, 2011

9 Revision Dates

May 12, 2016