

Process:	Travel – 3rd Party Lodging		
Contact:	Humanities and Social Sciences Financial Services	Last Revision Date:	4/5/2025

Introduction:

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 or regulation is not allowed unless approved by the University Controller's Office in advance of the travel.

Requests for third party lodging must provide evidence of savings to the state based on allowable in-state and out-of-state rates (see Section 5.1.2 of the [State Budget Manual](#)). An exception may be granted for requests that do not show savings with sufficient justification to support the necessity for third party lodging. Applicants must provide details regarding the arrangement, including (1) amount to be charged, (2) the length of stay, and (3) leasing information. A signed rental agreement must be presented to receive reimbursement.

Third party lodging agreements are not allowed among family members or where such agreements or payments create a financial conflict of interest to the traveling employee or other state employees. Family members are defined as the employee and family members of the employee, which includes brothers, sisters (whole or half-blood), spouse, ancestors and lineal descendants. Further, a family member of the employee's brother, sister (whole or half-blood), spouse, ancestor or lineal descendant 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 prohibited.¹

Non-commercial lodging can be found on websites such as Airbnb, Homeaway, VRBO, and Hotels.com. These open marketplaces have numerous listings; however, many of the properties are not legal rentals according to city, county, state, or country property and zoning law. As a state agency, university paid expenses must follow all applicable laws and ordinances.

Important: Do not pay for 3rd party lodging on PCards without specific prior approval from Humanities and Social Sciences Financial Services.

Steps - Request Pre-Authorization for 3rd Party Lodging:

1. Liaison/employee must complete an online travel authorization in the Travel Center and check the 3rd party/noncommercial lodging box to complete the form for prior authorization.
<https://controller.ofa.ncsu.edu/accounts-payable/travel-center/pre-approval-for-3rd-party-non-commercial-lodging-form/>

2. The employee/ Liaison must review the leasing agreement (or quote) and calculate the estimated daily rate. $\text{Total lodging amount} \div (\# \text{ of occupants} \times \# \text{ of nights}) = \text{estimated daily rate}$ in the actual rate of currency. ***Important: The Controller's Office will complete any necessary conversions to US dollars once they receive the request.***
 - If the estimated daily rate does not exceed the State approved daily rate, the traveler must attach a copy of the lease agreement (or quote) and justification to the Pre-Approval for 3rd Party Lodging form.
 - If the estimated daily rate exceeds the State approved daily rate, the traveler must provide a copy of the lease agreement (or quote) and three standard midrange hotels for comparison and justification.
 - If the estimated daily rate exceeds the State approved daily rate and the standard midrange hotels, an exception may be granted based on certain criteria to include:
 - Availability of suitable lodging in the area;
 - Location of available lodging in the area;
 - Type of lodging available in the area;
 - Safety consideration for travelers; and
 - Other extenuating circumstances not covered by the above items.
3. Exceptions must be supported with adequate documentation. No excessive costs, luxury accommodations, or unnecessary services for the convenience or personal preference of the travelers will be approved.
4. The University Controller's Office (Travel Manager) will review the 3rd Party Lodging request. The Controller's Office will validate that the lease is not involving a family member and NC State University employees by searching the appropriate public records to determine ownership of the property.
5. Requests for third party lodging must provide evidence of savings to the State. An exception may be granted for requests that do not show a savings with sufficient justification to support the necessity for 3rd Party Lodging. Exceptions will be granted based on certain criteria to include:
 - Availability of suitable lodging in the area;
 - Location of available lodging in the area;
 - Type of lodging available in the area;
 - Safety consideration for travelers; and
 - Other extenuating circumstances not covered by the above items
6. Employees must complete an online travel authorization in the Financial System and obtain the required prior approvals **within 1 day** of submitting the third-party lodging request.

7. The University Controller's Office's Travel Manager will communicate with the employee/Liaison as to the approval or denial of the request and upload a copy of the third-party lodging approval email to the travel authorization. If approved, the signed rental agreement (or quote) showing payment in full; the 3rd Party Lodging approval email from the Travel Manager and all supporting documentation must be uploaded to the travel reimbursement. **University travelers who fail to obtain approval for 3rd Party Lodging in advance will be personally responsible for any costs that are incurred as a part of the rental/lease agreement (or quote).** Departments may request retroactive 3rd Party Lodging approval but all Costs incurred without preapproval will not be paid from state funds. See section below.

Steps – Retroactive Approval Requests at the Department Head's Discretion

Departments may request retroactive 3rd Party Lodging Approval, but any costs incurred without preapproval will not be paid from state funds.

1. Complete steps 1 – 4 above.
2. **Only** Department Heads can request retroactive authorization from the Dean. The 3rd Party Lodging information should be included with the Department Head's request explaining their decision to proceed with the request and how the need for retroactive approval will be avoided in the future. The request can be in the form of an email from the Head to the Dean copying the Assistant Dean for Finance & Administration.
3. If the Dean approves the request to go forward, the Assistant Dean for Finance & Administration will notify the appropriate Financial Services Accountant of the approval. The Department Head/Liaison will provide the unit's assigned Accountant a non-state project ID to charge the lodging expenses.
4. The Financial Services Accountant will upload to the travel reimbursement (TR) the Dean's approval email along with the completed 3rd Party Lodging Request form and supporting documentation.
5. The University Controller's Office (Travel Manager) will review the retroactive 3rd Party Lodging request. The Controller's Office will validate that the lease is not involving a family member and NC State University employees by searching the appropriate county/state records to determine ownership of the property.
6. Exceptions must be supported with adequate documentation. No excessive costs, luxury accommodations, or unnecessary services for the convenience or personal preference of the travelers will be approved.

7. The University Controller's Office's Travel Manager will communicate with the employee/Liaison as to the approval or denial of the request. If approved, the signed rental agreement (or quote) showing payment in full; the 3rd Party Lodging approval email from the Travel Manager and all supporting documentation must be uploaded to the travel reimbursement. ***Retroactive approvals cannot be paid from state funds.***

Additional References:

3rd Party Lodging: <https://controller.ofa.ncsu.edu/accounts-payable/travel-center/>