



ADDENDUM to University Travel Policy & Procedures: Travel Charged to Sponsored Programs

Owner(s): *Office of Sponsored Programs, Office of Grants, Contracts, and Compliance, Financial Affairs Division*

OVERVIEW:

Marymount University faculty, staff, and students often travel using Sponsor funding. According to the University Travel Policy, travelers may seek reimbursement for necessary and reasonable business expenses incurred while traveling as long as they comply with Sponsor and University policies, regulations, agreements, terms and conditions. Travel policies of Federal and non-federal Sponsors vary. The specific terms and conditions of a sponsored program award and agreement must be consulted before making travel arrangements and incurring travel costs.

Domestic and foreign travel charged to sponsored programs must follow the additional policies and procedures within this document, unless Federal regulations or a Sponsor imposes greater restrictions.

Travel on sponsored programs is closely examined by external auditors and the Office of the Inspector General auditors of Federal Agencies/Sponsors. Thus, every transaction associated with travel on sponsored programs must be adequately documented so that anyone reviewing a transaction can verify that it is allowable, allocable, reasonable, necessary, consistently treated, and justified.

GENERAL GUIDELINES:

Generally, travel is allowable as a direct cost when such travel will provide direct benefit to the sponsored program award. If federally funded, travel costs are subject to restrictions under the Office of Management and Budget 2 CFR PART 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards are also subject to specific agency restrictions, as well as Marymount University's Travel Policy and this ADDENDUM to the University Travel and Entertainment Policy. When there is a conflict or difference between University policy and Sponsor award requirements, the more restrictive policy applies.

ALLOWABILITY OF TRAVEL CHARGES:

In general, travel costs include expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official MU business, including those for sponsored programs. Travel costs are allowable to the extent the charges are consistent with those normally allowed in like circumstances with nonfederal funds, as determined by MU's Travel and Entertainment Policy and Procedures. Per University Travel and Entertainment Policy, meals and incidentals are subject to location-specific per diem rates. This requirement also governs travel on sponsored programs.

Section 2 CFR 200.474(b)(1) of the Uniform Guidance requires that for any travel costs charged to sponsored programs using Federal funds, "Participation of the individual is necessary to the Federal award." To document necessity, the travel costs must be signed off as approved travel by a supervisor and requires a statement of necessity and justification of the travel in the Purpose of Travel section of approval forms. Additionally, additional evidence for the necessity and justification of travel must include, but not be limited to, copy of agendas for any conferences or meetings, copies of any materials provided, etc.

If costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, are charged directly to a Federal award, documentation must justify that:

- (1) Participation of the individual is necessary to the Federal award; and
- (2) The costs are reasonable and consistent with non-Federal entity's established travel policy.

This documentation is in addition to receipts, forms or other documents required by University Travel and Entertainment Policy and Procedures and should be attached to the Travel Authorization Form and submitted to the Office of Grants, Contracts, and Compliance prior to travel.

FOREIGN TRAVEL:

The definition of "foreign travel" may differ based on the Sponsor and thus, each sponsored program award must be reviewed to determine the definition. For example, many agencies do not consider travel from the United States to Mexico or Canada to be foreign travel. Additionally, foreign travel typically requires prior approval by the Sponsor.

Visas:

Costs associated with long-term visas and passports are not allowed per Uniform Guidance (§200.463). Exceptions for federally sponsored programs are noted as follows:

(d) Short-term, travel visa costs (as opposed to longer term, immigration visas) are generally allowable expenses that may be proposed as a direct cost. Since short-term visas are issued for a specific period and purpose, they can be clearly identified as directly connected to work performed on a Federal award. For these costs to be directly charged to a Federal award, they must:

- (1) Be critical and necessary for the conduct of the project;
- (2) Be allowable under the applicable cost principles;
- (3) Be consistent with the non-Federal entity's cost accounting practices and non-Federal entity policy; and
- (4) Meet the definition of "direct cost" as described in the applicable cost principles.

FLY AMERICA ACT:

Under what is known as the *Fly America Act*, those travelers using federal funds for travel are required to use United States air carriers unless their travel meets certain exceptions provided in General Services Administration (GSA) 41 CFR §301-3 and §301-10 (49 U.S.C. 40118).

(a) *Travel between the U.S. and another country.*

- (1) If a U.S. flag air carrier offers nonstop or direct service (no aircraft change) from the origin to the destination, the traveler must use a U.S. air carrier, UNLESS, use of the U.S. air carrier would extend travel time, including a delay at the origin, by 24 hours or more.
- (2) If a U.S. flag air carrier does not offer nonstop or direct service (no aircraft change) between the origin and the destination, the traveler MUST use a U.S. air carrier on every portion of the route where the U.S. carrier provides service, unless, when compared to using a foreign air carrier, use of the U.S. carrier would:
 - i. increase the number of aircraft changes one must make outside the U.S. by 2 or more;
 - ii. use of the U.S. air carrier would extend the travel time by at least 6 hours or more, or

- iii. the use of a U.S. air carrier would require a connecting time of 4 hours or more at an overseas interchange point.
- (b) **Travel solely outside the U.S.** When traveling solely outside the U.S., one must use an U.S. flag air carrier that provides service between the origin and destination unless, when compared to using a foreign air carrier, use of the U.S. air carrier would:
 - i. increase the number of aircraft changes one would have to make en route by 2 or more;
 - ii. extend travel time by 6 hours or more; or
 - iii. require a connecting time of 4 hours or more at an overseas interchange point.
- (c) **Matter of necessity.** Use of a foreign air carrier is determined to be a matter of necessity in accordance with specific guidelines outlined in §301-10.138; or
- (d) **Travel under a bilateral agreement.** Transportation is provided under a bilateral or multilateral air transportation agreement to which the United States Government and the government of a foreign country are parties, and which the Department of Transportation has determined meets the requirements of the Fly America Act; or
- (e) **No US Air Carrier Service on a particular leg.** No U.S. flag air carrier provides service on a particular leg of the route, in which case foreign air carrier service may be used, but only to or from the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service; or
- (f) **Involuntary re-routing.** A U.S. flag air carrier involuntarily reroutes your travel on a foreign air carrier; or
- (g) **Saving a substantial amount of time.** Service on a foreign air carrier would be three hours or less, and use of the U.S. flag air carrier would at least double your en route travel time; or
- (h) **Costs of transportation reimbursed by a third party.** When the costs of transportation are reimbursed in full by a third party, such as a foreign government, international agency, or other organization.

NOTE: Lower cost and personal convenience are not permitted exceptions and are not acceptable for justifying the non-utilization of a U.S. flag air carrier.

If any exceptions are used for travel using federal funding, the purchasing request must include a copy of the *Fly America Act Exceptions and Certification Form* (FAAEC) attached to the requisition. The Office of Grants and Contracts in Financial Affairs will review and approve the FAAE form prior to approving the use of federal funds for foreign travel.

OPEN SKIES AGREEMENTS:

A foreign flag air carrier may be used if the transportation is provided under an air transportation agreement between the U.S. and a foreign government, and which the Department of Transportation has determined meets the requirements of the Fly America Act. These agreements are called "Open Skies Agreements." Currently, there are four Open Skies Agreements that meet the requirements of the Department of Transportation: (a) United States & the European Union, (b) United States & Switzerland, (c) United States & Australia, and (d) United States & Japan. Any other Open Skies Agreement is not acceptable. When other agreements become eligible, GSA will update its website at

<http://www.gsa.gov/portal/content/103191>.

For the agreement between the **U.S. and the European Union** (29 countries):

1. Grantees may fly from any point in the United States to any point outside the United States on an EU airline whose country belongs to the agreement. Some allowable itineraries include:
 - a. A point in the U.S. to a point in the European Union: i.e., New York to Madrid.
 - b. A point in the U.S. to a point in the European Union to a further point in a foreign country (as long as there is a stop in an EU country): i.e., Washington to London to Moscow.
 - c. Grantees may also fly on an EU carrier between any two points outside the United States: i.e., Rome to Amsterdam or Frankfurt to Johannesburg, South Africa.

For the agreements between the **U.S. and Switzerland, U.S. and Australia, and U.S. and Japan**:

1. For travel between any point in the United States and any point in Australia, Switzerland, or Japan:
 - a. If a City-Pair Program contract exists between the origin and the destination city, the grantee must take a U.S. airline unless an above exception is authorized. Grantees need to check the City-Pair Program website <https://cpsearch.fas.gsa.gov/> to verify that there is no City-Pair contract.
 - Example: Washington, D.C. to Zurich has a City Pair Program contract, so the grantee must take a U.S. airline.
 - b. If no City Pair Program exists between the origin and the destination city, the grantee may take a U.S. carrier or a Swiss, Australian, or Japanese airline from the U.S. to the destination or from the destination to the U.S.
2. The grantee can also fly between any two points outside the United States on a Swiss, Australian, or Japanese airline.

CERTIFICATION FOR USING FOREIGN AIR CARRIERS:

Travelers flying internationally using federal funds are strongly encouraged to use travel agencies well versed in the Fly America Act and Open Skies Agreements.

Federal regulations require travelers using federal funds for international travel and using foreign air carriers to provide a certification that includes the following (§301-10.142):

- a. Name;
- b. Dates traveled;
- c. The origin and destination of the travel;
- d. A detailed itinerary of the travel, name of the air carrier, and flight number of each leg of the trip; and
- e. A statement explaining why the traveler met one of the exceptions in §301-10.135, §301-10.136, or §301-10.137 or a copy of the Federal Agency's written approval that foreign air carrier service was deemed a matter of necessity in accordance with §301-10.138.

NOTE: The Fly America Act Exceptions and Certification Form may be used to serve as a certification required in this section when a foreign air carrier is used. Principal Investigators (PIs) should keep the completed form in the official sponsored program files and a copy of the form should be sent to the Office of Grants and Contracts in Financial Affairs.

RESPONSIBILITIES WHEN APPROVING TRAVEL REIMBURSEMENTS:

It is the responsibility of the PI to ensure that the expenses for types of travel charged to sponsored programs are in compliance with University policies, Sponsor regulations, requirements, terms, and conditions, and any applicable federal regulations. The Office of Grants and Contracts in Financial Affairs will also review travel costs using federal funds to ensure charges are allowable, allocable, reasonable, and that proper documentation exists to justify expenses.

Because of the audit risks associated with travel charged on sponsored programs, the following questions should be considered by PIs and others approving sponsored program travel reimbursements:

1. Is there justification regarding how the trip specifically benefits the grant award?
2. If the charges are split between more than one award, is there justification supporting the basis of proportional benefit or other reasonable method?
3. Is the travel allowable, allocable, reasonable, and necessary?
4. Does the Sponsor require prior approval for travel? If yes, was approval received?
5. If foreign travel is charged to a federal grant award, was the travel approved in writing by the Contracting Officer? Is the proper expense object code being used (foreign vs. domestic travel)?
6. Are the invoices and/or receipts attached?
7. If applicable, is there supporting documentation for the per diem rate used?
8. Were any alcohol charges removed?
9. Did the travel occur within the period of performance for the sponsored program award?
10. Did the approved award budget include funds for travel? If not, did the Sponsor approve adding travel expenses?
11. If foreign travel is being charged on a federal sponsored program, does the flight meet the Fly America Act regulations? If no, was documentation of the exception attached (i.e., FAAE Form).
12. Do any stops/layovers on the flight(s) seem reasonable?
13. Is the class of airline travel coach?

All travel reimbursements, particularly air travel, are reviewed and approved by the Office of Grants and Contracts prior to processing by Financial Affairs. In addition, the Office of Grants and Contracts will conduct a quarterly review of travel charges on sponsored programs to ensure allowability, allocability, reasonableness, and justification/documentation standards are met.

Approved by:

Al Diaz
Vice-President, Financial Affairs and Treasurer

Date

History/Revision Dates

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Fly America Act Exceptions & Certification Form

Instructions

When a traveler uses a non-U.S. flag air carrier on travel to be charged to federally sponsored awards, this form, along with any relevant supporting documentation, is recommended as an attachment to your travel expense form.

Name:

Dates Traveled:

Project GL#:

Project Name:

Origin City/Country:

Destination City/Country:

Detailed Trip Itinerary: (Include Name of Air Carrier and Flight Number for EACH leg of travel)

"Fly America Act" Exceptions

All air travel on federal awards must comply with the Fly America Act. In some instances, your airline may use a non-U.S. flag air carrier if it meets one or more of the exception criteria listed in the Federal Travel Regulation guidelines (FTR sections 301-10.135-138). **Please check all applicable boxes below where exception criteria are met. Please note that lower cost and personal convenience are not acceptable criteria for justifying the non-availability of a U.S. flag air carrier.**

Travel met GSA's Open Skies Agreements/Fly America Exception Criteria

- There was no city pair contract in effect (<https://cpsearch.fas.gsa.gov/>)
- Travel was not supported by a Department of Defense fund

Or

- No U.S. flag air carrier provides service on a particular leg of the route, in which case foreign air carrier service may be used, but only to/from the nearest interchange point on a usually traveled route to connect with U.S. flag air carrier service
- Service on a foreign air carrier would be three hours or less, and use of the U.S. flag air carrier would at least double your en route travel time

Travel between the United States and another country:

- If a U.S. flag air carrier offers nonstop or direct service (no aircraft change) from your origin to your destination, you must use the U.S. flag air carrier service unless such use would extend your travel time, including delay at origin, by 24 hours or more
- If a U.S. flag air carrier does not offer nonstop or direct service (no aircraft change) between your origin and your destination, you must use a U.S. flag air carrier on every portion of the route where it provides service unless, when compared to using a foreign air carrier, such use would:
 - increase the number of aircraft changes outside the U.S. by 2 or more
 - extend travel time by 6 hours or more
 - require a connecting time of 4 hours or more at an overseas interchange point

Travel between two points outside the United States:

- You must always use a U.S. flag carrier for such travel, unless, when compared to using a foreign air carrier, such use would:
 - increase the number of aircraft changes outside the U.S. by 2 or more
 - extend travel time by 6 hours or more
 - require a connecting time of 4 hours or more at an overseas interchange point

There are other exceptions to the Fly America Act which may be appropriate. A list of exception criteria may be found in the Federal Travel Regulation Guidelines – FTR sections 301-10.135-138

<http://www.gsa.gov/portal/ext/public/site/FTR/file/Chapter301p010.html/category/21868/>

Please detail exception below: