

Sponsored Travel Cost Guidelines

Effective Date: April 1, 2006

The following guidelines have been adopted and endorsed by the Sponsored Programs Operating Committee (SPOC) as Harvard policy concerning the use of federal funds for travel costs. For further information, please contact Min Xiao, Sponsored Programs Officer and Manager, in the Office for Sponsored Programs at 617-432-6281, or Pricilla Campbell in the Travel Office at 617-496-4599.

I. Air Travel Using Federal Funds

A. Federal Regulations Governing Federally Funded Commercial Air Travel

All air travel expenses charged to Harvard sponsored federal funds (fund range 100000-199999), whether incurred by Harvard travelers or non-Harvard visitors, are subject to the federal cost principles detailed in OMB Circular A-21, *Cost Principles for Educational Institutions*, section J. 53. c. "Commercial Air Travel". Per A-21:

“(1) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent)... or the lowest commercial discount airfare are unallowable except when such accommodations would: (a) require circuitous routing; (b) require travel during unreasonable hours; (c) excessively prolong travel; (d) result in additional costs that would offset the transportation savings; or (e) offer accommodations not reasonably adequate for the traveler’s medical needs. The institution must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(2) Unless a pattern of avoidance is detected, the Federal Government will generally not question an institution's determination that customary standard airfare or other discount airfare is unavailable for specific trips if the institution can demonstrate either of the following: (a) that such airfare was not available in the specific case; or (b) that it is the institution’s overall practice to make routine use of such airfare.”

Expenses charged to federal funds are audited annually under OMB Circular A-133, *Audits of States, Local Governments and Non Profit Organizations*, which includes tests for compliance with the cost principles in A-21 and for compliance with the grantee’s policies, which must adhere to the OMB A-21 guidelines. To ensure compliance with federal government regulations, Harvard travelers must be aware of and comply with the following requirements.

B. Domestic Air Travel Requirements

To comply with A-21 regulations, Harvard travelers who purchase domestic airfares (excluding Alaska & Hawaii) using federal funds **must purchase airfare using one of Harvard’s preferred travel agencies** (see section D below). In addition, domestic airfare purchased through a Harvard Preferred Vendor must be:

1. for the lowest cost **economy** or **coach** class ticket quoted by the selected preferred vendor,
2. for a **reasonable itinerary**, e.g. non-stop, same day, etc.,

3. booked reasonably in advance of travel **whenever possible**, i.e. 30 days or more, and
4. on **US Flag Carriers only**.

C. International Air Travel

Harvard travelers who purchase international airfares using federal funds (defined as trips taking more than six hours of fly-time, including Alaska & Hawaii, but excluding trips to Canada and Mexico taking under six hours) should follow all the Domestic Air Travel Guidelines noted above, with the following exceptions:

1. international travelers may purchase the lowest cost **business** class tickets quoted by the selected preferred vendor, and
2. **must fly on US Flag Carriers when departing from the US and where available while abroad**, even though less costly foreign flag carriers are available, and
3. for foreign air travel completed completely outside the US, travel may be booked using any travel agent or web site and may use foreign carriers when no US Flag Carriers provide service in the area of travel or when use of foreign carriers is a matter of necessity.

D. Harvard Preferred Travel Agencies

Harvard has developed strategic partnerships with five preferred travel agencies:

- **Expedia Corporate Travel** -- http://vpf-web.harvard.edu/ofs/travel/tra_exp.shtml
- **World Travel Partners** -- http://vpf-web.harvard.edu/ofs/travel/tra_wor.shtml
- **Great International Travel** -- http://vpf-web.harvard.edu/ofs/travel/tra_gre.shtml
- **Oriental Tours and Travel** -- http://vpf-web.harvard.edu/ofs/travel/tra_ori.shtml
- **Travel Collaborative** -- http://vpf-web.harvard.edu/ofs/travel/tra_tra.shtml

Given that these vendors are able to offer Harvard travelers fares at competitive, discounted prices, **federally-funded airfares must be booked through one of Harvard's preferred vendors and must meet the conditions detailed in Section B above**. Airfares booked through one of Harvard's preferred vendors will not require any further documentation proving purchase of lowest available airfare.

In exceptional cases where airfares cannot be booked through one of Harvard's preferred travel agencies, the reason a preferred travel agency was not used must be included in the "Note to Approver" field on the Harvard Web Voucher form (see Section E below). Please note that if a preferred travel agency is not used and an acceptable reason is not provided on the web voucher, travel expenses may not be reimbursed or may be charged to a non-sponsored account. Acceptable reasons for not using a preferred travel agency include:

1. Needing to make last minute travel arrangements that preclude use of the preferred travel agencies (i.e., it is not possible to access the Corporate Expedia Site in time to make the necessary reservations – e.g., reservations made at the airport)
2. Direct booking with USAir Shuttle (the preferred vendor for shuttle service between Boston, NY and DC).
3. Reimbursements for travel expenses incurred by non-Harvard visitors who made their own travel arrangements.
4. Foreign travel to and from destinations not supported by the preferred vendors.
5. Group excursions.

E. Air Travel Documentation Requirements

The Travel Office will conduct a pre-audit on all federally-sponsored travel expenses submitted for reimbursement:

For travel booked through a preferred travel agency

- No “lowest available airfare” documentation is necessary
- Airfare will be approved and may be charged in full to a federally sponsored account.

For travel booked through a non-preferred travel agency

- Write an explanation in the “Note to Approver” field on the Web Voucher form.
- Assuming an acceptable justification is provided, the airfare expense will be assessed for reasonableness within the allowable class of service and, if deemed reasonable (i.e., if the expense passes the “Prudent Person” test), may be charged in full to a sponsored account.
- If an acceptable rationale is not provided, or if the purchase fails the reasonableness (“Prudent Person”) test, the expense report will be returned to the department and the entire amount will need to be charged to a non-sponsored account.

Please note any other airfare costs incurred outside of this policy (e.g., a visitor who flies business class rather than coach class on a domestic flight) will also be returned to the department and subsequently charged to a non-sponsored account.

II. Train Travel Using Federal Funds

Harvard travelers using federal funds may also choose train travel when it is an economical and practical alternative to air travel. Travelers are not required to use the preferred travel agents for purchasing train fares. However, Harvard employees will receive a discount on Amtrak for both the high-speed Acela Express Service and the Regional Metroliner Service. These discounts are only available when tickets are purchased through Harvard Travel Center (496-8000), or <http://www.travel.harvard.edu>

III. Travel Using Non-Federal Sponsored Funds

While travel charged to non-federal sponsored funds (fund ranges 200000-299999) will not be held to the standards established for federally-funded travel, travel expenses charged to non-federal sponsored funds **will** be assessed for reasonableness within the allowable class of service and, if deemed reasonable, may be charged in full to the non-federal sponsored account. “Reasonableness” is assessed on a case-by-case basis by the Travel Office (and OSP if necessary), but the cost for the airfare purchased should be similar to prices quoted by one of Harvard’s preferred vendors for the same itinerary and class of service. Any expenses deemed to be unreasonable will be returned to the department and will need to be charged to a non-sponsored account.