



# TRAVELING ON SPONSORED FUNDS

OFFICE OF SPONSORED PROJECTS





# Overview

- Review Process
- Business Purpose Statements
- Documentation Requirements
- Foreign Travel on Federal Funds





# Traveling on Sponsored Funds

- Sponsored funds
  - ▣ Funding received by Brown to pursue research
- Subject to different requirements
  - ▣ We must always keep in mind that there will be times when additional requirements will apply to travel when it is funded by an external sponsor, regardless of source.
- Know the terms set forth in the award
  - ▣ PI/Staff - It is the responsibility of the traveler and the PI, prior to arranging travel, to know the terms set forth in the award of their sponsored project with reference to allowable travel expenditures, including any restrictions.





# Before Processing Travel Reimbursement

Address the following questions:

- ☐ Is the travel specifically related to the project?
- ☐ Is the business purpose clearly stated?
- ☐ Is the travel within the period of performance?
- ☐ Are there funds to cover the travel?
- ☐ Is sponsor prior approval required?
- ☐ Is the traveler supported on the project?
- ☐ Are you in compliance with University Travel Policy?





# Review Process

- The Policies, Rules and Regulations (In Order of Precedence):
  - ▣ OMB Uniform Guidance Cost Principles (Section 200.474)
  - ▣ Sponsor's award terms and conditions
    - May require prior approvals for domestic or foreign travel
  - ▣ University's Travel Policy
    - airfare, car rentals, per diems
  - ▣ Sponsored Travel Policy
    - This policy is an extension of the University Travel Policy.

**When there is a conflict between University policy and award requirements, the most restrictive policy applies.**





# Review Process

OSP Documentation Review Criteria Matrix

Transactions	Transactions that Require Prior Approval	Transactions that may be Selected for Audit at Closeout
Travel Expense Report	Domestic Travel $\geq$ \$3,000 All Foreign Travel	Domestic Travel $<$ \$3,000 must be available for audit by OSP
Request for Direct Payment of Airfare	All Foreign Flights	All Domestic Flights must be available for audit by OSP
Wire Transfer/Foreign Draft	All transactions	Not applicable





# Review Process

- Employee's Payroll Distribution
  - ▣ Is the employee working on this project?
    - The traveling employee's payroll distribution is reviewed by OSP for verification that the traveler is working on the project.
  - ▣ If effort is not being charged to the project include a notation as to appropriateness.





# Example – Salary on non-sponsored funds

- Salary of individual is paid from:
  - ▣ General funds, Industrial Support, Foundations, Gift funds, or Voluntary support
- Funding source of travel expense report:
  - ▣ Federal sponsored project
- Statement Needed?
  - ▣ YES! Provide clarification on expense report.
  - ▣ Example: Jane Smith is not currently receiving any salary from the grant. She is actively engaged in the research on grant and the approved travel is related to this research. She is paid from non-sponsored funds.







## Example – Salary on different sponsored project

- Individual is paid from:
  - ▣ 100% on Federal Project A
- Funding source of travel expense report:
  - ▣ 100% on Federal Project B
- Is this acceptable?
  - ▣ It depends.
  - ▣ Travel needs to be charged to project paying salary.
  - ▣ Explanation must be provided. Possible exception – project interrelatedness. Clear justification of appropriateness must be documented.





# Business Purpose Statements

- Clearly document the business purpose –must relate the travel to the scope of work for the project.
- The details should be sufficiently adequate for an auditor to clearly understand what the expenses were about and why they were charged to a specific fund.
  - ▣ “Attended conference” is insufficient
  - ▣ Conference synopsis or meeting agenda is helpful
- Identify conferences and meetings by full name
  - ▣ No acronyms!





# Business Purpose Examples

- To attend the Annual Nanotechnology Conference.
- Guest speaker at the Annual Nanotechnology Conf.
- Presented my research findings at the Nanotechnology Conference on the creation of better tissue engineering through concepts in nanotechnology.





# Business Purpose Examples

- ❑ To conduct work for my research project.
- ❑ To collect samples for research on the NIH award.
- ❑ To collect samples from a salt marsh to test if overfishing is triggering the die-off of the Nebraska salt marshes.





# Documentation Requirements

- Reimbursement requests must be accompanied by receipts which substantiate the expense per IRS Regulations.
  - ▣ Required for any expense in excess of \$75.00
  
- Visit the Brown Travel Policy:
  - ▣ <http://brown.edu/about/administration/controller/policies>





# Highlights - Documentation Requirements

## □ **Air Transportation**

### □ Unallowable Costs:

- First Class
  - Business Class
  - Economy Plus
- 
- This includes any coach-class airfare upgrades in excess of the base price of the ticket.





# Highlights - Documentation Requirements

- Personal Travel Combined with Business Travel
  - ▣ Obtain a quote **at the time of purchase** to document the incremental costs that will be treated as personal expenses.
  - ▣ Document the business portion of the trip and the allocation between the business and personal expenses.





# Highlights - Documentation Requirements

- Airfare dates booked outside of business trip:
  - ▣ Comparable airfare quote is required **at the time of ticketing.**
  - ▣ Document the business portion of the trip and why the ticketing dates were outside of the business portion of the trip.







## Example: Airfare Dates Outside of Business Trip

- Business trip date – 11/5 – 11/7.
- Traveler selected departure date on 11/1 because there was a significant price difference between 11/5 and 11/1.
- A comparison airfare quote is required for the trip 11/5-11/7 to show the significant difference in price.





# Direct Payment of Airfare/Train Expenses

- Request for Direct Payment of Airfare/Train expenses. Travel arrangements must be arranged through FCM Travel, Brown's preferred travel agency.
- \* Before Booking for foreign travel, the Request for **Direct Payment of Airfare/Train Expense Form must be used and signed by OSP**, prior to providing to Accounts Payable for approval. Accounts Payable will send a copy of the form to FCm Travel Solutions, so they'll know whether a foreign carrier is allowable.
- If you book the airfare through Brown's preferred travel vendor, it is still your responsibility to ensure that the flight meets the U.S. flag air carrier criteria. However, you should inform the preferred vendor that the traveler is using federal funds.



# Refundable/Non refundable tickets

- Can I purchase a fully refundable airline ticket?
- No. In most cases it is less expensive to pay the change fee for a rebooked ticket than to pay for a fully refundable ticket. In cases where there is a high probability that the trip could be canceled and the funds are not available for a future flight, the purchase of trip insurance is allowable if supporting documentation is thoroughly completed and justification is provided.
- What should I do with my ticket if my trip is canceled?
- Many non-refundable tickets can be used for future travel after paying a change fee. Confirm with the issuing agent or airline that the ticket can be used for future travel. It is the responsibility of the traveler to track unused airline tickets for future business use. If future travel is related to a sponsored project the usual sponsored project rules apply.



# Highlights - Documentation Requirements

## □ **Rental Car Transportation**

- ▣ Driving is demonstrated to be more convenient
- ▣ Driving is necessary to transport bulky material
- ▣ Renting is less expensive than other modes of transportation such as taxis, airport van services and shuttles, and train service.

## □ **Personal Car Transportation**

- Must be less expensive than other modes of transportation
- Mileage cost cannot exceed the best available airfare PRIOR to travel





# Highlights - Documentation Requirements



## Meals

- May be reimbursed based on actual costs within the Annual Spending Guidelines or by using the Federal Travel Regulation per diems
  - Cannot mix claim types on the same trip
  - Alcohol charges are **unallowable**, including related taxes and tips. Add a statement that no alcohol was served if submitting an un-itemized receipt for Federal Awards.
- Check federal regulations within award notice to determine if GSA per diem is required. (Frequently found in DOD contracts)
- Uniform Guidance allows the use of Brown Annual Spending Guidelines.





# Highlights - Documentation Requirements

## Per diem Reimbursements

- **When to prorate meal per diems?**
  - ▣ When conference fees include meals
  - ▣ Partial days of traveling
    - For DOD awards – max is 75% of daily per diem rate.
  - ▣ Deductions should be based on the following:
    - 15% breakfast
    - 25% lunch
    - 60% dinner





# Highlights - Documentation Requirements

## □ **Foreign Currency**

- Clearly marked in English as to the purpose of receipt
- Converted to US dollars and clearly documented
  - Internet conversion rate:  
[www.oanda.com/currency/converter/](http://www.oanda.com/currency/converter/)
  - Credit card statement





# Foreign Travel on Federal Funds

Fly America Act

Code Share Agreement

Open Skies Agreement

City Pair Program







# The Fly America Act

- A law enacted by Congress to protect U.S. carriers competing in international markets.
- Foreign travel funded with federal dollars must use a U.S. carrier directly to the destination point
- Penalty:
  - ▣ The purchase of a non-U.S. carrier ticket that has not been determined to be an allowable exception will **not** be approved for reimbursement.



# FLY AMERICA EXCEPTION

## QUICK REFERENCE

Requires a statement explaining which exception applies and comparison /quote if needed

### TRAVEL BETWEEN US & FOREIGN COUNTRY

Non-stop or direct service on US carrier would	extend travel time by more than 24hours
Non-direct service on US carrier would	increase aircraft changes by 2 or more
	extend travel time by 6 hours or more
	require lay over of 4 hours or more at an overseas interchange point

### TRAVEL BETWEEN 2 POINTS OUTSIDE THE US

Use of a US carrier between 2 points outside the US would	increase aircraft changes by 2 or more
	extend travel time by 6 hours or more
	require lay over of 4 hours or more

### GENERAL RULES

Use of a foreign air carrier is necessary when	US carrier cannot provide air transportation
	US carrier will not accomplish agencies mission
	for medical reasons it is necessary to reduce the number of changes and possible delays.
	the FAA has issued a travel advisory for the destination. The sponsor must approve this exception
	a coach class seat is not available on a US carrier
Short distance travel on foreign carrier is allowed when	time en route is less than 3 hours and use of a US carrier would double the en route travel time





# Code Share Agreement

- ❑ A code share agreement is a marketing arrangement where one airline puts its code on the flights of another airline in order to coordinate services and advertise and sell the other airline's services as its own.
- ❑ Each carrier can lease space on the aircraft owned by the other carrier (domestic & foreign).
- ❑ Considered a Code Share flight if a ticket is purchased from one carrier but the traveler flies on the aircraft of another carrier.



# What is a Code Share Flight

- What is a code share flight?
- The traveler is considered to be on a code share flight if he/she purchases a ticket from one carrier but flies on an aircraft owned by another airline. This would be a ticket that is issued by a U.S. air carrier that states “U.S. air carrier flight XXXX operated by foreign air carrier.” There may be a list of code share partners on the U.S. air carrier’s website; however, not all flights on those partner airlines are operated under code share agreements. Only code share flights booked properly through the U.S. carrier are allowable.
- Allowable: AA 1234 operated by QF 4321  
Unallowable: QF 4321 operated by AA 1234  
(AA = American Airlines, QF = Qantas Airways)
- How do I determine whether a flight is a code share flight?
- Tickets/electronic receipts include the information necessary to determine if a flight is a qualifying code share. Tickets must be issued by the U.S. flag air carrier and the flight number must use the code of a U.S. carrier (e.g. UA, AA).
- If you have questions before purchasing a ticket, you can contact the airline, which is required by law to answer questions related to code share flights.



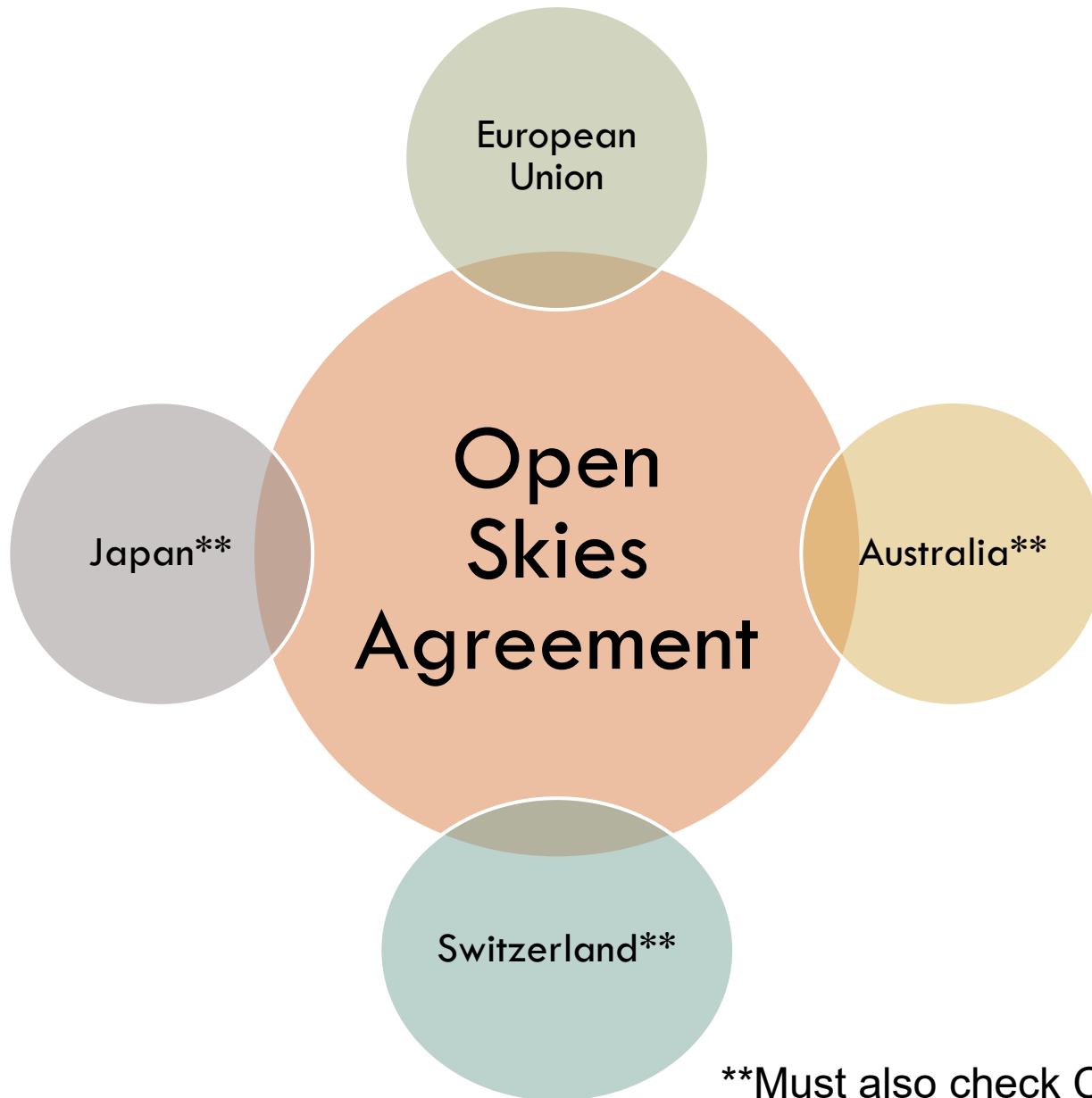
# Open Skies Agreement

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Another limited exception to the Fly America Act

- Open Skies Agreement:
  - ▣ International agreement under which two or more countries allow unrestricted overflight and landing rights to one another
  - ▣ The US has agreements with:
    - European Union (No Longer includes UK)
    - Australia
    - Switzerland
    - Japan





\*\*Must also check City Pair Program



# Open Skies Agreement

❑ **NOT** applicable to:

❑ Department of Defense supported activities

■ Army, Navy, Air Force

❑ Travel on Australia, Swiss, or Japan airlines where there is a city pair contract in effect, as previously mentioned.



# Open Skies Agreement

- U.S. & European Union (EU) Agreement
  - ▣ EU airlines are authorized to:
    - Fly passengers between points in the US and points in the EU
    - Transport passengers between points outside the EU if the EU airline is authorized to serve the route
- US-EU Amendment
  - ▣ Shall also apply to Iceland and Norway as though they were Member States of the European Union





# Open Skies Agreement

- Scenario:

- ▣ Traveling from Boston, MA to Paris, France under NSF funded grant – NSF Research Terms and Conditions apply

- Can you consider flights on Air France?

- ▣ Does Airline Open Skies Agreement Exist?

- Yes – European Union

- ▣ Are there any other limiting factors?

- No

- You can consider flights on Air France since Open Skies Agreement exists and there are no other limiting factors.





# City Pair Program

- Airfare City-Pair Program is a key limitation for traveling to/from Australia, Switzerland, & Japan
- City Pair Program allows federal employees discounted airfare, however this does not apply to grantees.
- If a City-Pair agreement DOES exist then the Fly America regulations prevail and open skies exception does not apply. Must use a U.S. carrier.





# Open Skies Agreement

- Scenario:
  - ▣ Traveling from Boston to Okinawa, Japan under NSF funded grant
    - NSF Research Terms and Conditions apply
- Can you consider flights on Japan Airlines?
  - ▣ Does Airline Open Skies Agreement Exist?
    - Yes – Japan
  - ▣ Are there any other limiting factors?
    - Yes
    - Does a city pair agreement exist?
      - Need to search city-pair program – available on GSA website
      - <https://cpsearch.fas.gsa.gov/cpsearch/search.do>
      - Yes, a city pair contract is listed.
  - Therefore, Open Skies exception is not allowed. US carrier must be used.



# Open Skies Agreement

- Scenario:
  - ▣ Traveling from Boston to Geneva, Switzerland under NSF funded grant – NSF Research Terms and Conditions apply
- Can you consider flights on Swiss International Airlines?
  - ▣ Does Airline Open Skies Agreement Exist?
    - Yes – Switzerland
  - ▣ Are there any other limiting factors?
    - Yes
    - Does a city pair agreement exist?
      - Need to search city-pair program – available on GSA website
      - <https://cpsearch.fas.gsa.gov/cpsearch/search.do>
      - No, there isn't a city pair contract in effect.
  - You can consider flights on Swiss Int'l since Open Skies Agreement exists and there are no other limiting factors.



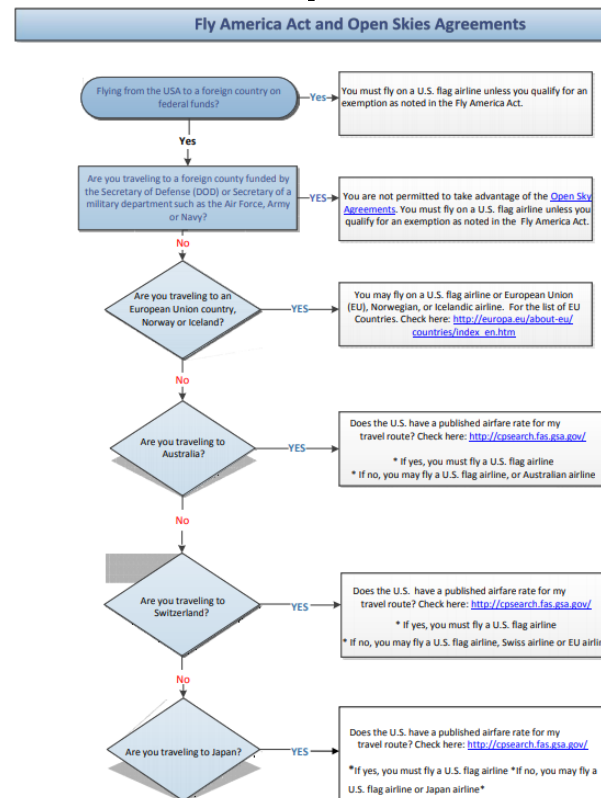
# Open Skies Agreement

- Scenario:
  - ▣ Traveling from Boston, MA to Perth, Australia under Dept of Education funded grant – DED Research Terms/Conditions apply
- Can you consider flights on Qantas International Airlines?
  - ▣ Does Airline Open Skies Agreement Exist?
    - Yes – Australia
  - ▣ Are there any other limiting factors?
    - Yes
    - Does a city pair agreement exist?
      - Need to search city-pair program – available on GSA website
      - <https://cpsearch.fas.gsa.gov/cpsearch/search.do>
      - No, there isn't a city pair contract in effect.
  - You can consider flights on Qantas Int'l since Open Skies Agreement exists and there are no other limiting factors.



# Decision Tree

## □ Fly America Act – Open Skies – Decision Tree



□ [https://www.brown.edu/research/sites/research/files/FlyAmericaActOpenSkies\\_Decision\\_Tree\\_3.22.17\\_0.pdf](https://www.brown.edu/research/sites/research/files/FlyAmericaActOpenSkies_Decision_Tree_3.22.17_0.pdf)



# Quiz

- ❑ Q: My PI has funding from both federal and non-federal sponsors. Are there rules relating to travel costs charged to federal awards that are different than those for non-federal awards?
- ❑ A: Yes. Travel costs charged to federal awards must comply with federal regulations. Travel on a non-federal award does not need to meet the Fly America Act requirement but must follow Brown University Travel Policy.



# Quiz – continued...

- Q: We found an Air Canada ticket that costs less than the ticket on a U.S. carrier. Can we book this flight?
- A: No. You must adhere to the Fly America Act and fly a U.S. flag air carrier, unless you meet one of the exemptions allowed in the Fly America regulations.







# Quiz – continued...

- ❑ Q: Is a coach-class seating upgrade airfare ticket an allowable charge on Sponsored Projects?
- ❑ A: The cost of premium economy airfare and other offers provided by airlines in excess of the base price for a coach ticket is unallowable on sponsored projects. The use of these upgraded/ preferred coach seating options is generally a traveler's personal choice and therefore is at the traveler's personal expense (see [41 CFR 301-10.124](#)).



# Quiz – continued...

- Q: What happens if I do not provide supporting documentation with my travel reimbursement?
- A: If supporting documentation is not provided, the cost of foreign air carrier travel is unallowable on a sponsored project and must be reimbursed by non-sponsored (personal or departmental) funds.



# Case Study – Changing a Ticket

A PI traveled to London for a conference related to a sponsored project.

The cancellation was due to a conference date change. The conference was budgeted in the NIH grant. The PI cancelled a non-refundable ticket with a major US Flag carrier in the amount of \$1,200. The PI then changed/repurchased the ticket to accommodate the change in conference date. In sum, the re-issued ticket totaled \$1573:

- ▣ » \$1,207 for the ticket
- ▣ » \$216 in taxes and fees
- ▣ » \$150 change fee

The PI paid the \$373 difference for this trip (\$1,573 - \$1,200). In addition, the PI paid a \$25 baggage fee each way (\$50 total) at the ticket counter. The total cost of the trip, including all change, tax and baggage fees was \$1623. In total, the PI paid \$423 in additional charges.

***Q: Of these costs, what amount can be treated as airfare chargeable to the grant?***



# Case Study – Changing a Ticket

- A: Because the cancellation was **sponsor related** and the PI used a **US Flag Carrier**, all of the ticket costs \$1,623 (\$1,573 + \$50) - including associated taxes, fees, change fee and baggage fees - may be charged to the NIH grant.
- If the ticket was cancelled due to personal reasons, the \$373 difference for the trip should be charged to a departmental project.



# Case Study – First Class Fare

- A Principal Investigator had a knee-replacement surgery in the winter and must travel to Munich in the upcoming spring. The PI has not fully regained mobility and has a problem sitting in a small confined space. The PI purchased a business-class ticket with the approval of the department chair.
- ***Q: Can the cost of the ticket be charged to the PI's NSF grant?***



# Case Study – First Class Fare

- A: Uniform Guidance allows airfare costs in excess of the coach airfare when such accommodation is not reasonably adequate for the traveler's medical needs.



# Best Practices

- Include Conference Agenda
  - ▣ To review dates and location of conference
  - ▣ To review whether meals have been included
- Receipts in one document vs individual expense line
  - ▣ If uploading all receipts as one document, please put receipts in order of expense lines
  - ▣ OR please upload each individual receipt per expense line

# Final Thoughts

- Document, document, document!
- If a Fly America Act exception exists, document the exception and print out the supporting documentation **PRIOR** to purchase.
- Consult OSP if you think the trip you are planning qualifies as an exception **BEFORE purchasing the tickets.**







# Helpful Links

## □ Brown Travel Management

- <http://www.brown.edu/about/administration/controller/policies>

## □ Sponsored Travel Policy

- <https://www.brown.edu/research/conducting-research-brown/sponsored-travel-policy>
- Traveling for Brown University on a Federally Funded Award

## □ Sponsored Travel FAQs

- <https://www.brown.edu/research/conducting-research-brown/managing-award/award-management/sponsored-travel-policy/sponsored-travel-policy-faqs>

## □ OSP Travel Guide

- [https://www.brown.edu/research/sites/research/files/OSPTravelGuide\\_12.21.22.pdf](https://www.brown.edu/research/sites/research/files/OSPTravelGuide_12.21.22.pdf)

## □ Federal Travel Regulation

- <https://www.gsa.gov/policy-regulations/regulations/federal-travel-regulation-fty>

## □ Fly America Act / Open Skies Agreements

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

## □ City Pair Program Search

- <http://cpsearch.fas.gsa.gov/>



Thank you



**QUESTIONS?**