

TRAVEL CHARGES TO SPONSORED PROJECTS - TIPS AND POINTERS

THE UNIVERSITY OF ALABAMA OFFICE OF CONTRACT AND GRANT ACCOUNTING

I. Purpose

- a. Various University, State and Federal policies and regulations may apply to travel charges to contracts and grants. This document is designed to assist in efficiently identifying and complying with applicable rules.
- b. While this document summarizes common requirements found in University, State and Federal Policies and Regulations, it is not all inclusive and not a substitute for those, as applicable.

II. University Policies and Procedures

- a. Federal sponsors require us to follow the University's Travel and Spending policies.¹ These policies are found at <http://accountspayable.ua.edu/>. Travel on Federal and other sponsored projects must follow these policies unless an exception is specifically listed as a requirement in the award documents. Consistent with Federal policy, UA policy requires travelers to "in all cases, seek to obtain the lowest possible fares and rates by scheduling their travel in the manner that will be the most economical to the University."
- b. UA Policy requirements frequently affecting sponsored project travel include:
 - i. Employee in-state travel is reimbursed in accordance with the state of Alabama's per diem regulations.
 - ii. For out of state travel, original itemized receipts must be presented for lodging, airfare, rail fare, car rental and gasoline, any unusual expenses; and meals over \$45 per day. Receipts for items covered by per diem do not need to be submitted with the travel voucher.
 - iii. Documentation of the business purpose of the travel must be submitted along with the travel voucher. For example: conference brochures or programs, meeting agendas and participants, activities and people involved in visit to off-campus research site.
 - iv. Approval of the supervisor of the employee requesting reimbursement. In addition, approval of the Principal Investigator or person with signature delegation for the sponsored project fund (s) is required.
 - v. The University does not reimburse for unallowable or personal expenses such as, alcoholic beverages, valet services, traffic or parking violations, lost keys, GPS systems, early check-in fee for air travel (e.g. Southwest EarlyBird check-in) and damaged luggage.

- vi. Travel expenses incurred during a stay that is longer than required for the business purpose of the trip may be reimbursable if the chosen travel schedule takes advantage of reduced airfare. The traveler must reconcile the standard economy airfare with the reduced airfare plus the additional hotel and meal expenses and submit the reconciliation with the travel voucher.
- vii. If not evident in the travel documentation (e.g. conference program with its dates), an explanation must be provided with the travel voucher for travel over a weekend or holiday.
- viii. Other special or unusual travel arrangements should be discussed beforehand with Contract and Grant Accounting and/or Accounts Payable.
- ix. Only coach/economy airfare is allowable and should be purchased using the Purchasing Card (reasonable baggage fees may be included). A receipt is required for reimbursement of baggage fees (e.g. when paid at airport check-in).
- x. If a rental vehicle is necessary at the traveler's destination, a written explanation is required as to why it was necessary to rent a vehicle. Transportation to and from the airport, to and from meals and reasons of personal convenience are not sufficient justification. For any personal use, the proportion should be noted on the travel voucher as the University will only pay for official business use.
- xi. A lodging rate over \$250 per night, before tax, requires written explanation from the traveler and approval from the Dean, Department Head or Budget Manager on the Out-of-State voucher.
- xii. Meals while in out-of-state travel status for University business are reimbursed at the actual cost of the meals, up to \$45.00 per day without receipts or up to \$75 a day with itemized receipts. Gratuities in excess of 20% will not be reimbursed.
- xiii. Requirements for reimbursement of the meal expenses of a group are found in the University's Spending Policies at <http://accountspayable.ua.edu/> under Entertainment and Conferences and Meetings. Consistent with federal policy, UA will only pay for the meals of a group when those meals are incidental to a necessary group meeting.
- xiv. This is not a complete list and not a substitute for the University's Travel or Spending policies.

III. Federal Regulations and Policies

- a. Basic Considerations. In addition to University policies and procedures, travel expenditures charged to sponsored projects (and related cost share funds) must meet the basic requirements of the Federal Uniform Guidance (UG) found at 2 CFR 200, including these factors affecting allowability of costs:
 - i. Allocable – Travel costs are allocable to a sponsored agreement when:

1. The travel was incurred to advance the work under the sponsored agreement.
 - It is generally expected that allocable travel is incurred by persons participating in the project as employees (including GRAs) or participants. The explanation for any exceptions must be carefully documented.
 2. The expense is allocated based on proportional benefit.
 - If the travel benefits more than one activity (e.g. the sponsored project and another sponsored project or another University activity) the proportions should be approximated through use of reasonable methods and the expenses broken out and charged in those proportions on the travel voucher, pCard reconciliation, or other travel charge document.
 3. The travel and its purpose (e.g. meeting) occur within the period of performance of the grant
- ii. Reasonable – Travel costs may be considered reasonable if:
1. The travel arrangements reflect those that a prudent person would make under the circumstances prevailing at the time the decisions were made and the individuals concerned acted with due prudence.
 2. The costs are necessary for the performance of the sponsored agreement.
 3. The costs are consistent with established institutional policies and practices (see section I.).
 4. The costs comply with requirements such as arm's length bargaining, Federal and State laws and regulations and sponsored agreement terms and conditions.
- iii. Consistent – Travel costs must be given consistent treatment based on the circumstances and the institution's policies and practices. External funding does not eliminate the need for consistency.
- b. Allowable – Travel costs must conform to any limitations or exclusions included in 2 CFR 200, the sponsor's policies or the terms and conditions of the agreement.
- i. 2 CFR 200 specifically disallows entertainment, alcoholic beverages, fines and penalties, lobbying, public relations and advertising.

ii. Sponsor policy, program rules or specific terms and conditions may restrict activities such as:

1. Foreign travel – may not be allowed or may require prior approval and, if federally funded, must comply with the Fly America Act*
2. Food – Some sponsors/programs restrict the purchase of food. These are not typically applicable to the travel meal expense of the individual. If, however, travel includes a meeting for which the grant will pay for the meals of all the meeting participants (e.g. visit to research site or to collaborator’s institution), these meals are generally allowable under 2 CFR 200 when:
 - The meal is an integral and necessary part of a meeting where the primary purpose is the dissemination of technical information, and
 - The cost of the meal meets the test of reasonableness, and
 - The meeting is not a recurring business meeting, such as a staff meeting, and
 - The University’s requirements (see I.b.xiii., above) are met.

iii. Federal Law

1. *Fly America – Travel charged to federal funds must comply with the requirements of the Fly America Act, which generally provides that foreign air travel may only be conducted on U.S. flag air carriers. There are limited exceptions (<http://www.gsa.gov/portal/content/103191>).

ⁱ Methods used to apply travel charges must result “in charges consistent with those normally allowed in like circumstances in the institution’s non-federally sponsored activities.” 2 CFR §200.474. “Costs incurred...shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the institution in its regular operations as the result of the institution’s written travel policy.” 2 CFR §200.474.