



Sponsored Programs Administration – Business Travel Expenses

**RGA 043: Research Administrators
Forum**

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Question:

Whose policies and procedures take precedence as they relate to allowable expenses?

- **Sponsor**

- **NYU**

Answer:

Most restrictive between the Sponsor and NYU

Uniform Guidance ?????

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards

On December 26, 2013, the Office of Management and Budget (OMB) issued Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards in the Federal Register. This "Uniform Guidance" replaces the administrative, accounting, audit rules and principles currently promulgated in the OMB Circulars, including A-21, A-110, and A-133.

The implementation of Uniform Guidance on December 26, 2014 will affect the daily administration at all institutions of higher education that conduct federally-supported research.

What is Foreign Travel?

What is Domestic Travel?

Old Definition of Domestic Travel

Domestic travel is travel performed within the recipient's own country. For the U.S., it includes travel within and between any of the 50 States of the U.S. and its possessions, territories, Canada and, in most cases Mexico.

New Definition:

Domestic travel is travel within the United States and the U. S. possessions and territories (American Samoa, Guam, Midway, the Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and Wake Island).

Take Away

Canada and Mexico no longer considered domestic travel.

Accountable Plan?

What impact does it have for travel Expenses?

In order to be considered an accountable plan by the IRS, expenses incurred by employees or independent contractors must have a business connection, the individual must adequately account to the University for these expenses within a reasonable time (60 days) and the individual must return an excess reimbursement or allowance within a reasonable time (60 days). If all three conditions are met the reimbursement can be excluded from the individual's taxable income.

Take Away:

Ensure your faculty, students and other employees submit reimbursement requests promptly upon returning.

Air Travel

NYU Policy

“Travelers are expected to choose lowest priced, most feasible airfare available at the time of booking.”

“Travelers are expected to purchase economy-class travel.”

“Business class travel may be allowed for transoceanic flights and continuous flights > 6 hours, but must be pre-approved by the Dean or Senior Leader of the unit or the travel will not be reimbursed.”

“Premium Economy will be reimbursed without prior approval if the total cost of the upgrade is < \$100 and continuous flight time is > 6 hours.”

Case Study #1

Facts:

PI Smith plans to travel from JFK to Afghanistan, and wants to charge the flight to his federally funded project. The total flight time exceeds 6 hours. He has asked you to book Business Class airfare.

Question: Is this an allowable expense for the federally funded project?

Answer: Even though the University's policy allows for Business Class travel in this case, the Federal government regulations does not have a stipulation based solely on flight time. Therefore, this expense would not be an allowable cost.

Case Study #2

Facts:

PI Jones plans to travel from JFK to San Francisco, and wants to charge the flight to her non-federally funded project. The flight time is 6 ½ hours non-stop. The terms and conditions of the award state all travel must comply with University policies and procedures. She has asked you to book a Business Class airfare.

Question: Is this an allowable expense for the non-federally funded project?

Answer:

No, University policy states Business Class only available if flight is transoceanic and more than 6 hours in length. However, you could book Premium Economy since the flight time exceeds 6 hours.

Travel by Rail

Previous Travel Policy

“Travelers are expected to choose the lowest, most reasonable fare available.”

New Travel Policy

“Travelers are expected to choose the lowest economy priced fare available.”

What does this change in policy mean?

Case Study #1

Facts:

PI Marino plans to travel from NYC to Washington D.C. on Amtrak, and wants to charge it to his federally funded project. He has asked that you book his trip on the Acela Express since it arrives ½ hour sooner than the Regional.

Question: Is this an allowable expense for the federally funded project?

Answer:

No, the Acela is considered either Business Class or First Class, and as such, does not comply with University policy. The PI will need to take the Regional train instead.

Rental Cars

NYU Policy:

“Costs related to rental cars are deemed valid business expenses when renting a car is less expensive or more feasible than other transportation options available.”

“To minimize risk and liability to yourself and to the University, you are advised to determine and understand the insurance provisions and requirements of the University before renting a car for business travel, as well as to determine from the rental car agency what your insurance coverage and liability responsibilities are.

“Students are not covered under the University’s insurance program.”

Take Away

1. If you use one of NYU’s preferred rental agencies, ask for NYU rate, and whether NYU rate includes insurance. If the rate does not include insurance coverage, you should elect all appropriate coverages.
2. Students should elect all coverages.

Meals

NYU Policy

“Individuals who travel on University business are reimbursed for meal expenses they incur. The University reimburses meal expenses in two ways: according to actual, substantiated costs, or at an established “per diem” rate.

“Travelers cannot switch between these two methods in one trip; the method travelers choose applies to all meal expenses incurred throughout the trip.”

“Gratuities for meals are deemed part of the meal cost and will be reimbursed by the University provided these are reasonable (that is, do not exceed 20% of the total meal cost.”

“It is permissible to utilize the combined meals and incidental expense rate when reimbursing based on the per diem method.”

“When reporting meal and incidental expenses for reimbursement based on the per diem rate, you are required by the U.S. General Services Administration to prorate the meal and incidental expense allowance for the first and last day of your trip. The first and last calendar day of travel is calculated at 75% of the locale’s per diem.”

Per Diem Rates

Per diem rates for meals and incidental expenses are outlined as follows:

- The General Services Administration sets rates for travel within the 48 contiguous states. These rates can be found at <http://www.gsa.gov/portal/content/104877>.
- The Department of Defense sets rates for Alaska, Hawaii and U.S. Territories and Possessions. These rates can be found at <http://www.defensetravel.dod.mil/site/perdiemCalc.cfm>.
- The State Department sets rates for International Travel. These rates can be found at <http://www.state.gov/travel>.

Case Study #1

Facts:

PI Miller traveled from NYC to Paris on January 10th and returned on January 14th (5 days). The flight leaves JFK at 7 a.m. on the 10th, and returns on the 14th at 4:30 p.m. He asked that you complete his travel reimbursement for the trip. The Department of State per diem rate for Paris, France, is \$154 per day.

Question:

What is PI Miller's total per diem?

- A) \$770 B) \$350 C) \$693

Answer: $(2 \times (\$154 \times .75)) + (3 \times \$154) = \$693$

Lodging

NYU Policy

“Individuals who travel on University business are encouraged to select University preferred properties, when available. If University preferred properties are unavailable, individuals should select standard accommodations at reasonably priced mid-market hotels on or close to the location of the business using \$300/day without meals and taxes as a standard maximum cost guideline.”

“A list of University preferred domestic and international Hotels are available at <http://www.nyu.edu/life/travel-and-transportation/nyu-traveler/discounts.html>.”

“The final hotel folio, which reflects all charges made to the room, is required for reimbursement.”

“A small non-cash gift, in lieu of lodging is allowed if employee stays with friends or family.”

Take Away

1. Hotel folio required for reimbursement
2. Maximum room rate is generally \$300 excluding taxes
3. Small non-cash gift is reimbursable if employee stays with friends or family

Extended Travel

NYU Policy

“Extended travel of up to one year is considered as a “temporary assignment” and is subject to the same rules as regular business travel. Expenses related to extended travel must be supported by original receipts and other appropriate documentation.”

Case Study #1

Facts:

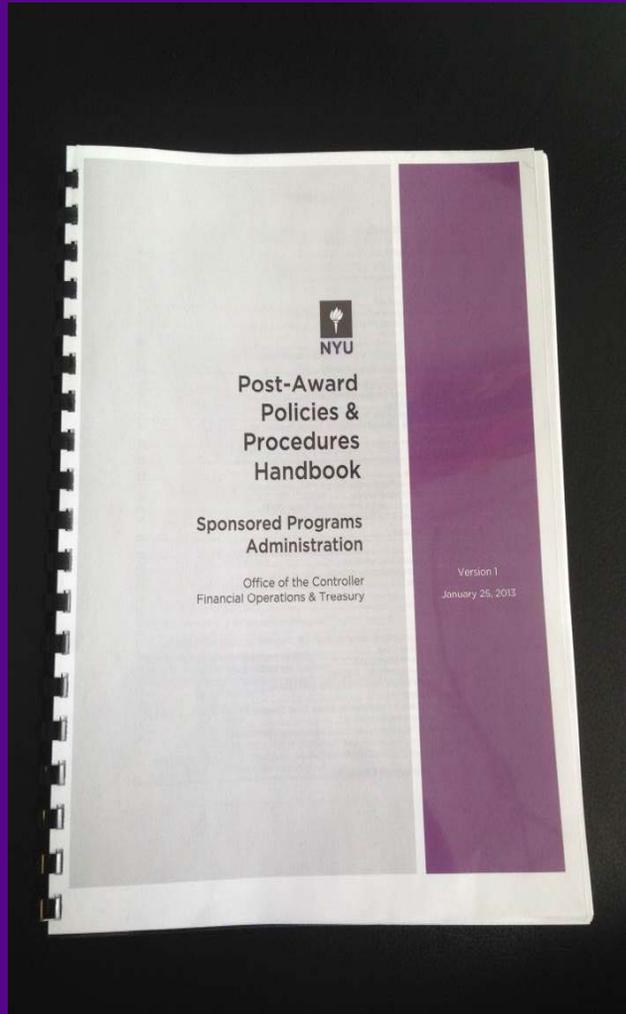
PI Goldstein will be traveling to Canada for a year to conduct research, which is federally funded. She wants to use both actual costs for meals as well as per diem for certain portions of her trip.

Question:

Given that trip will last one year, would PI Goldstein be allowed to use both actual costs and per diem rates for meal reimbursement?

Answer:

No, she will need to choose between actual and per diem for the entirety.



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Research / Resources and Support Offices / Post-Award Handbook

Table of Contents Glossary Acronyms Contacts & Resources Forms Technical Systems Frequently Asked Questions Case Studies

Sponsored Programs Administration Post-Award Handbook

New York University's Sponsored Programs Administration Post Award Handbook is a comprehensive tool and reference guide designed to support Principal Investigators and other staff responsible for the financial administration of grants and contracts.

University Leadership on the Importance of NYU's Global Research Programs & Post Award Grants Administration

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Handbook Table of Contents

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In our ongoing effort to receive feedback on and improve the Sponsored Programs Administration