



Sponsored Programs Administration Handbook Case Study Topic: Travel Allowability & Allocability

Changing a Plane Ticket

Example:

A Principal Investigator 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 \$1673.
- In total, the PI paid \$473 in additional charges.

Question:

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



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Answer:

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.

Fly America Act

Example:

A PI scheduled a trip to London for a conference related to their NIH grant. The PI found a bargain ticket from a foreign air carrier for \$800 and is excited about the cost saving.

Question:

Should the PI be able to charge \$800 to the NIH grant?

Answer:

The Fly America Act requires that **US flag carriers** be used to the maximum extent possible when commercial air transportation is the means of travel between the United States, its territories and possessions, and a foreign country OR between foreign countries. This requirement shall not be influenced by factors of cost, convenience, or personal travel preference. Without meeting any exceptions, the PI cannot charge \$800 to the NIH grant. In addition, the \$800 must not be charged to a cost share project since it is an Unallowable Cost according to the Fly America Act.



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Exceptions:

The following exceptions are allowed on a grant in instances where the use of a U.S. flag carrier would:

- Require circuitous routing
- Require travel during unreasonable hours
- Excessively prolong travel

A lower priced ticket is not considered an exception.

Other exceptions include:

- When an **Open Skies agreement** (<http://www.gsa.gov/portal/content/103191>) is in place between the United States (U.S.) government and the government of a foreign country.
- **Code-sharing agreements** with foreign air carriers, whereby US flag carriers purchase or have the right to sell a block of tickets on a foreign carrier, that comply with the Fly America Act regulations. The ticket, or documentation for an electronic ticket, must identify the U.S. carrier's designator code and flight number.

Under the **Open Skies** agreement,
the use of a foreign carrier is allowable:

- When that airline is a member state carrier;
- When transportation is between the U.S. and any point in the member state;
- When travel is between two points outside the U.S. provided that:
 - » No City-Pair fare exists. Review the fare finder at:
<http://apps.fas.gsa.gov/citypairs/search/>
 - » Funding is not provided by the Secretary of Defense or the Secretary of a military department.



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First Class Fare

Example:

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 first-class ticket with the approval of the department chair.

Question:

Can the cost of the ticket be charged to the PI's NSF grant?

Answer:

Circular A-21, §J.53 allows airfare costs in excess of the coach airfare when such accommodation is not reasonably adequate for the traveler's medical needs.

The PI should obtain a statement from his/her physician prior to travel and submit the supporting documentation with his/her travel reimbursement request.