

Federal Travel Guidelines

General. Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the non-Federal entity's non-federally-funded activities and in accordance with non-Federal entity's written travel reimbursement policies.

Commercial Air Travel. Airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

- (i) Require circuitous routing;
- (ii) Require travel during unreasonable hours;
- (iii) Excessively prolong travel;
- (iv) Result in additional costs that would offset the transportation savings; or
- (v) Offer accommodations not reasonably adequate for the traveler's medical needs. The non-Federal entity must justify and document these conditions on a case-by-case basis in order for the use of first-class or business-class airfare to be allowable in such cases.

Air travel is reimbursable for *economy airfare only* and traveler should use best efforts to ensure that all airfare bookings are completed *at least 14 days prior to scheduled trip departure*.

Travelers ***must*** comply with the Fly America Act which requires travelers to use:

- (i) A U.S. flag air carrier; or
- (ii) A foreign carrier that operates under a U.S. Flag air carrier code-sharing agreement and identifies the U.S. flag air carrier's designator code and flight number.

These carriers must be used unless the traveler can prove that such carriers were unavailable.

Lodging and Subsistence. Costs incurred by employees for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable. In addition, if these costs are charged directly to the Federal award, documentation must justify that:

- (i) Participation of the individual is necessary to the Federal award; and
- (ii) The costs are reasonable and consistent with non-Federal entity's established travel policy.

Travelers should use standard accommodations in reasonably priced hotels and motels reserved *at least 14 days* prior to scheduled trip departure. Many hotels and motels charge reduced rates for those who identify themselves as University faculty or administrators. Because hotel reservations are generally guaranteed to ensure lodging for late arrivals, travelers are required to cancel reservations in a timely manner to prevent "no-show" charges. These charges will not be funded unless approved by Dean or Vice President. A typical allowable case would be for cancellation due to an emergency.

When requesting reimbursement, the original itemized hotel bill and the original receipt showing proof of payment must be attached to the Expense Report. The bill should show a zero dollar balance.

Rental Vehicles. When renting a vehicle, domestically or internationally, the University will only cover the cost of renting the vehicle and associated rental expenses (i.e. gasoline) based on submitted receipts. *Mileage will not be reimbursed for rental vehicles.*

Domestic Rentals

Boston University's insurance covers the individual as well as the vehicle when a vehicle is rented for business purposes; therefore, employees should not sign (or initial) for additional insurance coverage offered by car rental companies. Please see www.bu.edu/cfo/risk-management/risk-management-resources/automobiles/rental-procedures/.

Foreign Rentals

Vehicles should be rented only through well-known, established car rental companies. Both liability and collision coverage should be purchased for the vehicle. See www.bu.edu/cfo/risk-management/risk-managementresources/automobiles/rental-procedures/.

Per Diem. Use of a per-diem allowance may be appropriate when traveling on a grant, when the sponsoring agency has stipulated a per diem allowance or for extended travel durations where it would be administratively burdensome to maintain actual cost receipt detail. With a per diem allowance a traveler is not required to provide documentation for actual expenses incurred, but is required to show support that travel for valid business purposes did occur.

Regardless of the reimbursement method used (actual cost or per diem), that method must be used for the *entire duration of the trip*. For instance, reporting actual costs for the first day of a trip and then use of per diem for the remainder of the trip is not allowed under this policy.

Reimbursement on a per diem basis will not be allowed in circumstances where the lodging and/or meals were furnished to the traveler at no additional cost (i.e. traveler attended a dinner which was paid for by another individual). In addition, the below guidelines should be followed based on IRS regulations:

1. Full day of travel (typically overnight stay) = 100% of established rate
2. First/last day of travel = 75% of established rate

Per diem rates are typically established by the General Services Administration (GSA) for domestic locations, and by the State Department for international locations.

Business Meals. When meal expenses include charges for individuals other than the employee (e.g. business meeting), the expense report must indicate the dollar amount, attendee name(s), attendee title (and institution/company), the business purpose(s), location, and the date of the meal.

Typically, food and beverage expenses cannot be charged to a sponsored project unless it is specifically allowed in the sponsored project agreement. *For all meal expenses, regardless of funding source, alcoholic beverages must be separated on the expense report and charged to a non-sponsored discretionary account.*

Receipt Documentation.

Itemized receipts must be electronically submitted in the expense management system for expenses in *excess of* \$25. Receipt documentation is expected to support the following information:

- Name of the merchant/service provider
- Amount charged (including gratuities)
- Transaction detail
- Form of payment used
- Transaction date

Additionally, all reimbursements must be accompanied with an explanation of who, what, where, when, and why to justify the expenses. For conferences, the brochure can support charges in the expense report and provide much of this information.

Other Expense Guidelines

General. For any cost to be allowable, it must be appropriate and allocable to the federal project, as well as included in the budget as approved by the sponsor.

Entertainment. Costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities) are unallowable for federal reimbursement.

Goods or Services for Personal Use. Costs of goods or services for personal use of the institution's employees are unallowable regardless of whether the cost is reported as taxable income to the employees. Flowers, gifts to employees, coffee and water service would be considered unallowable. Artwork or other decorative furnishings is considered unallowable.

Memberships/Registrations. Costs of membership in any civic or community organization are unallowable. Costs of membership in any country club or social or dining club or organization are unallowable. Costs of registration to meetings and conferences, when the primary purpose is the dissemination of technical information, are allowable.

Transportation Costs. Costs incurred for freight, express, cartage, postage, and other transportation services relating either to goods purchased, in process, or delivered, are allowable. When such costs can readily be identified with the items involved, they may be charged directly as transportation costs or added to the cost of such items.

Publication and Printing Costs. Publication costs for electronic and print media, including distribution, promotion, and general handling are allowable. Page charges for professional journal publications are allowable where:

- (i) The publications report work supported by the Federal Government; and
- (ii) The charges are levied impartially on all items published by the journal, whether or not under a Federal award.

Professional Service Costs. Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-Federal entity, are allowable, subject to the following when reasonable in relation to the services rendered.

In determining the allowability of costs in a particular case, no single factor or any special combination of factors is necessarily determinative. However, the following factors are relevant:

- (i) The nature and scope of the service rendered in relation to the service required.
- (ii) The necessity of contracting for the service, considering the non-Federal entity's capability in the particular area.
- (iii) The past pattern of such costs, particularly in the years prior to Federal awards.
- (iv) The impact of Federal awards on the non-Federal entity's business (i.e., what new problems have arisen).
- (v) Whether the proportion of Federal work to the non-Federal entity's total business is such as to influence the non-Federal entity in favor of incurring the cost, particularly where the services rendered are not of a continuing nature and have little relationship to work under Federal awards.
- (vi) Whether the service can be performed more economically by direct employment rather than contracting.
- (vii) The qualifications of the individual or concern rendering the service and the customary fees charged, especially on non-federally funded activities.
- (viii) Adequacy of the contractual agreement for the service (e.g., description of the service, estimate of time required, rate of compensation, and termination provisions).