Premium Costs Guidelines:

OMB Circular A-21, Section J, .53 – Travel Costs:

1. 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 institution. 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 institution’s non-federally sponsored activities.

2. Lodging and Subsistence

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, 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. In the absence of an acceptable, written institution policy regarding travel costs, the rates and amounts established under subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his or her designee) pursuant to any provisions of such subchapter shall apply to travel under sponsored agreements (48 CFR 31.205-46(a)).

3. Commercial Air Travel

(a) Airfare costs in excess of the customary standard commercial airfare (coach or equivalent), federal government contract airfare (where authorized and available), or the lowest commercial discount airfare are unallowable except when such accommodations would:

   i. require circuitous routing;

   ii. require travel during unreasonable hours; (c) excessively prolong travel;

   iii. result in additional costs that would offset the transportation savings; or
iv. offer accommodations not reasonably adequate for the traveler’s medical needs. The institution must justify and document these conditions on a case-by-case basis in order for the use of first-class airfare to be allowable in such cases.

(b) Unless a pattern of avoidance is detected, the federal government will generally not question an institution's determinations that customary standard airfare or other discount airfare is unavailable for specific trips if the institution can demonstrate either of the following:

i. that such airfare was not available in the specific case; or

ii. that it is the institution’s overall practice to make routine use of such airfare.

4. Air Travel by Other Than Commercial Carrier

Costs of travel by institution-owned, -leased, or -chartered aircraft include the cost of lease, charter, operation (including personnel costs), maintenance, depreciation, insurance, and other related costs. The portion of such costs that exceeds the cost of allowable commercial air travel, as provided for in subsection 53.c., is unallowable.

Foreign Travel Guidelines: Generally, if a traveler is traveling on funds provided by the federal government, he/she must use a U.S. flag carrier (an airline owned by American company), regardless of cost or convenience.

Use of U.S.-Flag Air Carriers:

1. In accordance with the Fly America Act (49 USC 40118), any air transportation to, from, between, or within a country other than the U.S. of persons or property, the expense of which will be assisted by NSF funding, must be performed by or under a code-sharing arrangement with a U.S.-flag air carrier if service provided by such a carrier is available (see Comptroller General Decision B-240956, dated September 25, 1991). Tickets (or documentation for electronic tickets) must identify the U.S. flag air carrier’s designator code and flight number.

2. For the purposes of this requirement, U.S.-flag air carrier service is considered available even though:

   (a) comparable or a different kind of service can be provided at less cost by a foreign-flag air carrier;

   (b) foreign-flag air carrier service is preferred by, or is more convenient for, NSF or traveler; or
(c) service by a foreign-flag air carrier can be paid for in excess foreign currency.

3. The following rules apply unless their application would result in the first or last leg of travel from or to the U.S. being performed by a foreign-flag air carrier:

   (a) a U.S.-flag air carrier shall be used to destination or, in the absence of direct or through service, to the farthest interchange point on a usually traveled route.

   (b) if a U.S.-flag air carrier does not serve an origin or interchange point, a foreign-flag air carrier shall be used only to the nearest interchange point on a usually traveled route to connect with a U.S. flag air carrier.

Use of Foreign-Flag Air Carriers:

There are certain circumstances under which use of a foreign-flag air carrier is permissible. These circumstances are outlined below:

1. Airline "Open Skies" Agreements

   A foreign flag air carrier may be used if the transportation is provided under an air transportation agreement between the United States and a foreign government, which the Department of Transportation has determined meets the requirements of the Fly America Act. For information on "open skies" agreements in which the United States has entered, please refer to the General Services Administration’s (GSA) website at http://www.gsa.gov/portal/content/103191.

2. Involuntary Rerouting

   Travel on a foreign-flag carrier is permitted if a U.S.-flag air carrier involuntarily reroutes the traveler via a foreign-flag air carrier, notwithstanding the availability of alternative U.S.-flag air carrier service.

3. Travel To and From the U.S. on non-European Community Airlines

   Use of a non-European Community foreign-flag air carrier is permissible if the airport abroad is:

   (a) the traveler's origin or destination airport, and use of U.S.-flag air carrier service would extend the time in a travel status by at least 24 hours more than travel by a foreign-flag air carrier; or

   (b) an interchange point, and use of U.S.-flag air carrier service would increase the number of aircraft changes the traveler must make outside of the U.S. by two or more, would require the traveler to wait four hours or more to make connections at that point, or would extend the time in a travel status by at least six hours more than travel by a foreign-flag air carrier.
4. Travel Between Points Outside the U.S. on non-European Community Airlines

Use of a non-European Community foreign-flag air carrier is permissible if:

(a) travel by a foreign-flag air carrier would eliminate two or more aircraft changes en route;

(b) travel by a U.S.-flag air carrier would require a connecting time of four hours or more at an overseas interchange point; or

(c) the travel is not part of the trip to or from the U.S., and use of a U.S.-flag air carrier would extend the time in a travel status by at least six hours more than travel by a foreign-flag air carrier.

5. Short Distance Travel

For all short distance travel, regardless of origin and destination, use of a foreign-flag air carrier is permissible if the elapsed travel time on a scheduled flight from origin to destination airport by a foreign-flag air carrier is three hours or less and service by a U.S.-flag air carrier would double the travel time.

For additional information, please refer to the Travel Requests guidelines located at:  
http://www.yosemite.edu/ap/accountspayableprocedures_file/Travel%20Requests.pdf

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