

United States Department of Agriculture  
Research, Education, and Economics

**ARS   CSREES   ERS   NASS**

***Bulletin***

**Title:** Restricted Fares for FY 2006 Travel

**Number:** 05-309

**Date:** August 29, 2005      **Expiration:** August 28, 2006

**Originating Office:** Financial Management Division, ARS/AFM

**Distribution:** All REE Employees (Please distribute to all employees who may not have access to electronic mail.)

This Bulletin provides guidance on purchasing restricted/non-refundable fares for travel that will occur wholly within FY 2006.

## **Introduction**

In May 2005, Research, Education, and Economics (REE) applied for a waiver of the Department of Agriculture (USDA) prohibition on using the Electronic Data Systems FedTraveler to purchase non-refundable/restricted fares for official travel. REE recognized that using nonrefundable/restricted fares made certain travel costs effective to agencies. USDA provided the waiver to REE, provided that nonrefundable/restricted fares are used within the requirements of the Federal Travel Regulations (FTR) and authorizing officials monitor and approve the purchase of such fares.

Because nonrefundable/restricted fares require immediate ticketing to obtain a favorable price, the use of these fares presents unique problems at the end of each fiscal year (FY). Appropriation law dictates that the cost of travel for FY 2006 be paid with FY 2006 appropriated funds. These funds are not available for obligation until October 1, 2005. If an authorizing official approves the use of nonrefundable/restricted fares, the agency is committed to paying for the cost of the ticket, even if the travel is canceled. As a result, upon ticketing, the cost of the nonrefundable/restricted fare results in a non-cancelable obligation on the part of the government. Whether the ticket is purchased with an individually billed account or the Government Transportation System account, the government cannot be obligated to paying for FY 2006 travel before October 1, 2005.

## **Policy**

REE employees must use the following guidance for purchasing airline tickets at the end of FY 2005:

- Prior to October 1, 2005, REE employees may not purchase nonrefundable/restricted airline tickets for travel that will occur on or after that date. Doing so would create an obligation in advance of the FY 2006 appropriation.
- For travel that begins on or after October 1, 2005, REE employees may only reserve fully cancelable airline tickets, when reserving tickets prior to that date. Use of government contract fares ensures that tickets are fully cancelable and refundable with no cost to the agency.
- For travel that begins in FY 2005 and ends in FY 2006, REE employees may use nonrefundable/restricted fares since the entire cost of the ticket is chargeable to FY 2005 (current year) funds.
- Once the new fiscal year begins on October 1, 2005, REE employees may purchase nonrefundable/restricted fares for future travel during the FY.

As a reminder, the FTR requirements are that nonrefundable/restricted fares may only be used when (1) their use would result in a cost savings to the government, (2) the use of such fares is authorized, and (3) the travel is reasonably certain to occur.

Please contact Diane Eggert, Chief, Travel and Relocation Services Branch, on 301-504-1260, if you have questions.

/s/

S. M. HELMRICH  
Director  
Financial Management Division