

United States Department of Agriculture  
Research, Education, and Economics

**ARS CSREES ERS NASS**

***Bulletin***

**Title:** Restricted Fares for FY 2007 Travel

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**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 fiscal year (FY) 2007.

**Introduction:**

The Federal Travel Regulation (FTR) requires that employees who are traveling on official business use government contract airfare unless an exemption applies. One exemption is when a lower cost airfare is available. Because of the need for flexibility for last minute cancellations and changes, the FTR allows the use of non-refundable/restricted airfares in limited situations.

Research, Education, and Economics (REE) recognizes that using non-refundable/restricted fares makes certain travel cost-effective to its agencies. REE policy allows the use of non-refundable/restricted fares within the requirements of the FTR and when 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 FY.**

Appropriation law dictates that agencies use funds available on the date the travel begins to pay for transportation costs. FY 2007 funds are not available for obligation until October 1, 2006, so those funds may not be used to pay for travel that begins on or after that date.

Non-refundable/restricted fares require immediate ticketing. When an authorizing official approves the use of non-refundable/restricted fares, the agency is committed to paying for the cost of the ticket immediately, even if the travel is subsequently canceled. As a result, upon ticketing, the cost of the non-refundable/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 GVTS account, the Government cannot obligate to pay for FY 2007 travel before October 1, 2006.

**Policy:**

REE employees must use the following guidance for purchasing airline tickets at the end of FY 2006:

- Prior to October 1, 2006, REE employees may not purchase non-refundable/restricted airline tickets for travel that will occur on or after that date. Doing so would create an obligation in advance of the FY 2007 appropriation.
- When arranging for travel that begins on or after October 1, 2006, REE employees may only reserve non-refundable/restricted tickets. The ticket may not be scheduled for purchase until October 1, 2006, or later, when FY 2007 funds become available for obligation.
- For travel that begins in FY 2006 and ends in FY 2007, REE employees may use non-refundable/restricted fares since the entire cost of the ticket is chargeable to FY 2006 (current year) funds.
- Once the new FY begins on October 1, 2006, REE employees may purchase non-refundable/restricted fares for future travel during the FY 2007.
- Use of government contract fares ensures that tickets are fully cancelable and refundable with no cost to the agency.

As a reminder, the FTR requirements are that non-refundable/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.

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