



FINANCIAL MANAGEMENT POLICIES AND PROCEDURES BULLETIN

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TO: Executive/Administrative Officers
Offices, Boards, and Divisions

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JMD Senior Management Staff

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SUBJECT: Use of Contract Airlines [Ref. 41 C.F.R. Part 301-10, Subpart B]

This Bulletin cancels and replaces Financial Management Policies and Procedures Bulletin 96-14, *Use of Contract Airlines*, August 12, 1996.

The General Services Administration contracts with airlines for reduced fares for official Government business travel. **Employees on official travel are required to use contract airfares by the Federal Travel Regulation, 41 C.F.R. §301-10.107.** Contract airfares do not require advance purchase and they are fully refundable if not used. There are no minimum or maximum stay requirements and no “blackout” dates. All tickets are priced as one-way fares so there is no penalty for traveling to multiple destinations and there are no penalties for changing reservations or tickets.

Contract airfares are for travel between city-pairs, which means that the contract fare is a “through fare” from the origin to the destination, whether the particular flight is a non-stop, direct, or connecting flight. (Non-stop flights, as the name implies, do not make any stops between origin and

destination. Direct flights make one or more stops, but the same aircraft flies from the origin to the destination. Connecting flights make one or more stops at which the traveler must leave one aircraft and board another.) Contract airfares within the Continental US do not require more than one connection, and the scheduled ground time cannot exceed 90 minutes.

Non-contract fares may be used if one of the following circumstances applies to the travel situation (see 41 C.F.R. §301-10.107(a) through (d)).

1. No contract airfare exists for the necessary travel;
2. Seating on the contract carrier is not available in time to accomplish the purpose of travel;
3. A non-contract carrier offers a lower fare available to the general public, and its use will result in a lower total trip cost to the Government. The cost comparison includes the combined cost of transportation, lodging, meals, and related expenses. However, if penalties apply for changes or for return of unused tickets, the penalty may be reimbursed only if the restricted fare was authorized.
4. Rail service is available and is cost effective.

Other approved uses of non-contract fares are also allowable. A through fare, special fare, commutation fare, excursion fare, or reduced-rate round-trip fare may be used if it is determined to be practical and economical. If there are restrictions or specific eligibility requirements, the non-contract fare may be used only if it is known, or can reasonably be anticipated that the ticket will be used. In addition, in accordance with 41 C.F.R. § 301-10.122, coach class must be used if a non-contract airline is requested.

Any use of non-contract carrier must be authorized. If such use is not authorized, any additional costs or penalties incurred must be borne by the traveler. Such fares must be requested of the TMC, which should first offer contract airfares only.

Some airlines offer “Government Fares,” “Government Discounts,” or other fares which are not contract airfares, but appear to be the same price. **These “me too” fares are not offered to the general public and may not be used unless one of the exceptions above applies, other than #3.** (See the note to paragraph (c) in 41 C.F.R. §301-10.107.) The fares may change between the time the reservation is made and the ticket is issued, and additional fees may be added by the airlines, such as fuel surcharges, that do not apply to contract airfares. Other restrictions may apply, such as travel not permitted on Sundays, and early ticketing requirements may result in charges to the traveler’s travel card sooner than with contract airfare use.

If there is no contract airfare between city-pairs where travel is necessary, a combination of contract airfares should be used, but if use of contract fares results in excessive travel time or delays, unrestricted coach fares may be used. For example, if there is no contract airfare between Wichita,

Kansas, and Harrisburg, Pennsylvania, but there are contract airfares between Wichita and Pittsburgh, and between Pittsburgh and Harrisburg, those two contract airfares may be used. However, the traveler may also fly non-stop or direct from Wichita to Harrisburg on non-contract flights, if available, and the time is significantly less without an excessive increase in cost. The choice of flights when there is no contract airfare should be the most economical to the Government, considering cost and the time of the traveling employee. Officials who authorize travel may require travel over a particular route. Similarly, when a contract airfare is available from one airport serving the employee's departure location or destination, but a second airport serving the same city does not have a contract airfare, the authorizing official may require that the airport with the contract airfare be used.

Contract airfares may only be used for official Government business travel, not personal travel. If travel consists of indirect routing for personal reasons, then contract airfares may not be used on any legs of travel arranged for personal reasons. However, if travel is performed early, or delayed for personal reasons, but is over the same routing, then contract airfares may be used. For example, if an employee must travel from Los Angeles, California, to Washington, DC, and back, but wishes to return via New York for personal reasons, the Washington to New York and New York to Los Angeles legs may not be by contract airfare, since the employee had no official duties in New York. However, if the traveler merely wished to spend a few extra days in Washington on personal time, then he or she may return to Los Angeles using the same airfare that would have been used had there been no delay in travel. See Financial Management Policies and Procedures Bulletin 00-16, *Combined Personal and Official Travel*, May 18, 2000, for more details on combining personal and official travel.

If there are any questions concerning this bulletin, please call Mark Rodeffer on (202) 616-5250.