31.205-46 Travel costs.

(a) *Costs* for transportation, lodging, meals, and incidental expenses.

(1) *Costs* incurred by contractor personnel on official *company* business are allowable, subject to the limitations contained in this subsection. *Costs* for transportation *may* be based on mileage rates, *actual costs* incurred, or on a combination thereof, provided the method used results in a reasonable charge. *Costs* for lodging, meals, and incidental expenses *may* be based on per diem, actual expenses, or a combination thereof, provided the method used results in a reasonable charge.

(2) Except as provided in paragraph (a)(3) of this subsection, *costs* incurred for lodging, meals, and incidental expenses (as defined in the regulations cited in (a)(2)(i) through (iii) of this section) *shall* be considered to be reasonable and allowable only to the extent that they do not exceed on a daily basis the maximum per diem rates in effect at the time of travel as set forth in the-

(i) Federal Travel Regulations, prescribed by the General Services Administration, for travel in the *contiguous United States*, available on a subscription basis from the-

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(ii) Joint Travel Regulation, Volume2, DoD Civilian Personnel, AppendixA, prescribed by the Department of Defense, for travel in Alaska, Hawaii, and *outlying areas* of the *United States*, available on a subscription basis from the-

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Stock No.908-010-00000-1; or

(iii) Standardized Regulations (Government Civilians, Foreign Areas), Section 925, "Maximum Travel Per Diem Allowances for Foreign Areas," prescribed by the Department of State, for travel in areas not covered in (a)(2)(i) and (ii) of this paragraph, available on a subscription basis from the-

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(3) In special or unusual situations, *actual costs* in excess of the above-referenced maximum per diem rates are allowable provided that such amounts do not exceed the higher amounts authorized for Federal civilian employees as permitted in the regulations referenced in (a)(2)(i), (ii), or (iii) of this section. For such higher amounts to be allowable, all of the following conditions *must* be met:

(i) One of the conditions warranting approval of the actual expense method, as set forth in the regulations referenced in paragraphs (a)(2)(i), (ii), or (iii) of this section, *must* exist.

(ii) A written justification for use of the higher amounts *must* be approved by an officer of the contractor's organization or designee to ensure that the authority is properly administered and controlled to prevent abuse.

(iii) If it becomes necessary to exercise the authority to use the higher actual expense method repetitively or on a continuing basis in a particular area, the contractor *must* obtain advance approval from the *contracting officer*.

(iv) Documentation to support *actual costs* incurred *shall* be in accordance with the contractor's established practices, subject to paragraph (a)(7) of this section, and provided that a receipt is required for each expenditure of $75.00 or more. The approved justification required by paragraph (a)(3)(ii) of this section and, if applicable, paragraph (a)(3)(iii) of this section *must* be retained.

(4) Paragraphs (a)(2) and (3) of this section do not incorporate the regulations cited in paragraphs (a)(2)(i), (ii), and (iii) of this section in their entirety. Only the maximum per diem rates, the definitions of lodging, meals, and incidental expenses, and the regulatory coverage dealing with special or unusual situations are incorporated herein.

(5) An advance agreement (see 31.109) with respect to compliance with paragraphs (a)(2) and (3) of this subsection *may* be useful and desirable.

(6) The maximum per diem rates referenced in paragraph (a)(2) of this subsection generally would not constitute a reasonable daily charge-

(i) When no lodging *costs* are incurred; and/or

(ii) On partial travel days (*e.g., day* of departure and return).

Appropriate downward adjustments from the maximum per diem rates would normally be required under these circumstances. While these adjustments need not be calculated in accordance with the Federal Travel Regulation or Joint Travel Regulations, they *must* result in a reasonable charge.

(7) *Costs shall* be allowable only if the following information is documented-

(i) Date and place (city, town, or other similar designation) of the expenses;

(ii) Purpose of the trip; and

(iii) Name of person on trip and that person's title or relationship to the contractor.

(b) Airfare *costs* in excess of the lowest priced airfare available to the contractor during normal business hours are unallowable except when such accommodations require circuitous routing, require travel during unreasonable hours, excessively prolong travel, result in increased cost that would offset transportation savings, are not reasonably adequate for the physical or medical needs of the traveler, or are not reasonably available to meet mission requirements. However, in order for airfare *costs* in excess of the above airfare to be allowable, the applicable condition(s) set forth above *must* be documented and justified.

(c)

(1) "Cost of travel by contractor-owned, -leased, or -chartered aircraft," as used in this paragraph, includes the cost of lease, charter, operation (including personnel), maintenance, *depreciation*, *insurance*, and other related *costs*.

(2) The *costs* of travel by contractor-owned, -leased, or -chartered aircraft are limited to the allowable airfare described in paragraph (b) of this section for the flight destination unless travel by such aircraft is specifically required by contract specification, term, or condition, or a higher amount is approved by the *contracting officer*. A higher amount *may* be agreed to when one or more of the circumstances for justifying higher than allowable airfare listed in paragraph (b) of this section are applicable, or when an advance agreement under paragraph (c)(3) of this section has been executed. In all cases, travel by contractor-owned, -leased, or -chartered aircraft *must* be fully documented and justified. For each contractor-owned, -leased, or -chartered aircraft used for any business purpose which is charged or allocated, directly or indirectly, to a Government contract, the contractor *must* maintain and make available manifest/logs for all flights on such *company* aircraft. As a minimum, the manifest/log *shall* indicate-

(i) Date, time, and points of departure;

(ii) Destination, date, and time of arrival;

(iii) Name of each passenger and relationship to the contractor;

(iv) Authorization for trip; and

(v) Purpose of trip.

(3) Where an advance agreement is proposed (see 31.109), consideration *may* be given to the following:

(i) Whether scheduled commercial airlines or other suitable, less costly, travel *facilities* are available at reasonable times, with reasonable frequency, and serve the required destinations conveniently.

(ii) Whether increased flexibility in scheduling results in time savings and more effective use of personnel that would outweigh additional travel *costs*.

(d) *Costs* of contractor-owned or -leased automobiles, as used in this paragraph, include the *costs* of lease, operation (including personnel), maintenance, *depreciation*, *insurance*, etc. These *costs* are allowable, if reasonable, to the extent that the automobiles are used for *company* business. That portion of the cost of *company*-furnished automobiles that relates to personal use by employees (including transportation to and from work) is *compensation for personal services* and is unallowable as stated in 31.205-6(m)(2).

Parent topic: 31.205 Selected costs.