

To: University Faculty and Administrators
From: Ann Berman, Vice President for Finance and Chief Financial Officer
Date: March 16, 2006
Re: Revisions to the Sponsored Travel Policy, effective 4/1/06

As many of you are aware, for the past three years Harvard has had A-133 audit findings related to federally sponsored air travel expenses. These findings, which are reviewed each February with the University's Joint Committee on Inspection, indicate a general lack of understanding of our sponsored travel policy, primarily related to specific documentation requirements. The recurring nature of these findings indicates that our sponsored travel policy must be modified so that we are able to ensure compliance with federal regulations governing the use of federal funds in the conduct of sponsored programs. Towards that end, you will soon be receiving a revised Sponsored Travel Policy, which will become effective for all sponsored travel arrangements booked on or after April 1, 2006. This policy requires the use of one of Harvard's five preferred travel vendors for all federally sponsored air travel expenses (with certain limited exceptions, which are noted), and eliminates the need in such cases for documentation detailing lowest available airfare.

The Office of Sponsored Programs, working closely with other University offices and with representatives of the schools, has endeavored to craft a policy that meets federal requirements with the least disruption and inconvenience to researchers. The policy has been discussed with and is endorsed by our external auditors, PricewaterhouseCoopers (PWC), and has been adopted and endorsed by the Sponsored Programs Operating Committee (SPOC), which includes representatives from all University units with significant sponsored funding. (SPOC membership list attached.) Many of our peer institutions have adopted similar policies for air travel on federal funds due to the OMB A-21 requirement.

We believe that in the vast majority of cases, our preferred vendors offer prices (inclusive of related service fees) that are equal to or better than non-preferred vendors, and we are committed to ensuring that this remains the case. To ensure that our preferred travel vendors do indeed offer the lowest available airfares within a competitive fee structure, we will be conducting regular, independent, third-party audits of our preferred travel vendors. The findings from these audits will guide any changes that may need to be made to the preferred vendor program, and will act to ensure that Harvard continues to comply with A-21 regulations without imposing onerous administrative burdens on the University community. Priscilla Campbell, Manager for Travel and Reimbursement, is in the process of reviewing proposals and will be providing updates on this effort as information becomes available.

In advance of the April 1st effective date, I ask that you **please read this policy carefully**; we must improve our compliance with OMB A-21 regulations governing the use of sponsored dollars in funding travel expenses, and we believe this policy will achieve that goal while also reducing the administrative burden associated with the old policy. If you have any questions or concerns about the new travel policy, please contact Beverly Simmonds, Director of Sponsored Programs at 617-495-1253, or Priscilla Campbell in the Travel Office at 617-496-4599.

Thank you for your attention, and for your adherence to this new policy.