

THE UNIVERSITY OF TENNESSEE

A N N O U N C E M E N T

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Vice President and Treasurer

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Subject: Payment of Airfare is Limited to Standard Coach Fare

The 2004 General Assembly has passed and the Governor has signed legislation that limits the payment of expenses related to airfare to the cost of standard coach fare for all travel on or after July 1, 2004. The limitation is applicable to all officials, officers, and employees of the state of Tennessee, State Board of Regents, the University of Tennessee, and the UT Board of Trustees. The University of Tennessee is not authorized to make any exceptions to this legislation.

To comply with the new legislation, the ability to use business class airfare if the duration of a flight is fourteen hours or longer is no longer available and will be removed from fiscal policy. Additionally, the following provides procedures and identifies the documentation that will be required to validate that the cost of an airline ticket does not exceed the cost of standard coach fare.

1. **Required Receipt(s):** As currently outlined in the [University's Travel Policy](#), an invoice, ticket, or receipt will be accepted as a valid receipt to support payment of an airline ticket. The invoice, ticket, or receipt that is submitted to support a request for payment must contain the following information:
 - name of passenger
 - dates of travel
 - complete air trip itinerary (destinations)
 - class of service
 - amount
 - airline

The class of service is critical in determining the type of ticket (first class, business, coach) used for a trip.

2. **Ticket or Receipt That Reflect Standard Coach:** If either the invoice or receipt identifies the class of service as standard coach, no other documentation is required to validate the standard coach fare. If the invoice or receipt does not identify the class of fare, a copy of the boarding pass or other documentation from the airline that identifies the class of fare can be used and must be attached to the invoice or receipt. Payment or reimbursement to the individual will be made in accordance with the University's travel policies.

The airline industry codes for standard coach are: W, S, Y, B, H, K, L, M, N, Q, T, V, and U. Since the airline industry changes these codes frequently, the [Treasurer's web site](#) will have an up to date [listing of codes](#) applicable to each class of service.

3. **Ticket Reflects First or Business Class:** If an invoice, ticket, or receipt identifies the class of service as either first or business class, the individual being reimbursed has three options. They are:
 - (a) The individual can absorb the difference between the cost of the first or business class ticket and the fare for a standard coach, or

- (b) Provide documentation that validates that the cost of the first or business class ticket does not exceed the cost of a comparable ticket for standard coach, or
- (c) In the event of an upgrade, documentation must be provided to show that the cost of the ticket does not exceed the cost of a standard coach fare.

For all options, documentation must be provided to validate that the cost of a ticket does not exceed the cost of standard coach fare for the same destinations, for the same periods of travel, and on the same airline. Since it is difficult to obtain a quote after a trip has been completed, it is recommended that individuals being reimbursed obtain this information at the time the ticket is issued or no later than the beginning date of a trip. Once a trip has been completed, it may not be possible to obtain a valid quote. No payment can be made without a valid quote.

The codes for first class are: R, P, F, and A. the codes for Business Class are: J, C, D, and Z. An up to date list of these codes can also be found on the Treasurer's web site.

4. Invoice or Receipt Does Not Reflect Class of Service:

If an individual is not able to obtain documentation that identifies the class of fare, the payment will be the lesser of the amount of the ticket or the amount of a quote for the price of a ticket for standard coach. The quote must be for the same destinations, for the same periods of travel and on the same airline. As indicated in 3, it is recommended that the individual being reimbursed obtain this information at the time the ticket is issued or no later than the beginning date of a trip. No payment can be made without a valid quote.

This limitation on the payment of airfare does not change the process for reimbursing employees or third parties for expenses related to airline tickets. Other than the elimination of the fourteen-hour or longer rule all other reimbursement procedures outlined in [Fiscal Policy 705](#) remain in place.