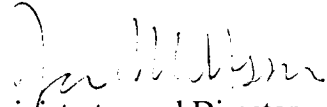


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To: All UNDP/UNFPA/UNOPS Staff

From: Jan Mattsson 
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Subject: Administration of Travel Entitlements

1. In line with the Administrator's vision of creating a leaner, more efficient and more client-oriented organization, this circular introduces changes in the administration of travel entitlements, taking into account feedback received from users over the past several months. In addition, experience and lessons learned with the implementation of the IMIS travel module since its introduction last year have also been taken into account.
2. The changes in travel procedures and practices outlined in this circular will take effect on **1 July 2000**. Detailed guidance on the procedures to be followed is available on the UNDP intranet under <http://imisfinance>.
3. In view of the continuing queries that the Travel Services Section receives, the annex to this circular provides information on the current practice with regard to restricted/special fares used by the organization for official travel.

SUMMARY

This circular contains the following changes in travel procedures/entitlements:

- (a) Introduction of 100 percent advance and elimination of travel claim submissions if travel is undertaken according to approved Travel Request;
- (b) Elimination of the need to submit supporting documentation for lump-sum home-leave travel;
- (c) Increased flexibility in determining air-fare entitlements based on travel times; and
- (d) Increased flexibility in choice of itinerary, departure airport or airline.

BACKGROUND

4. Many of UNDP's policies and practices governing travel entitlements and procedures follow a common approach and are based in large part on the travel policies of the UN. The application of these rules over the years has resulted in a variety of interpretations, resulting in a complex and time-consuming array of travel-related practices within UNDP. While the basic principle of providing travel to staff at the least cost has remained the basis for administration of travel, the almost exclusive focus on reducing the cost of air tickets has resulted in rules and practices that are considered by many travelers to be overly control-oriented, bureaucratic and time-consuming. This has resulted in a high cost to the organization, both in terms of staff productivity as well as in the management of these entitlements.

RATIONALE FOR CHANGE

5. The alternative approaches introduced in this circular are aimed at finding a better balance between cost effectiveness, efficiency and user satisfaction. While some liberalization of travel practices may appear to result in additional air ticket costs, it is expected that these will be offset by a reduction in the transaction costs and by improved staff productivity, resulting in overall savings to the organization. Some of the changes are aimed at allowing organizational unit managers more flexibility, and at the same time increase the accountability of both managers and travelers.

6. In the context of the Secretary General's reform process, the Working Groups on Transportation and Personnel are currently reviewing travel policies and procedures to seek a uniform approach amongst New York based Funds and Programmes, as many differences exist amongst these organizations. This circular does not deal with these aspects but with changes in the administration of travel entitlements that UNDP will be able to implement effective **1 July 2000**.

NEW TRAVEL PROCEDURES AND PRACTICES

7. Travel Claims

7.1 The current practice is for travelers to receive an 80 percent advance for DSA upon commencement of official travel. Upon completion of travel, the traveler is required to submit a claim to the Travel Services Section for the remainder of the DSA, along with all supporting documentation (ticket stubs and in the case of special DSA rates, hotel receipts, etc.). In the past, many travelers have experienced delays in the settlement of their claims.

7.2 Under the revised procedures, all travelers (except consultants) will be provided a **100 percent advance** that will include DSA not only for authorized mission places but also for any rest stops for which travelers are entitled, including all terminal expenses. The advance will be charged to the travel budget code when it is issued in the same manner as air tickets. This 100 percent DSA and terminal expenses advance may be taken by the traveler either as a direct deposit

into the traveler's account or as travelers cheques as is currently the case. Based on past experience, most travelers who are provided DSA advances in the form of travelers cheques deposit these into their bank accounts and use credit cards for their travel expenses when on official travel. In view of this, travelers will no longer be provided with travelers' cheques unless this is specifically requested by the traveler in the Travel Request. Instead, the 100 percent advance will be deposited into a bank account that the traveler will specify, which in most cases is the same account into which any amounts due to travelers from the settlement of their travel claims are currently deposited. As travelers will now receive the full amount that they are entitled to for official travel, **no travel claims will need to be submitted to the Travel Services Section upon completion of travel.** As a result of this change, the organizational unit (executive officer/authorizing officer) will be responsible for certifying that the travel took place as planned, in accordance with the approved Travel Request, and to retain the supporting documents, remitted by the traveler. The organizational unit for review/audit purposes should keep all completed travel documentation. Detailed procedures related to this change can be viewed on the UNDP intranet.

7.3 Travelers will be required to submit travel claims to the Travel Services Section/ASD only if there is a deviation from the authorized itinerary specified in the approved Travel Request. The organizational unit's executive/authorizing officer will be accountable to ensure that a travel claim is submitted to Travel Services Section/ASD in these instances.

7.4 It has been noted that a large number of Travel Requests continue to be sent to the Travel Services Section only a day or two in advance of the scheduled travel date. This results in a great amount of pressure on the Travel Services Section to process the request in time and arrange for tickets and DSA advances to be issued. In addition, and more importantly, this often results in higher cost tickets to be issued by the UNDP travel agency, as it is unable to take advantage of issuing tickets in advance and benefiting from lower cost tickets. Accordingly, all travelers are requested to forward their certified Travel Requests to the Travel Services Section **at least 2 weeks in advance** of the travel date. Failure to do so will most likely result in higher fare tickets to be issued by the UNDP travel agency and in the 100 percent advance not being deposited into the traveler's bank account in advance of the travel date.

8. Lump-sum Home-Leave Travel

8.1 The current rule requires all travelers who avail themselves of the 75 percent lump-sum option to complete Form PT. 165, and in connection with their home leave travel submit: 1) all ticket stubs; 2) all airline boarding passes; and 3) photocopies of their passports showing the arrival and departure immigration stamps to and from their authorized country of home leave. In many instances, staff members are unable to comply with the requirement to submit passport copies showing immigration stamps, as many countries now no longer stamp passports of citizens. In addition, many staff members either lose or forget to submit other documentation in connection with home leave. This necessitates having to obtain exceptional approval to waive this requirement before the next home leave entitlement can be availed, resulting in delay to the staff member and considerable cost to the organization in terms of processing.

8.2 In order to streamline this process, the requirement to submit this home leave documentation is eliminated. However, staff members are encouraged to retain their ticket stubs or boarding passes in the event that it becomes necessary to view this documentation.

9. Travel Times

9.1 Under current practice, travel entitlements are based on flights that can be undertaken between **6AM and midnight** on the most direct flight with the least cost to the organization and which allows the traveler to reach his/her destination on the date specified in the Travel Request. When there is a requested flight for business reasons (e.g., inability to take a flight at a certain time on the date of travel) other than the most direct and economical one, the authorizing officer is notified of the additional cost and is asked to certify that the organization will pay for the additional cost.

9.2 Henceforth, the window for travel which will be used to establish the cost of the air ticket will be closer to the normal working hours of the staff members, that is from **9AM to 9PM**. Travelers will not be required to travel outside these hours even if the cost is less to the organization. While the traveler would be given the option to travel on the cheaper flight, he/she would not be forced to take this flight if it were not convenient to the traveler. It must be borne in mind that departures to/from certain countries are outside these normal hours, and in these cases the traveler would have to travel on the appropriate flights irrespective of the hours of departure.

10. Flexibility in itinerary, choice of departure airport or airline

10.1 Under current practice, the UNDP travel agency has been given a financial flexibility of \$100 to adjust to a traveler's preference for routing, departure airport or airline versus the most economical route. If the cost differential is more than \$100, the traveler is obliged to use the most direct routing, airline/departure airport chosen by the travel agency, or pay the difference. Typically, such differences in cost result from travelers not being able to take a flight that is more convenient on the date of departure.

10.2 In order to allow some flexibility to the traveler and eliminate the need for obtaining a certification from the authorizing officer for the additional cost, this flexibility is being increased to 10 percent of the cost of the air ticket or \$350, whichever is the least. This will allow the UNDP travel agency more leeway to deal with the traveler's wishes and reduce the cost in effort and time for the authorizing officer to request exceptions.

FUTURE STEPS

11. We are continuing to review travel policies and procedures with a view to further streamlining and simplifying the process. Among others, we are currently looking into the possibility of introducing a web-based system that will allow travelers to review availability of flights and to construct itineraries directly. A number of such products have been reviewed by

UNDP, in consultation with our agency partners, and as soon as some technical issues are resolved, we hope to introduce this system which will assist travelers in managing their travel more effectively.

12. We are also looking into the possibility, on a pilot basis, of issuing corporate travel cards to frequent flyers and to further streamline the Travel Request and approval process in conjunction with this

13. OHR is also currently examining the possibility of monetizing some entitlement travel (reassignment, appointment, repatriation, etc.), that will further streamline processes and result in a more efficient system. The monetization of the entitlement to shipment of household effects is also being reviewed by OHR, in consultation with the Travel Services Section/ASD.

ANNEX

1. Full-fare Economy to Business Class Upgrades

All UNDP travelers entitled to business class travel, with the exception of ASGs, may be given full-fare economy tickets, while actually travelling in business class. This results from a negotiated upgrade programme that UNDP has obtained from our preferred carriers. While this usually makes no difference to the traveler, it can sometimes cause problems if the traveler has to change a booked flight, misses a flight or a connection, due to official reasons. In this case, the traveler may be required to change to another airline, which will not accept the business upgrade on the full fare economy ticket. This forces the traveler to: 1) either travel in economy on that particular leg of the trip even though he/she would normally be entitled to business class travel; 2) phone the emergency UNDP travel agency number to have a new ticket issued; or 3) pay for the upgrade with personal funds and be subsequently reimbursed through the travel claim. While a number of travelers have expressed some reservations about this practice, in view of the considerable savings that the organization realizes from negotiated upgrade programmes, and the relatively few times that travelers are forced to change their itineraries due to official reasons, this policy will continue to be applied for all official travel. However, when tickets of this nature are issued, the UNDP travel agency will notify the traveler so that he/she is aware of the potential problem in the event of missed connections, etc. and of actions that she/he may need to take.

2. Direct flights of less than 9 hours and indirect flights of more than 9 hours.

In cases when a traveler, entitled to economy travel by a direct flight, has to choose between an indirect flight the same day or a direct flight the following day, the present rule is that he/she is not upgraded to business class, if she/he decides to travel by an indirect route exceeding 9 hours. The policy is that the traveler is required to stay the extra night and travel the next day on the direct flight, as the business class upgrade is considerably more expensive than the one day DSA. This is common for travelers coming from Geneva to New York as the direct flight leaves Geneva at noon, while there is an indirect flight in the evening, which involves a flight time of more than 9 hours. While this created some difficulties for travelers who are forced to stay an additional evening in Geneva, certification from the authorizing officer to use the indirect flight in business class still needs to be obtained in view of the considerable difference in the cost of the air ticket.

3. Restricted tickets

Current travel policy allows the issuance of restricted tickets for journeys involving simple legs, e.g., NY/London/NY. These restricted tickets are not issued for multi-leg flights where different airlines are involved. These tickets do not affect the class of service to which the traveler is entitled, i.e., business class or economy. However, while they are considerably cheaper, changes to the itinerary require the payment of a penalty, usually \$150. This practice results in considerable savings to the organization. The UNDP travel agency advises travelers when they have been issued restricted tickets, so that in the unlikely event that flight plans change due to

official reasons, the traveler is aware of the need to pay the penalty. These penalty costs are, of course, reimbursed through the travel claim. If there are very unique situations, travelers will need to advise the Travel Services Section at the time of booking; otherwise penalty fare tickets will continue to be issued by the UNDP travel agency.

4. Negotiated tickets

On certain sectors, UNDP has been able to obtain special negotiated rates. These negotiated fares may involve either full-fare economy upgrades to business class or special fares on business or economy class tickets. However, there may be restrictions either on the time of travel or on the airlines giving these negotiated rates. This practice has resulted in considerable savings to the organization and travelers will continue to be offered these fares. However, if for business reasons this is likely to entail additional cost and inconvenience to the traveler, especially in cases where the itinerary is complex, travelers will either be advised of the type of tickets being issued or will be given the option, with the approval of the authorizing officer, to decline the use of such tickets.

5. Use of Preferred carriers

UNDP currently has arrangements with a number of carriers whereby they reimburse UNDP 10 percent of the ticket price. Many staff members choose to travel on carriers that do not have preferred carrier agreements with UNDP. However, staff will continue to be issued tickets on these carriers for all official travel because of the financial arrangements that have been negotiated with them, resulting in considerable savings to the organization. Should the staff member still choose to travel on a carrier of his/her choosing, any difference between the fare will be collected from the staff member.