

Supply Operations Department Procedure

SUMMARIZED TRAVEL GUIDELINES FOR CONTRACTORS

REFERENCE: Procurement Policy 1.4.1

DATE: 15 October 2018

The purpose of this document is to provide guidance for Global Fund Contractors on the allowability of travel costs in order to obtain the overall lowest cost for the Global Fund.

In general, Contractor travel will be governed by the rules and requirements that govern economy class travel by Contractor staff in the conduct of competitive business for private sector clients up to the maximums in the Global Fund's Travel and Expenses Regulations. The safety and well-being of the traveler should be the first priority but Contractors shall always attempt to find the lowest possible fare for the most direct route. Additionally, Contractors shall use the most cost effective method to cover expenses and other travel costs.

All authorized travel expense must be contained in the contract budget and agreed in advance with the Global Fund. A number of different approaches are used in proposing, negotiating and approving the contract budget. Prior to arranging travel, travelers must check with their home office to confirm whether a cost or group of costs are included in the contract budget and may be billed to the Global Fund as a direct cost. The fact that another Contractor (such as the UN) is compensated for a specific travel cost does not entitle the traveler to this cost unless it has been included in the contract budget.

The Global Fund's Travel and Expenses Regulations for staff shall be used as a standard of reasonableness when negotiating travel budgets with Contractors. The following paragraphs list the most common assumptions and approaches used in estimating travel cost.

Per Diem

A Per Diem allowance for lodging, meals and other incidental travel expenses may be used. Per Diem allowances shall be in accordance with the Contractor's established policies and procedures and shall not in any case exceed the Global Fund per diem rates. Per diem rates vary by location and the Global Fund uses rates based on the WHO rates found at <https://icsc.un.org/>. However, the Global Fund encourages Contractors to use reasonable alternative arrangements to cover travel expenses in the interest of cost effectiveness.

Travelers will receive a set daily rate (“per diem rate”) for each day of travel. Travelers are normally entitled to per diem for the day of arrival at destination, all days spent at destination and 40 percent of the per diem rate for the day of departure.

For any country or city the base per diem rate shall be used. Premium rates for specific hotels may only be used when contained in the contract budget or with prior Global Fund approval.

For any travel which takes place within a single day without an overnight stay, travelers are usually reimbursed for their actual expenses. The amount that can be claimed for each meal shall not exceed 10% of the Per Diem rate for the respective location.

Per diems are provided and expected to cover all charges for meals, accommodation, fees and gratuities for service staff, laundry, cleaning and pressing of clothes and other personal expenses, based on the following breakdown:

- 10% for breakfast
- 10% for lunch
- 10% for dinner
- 10% for miscellaneous expenses
- 60% for hotel costs

Should the traveler be provided with meals or accommodation paid for by the Global Fund or any other entity, the amount of the per diem will be reduced by the respective percentage as noted above. If the traveler stays with friends or relatives and accommodation costs are not incurred the per diem will be reduced.

Expenses which may be incurred and which are usually not covered by the per diem include transportation to/from the airport, airport taxes (such as Departure Tax) and costs associated with travel visas. Some of these costs are not allowed when the Global Fund provides the ticket.

Sometimes all or some of these costs are included in overhead or G&A percentages and are billed indirectly. If included in the contract budget as direct costs, these may be claimed by the traveler for reimbursement in addition to the set per diem.

Regular daily taxis, communications costs and other miscellaneous expenses are normally included in the per diem or in the Contractor’s overhead charges. In unusual circumstances these can be reimbursed. The traveler must obtain prior approval for these expenses.

Subsistence

In cases where a long stay at a location is planned, a subsistence allowance may be used instead of a per diem. Normally this consists of the payment of housing costs at actual cost and a pre agreed amount paid for each day spent at the location. The housing payment will have a ceiling depending on the location, length of stay, family size and other factors. The subsistence amount is to cover all charges for meals, fees and gratuities for service staff, laundry, cleaning and pressing of clothes and other personal expenses. Subsistence is negotiated separately for each contract. Currently the subsistence amount ranges from CHF 65 to CHF 85 for Geneva.

Air Travel

Air travel is normally by the most direct, fastest, safest and lastly most economical route. All tickets are recommended to be booked and issued at least 10 days in advance of the departure date in the interest of cost effectiveness. If a traveler is performing services for the Global Fund and other clients; the cost of the travel must be reasonably shared between the clients. If a traveler changes the route to accommodate a private stop, per diem payments are not allowed for that portion of the trip.

Travel and transportation to perform services overseas may be authorized by the Global Fund in accordance with Contractor's established policies and practice, and shall not in any case exceed the amount set forth in the Global Fund Travel and Expenses Regulations. The Global Fund encourages Contractors to use the lowest rates in the interest of cost effectiveness.

The Global Fund Travel and Expenses Regulations require economy class airfare for all Contractor travel. Economy fares are also required for train travel.

The Global Fund's Standard Terms and Conditions, contained in each Contract, require the Contractor to maintain appropriate insurance coverage. However, when the air ticket is purchased through the Global Fund's travel agent; Contractors are covered by the Global Fund's travel insurance. This insurance will cover some accidents and emergency illness, but Contractors are required to have their own private health insurance to cover non-emergency illness while traveling.

Invoices

Payment will be made to the contractor against presentation of invoices.

Please ask your Global Fund contact about access to the iSupplier or E-invoicing Portals. If you do not have this access, all invoices must be sent electronically as attachments to TGFBilling@theglobalfund.org. The attachments should be sent preferably in pdf format and should contain only one invoice (with supporting documents if needed) per attachment.

All invoices must cite the Purchase Order Number.

Receipts for travel need not be submitted with each invoice. However in accordance with the RECORDS AND AUDITS clause of the Contract all receipts must be retained for a period of seven years after the expiration or termination of the Contract. The Global Fund requires that each invoice must contain enough detail to enable the approving staff member to determine that the goods have been delivered or that the services have been provided. If, for any reason, the approving Global Fund staff member requires more information than is usually in the invoice, he or she may ask the Contractor to provide this information for a past, existing or future invoice.

This additional information can sometimes include copies of all or some of the travel receipts.