DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON DC 20310-0109

REPLY TO
ATTENTION OF

MAY 14 2009

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Policies, Procedures, and Responsibilities for the Army Travel Charge Card Program

1. The attached guidance updates existing Army policy and supersedes the March 9, 2006, Assistant Secretary of the Army (Financial Management and Comptroller) memorandum. It is to be used in conjunction with DOD Financial Management Regulation, Volume 9, Chapter 3.

2. Mr. Frank Rago, the Army Charge Card Program Manager, is my point of contact. He can be reached by phone at (703) 693-3386, DSN 223-3386, or by email at francis.rago@hqda.army.mil.

Attachment

John J. Argodale
Deputy Assistant Secretary of the Army
(Financial Operations)

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ARMY TRAVEL CHARGE CARD PROGRAM
RESPONSIBILITIES, POLICIES, AND PROCEDURES
May 2009

ARMY TRAVEL CHARGE CARD POLICIES: The following Army travel charge card policy augments existing policy contained in the Department of Defense Financial Management Regulation (DODFMR), Volume 9, Chapter 3.

- **MANDATORY USE:** The Travel and Transportation Reform Act of 1998 (Public Law 105-264) requires that all government employees use a contractor issued government charge card to pay for official travel expenses unless otherwise exempt. Exemptions from mandatory use of the travel card are contained in DODFMR Volume 9 Chapter 3. It is Army policy that individually billed accounts (IBA) will be used for all official travel expenses including airline tickets. Individuals who are not eligible for an IBA should continue to use the centrally billed account (CBA) for transportation costs and are authorized an advance of travel entitlements.

- **CARD LIMITS**: The travel charge card has standard dollar limits for the amount of travel, cash and retail charges, however, Agency Program Coordinators (APC) can temporarily increase these limits to meet mission requirements. A table of credit limit authority is available at the travel card web page. APCs should follow command guidelines when submitting requests for increases to the Army Command (ACOM), Direct Reporting Unit (DRU), and Army Service Component Command (ASCC) hierarchy level 3 (HL 3). For increases requiring program manager or program management office approval, a statement confirming commander/supervisor awareness of the increase and their approval must accompany the request. Restricted accounts can be increased in six-month increments and standard accounts in one-year increments.

- **SPLIT DISBURSEMENT:** The Bob Stump National Defense Authorization Act (Public Law 107-314) requires implementation of mandatory split disbursement for all travelers. Travelers are required to annotate the amount of all charges made to the travel charge card on their travel settlement claims for distribution to the travel card contractor. Approving/reviewing officials should review claims to ensure compliance with this law and return non-compliant claims to the traveler for correction.

- **REVIEW OF TRANSACTIONS:** On a monthly basis, APCs will review the transactions for at least 10 percent of their cardholder accounts with activity (i.e., charges or payments). APCs can accomplish this review using standard reports available in the CiTi electronic account system (EAS). On a periodic basis, the Army Program Manager will forward a file of suspect transactions, gleaned from VISA datamining reports, to the ACOM, DRU, and ASCC APCs. The file should be sent to the appropriate APC to determine the validity of the charge, and if not valid, report actions taken by the commander/supervisor. The reply of the findings/actions should be returned, through the ACOM, DRU, and ASCC APC, to the Army Travel Charge Card Program Manager no later than 14 days after receipt.

- **ADVANCE CONFERENCE/REGISTRATION FEES:** While the Purchase Card or training request (DD Form 1556) are the preferred methods to pay advance conference and registration fees, the travel charge card may be used for this purpose. If the travel charge card is used for advance fees in excess of 30 days of departure, cardholders should be advised that they may be required to file a supplemental travel claim for the fee which, in turn, must be split disbursed to the bank to prevent delinquency.

- **DEPLOYMENTS:** Travel expenses associated with mission deployments (e.g., travel from the residence or home station to the port of debarkation) are exempt from mandatory travel card use requirements. Moreover, if cardholders are being deployed to an area where timely payment of their account balance will be difficult; use of the card is strongly discouraged.

- **PERMANENT CHANGE OF STATION (PCS):** Use of the travel charge card for relocation related travel expenses is prohibited. The APC will deactivate the account unless there is a requirement for temporary duty travel en-route. In this situation the APC will establish a deactivation date to coincide with the end of the TDY. Upon arrival at the new duty station, the gaining organization's APC will transfer the account into their hierarchy.

- **MOBILIZATION:** If Army National Guard and Army Reserve personnel are mobilized and they have a travel charge card, the card will be transferred into the active duty unit's hierarchy and deactivated until required for use. For Soldiers that do not have cards, but who incur a travel requirement at the active duty unit, the active duty unit may issue the travel charge card and will cancel the card when the Soldier returns to their Guard or Reserve unit.

- **MISSION CRITICAL STATUS:** Mission critical status is defined as travel performed by DOD personnel under competent orders and performing duties that through no fault of their own would preclude prompt payment of their travel charge card bill. APCs, at any level, can place cardholders in this category only when they determine that the individuals will be unable to file travel claims through any means and therefore unable to maintain timely travel charge card payments. Cardholders with a zero account balances can be placed in this status only by the Army CPM. Travel orders or amendments will specify the period in which mission critical travel will apply. Accounts will be placed in a status whereby they will not become suspended and no late payment fees will accrue. However, if late fees associated with delayed payments due to mission critical status are assessed, they are reimbursable to the traveler as long as the orders indicate the status or a statement attesting to the status and the cardholder's inability to file timely travel vouchers due to mission requirements is provided at travel settlement.

- **TEMPORARY CHANGE OF STATION (TCS):** For entitlement purposes, TCS is synonymous with long term TDY. Travelers in a long term TDY status, who are required to pay for meals and lodging, are authorized use of the travel charge card for all official travel expenses. Individuals that are only paid the incidental expense portion of the per diem rate because meals and lodging are provided are prohibited from using their travel card.

RESPONSIBILITIES OF COMMANDERS AND SUPERVISORS: Commanders and supervisors are responsible for the effective management of the travel charge card program in their organizations. In addition to meeting existing ACOM, DRU, and ASCC standards for travel card management, commanders and supervisors are responsible for:

- **RESOURCES:** Adequately resource the APC position to meet program needs. The individual appointed should possess the knowledge, skills and abilities required to effectively carry out the responsibilities of the position. To avoid high APC turnover, commanders should evaluate the feasibility of using civilian personnel in the position.

- **TRAINING OF APCs:** Ensure that APCs are fully trained to perform their tasks, to include proficiency in the use of the CiTi EAS to manage the program and monitor cardholder transactions.

- **ACTIVATION AND DEACTIVATION OF CARDS:** Commanders and supervisors should consider activating and deactivating travel charge card accounts to reduce the possibility of card misuse. This activation/deactivation should be based on travel orders, organization policy and/or at the direction of the cardholder's supervisor.

- **DISCIPLINARY ACTION:** Commanders/supervisors are required to take appropriate disciplinary action, consistent with DOD regulations, for cardholder delinquency, card misuse and abuse, or fraudulent activity. Guidelines for both military and civilians are available at http://www.asafm.army.mil/fo/fod/tc/pg/pg.asp and are contained in Volume 9, Chapter 3 of the DoDFMR.

- **SECURITY CLEARANCE:** Ensure that supervisors take appropriate action with respect to security clearances for cardholders who misuse their cards or are delinquent in paying their card account balances. APCs are required to notify supervisors of delinquency and apparent card misuse by cardholders. DOD guidance requires supervisors to refer such cases to their organization's security office, which will refer the matter to the Central Clearance Facility for a determination on whether removal of the security clearance is warranted.

- **NEED FOR CARDS:** Infrequent travelers -- defined by General Services Administration (GSA) and DOD regulations as individuals who travel two or less times in a calendar year -- are exempt from mandatory use of the travel card. Infrequent travelers are authorized to obtain a government travel advance and should use a CBA to meet transportation requirements. Travel orders will indicate whether the individual is a cardholder and the type of account (IBA or CBA) used to purchase the transportation.

- **PROGRAM REVIEW:** Commanders are responsible for executing periodic program reviews to ensure adequate oversight and compliance with program objectives as outlined in Army Regulation 11-2 (Management Control).

RESPONSIBILITIES OF AGENCY PROGRAM COORDINATORS: At all levels, APCs are appointed by their organizations to perform the day-to-day administrative functions of the travel charge card program. APCs use the CiTi EAS as their primary tool to manage travel charge card accounts. With EAS, APCs have visibility of all travel accounts in their immediate hierarchy and in all subordinate hierarchy levels. APCs (HL3) have visibility of all the travel charge card accounts within their organization. At all levels, the APC are the focal point for travel charge card actions in their organizations

and must keep their commander informed on the state of the program, significant problems, and issues. APC duties and responsibilities include, but are not limited to, the following:

- **APPOINTMENT:** APCs must be appointed, in writing, by their commander/head of the organization. APCs must obtain EAS access using the CiTi travel card home page. Once access is gained, APCs at the next higher hierarchy level can provide access to the Citidirect Card Management System (CCMS) and Citibank Custom Reporting System (CCRS) for use in managing travel accounts for the specific hierarchy to which the APC is assigned.

- **APC TRAINING:** APCs must be fully trained to perform their tasks, to include proficiency in the use of EAS and its various reports in order to manage the program and monitor how cards are being used. Training is available at the Defense Travel Management Office (DTMO) web page www.defensetravel.dod.mil/passport . In addition, CiTi offers on-site training for APC groups of 25 or more and individual training at their Norfolk, Virginia office. Training initiatives should be coordinated through HL3 APCs.

- **RECORDS RETENTION:** APCs must maintain all pertinent records for their cardholders. These records must include a copy of the cardholder's initialed and signed DOD Statement of Understanding; training completion certificate; delinquency notifications; and other information applicable to the cardholder. Due to the sensitivity of the data contained in the files, such data should be maintained in an area that assures limited access. Documents should be retained for as long as the individual is a member of the organization and may be destroyed upon transfer, separation, termination or the death of the cardholder.

- **CARDHOLDER TRAINING:** Cardholders must be trained on the requirements of the travel charge card program, their responsibilities, and provided refresher training on a biennial basis thereafter. To accomplish this training, cardholders must use the training available at the DTMO web page. The course offers a certificate of completion which the individual should forward to their unit APC as proof of training. A travel charge card will not be issued until initial training is completed and any existing accounts should be deactivated if proof of refresher training is not provided by the cardholder.

- **CARDHOLDER AGREEMENT:** A degree of training is accomplished through the application process. The cardholder agreement is an agreement between the individual and the bank. It describes the terms and limits of the contract, what

charges are authorized, and the penalties for non-payment of account balances. Before a travel charge card can be issued, the applicant must complete the application (paper or on-line) and read the cardholder agreement. By signing the hard copy application or by forwarding the on-line application, they attest that they understand the provisions of the cardholder agreement and agree to abide by them.

- **DOD STATEMENT OF UNDERSTANDING:** The DOD Statement of Understanding is an agreement between the cardholder and organization. It describes proper card use and possible penalties for misuse or delinquency. Before an application can be forwarded to the contractor for processing, the applicant must read the statement of understanding; indicate their understanding of the specific provisions; and sign the document. The signed statement of understanding will be retained by the APC with other travel charge card related documents. Upon PCS, a new initialed and signed Statement of Understanding should be obtained by the APC when a cardholder reports to a new unit of assignment.

- **TRANSFER OF ACCOUNTS**: APCs must transfer the accounts of cardholders who are reassigned within DOD. The account should be transferred to the gaining organization within 30 days of the cardholder's departure. Gaining unit APCs will transfer in the account to their hierarchy using the transfer process available in the EAS. If the transfer action cannot be completed due to lack of information or non-responsiveness by the gaining organization, the HL 3 APC should be contacted for assistance. The HL 3 APCs can forward the request for transfer to the Army Travel Charge Card Program Manager, if necessary. Account status (past due, delinquent, salary offset) does not influence the transfer process. The only accounts exempt from transfer are charged off accounts. They remain with the current hierarchy until purged by the bank.

- **CLOSING ACCOUNTS:** APCs must close the travel card accounts of cardholders who separate from military service, terminate civilian service, or are incarcerated, retire, or die. For separation, termination, or retirement, APCs should be proactive in closing these accounts as far in advance as possible and making every effort to ensure that existing balances are paid prior to departure. Special attention should be given to individuals who are departing on terminal leave well in advance of their separation dates. To meet this requirement, units should coordinate with their local military and civilian personnel offices to ensure that they receive separation notices as soon as possible.

- **TRANSFER OF CLOSED ACCOUNTS:** APCs should transfer closed accounts with balances remaining -- for cardholders who are separated, incarcerated, terminated, or deceased -- to the Army Travel Card Program Manager for assignment to a hierarchy for cardholders no longer under the unit's control. To accomplish these transfers, APCs should submit a spreadsheet, through their HL3 APC, with the following information for each account: the cardholder's name; social security number or account number; the reason for transfer (separation, termination, etc.) and the date of that event; and the account balance.