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

REPLY TO
ATTENTION OF

FEB 21 2003

MEMORANDUM FOR SEE DISTRIBUTION

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

The General Accounting Office recently completed an audit of the Army Travel Charge Card Program. Their findings included:

- numerous incidents of cardholder abuse and misuse,
- lack of program oversight,
- lack of accountability,
- little evidence of discipline, and
- inadequate staffing of the Agency Program Coordinator function.

In his 28 January 2003 memorandum to senior Army leadership, the Secretary of the Army directed a series of corrective actions to remedy these problems and stated, "I hold you accountable for immediate results."

The attached detailed guidance summarizes responsibilities, policies and procedures required to manage the Travel Charge Card Program effectively. This guidance augments the Secretary of the Army's memorandum and implements actions directed as a result of Congressional hearings, the General Accounting Office report and the DoD Charge Card Task Force Report. These responsibilities, policies and procedures are to be used in conjunction with the DoD Financial Management Regulation, Volume 9, Chapter 3.

As part of the FY 2003 Appropriation and Authorization Acts, Congress enacted several legislation changes to further control government charge cards and to ensure the payment of account balances. These changes include:

- limiting the total number of DoD charge cards to 1.5 million,
- requiring that creditworthiness be determined before a charge card is issued,
- requiring DoD to develop a comprehensive policy on taking disciplinary action,
- authorizing mandatory split disbursement at travel settlement, and
- authorizing mandatory salary offset to satisfy delinquent travel charge card debt.

DoD currently is developing instructions for implementing these changes.

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Mr. Frank Rago, the Army Travel Charge Card Program Manager, is available to assist and answer your questions. Mr. Rago can be reached by phone at (703) 693-3386 (DSN 223-3386) or by email at francis.rago@hqda.army.mil.

Sandra L. Pack

Sandra L. Pack
Assistant Secretary of the Army
(Financial Management and Comptroller)

Enclosure

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PRINCIPAL OFFICIALS OF HEADQUARTERS, DEPARTMENT OF THE ARMY

ARMY TRAVEL CHARGE CARD PROGRAM
RESPONSIBILITIES, POLICIES AND PROCEDURES
JANUARY 2003

ARMY TRAVEL CHARGE CARD POLICIES. The following Army travel charge card policies are effective immediately and will remain in effect until modified or cancelled:

- PERMANENT CHANGE OF STATION (PCS): Use of the travel charge card for PCS travel expenses is prohibited. The Agency Program Coordinator (APC) will deactivate the cardholder's account upon departure unless there is a requirement for Temporary Duty (TDY) en-route.

- DEPLOYMENTS: Travel expenses associated with mission deployments (e.g., travel from the residence / home station to the port of debarkation) are exempted from mandatory use requirements. Cardholders are not required to use their card for travel expenses to the port of debarkation. 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.

- REVIEW OF TRANSACTIONS: On a monthly basis, APCs must review the transactions for at least 10 percent of their cardholder accounts with activity (i.e., charges or payments). The APC will report any questionable transactions to the cardholder's supervisor for appropriate action. The APC can accomplish these monthly reviews using standard EAGLS reports, which can be scheduled to run on a recurring basis through the EAGLS reporting tool.

- ADVANCE CONFERENCE / REGISTRATION FEES: Commands and activities should not use the travel charge card to pay for conference / registration fees unless absolutely necessary. Wherever possible, these fees should be paid through the use of a training request (DD Form 1556) or a purchase card.

- 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 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 cancel the card when the soldier returns to their Guard or Reserve unit.

RESPONSIBILITIES OF COMMANDERS AND SUPERVISORS. Commanders and supervisors are responsible for the effective management of the Travel Charge Card Program in their organizations. Commanders and supervisors must accomplish the following:

- RESOURCES: Adequately resource the APC position to meet program needs. The individual appointed should possess the knowledge, skills and

abilities required to carry out the responsibilities effectively. In addition, commanders should give the APC the necessary amount of time required to carry out the APC responsibilities on a day-to-day basis. To avoid high APC turnover, commanders should evaluate the feasibility of using civilian personnel in this position where possible.

- TRAINING OF APCs: Ensure that APCs are trained fully to perform their tasks, to include proficiency in the use of the Electronic Account Government Ledger System (EAGLS) to manage the program and monitor how cardholders are using their cards.

- DISCIPLINARY ACTION: Take appropriate disciplinary action, consistent with DoD guidelines, for cardholder delinquency, card misuse and abuse, or fraudulent activity.

- 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 now 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: Review card usage on a semi-annual basis and identify / close the accounts of infrequent travelers. Infrequent travelers -- defined by GSA and DoD regulations as individuals who travel five or fewer times in a calendar year -- are exempt from mandatory use of the travel card. Infrequent travelers are authorized to obtain a government travel advance (or, if they choose, to use personal funds or credit cards). Infrequent travelers also may use a Centrally Billed Account (CBA) to meet travel requirements.

- CARD LIMITS: Ensure that card limits are appropriate. The travel charge card has standard dollar limits on the amount of charges and the amount of cash withdrawals. APCs can increase these limits to meet mission requirements, but should do so only when those mission requirements are supported by official travel orders and with the supervisor's approval.

Commanders are encouraged to use their Internal Review personnel to ensure adequate oversight and compliance with program requirements.

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 contractor's EAGLS as their primary tool to manage their travel card accounts. With EAGLS, APCs have visibility of all travel charge card accounts in their immediate hierarchy account and in all subordinate levels. MACOM APCs (Hierarchy Level (HL) 3) have visibility of all

the travel charge card accounts within their MACOM. At all levels, the APC is the focal point for travel charge card actions in their organizations and must keep their commander informed on significant problems and issues. APC duties and responsibilities include, but are not limited to, the following:

- APPOINTMENT: APCs must obtain an EAGLS user ID and password from the contractor's Government Card Services Unit (GCSU). Point of contact forms are available at the GCSU website and must be initiated by the APC at the next higher hierarchy level to request a user ID and password. For example, to obtain a user ID and password for an HL 5 APC, their HL 4 APC would initiate the request.

- APC TRAINING: APCs must be trained fully to perform their tasks, to include proficiency in the use of EAGLS and its various reports in order to manage the program and monitor how cards are being used. The GCSU website is a convenient source for this training. In addition, Bank of America offers on-site training for groups of 25 or more and individual training at their Norfolk, Virginia office. Training initiatives should be coordinated through your MACOM APC.

- RECORDS: APCs must maintain all pertinent records for their cardholders. These records must include: a copy of the cardholder's signed application; a copy of the cardholder's signed DoD Statement of Understanding; and other information applicable to the cardholder (e.g., delinquency notifications, requests for changes in spending limits). Due to the sensitivity of the data contained in the files, such data should be maintained in an area that assures limited access.

- APPLICATIONS: APCs must process applications to establish new travel charge card accounts. APCs will explain to applicants how the program works and what their responsibilities are as cardholders. APCs also must ensure that applicants understand and sign / initial the DOD Statement of Understanding before the application is processed on to the contractor.

- CARDHOLDER TRAINING: APCs must provide their cardholders with initial training and annual refresher training on the requirements of the Travel Charge Card Program and their responsibilities. To accomplish this training, APCs may use the PowerPoint presentation provided at the Army's travel card website (http://www.asafm.army.mil/fo/fod/tc/tc.asp) or a locally developed training package.

- NONSUFFICIENT FUNDS (NSF) CHECK REPORT: APCs will run the "Returned Check Report" through the EAGLS reporting tool and report incidents of NSF checks to supervisors for necessary action.

- ACTIVATION / DEACTIVATION OF CARDS: APCs 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.

- 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. If the transfer action cannot be completed due to lack of information or non-responsiveness by the gaining organization, the MACOM HL 3 APC should be contacted for assistance. The MACOM HL 3 APCs can forward the request for transfer to the Army Travel Charge Card Program Manager, if necessary.

- CLOSING ACCOUNTS: APCs must close the travel card accounts of cardholders who separate from military service, terminate civilian service, retire or die. For separation, termination or retirement, APCs should be proactive, 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 any closed accounts with balances remaining -- for cardholders who are separated, terminated or deceased -- to the "DASA-FO" account (HL 3049935). This is a holding account for cardholders we no longer control (e.g., they cannot be sent to salary offset). To accomplish these transfers, APCs should submit a spreadsheet with the following information for each account: the cardholder's name; social security number and account number; the reason for transfer (separation, termination, retirement or death) and the date of that event; and the account balance. This spreadsheet should be emailed to the Army Travel Charge Card Program Manager (francis.rago@hqda.army.mil).

APC AND CARDHOLDER TRAINING: In order to have an effective travel charge card program, cardholders must understand their responsibilities and APCs must understand program requirements and be proficient in the use of EAGLS. Listed below are training requirements for cardholders and APCs and sources of training available to APCs.

- APC TRAINING: New APCs must be trained on the requirements of the travel charge card program and their responsibilities. This training may be accomplished by the departing APC or by another competent APC, if available. It also may be accomplished by formal training conducted by the contractor. To obtain contractor training, new APCs should contact their HL 3 APC for information on the schedule of EAGLS training offered by the contractor.

- CONTRACTOR ASSISTANCE: Comprehensive program information, training guides, job aids and instructions for ordering a computer based training (CBT) CD are available on the GCSU Help Desk website, http://www.gcsuthd.bankofamerica.com. In addition, Bank of America GCSU representatives are available to assist with technical questions.

- CARDHOLDER TRAINING: APCs must provide their cardholders with both initial and annual refresher training. This training must cover program requirements, card limits and proper card use. To meet this requirement, APCs may use the PowerPoint presentation provided at the Army travel charge card website (http://www.asafm.army.mil/fo/fod/tc/tc.asp) or a locally developed training package.

- CARDHOLDER AGREEMENT: A degree of training is accomplished through the application process. The contractor's Cardholder Agreement 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; read the Cardholder Agreement; and sign it. By doing so, they attest that they understand the provisions of the Cardholder Agreement and agree to abide by them.

- DOD STATEMENT OF UNDERSTANDING: A degree of training also is accomplished by completing the DoD Statement of Understanding, which describes proper card use and possible penalties for misuse and delinquency. Before their applications can be forwarded to the contractor for processing, the applicants must read the Statement of Understanding; initial it in several places to indicate their understanding of specific provisions; and sign it. The signed Statement of Understanding must be retained by the APC with other travel charge card documents.