

Client Agency Policy & Operations Manual

SECTION: 60 Financial Management

NUMBER: SCS-60-010

TITLE: Corporate Travel Card Program

EFFECTIVE DATE: 4/19/02

APPROVED: Signature on file with the State Controller's Division

**PURPOSE and/or
RESULTS DESIRED:**

This policy establishes criteria and provides guidance for Shared Client Services Agencies who use the State Corporate Travel Credit Card. Card use is designed to: 1) eliminate the need for employees to use their own funds or personal credit cards to pay for authorized expenses they incur while traveling on state business; and 2) save the department money by limiting costly and time consuming cash advance transactions.

AUTHORITY:

[ORS 291.015](#) Fiscal responsibilities of department; delegation of fiscal functions.
[ORS 292.230](#) Policy on out-state-travel; guidelines; use of travel awards; department rules.
[OAM 40.10.00 PO](#) General Business Travel Expense Rules.
[OAM 40.20.00 PO](#) Travel advance and corporate travel charge card program.

APPLICABILITY:

Client agencies assigned and/or contracting for accounting, budgeting, and financial reporting services with the State Controller's Division, DAS.

POLICY:

It is the policy of the State of Oregon to provide state employees with an appropriate method to pay for the authorized travel expenses incurred while traveling on behalf of state government. This policy is designed to eliminate the payment of authorized travel expenses by the employee from personal funds.

The preferred method of providing employees with a means to pay for travel expenses is through the issuance and use of the State Corporate Travel Credit Card. Employees may use their own "personal" credit card(s) in lieu of obtaining the corporate credit card. Travel cash advances are not authorized, unless an exception has been granted under section [40.20.00.103](#) of the Oregon Accounting Manual.

GUIDELINES:

I. Corporate Travel Credit Card

- A. Agencies are encouraged to obtain the State Corporate Travel Credit Card for all personnel who periodically or continuously travel on official state business.
- B. Upon authorization by the agency head, a State Corporate Travel Credit Card may be issued to state employees for use on official state travel. It is intended that official travel

expenses shall be purchased with the use of the State Corporate Travel Credit Card.

- C. Official travel shall include but is not limited to: lodging, meals, and surface transportation. When necessary, in emergency travel situations, air transportation may also be purchased with the state corporate travel credit card. However, the preferred method for air transportation is to use the Business Travel Account through the state's travel agency.
- D. Personnel should see their agency travel coordinator or Shared Client Services for additional requirements and specific procedures for obtaining a current valid State Corporate Travel Credit Card.
- E. All state employees obtaining a State Corporate Travel Credit Card will be required to sign a Corporate Travel Card Agreement, [OAM 75.40.03.FO](#).
- F. To aid in the administration and oversight of the Corporate Travel Credit Card program, each client agency is directed to notify Shared Client Services when issuing or canceling individual corporate travel credit cards or initiating the program.
- G. Client Agency Heads requiring a corporate travel credit card will secure approval from DAS State Controller prior to issuance. SCS will monitor card use by the Client Agency Head to ensure compliance with state policy.

II. Control and Monitoring of Corporate Travel Credit Cards

- A. Agencies are required to monitor the use of State Corporate Travel Credit Cards. Agencies will receive monthly travel credit card management reports of charges and payments associated with all issued credit cards.
- B. Agencies are required to perform appropriate review procedures and monitor delinquent accounts or misuse of the card. Each agency is required to take appropriate corrective action as necessary for misuse, delinquent accounts or other anomalies.
- C. To aid in the application of appropriate corrective action, client agencies will notify Shared Client Services when delinquency or misuse is suspected or detected. Client agencies are also encouraged to seek the advice of Shared Client Services when determining if misuse of the State Corporate Travel Credit Card is occurring.

III. Use of Corporate Travel Credit Cards

- A. The preferred method of providing the appropriate means to state employees to pay for authorized travel expenses is through the use of the state Corporate Travel Credit Card.
- B. State employees may opt to use their own personal credit card in lieu of obtaining the corporate travel card and/or a cash advance. State employees choosing to use a personal credit card to pay for official state travel expenses must adhere to the Oregon Government Standards and Practices Commission's [Advisory Opinion 01A-1006](#). That opinion states that using a personal credit card that offers incentives such as cash rebates, frequent flyer miles or other benefits based upon the dollar amount of purchases made, violates [ORS 244.040 \(1\)\(a\)](#) which prevents public officials from using their position of office to obtain personal financial gain.
- C. Employees are liable for all charges they make on their cards. Employees should immediately report lost and stolen cards to the card issuer. Under the current state Corporate Travel Credit Card contract, neither the employee nor the state is liable for illegal charges to the card due to lost or stolen cards. State employees should be cautioned that they are liable for the loss of cash obtained from the use of the state Corporate Travel Credit Card.

- D. Travel cash advances are not authorized, unless an exception has been granted under section [40.20.00.103](#) of the Oregon Accounting Manual. Whenever possible, approved travel advances shall be obtained through the travel card. Use of the travel card reduces the administrative burden of application, voucher/warrant issuance, reporting, reconciliation, and some auditing costs associated with a cash advance issued by check or warrant. In addition, use of the travel card sustains state cash resources.
- E. State employees traveling on state business may be approved to use the travel card to obtain cash advances from automated teller machines (ATM) to cover incidental expenses. Cash advances should be obtained only to pay for such items as meals, taxi fees, parking or other small, authorized expenses when the travel credit card may not be readily accepted.
 - 1. Employees that are authorized for ATM use should limit the use of cash advance withdrawals to one for every three to five days of consecutive travel. Charges for ATM cash withdrawals are a reimbursable expense.
 - 2. Because there is a charge for each cash withdrawal from an ATM, the number of cash advances should be held to a minimum. It is recommended that each advance be an amount of at least \$50, but not exceed \$100 for a three to five day period of consecutive travel. The total ATM limit on all cards authorized for ATM use is \$250; however, each agency may lower cash withdrawal limits depending on the individual agency needs. Once a traveler reaches the limit, ATM use is suspended until the balance is paid below \$250, and then only the difference between the balance on ATM withdrawals and the \$250 limit is available for withdrawal.

IV. Billing

- A. Employee cardholders are liable for all charges made to their cards and for holding cash obtained through the use of State Corporate Travel Credit Cards. Payment of the monthly statement is the responsibility of the employee in whose name the card is issued.
- B. Employees will receive the monthly billing statement at their home address. Statements will reflect the name(s) of the establishment(s) where charges were made, charge date, amount charged, amount of any cash withdrawals, and any transaction fees associated with the withdrawal. Cardholders are not charged monthly finance charges or annual fees for having a card.
- C. Employees are allowed two billing cycles (60 days total) in which to pay off their card balances. The 60 day period between the time a charge is made and the time the payment is due provides employees with sufficient time to submit requests for reimbursement, have the request processed, receive the reimbursement, and make payment, before late charges are assessed.
- D. Employees are expected to pay their balances during this period. If any portion of the past due balance appears on two consecutive billing statements, the employee cardholder must pay a delinquency charge of \$20. In addition, the employee must pay a late charge of 2.5% per month (on the entire late due balance) until the payment is received. Employees risk having their charge card privileges cancelled by the issuer if their account remains delinquent.
- E. The issuer sends a monthly use summary and delinquency statement to the Travel Coordinator. The Travel Coordinator reviews both reports to ensure employees are paying balances as required.

V. Reimbursement

- A. The payment of the State Corporate Travel Credit Card monthly statement is the responsibility of the state employee who is authorized to travel and to whom the credit card is issued.
- B. To avoid additional charges, employees should submit a completed and approved travel reimbursement request to the appropriate agency personnel as soon as possible after completing their travel.
- C. The agency will reimburse employees for authorized travel expenses and ATM transaction fees (up to a maximum of three per week of travel). Employees who use their personal credit card for cash advances will be reimbursed for reasonable ATM transaction fees (if applicable) up to the corporate credit card fee.

VI. Misuse of Corporate Travel Credit Card

- A. Employees may not use the State Corporate Travel Credit Card for other personal purposes. An activity report, which identifies cardholders, establishments where the card has been used, how much was spent, and account status is sent to the Travel Coordinator each month for review and oversight. Irregularities or charges in a cardholder's account may be questioned. Employees who misuse the card will be subject to appropriate corrective action.
- B. Although the State Corporate Travel Credit Card is not generally used for non-business related purchases, incidental personal expenses related to the business trip may be charged to the card. These charges are not authorized travel expenses, and are not reimbursable by the agency. Employees must not include them on their reimbursement forms.

VII. Cancellation of Charge Card Privileges

- A. The first instance of a 60-day past due balance will result in US Bank canceling the cardholder account with no provision for reinstatement of privileges.
- B. Each client agency is responsible for canceling State Corporate Travel Credit Card privileges for an employee who either terminates or transfers to another agency. Failure to notify the card issuer of an employee termination transfers the liability of any charges made on the card after termination from the cardholder to the issuing agency.
- C. To aid in the administration and oversight of the State Corporate Travel Credit Card program each client agency will notify Shared Client Services of any approval or termination of corporate travel credit card privileges.
- D. Employees must surrender their corporate travel credit cards to their supervisor at the time of termination from agency employment.
- E. Employees may not take a previously issued corporate travel credit card to another state agency. Any employee who transfers to another state agency must make application for a new card through the new agency.

PROCEDURES: Obtaining a Card

<u>Step</u>	<u>Responsible Party</u>	<u>Action</u>
1.	Client Agency Head	In compliance with OAM 40.20.00.PR , the Client Agency Head names a Travel Card Coordinator and reports this name to DAS Purchasing (503) 378-4650. DAS Purchasing will assist the Travel Card Coordinator in accessing the US Bank C.A.R.E. online program. In addition, the client

agency will inform SCS of the appointment of a Travel Card Coordinator.

2. Employee Contacts Agency Head or designee and requests corporate travel card.
3. Client Agency Head If Client Agency Head requires a corporate travel credit card, DAS State Controller will be responsible for authorization of the card. The Client Agency Head will notify SCS Manager of authorization and issuance of travel credit card.
4. Client Agency Head or Travel Card Coordinator Sends state corporate travel credit card application and Corporate Travel Card Agreement ([OAM 75.40.03.FO](#)) to the employee.
5. Employee Completes corporate travel card application and Corporate Travel Card Agreement and submits it to supervisor for signature.
6. Client Agency Head or Travel Card Coordinator Sends corporate travel credit card application information to issuer. Notifies SCS of issuance of travel credit card.
7. Issuer Effective January 15, 2002, US Bank will conduct internal "credit scoring" on all new applications. Applicants with scores indicating a credit risk may not be granted a travel card, or may receive a card without ATM or retail spending privileges. US Bank uses the employee's social security number (provided on the employee's Corporate Travel Card Agreement) to perform the credit check.
8. Employee After receiving card, activates card according to issuer instructions, may establish employee's own PIN (personal identification number).

PROCEDURES: Using the Card

1. Employee Make purchases or ATM cash withdrawals **for authorized state travel expenses** using state Corporate Travel Credit Card.

PROCEDURES: Reimbursement

1. Employee Completes Travel Reimbursement Request form, attaches receipts then forwards request to supervisor for approval. Employee may use corporate travel credit card billing statement as a receipt for reimbursement purposes.
2. Supervisor Reviews/approves reimbursement requests and sends approved form to accounts payable.
3. Accounts Payable Processes reimbursement requests and delivers reimbursement checks to employees.
4. Employee Pays state corporate travel credit card statement.