ARMY TRAVEL CARD PROGRAM

ARMY PROGRAM MANAGER
OFFICE, ASSISTANT SECRETARY OF THE ARMY
(FINANCIAL MANAGEMENT & COMPTROLLER)
CONTRACT & TASK ORDER:

• CONTRACT STRUCTURE:
  – GSA MASTER CONTRACT FOR ALL FEDERAL AGENCIES
  – DOD TASK ORDER WITH BANK OF AMERICA

• PERIOD COVERED:
  – TWO-YEAR CONTRACT (DEC 98 - NOV 00)
  – EIGHT ONE-YEAR OPTION (DEC 00 - NOV 08)

• INCLUDES SERVICES FOR:
  – INDIVIDUALLY BILLED ACCOUNTS (IBA)
  – CENTRALLY BILLED ACCOUNTS (CBA)
ARMY TRAVEL CARD PROGRAM

PROGRAM FEATURES:

• VISA CARD W/ WIDE ACCEPTANCE
• ON-LINE MANAGEMENT SYSTEM
• CONTROLS: CREDIT CHECKS, MERCHANT CODES, CARD TYPES W/ CHARGE LIMITS:
  - STANDARD CARD: $500 ATM CASH/$5000 TOTAL
  - RESTRICTED CARD: $250 ATM CASH/$2000 TOTAL
• FEES:
  - ATM CASH FEE OF 3% OR $2.00(REIMBURSABLE)
  - RETURNED CHECK FEE OF $29, LATE FEE OF $29
• BANK REBATES, BASED ON CHARGE VOLUME
TRAVEL & TRANSPORTATION REFORM ACT:

- Employee must use travel card for official travel expenses.
- Agency can exempt types of personnel or expense.
- Agency must reimburse travel expenses within 30 days after claim.
- Agency may collect delinquency from pay.
- Undisputed amounts only.
- After notification/due process.
- Collection nte 15% of disposable pay.
ARMY TRAVEL CARD PROGRAM

• TRAVEL CARD POPULATION (June 2004)
  - IBA - 265,681
  - CBA - 4,510

• SPEND BY PROGRAM (FY 04)
  - IBA
    • $464 MILLION
    • 4.2 MILLION TRANSACTIONS
  - CBA
    • $495 MILLION
    • 1.1 MILLION TRANSACTIONS
• DODFMR VOLUME 9 CHAPTER 3
  - OVERALL PROGRAM GUIDANCE
    • DOD POLICY
    • RESPONSIBILITY
    • IBA AND CBA REQUIREMENTS
    • EXEMPTIONS

• ARMY POLICY GUIDANCE
  - AUGMENTS DOD GUIDANCE
    • SECRETARY OF THE ARMY MEMORANDUM
    • ASA (FM&C) POLICY MEMORANDUM
• POLICY GUIDANCE
  - SEC ARMY MEMORANDUM
    • RESOURCE APC FUNCTION
    • REVIEW 10% OF ACTIVE ACCOUNTS
    • PROHIBIT USE FOR PCS EXPENSES
    • DEACTIVATE CARD ON PCS
    • EXEMPT DEPLOYMENT TRAVEL
    • ESTABLISHED ARMY GOAL OF 4.5% OF DOLLARS AND 3% OF ACCOUNTS DELINQUENT
ARMY TRAVEL CARD PROGRAM

POLICY GUIDANCE

- ASA (FM&C) MEMORANDUM
  - ADEQUATELY RESOURCE APC FUNCTION
  - PROHIBIT USE FOR RELOCATION EXPENSES
  - REQUIRE MONTHLY REVIEW OF TRANSACTIONS
  - MANDATES APC/CARDHOLDER TRAINING
  - MANDATES CLOSING OF INACTIVE ACCOUNTS
  - DISCIPLINARY ACTION FOR ABUSE, MISUSE
  - DISCOURAGE USE FOR DEPLOYMENT TRAVEL
  - SECURITY CLEARENCE REVIEW
  - NON SUFFICIENT (NSF) CHECK REPORTING
ARMY TRAVEL CARD PROGRAM

• CARDHOLDER RESPONSIBILITIES
  - USE TRAVEL CARD FOR ALL OFFICIAL TRAVEL EXPENSES
  - EXPENSES ARE LIMITED TO THOSE NORMALLY REIMBURSED AT TRAVEL SETTLEMENT
  - CARDHOLDER ONLY EXPENSES
  - LIMIT CASH USAGE. USE TRAVEL CARD WHENEVER POSSIBLE
ARMY TRAVEL CARD PROGRAM

• CARDHOLDER RESPONSIBILITIES
  - RETAIN ALL RECEIPTS
  - SUBMIT TRAVEL VOUCHER WITHIN 5 DAYS OF RETURN OR EVERY 30 DAYS IF TDY IS OVER 45 DAYS DURATION
  - USE SPLIT DISBURSEMENT OPTION TO PAY CONTRACTOR.
  - PAY BALANCE IN FULL AND ON TIME.
ARMY TRAVEL CARD PROGRAM

• CARDHOLDER RESPONSIBILITIES

- UNDISPUTED CHARGES MUST BE PAID BY DUE DATE
- DISPUTES ARE THE RESPONSIBILITY OF THE CARDHOLDER
- CONTACT MERCHANT IMMEDIATELY OR CONTRACTOR WITHIN 60 DAYS OF STATEMENT DATE ON WHICH CHARGE APPEARS
- CHARGES NOT PAID OR DISPUTED WILL BECOME DELINQUENT
• DELINQUENCY CYCLE

- 30 DAYS - PAST DUE
- 60 DAYS - DELINQUENT - CARD SUSPENDED
- 75 DAYS - $29 LATE FEE CHARGED TO ACCOUNT
- 90 DAYS - DUE PROCESS LETTER SENT TO CARDHOLDER ADVISING THEY HAVE 30 DAYS TO SETTLE ACCOUNT OR IT WILL BE SENT FOR COLLECTION VIA SALARY OFFSET
- 120 DAYS - CARD CANCELLED. CREDIT BUREAU NOTIFIED
- 210 DAYS - ACCOUNT CHARGED OFF
• ACCOUNTABILITY
  - PERSONAL FINANCIAL RESPONSIBILITY
  - VIOLATION OF PUBLIC LAW: PL105-264
  - CARDHOLDER AGREEMENT OUTLINES CONTRACTOR
    REMEDIES (LATE FEES, ETC.)
  - STATEMENT OF UNDERSTANDING
  - NEGATIVE CREDIT BUREAU REPORTING
  - SALARY OFFSET OR INDEPENDENT COLLECTION AGENCY REFERRAL
ARMY TRAVEL CARD PROGRAM

Army Dollars Delinquency Rate
(January 2003 - August 2004)

ARMY GOAL
4.5%
ARMY TRAVEL CARD PROGRAM

SALARY OFFSET STATISTICS
June 2004

• ARMY AC
  - 515 CARDHOLDERS IN PROGRAM
  - $19.1 MILLION COLLECTED

• ARMY RC
  - 1027 CARDHOLDERS IN PROGRAM
  - $6.7 MILLION COLLECTED

• DOD SUMMARY
  - 3,098 CARDHOLDERS IN PROGRAM
  - $48.1 MILLION COLLECTED
## Split Disbursement by HL 3

<table>
<thead>
<tr>
<th>HL 3 Name</th>
<th>FY 2003</th>
<th>FY 2004</th>
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<tbody>
<tr>
<td>SPACE AND MISSILE DEFENSE COMM</td>
<td>54.87%</td>
<td>74.58%</td>
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<tr>
<td>U.S. ARMY CRIMINAL INVESTIGATI</td>
<td>40.49%</td>
<td>68.59%</td>
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<td>ADVANCE CONCEPT TASK &amp; EVAL AG</td>
<td>45.69%</td>
<td>68.10%</td>
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<tr>
<td>ARMY TEST AND EVALUATION CMND</td>
<td>50.11%</td>
<td>67.36%</td>
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<tr>
<td>USA MILITARY ENTRANCE PROC CMD</td>
<td>48.07%</td>
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<tr>
<td>US ARMY TRAINING AND DOCTRIN</td>
<td>48.84%</td>
<td>65.35%</td>
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<tr>
<td>US ARMY MATERIAL COMMAND</td>
<td>43.48%</td>
<td>64.85%</td>
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<tr>
<td>ARMY NATIONAL GUARD</td>
<td>45.77%</td>
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<tr>
<td>MILITARY SURFACE DEPL&amp;DISTRIBUTION</td>
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<td>US ARMY RESERVES</td>
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<td>NETCOM</td>
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<td>INTELLIGENCE AND SEC COMMAND</td>
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<td>US ARMY MEDICAL COMMAND</td>
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<td>OPERATING AGENCY 22</td>
<td>31.52%</td>
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<tr>
<td>HQ OCAR</td>
<td>37.60%</td>
<td>58.87%</td>
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<thead>
<tr>
<th>HL 3 Name</th>
<th>FY 2003</th>
<th>FY 2004</th>
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<tbody>
<tr>
<td>US ARMY FORCES COMMAND</td>
<td>42.25%</td>
<td>58.74%</td>
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<tr>
<td>MILITARY DISTRICT OF WASHINGTON</td>
<td>35.14%</td>
<td>58.22%</td>
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<td>US ARMY ELEM ALLIED CMD EURO</td>
<td>35.94%</td>
<td>57.87%</td>
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<td>US ARMY SPECIAL OPERATIONS COM</td>
<td>30.79%</td>
<td>53.01%</td>
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<td>US ARMY PACIFIC (USARPAC)</td>
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<td>US ARMY SOUTH</td>
<td>34.14%</td>
<td>52.70%</td>
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<td>US ARMY EUROPE AND 7TH ARMY</td>
<td>29.70%</td>
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<td>USA CORPS OF ENGINEERS (USACE)</td>
<td>31.28%</td>
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<td>IMA</td>
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<td>CHEMICAL MATERIALS AGENCY</td>
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<td>EIGHTH US ARMY US FORCES KOREA</td>
<td>11.71%</td>
<td>46.66%</td>
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<tr>
<td>UNITED STATES MILITARY ACADEMY</td>
<td>19.15%</td>
<td>44.00%</td>
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<tr>
<td>DASA FO</td>
<td>28.03%</td>
<td>14.68%</td>
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<tr>
<td>COMMUNITY &amp; FAMILY SUPPORT CEN</td>
<td>2.91%</td>
<td>8.13%</td>
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**Grand Total**

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<tr>
<th>FY 2003</th>
<th>FY 2004</th>
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<tr>
<td>41.68%</td>
<td>60.21%</td>
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ARMY TRAVEL CARD PROGRAM

RESULTS

- DELINQUENT DOLLARS REDUCED FROM 16.35% IN JANUARY 2003 TO 5.50% AT PRESENT
- DELINQUENT ACCOUNTS REDUCED TO 1.6%
- CHARGED OFF ACCOUNTS REDUCED BY 30%
- CANCELLED 231,000 ACCOUNTS
- INCREASED PROGRAM VISIBILITY AND COMMAND INVOLVEMENT
- PROGRAM METRICS POSTED TO ARMY’S SENIOR LEADER PAGE, ARMY KNOWLEDGE ONLINE WEBSITE
- ARMY AUDIT AGENCY CURRENTLY CONDUCTING COMPLIANCE REVIEWS IN 5 MACOM
ARMY TRAVEL CARD PROGRAM

PROGRAM OVERSIGHT

• DOD INITIATIVES
  - DATA MINING
    • DOD ESTABLISHED INDICATORS
    • VISA
    • DODIG
    • CBA AND IBA DATA
  - REPORTS TO SERVICE FOR ACTION
    • EXPANDS ARMY ACCOUNT REVIEW REQUIREMENT
    • REPORT ON RESULT OF TRANSACTION REVIEW TO INCLUDE ANY ADMINISTRATIVE/DISCIPLINARY ACTION TAKEN
ARMY TRAVEL CARD PROGRAM

PROGRAM OVERSIGHT

• DOD INITIATIVE (CONT’D)
  - CREDITWORTHINESS
    • CODIFIED BY FY 04 DEFENSE AUTHORIZATION ACT
      - DOD WILL DETERMINE CREDITWORTHINESS BEFORE ISSUING CHARGE CARD
    • S-1744 AND H.R. 3329
      - EXPANDS THE PROVISION GOVERNMENT WIDE
  • DOD POLICY
    - CREDIT CHECK
    - SELF CERTIFICATION
    - MINIMUM FICO SCORE OF 500
  - FAILURE TO MEET MINIMUM FICO SCORE OR SATISFACTORYLY COMPLETE SELF CERTIFICATION WILL MAKE INDIVIDUAL INELIGIBLE FOR CARD
    • TRAVEL ADVANCE, PERSONAL FUNDS, CBA/GTR FOR TRANSPORTATION COST
ARMY TRAVEL CARD PROGRAM

CONGRESSIONAL OVERSIGHT

• GAO AUDIT
  - IBA AUDIT FINDINGS (2002)
    • INCIDENTS OF MISUSE
    • LACK OF PROGRAM OVERSIGHT
    • LACK OF ACCOUNTABILITY
    • LITTLE EVIDENCE OF DISCIPLINE
    • INADEQUATE APC STAFFING
• GAO AUDIT (CONT’D)
    • PREMIUM TRAVEL
      - JUSTIFICATION/AUTHORIZATION LACKING
    • CORRECTIVE ACTION
      - OSD P&R ISSUED POLICY MEMORANDUM CLARIFYING JUSTIFICATION/APPROVAL PROCESS
      - ESTABLISHED DOD TASK FORCE TO ADDRESS ISSUE
ARMY TRAVEL CARD PROGRAM

CONGRESSIONAL OVERSIGHT

• GAO AUDIT
  - CBA AUDIT (CONT’D)
  • PARTIAL/UNUSED TICKETS
    - $32 MILLION (DOD WIDE)
    - $3.9 MILLION (ARMY)
  • CORRECTIVE ACTION
    - DOD WILL SEEK REFUND
    - TRAIN TRAVELERS
    - COMMENT ON TRAVEL ORDERS
    - IBA FOR AIRLINE COSTS
    - DTS
CONGRESSIONAL OVERSIGHT

• GAO AUDIT
  - CBA AUDIT (CONT’D)
  • IMPROPER PAYMENTS
    - 24,000 PAYMENTS IN QUESTION
    - CBA procured ticket with possible claim and reimbursement on travel voucher
    - DFAS is matching payments and travel claims and will report findings (continuing)

• CORRECTIVE ACTION
  - ASA(FM&C) memorandum requiring commander and supervisor notification to travelers
  - More comprehensive review of travel claims by reviewing official (continuing)
ARMY TRAVEL CARD PROGRAM

• SUMMARY

- TRAVEL CARD MAKES TRAVEL CONVENIENT AND EASY.
- TRAVEL CARD IS FOR OFFICIAL TRAVEL EXPENSES ONLY.
- CARDHOLDER IS RESPONSIBLE FOR USE & PAYMENT.
- COMMANDER & SUPERVISORS MUST BE INVOLVED.
- WWW.ASAFM.ARMY.MIL