

USAR Regulation 37-2

Financial Administration

**Government Travel
Charge Card
Program**

**Department of the Army
Office of the Chief, Army Reserve
Washington, DC 20310-2400
1 November 2006**

SUMMARY OF CHANGE

USAR Regulation 37-2 Government Travel Charge Card Program

Specifically, this revision dated 1 November 2006 -.

- Adds advance conference/registration fees (para 1-7).
- Adds use of the Card when mobilized/deployed (para 1-8).
- Adds Agency Program Coordinator (APC) training (para 1-14).
- Adds travel charge card limits (para 2-3).
- Renumbers credit check paragraph (para 2-4).
- Adds Security Clearance (para 4-3).
- Deletes Appendix D (GSA Contractor Traveler Reimbursement and Payment Responsibilities).
- Changes Appendix E (Delinquency Management) to Appendix D.
- Deletes Appendix F (Army Reserve Internal Movement of Cardholders).

This revision dated 1 August 2005 -

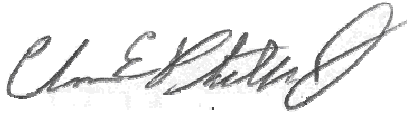
- Adds mandatory split disbursement for civilians and military. (para 1-8).
- Adds credit check. (para 2-3).

Financial Administration
GOVERNMENT TRAVEL CHARGE CARD PROGRAM

For the Commander:

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Proponent and exception authority. The proponent of this regulation is the Army Reserve (AR), G-8. The AR G-8 has the authority to approve exceptions to this regulation that are consistent with law and regulations. The AR G-8 may delegate this approval authority, in writing, to a division chief under his/her supervision within the proponent agency in the grade of colonel or the civilian equivalent.

History. This is the third printing of USAR Regulation 37-2. It was originally published 1 May 1998.

Summary. This regulation contains guidance and procedures for establishing and operating a Government travel charge card program. It also regulates the use of the Government travel charge card. It is the responsibility of commanders/supervisors at all levels to ensure compliance with this regulation.

Applicability. This regulation applies to the US Army Reserve Command (USARC) Headquarters, Major Subordinate Commands (MSCs), USAR installations,

Army Management Control Process. This regulation contains management control provisions and identifies key management controls that must be evaluated.

Suggested improvements. Users are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to the Commander, US Army Reserve Command, (AFRC-COF-O), 1401 Deshler Street, SW, Fort McPherson, GA 30330-2000.

Distribution: A

*This regulation supersedes USAR Regulation 37-2, 1 August 2005.

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CHAPTER 1

General

1-1. Purpose

The purpose of this regulation is to establish an Army Reserve Government Travel Charge Card Program. It also regulates the use of the Government travel charge card (herein referred to as the “Card”) by limiting the use of the Card to cover expenses incurred during official travel. The Card provides Army Reserve travelers with safe, effective, commercially available methods to pay expenses incidental to official travel, including cash advances. The Card improves cash management for the U.S. Treasury, reduces traveler administrative burdens and provides better service to travelers.

1-2. References

Required and related publications and prescribed and referenced forms are listed in appendix A.

1-3. Explanation of abbreviations

Abbreviations used in this regulation are explained in the glossary.

1-4. Responsibilities

a. *General Services Administration (GSA)*. The GSA writes, revises, and negotiates the terms of the contract for the Card.

b. *Department of Defense (DOD) Comptroller (Under Secretary of Defense-Comptroller)*. The DOD Comptroller is responsible for the overall DOD Card program.

c. *Defense Finance and Accounting Service (DFAS)*. The DFAS establishes and implements Card policies and procedures and works with GSA to resolve contract problems.

d. *Assistant Secretary of the Army Financial Management and Comptroller (ASA FM&C)*. The ASA FM&C establishes Army policy and procedures for the Card.

e. *Army Program Manager (APM)*. The APM is the Director for Financial Reporting and Internal Review, Office of the Deputy Assistant Secretary of the Army (Financial Operations). The APM -

(1) Issues Army operating instructions and exercises management oversight.

(2) Represents HQDA with Major Army Commands in all program management matters, to include policy and procedures, management problems and issues, and contractor problems.

(3) Represents the Army in all program management matters with the Office of the Under Secretary of Defense (Comptroller), to include program policy, procedures, and operations.

f. *Army Reserve Program Manager (ARPM)*. The ARPM is assigned to the Chief Financial Manager Office, the Chief, USAR Accounting. The ARPM will -

(1) Implement ASA (FM&C) instructions and notify ASA (FM&C) of problems in operating the Card.

(2) Implement policy and procedures established by the Army Reserve, and inform the Army Reserve Commander of any problems with the management of the Card.

g. *USARC subordinate commands and activities*. The Major Subordinate Commands (MSCs), and Direct Reporting Activities, commanders and supervisors will -

(1) Administer the Card at an organizational level and manage delinquency or abuse by assigned cardholders.

(2) Appoint and identify primary and alternate agency program coordinators (APCs) in writing to the contractor.

(3) Ensure that all assigned cardholders receive training and understand their responsibilities in accordance with this regulation.

(4) Take appropriate action when assigned personnel are delinquent.

h. *Agency program coordinators (APCs)*. The APCs will -

(1) Act for the commander and be responsible for administering the Card.

(2) Generate reports using the Electronic Accounting Government Ledger System (EAGLS), provided by Bank of America. Analyze reports and inform the commander or supervisor of any problems with the Card.

(3) Provide appropriate written notification to the cardholder’s supervisor within 5 working days after receipt of a delinquency report. Use the sample memorandums at appendix B to provide delinquency information.

(4) Keep card application on file.

(5) Keep cardholder's Statement of Understanding (SOU) on file for record. There are two types of SOUs:

(a) Military - USAR Form 89-1-R, Government Travel - Military Personnel Statement of Understanding.

(b) Civilians- USAR Form 89-2-R, Government Travel - Civilian Personnel Statement of Understanding.

(6) Ensure cardholders are provided initial training on the proper use of the card at issuance and refresher training yearly.

(7) Conduct in- and out-processing of cardholders for those entering and leaving the organization.

(8) Explain to cardholders that they must abide by the terms and conditions contained in the cardholder agreement with the contractor and in the SOU.

1-5. Proper use of the Card

The "Travel and Transportation Reform Act (TTRA) of 1998" (Public Law 105-264) stipulates that the Government-sponsored, contractor-issued travel card will be used by all US Government personnel, civilian and military, to pay for costs incident to official business travel, including airline tickets. Individuals who do not have an Individually Billed Account will continue to use the Centrally Billed Account for transportation costs and are authorized an advance of travel entitlements.

a. Personnel exempted from mandatory use of the Card.

(1) Employees who have an application pending for the Card.

(2) Individuals traveling on invitational travel orders.

(3) New appointees to civil service.

(4) Members of the Reserve Officer Training Corps and military personnel undergoing initial entry or initial skill training prior to reporting to their first permanent duty station.

(5) Military personnel and civilian personnel who are denied Cards or whose Cards have been canceled or suspended for financial irresponsibility or for other specific reasons. This exemption does not apply to the military and DOD civilians who are denied a Card because they do not accept the terms and conditions of the cardholder agreement, and refuse to sign the account application form.

(6) Hospital patients.

(7) Prisoners.

(8) Such military or DOD civilian personnel as approved by the Head of a DOD Component during:

(a) A period of war.

(b) A national emergency declared by the President or Congress.

(c) Mobilization, deployment or contingency operations.

(9) Military or civilian personnel traveling to or in a foreign county where the political, financial, or communications infrastructure does not support the use of the Card.

(10) Military or civilians whose use of the Card, due to operational, security, or other requirements of mission, would pose a threat to national security, endanger the life or physical safety of themselves or others, or would compromise a law enforcement activity.

(11) Direct and indirect hire foreign nationals.

(12) Individuals employed or appointed on a temporary or intermittent basis, upon a determination by the individual's supervisor or other appropriate official that the duration of the employment or appointment, or other circumstances pertaining to such employment or appointment, does not justify issuance of a Card to such individual.

(13) Military and civilian personnel in a Permanent Change of Station status (PCS). If temporary duty (TDY) is in conjunction with the PCS, the Card can be used for the TDY expenses. The losing organization should deactivate the Card to coincide with the end of the TDY.

(14) Individuals who travel infrequently (upon determination by their commander or other appropriate official that anticipated travel does not warrant issuance of a Card to such an individual. For example, an individual that is anticipated to travel less than twice a year or for only a few days may not warrant a Card).

(15) Individuals who decline to have the Card for religious reasons can request a waiver to be considered a non-cardholder.

b. The GSA has exempted the following classes of expenses from mandatory use of the Card:

(1) Those incurred at a vendor that does not accept the government-sponsored, travel card.

(2) Laundry/dry cleaning.

- (3) Parking.
- (4) Local transportation system fares.
- (5) Taxi fares.
- (6) Tips.
- (7) Meals, when the use of the Card is impractical (e.g., group meals or when the Card is not accepted at the dining establishment).
- (8) All local and long distance phone calls.
- (9) Relocation allowance prescribed in Chapter 302 of the Federal Travel Regulations, except enroute and house hunting trip expenses.
- (10) All expenses covered by the "meals and incidentals" portion of the per diem allowance are exempt from the mandatory use of the Card throughout DOD.

1-6. Proper use of the Card to purchase airline tickets for inactive duty training (IDT)

All drilling Reservists are authorized to buy airline tickets at the GSA City Pair contract rates for their travel to and from IDT. In order for the Reserve Soldiers to use the GSA City Pair travel rates for their official travel, they **must use the Card**; book their travel through a contracted Commercial Travel Office; use contracted City Pair airlines, routes and schedules; and comply with all the rules in the Joint Federal Travel Regulation. The Card may only be used on IDT for airline tickets and may not be used for housing, meals, or other expenses. The cost of the ticket is not a reimbursable expense. The charge card bill is due on receipt, and non-payment can result in loss of Card privileges, and disciplinary actions may be initiated.

1-7. Advance conference/registration fees

The Purchase Card/Impact Card or DD Form 1556, Request, Authorization, Agreement, Certification of Training and Reimbursement, are the preferred methods to pay advance conference and registration fees, but the travel card may be used for this purpose. If the travel charge card is used to pay advance fees in excess of 30 days of departure, cardholders should be advised that they may be required to file a travel claim for the fee, which must be split disbursed to the bank to prevent delinquency. Those cardholders using the Defense Travel System (DTS) can file a local voucher SF 1164 in DTS to pay the bank in advance. A receipt is required if the fee is more than \$75.

1-8. Mobilization/deployed Soldiers

If a Soldier is mobilized or deployed, and has a Card, it will be transferred to the active duty unit's hierarchy and deactivated until required for use. If a Soldier does not have a Card, but incurs a travel requirement at the active duty unit, the Card may be issued and then cancelled when the Soldier returns to his/her unit. Travelers in a Temporary Change of Station (TCS) who are only paid the incidental expense portion of the per diem, because lodging and meals are provided, are prohibited from using their Card. Travelers who are required to pay for meals and/or lodging may use the Card to pay expenses.

1-9. Prompt payment of Card charges

The Card is a charge card, not a credit card. Cardholders are not entitled to carry account balances forward. Cardholders are liable for all unpaid charges to their accounts. Account balances are payable in full, within 30 days of the closing date on the contractor's billing statement. If the Card is lost or stolen, cardholders are not liable for charges when the Card is promptly reported as lost or stolen. Cardholders who are unable to pay their account balance on time will contact the contractor to arrange a repayment schedule and will advise their APC of the arrangement. Cardholders who's Cards are canceled for misuse or delinquency can suffer significant adverse consequences, such as a bad personal credit rating, and are subject to disciplinary action.

1-10. Split disbursement

The Bob Stump National Defense Authorization Act (Public Law 107-314) requires implementation of mandatory split disbursement for **all** travelers. All travel orders will state whether or not the traveler is a Card holder. Split disbursement is mandatory for all military and civilian employees. To choose split disbursement on the DD Form 1351-2, check Electronic Fund Transfer (EFT) in block 1, and split disbursement. Add an amount on the split disbursement line. The split disbursement amount will not be a token amount such as \$1 or \$10. The split disbursement amount should at the least be the cost of lodging and transportation, but should reflect all charges on the Card. Supervisors and commanders will be responsible for assuring all travelers who use the Card have checked split disbursement and entered a reasonable amount. The reviewer should return the travel voucher to the traveler if split disbursement is not selected.

1-11. Command involvement

The Army Reserve is not liable for charges incurred on a cardholder's Card. This does not mean, however, that commanders and supervisors should adopt a "hands-off" approach regarding use of the Card by their personnel. The Card is the primary means of obtaining advance funding for TDY travel and **must** be protected.

1-12. Eligibility

a. The Army Reserve Commander has overall authority to determine who will be issued a Card. The Army Reserve Commander has delegated authority to subordinate commanders and managers within the guidelines of this regulation.

b. The Card will be primarily limited to permanently assigned military and civilian personnel who travel frequently. Temporary employees and civilian contractors are **NOT** eligible and will **NOT** be issued Cards.

c. The DOD personnel will be issued only one Card. If a DOD employee holds Reserve Component membership, the organization of his or her civilian employment will issue the Card. Civilian employees who use their Card for military duty will provide their full-time federal employer a copy of the IDT schedule and active duty training (ADT) or annual training (AT) military orders to support their use of the Card for military duty.

d. Foreign Nationals who travel on behalf of the employing DOD activities are not authorized to use the Cards.

e. Non-Appropriated Funds Individual (NAFI) employees are authorized to use the Card.

f. Recruiting Personnel. Military personnel assigned to recruiting duties are authorized to use the Card for official reimbursable expenses in the local area.

1-13. Cardholder training

The Army Reserve goal is for all cardholders to receive annual training on the rules for use of the Card and cardholder responsibilities. The unit APC will schedule this training by using efficient and cost-effective methods, and will ensure the approach is consistent with a clear signal of strong command emphasis and support. Training materials are available on the ASA (FM&C) Home Page (<http://www.asafm.army.mil>), under the "Travel Charge Card" button. The contractor is also available to conduct on-site training if a sufficient number of personnel need training. The APC will coordinate all contractors' training through the ARPM.

1-14. Agency Program Coordinator (APC) training

The APC must be fully trained to perform their tasks, to include the use of EAGLS and its various reports, in order to manage the program and monitor how Cards are being used. Bank of America offers on-site training for groups of 25 or more and individual training at their Norfolk, VA office. Card training is also available at <http://www.asafm.army.mil> and GSA training at www.gsa.gov. There is additional training at the contractors' Government Card Services Unit (GCSU) website at <http://www.bankofamerica.com/contact/data/contact.cfm?lob=government>. The training must be completed within 30 days of assignment..

CHAPTER 2 Management Controls

2-1. Card management controls

Management controls are outlined in a checklist at Assistant Secretary of the Army Financial Management (ASAFM) Travel Card Program website (see [appendix C](#)), this regulation. The Army Reserve staff elements, MSCs, and installations, are authorized to establish more restrictive programs for their organizations.

2-2. Types of Card accounts

Cards are either issued as restricted or standard account, as indicated by the credit limit shown on the Card mailer. Military personnel who score below 500 on the credit scale will not be issued a Card. Military personnel who score between 500 and 660 will be issued a restricted Card. Individuals who are denied Cards are eligible for a travel advance. This policy change was effective 23 January 2004. This score standard does not apply to DOD civilian employees. Civilians who fail to meet the score for a standard Card will continue to be issued a restricted Card. Military and civilian personnel who decline a credit check will continue to be issued a restricted Card. The DOD has directed this policy in order to comply with Congressionally mandated credit worthiness requirements for issuing DOD charge Card.

2-3. Card limits

The Card has standard dollar limits on the amount of charges and cash withdrawal. The APC can temporarily increase these limits to meet mission requirements. For increases requiring Hierarchy Level 4 (HL4) approval, the name, Card number and explanation are required. For HL3 (DA) approval, a statement confirming commander/supervisor awareness and approval of the increase must accompany the request. Restricted accounts can be increased in 6 month increments and standard accounts in 1 year increments. The chart below shows the credit limits each HL can approve.

Standard	Default	APC	HL3 APC	CPM	PMO
Credit	\$5,000	\$10,000	\$15,000	\$25,000	Over \$25,000
Retail	\$250	\$500	\$1,000	\$2,000	Over \$2,000
Cash	\$515	\$5,000	\$10,000	\$25,000	Over \$25,000
Restricted	Default	APC	HL3 APC	CPM	PMO
Credit	\$2,000	\$4,000	\$7,500	\$10,000	Over \$10,000
Retail	\$100	\$200	\$500	\$1,000	Over \$1,000
Cash	\$265	\$2,000	\$4,000	\$10,000	Over \$10,000

2-4. Credit check

a. If the applicant agrees to a credit check, the fact that a credit check has been performed will appear on the credit bureau's record for the applicant and will be evident to other credit granters who request a credit check. Based on the credit check information, the contractor may recommend a restricted Card. At no time will the applicant's credit information be provided to the APC.

b. After processing the application, the contractor will send the travel Card and cardholder agreement within 3 business days. The Card will be mailed to the individual cardholder's stated address, TDY location, or location as directed by the APC. If the Card is expedited, a charge of \$20 will be charged to the account. This charge is reimbursable on the first travel voucher filed after the Card is issued.

(1) *Restricted card.* Limits are pre-established per billing cycle, however, the APCs are authorized to raise these limits based on travel requirements. If the account is restricted, the APC will activate the Card no more than 2 working days before the beginning of duty and deactivate the Card 1 day after the duty has ended. The APC can accomplish this by using EAGLS or calling GCSU at 1-888-317-2077. Cardholders may not activate the Cards. The APC may issue restricted Cards on request or the contractor may determine the applicant should have a restricted Card. Military and civilian personnel who decline a credit check will continue to be issued a restricted Card. At the direction of the commander or supervisor, the APC can raise restricted Card limits to accommodate mission requirements.

(2) *Standard card.* Limits are pre-established per billing cycle for retail purchases and the Automated Teller Machine (ATM) cash withdrawal amount.

2-5. Travel advances for non-cardholders

Travel orders must identify the traveler as a Government Travel cardholder or non-cardholder. This cardholder status determines whether the traveler is authorized a travel advance through ATMs or by the Defense Network Operations (DNO) through EFT.

a. The term “cardholder” includes those individuals who have a valid Card and those who are authorized to have a Card but have **elected** not to. Cardholders will obtain their travel advances only through ATMs. If a cardholder is traveling to an area that does not accept the Card, they may obtain a travel advance from DNO. (See instructions for obtaining travel advances in para 2-5c below.)

b. The term “non-cardholder” includes those individuals who have been denied a Card, those whose Cards have been suspended or canceled because of misuse or delinquency, and those outlined in paragraph 1-5a above. Non-cardholders may obtain advances for official travel from DNO-IN through EFT with an authorization letter from the commander or supervisor. This memo authorizes the traveler to have a travel advance, the order does not state the travel advance is authorized.

c. Obtaining travel advances. If eligible for a travel advance and one is needed -

(1) For non-cardholders, state on the orders that the traveler is not eligible for a Card.

(2) For cardholders traveling to areas where the card cannot be used, state on the orders that the “traveler is a cardholder traveling to an area where the Card cannot be used.”

(3) Fax the order and authorization letter to DNO no earlier than 10 days in advance of travel. The advance takes 6 days to complete. Fax the order to 317-510-7341.

(4) Send a completed SF 1199A, Direct Deposit Sign-Up Form, and a voided check with the request.

2-6. ATM cash withdrawals for cardholders

a. *Withdrawal limits.* The ATM cash withdrawals are limited to a pre-established amount per billing cycle for both standard cards and restricted cards. The cardholder’s ability to make ATM withdrawals, however, is subject to transaction limitations established by local bank’s ATM withdrawal policy. There is a cash advance fee of 3% or \$2, whichever is greater, for each cash advance taken. This is reimbursable on the travel voucher.

b. *Temporary increases.* Cardholders with a valid need, can request a temporary increase above the limit for a specific TDY trip. The APC may approve temporary increases on a standard card to above pre-established limits per billing cycle, and Component Program Managers (CPM) may raise the ATM limit to a pre-established limit per billing cycle. The APC must send a justification for the temporary increase through their chain of command.

(1) Cardholders will contact their APC. The APC will contact the contractor. The contractor, based on the TDY location and duration, will implement a change within 48 hours of notification and will authorize the new amount, if the cardholder’s account is current. The contractor will terminate the temporary increase upon completion of the specified trip.

(2) The ARPM may approve requests for temporary increases on a standard card. Increases above a specified per month will be submitted to DFAS for approval. These requests will be endorsed by the ARPM and submitted through the APM.

c. *Permanent increases.* The DOD policy prohibits a permanent increase to the ATM withdrawal limit. All requests to increase limits are temporary and will be for specific travel completion dates.

2-7. Retail purchases

Retail purchases are limited to a pre-established amount per billing cycle for both standard card and restricted cards. If the cardholder has an emergency, the limit may be raised by calling the APC for approval. The increase is temporary and the contractor will reduce the limit back to original amount after 30 days. The APC may change the limit based on need.

2-8. Delinquencies and unauthorized charges

a. *Delinquency report.* All charges that have not been disputed on the individual card accounts are payable upon receipt of the contractor's billing statement and are considered delinquent when the contractor has not received payment in full before another bill is issued. All APCs will have access to the EAGLS and are responsible for running delinquency reports monthly. The APC will use this listing to notify delinquent cardholders, in writing, within 5 working days of receipt of the report. The APC's delinquent notifications will request that cardholders respond within 5 working days. The APC will notify the cardholder's immediate supervisor and the cardholder of 55-day delinquencies, division chief/commander and cardholder of 90-day delinquencies, and the MSC/activity commander and cardholders of 120-day delinquencies (see sample memorandums at appendix B). Anytime a person in the cardholder's chain of command is notified, the cardholder must also be notified. The APC will notify the contractor of all suspension/cancellation actions initiated by the chain of command.

b. *Mission critical travel.* Mission critical travel is defined as travel performed by DOD personnel under competent orders and performing duties that through no fault of their own, prevents the traveler from filing a travel voucher and paying the travel card bills. With the approval of the traveler's supervisor the account can be put in a mission critical status. This will prevent the card from being suspended. The account must be placed in a mission critical status before the account is suspended. Should there be outstanding bills, those bills shall be settled within 45 days of removal from this status. Cardholders with zero balances can be placed in this status only by the APM. Travel orders or amendments will specify the period of mission critical status. Late fees associated with delayed payments due to mission critical status 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 a timely travel voucher due to mission requirements is provided at travel settlement.

c. *Account suspension/cancellation.*

(1) Contractors will suspend all charge privileges for cardholder accounts that are 60 days delinquent, effective the 61st day of delinquency. The contractor may not suspend the account if the supervisor provides sufficient information to justify a mission-essential need to keep the account open. Accounts that are 90 days past due are automatically suspended. The contractor may cancel the account if-

(a) The account has been suspended two times during a 12 month period for non-payment of undisputed principal amounts, and is past due again;

(b) The account is 126 calendar days past due from the closing date on the statement; or

(c) The APC, the agency/organization, the cardholder, or GSA requests the cancellation.

(2) Collection actions may be commenced by the contractor, to include civilian court and garnishment proceedings.

d. *Unauthorized charges.* Army Reserve personnel who incur unauthorized charges on any government-sponsored charge card are subject to a wide range of criminal and administrative sanctions (see chapter 4 and appendix E; also DOD 7000.14R, Financial Management Regulation, Volume 9, Chapter 3). Army Reserve commanders and supervisors should question any unauthorized charges and consult with their local Staff Judge Advocate/Civilian Personnel office, to determine whether disciplinary action may be warranted. The Army Reserve remains authorized to pursue pertinent sanctions for the underlying misconduct.

e. *Delinquent accounts/legitimate charges.* The cardholder agrees to the following charges:

(1) Return Check Fee of \$29 for any payment which is returned for any reason.

(2) If the contractor refers the account to an attorney for collection, the cardholder will be responsible for attorney's fees, if any, not to exceed 25% of the account balance plus all other costs of collection and court costs, except where prohibited by law.

f. *Delinquency cycle.*

(1) 30 days – Past due.

(2) 60 days – Delinquent – Card suspended.

(3) 75 days - \$29 late fee charged to the account.

(4) 90 days – Due process letter sent to the cardholder advising they have 30 days to settle the account or it will be sent for collection via salary offset.

(5) 120 days – Cancelled. Credit bureau notified.

(6) 210 days – Charged off.

g. *Salary offset.* Military, Active and Reserve, retired military, civilians and retired civilians are all subject to salary offset. When the account is 90 days past due the salary offset procedure will begin.

(1) At 90 days the cardholder will be sent a due process letter. The cardholder has 30 days to dispute the charges or settle the account. Cardholders wishing to dispute the charges should see their APC for the proper forms.

(2) At 120 days, the cardholder's information will be sent to DFAS. The DFAS will send the cardholder a due process letter. The cardholder has 30 days to dispute the charges or settle the bill.

(3) If the cardholder has not disputed the charges or settled the account the past due amount will be deducted at the rate of 15% of the disposable income. There will also be a salary offset fee charged. The collection will continue until the account is paid in full.

CHAPTER 3

Agency Program Coordinator (APC) Requirements

3-1. The APC program management information

a. *General.* Complete and accurate files are critical to the success of the Card. The APC Card correspondence files will contain background information, travel card company management information reports, component headquarters requirements, and all information received from the contractor. Correspondence files will be maintained in a locked file cabinet for 12 consecutive months and destroyed in accordance with Army Regulation (AR) 25-400-2, The Army Records Information Management System (ARIMS), file number 37a, Individual Travel Charge Card Program Administration.

b. *Program hierarchy.* The hierarchy is the linkage of individual Card accounts to the organization responsible for issuing the Card and DOD Component management information.

c. *In and out-processing.* Revise local in-and-out-processing procedures and forms to require that civilian and military personnel process with the unit APC.

3-2. Processing applications

a. *General procedure.* Application forms are available via the card contractors Internet based electronic travel card management system. Applications contain the following data: applicant's name, social security number (SSN), current address, work and home phone numbers, the applicants authorization for a contractor to perform a credit check, the applicant's signature, and approval by a supervisor or commander. The APC will provide application packages to prospective travel cardholders. At a minimum, the Card application package will contain the travel card contractor's Card application, and the SOU (USAR Form 89-1-R for military personnel or USAR Form 89-2-R for civilians). The applicant will initial each of the six items (in the middle of the statement) that he or she is specifically ordered or directed to do. Statements for military personnel will include the name of the applicant's superior commissioned officer where indicated.

b. *New applications.* The APC will **NOT** forward applications to the contractor until they have received a properly completed SOU from the applicant. Before the APC sends the application to the Card contractor, the APC can go to the EAGLS help site to check if the applicant currently has a Card. This should be completed **BEFORE** the application is sent to the contractor. At the EAGLS help site -

- (1) Log on to EAGLS.
- (2) Click help.
- (3) Click AOPC Apps Status.
- (4) Enter SSN.
- (5) Click submit request.

If the system indicates the applicant currently has a card, the APC should call the contractor to have the card activated, moved to the correct hierarchy and to send a new card if needed. The cardholder will need to provide the contractor with a new mailing address if necessary.

c. *Cardholder agreement.* A degree of training is accomplished through the application process. The cardholder agreement describes the terms and limits of the contract, what charges are authorized, and the penalties for non-payment. The applicant should read and sign the cardholder agreement, which then becomes part of the cardholders file.

d. *Existing cardholders.* The Army Reserve requires current cardholders to complete an SOU within 60 days of in-processing. The APCs will initiate action to terminate Cards of cardholders who fail to comply.

3-3. Reports

Reports are considered the primary program tools and will be available via the contractor's Internet-based electronic travel card management system. Due to the sensitive nature of all travel card reports, safeguard this information. All reports will be run at least monthly.

- a. *Cardholder account listing.* This report identifies cardholders' names, addresses, telephone numbers, SSNs, and account numbers assigned under the APC organization.
- b. *Transaction activity report.* This report identifies travel cardholder activity and ATM usage during the recent billing cycle. **On a monthly basis**, APCs must review the transactions for at least 10% of their cardholders' accounts with activity, (i.e., charges or payments). The APC will report any questionable transactions to the cardholder's supervisor for appropriate action. Monthly, the APM will forward a file of suspect transactions from Visa data mining reports to the MACOM APCs. Data mining pulls in charges made against blocked Merchant Codes. The file should be sent to the appropriate APC to determine the validity of the charge, and if not valid, report the action taken by commander/supervisor. The reply will be sent to the Card Program Manager no later than 14 days after receipt.
- c. *Delinquency report.* This report identifies delinquent cardholders and ages delinquencies by the time frame.
- d. *Pre-suspension/pre-cancellation report.* This report lists accounts eligible for suspension or cancellation and identifies account names, account numbers, status, balances past due, and the number of days that each account is past due.
- e. *Suspension/cancellation report.* This report lists accounts that have been suspended or canceled and identifies account names, account numbers, status (suspended or canceled), date of status, balances past due, and the number of days that each account is past due.
- f. *Renewal report.* This report identifies those cardholders whose Cards are coming due for renewal. The APCs will review the information on this report monthly and take appropriate action.
- g. *Nonsufficient Funds (NSF) check report.* The APCs will run the "Returned Check Report" once a month and report incidents of NSF checks to supervisors for necessary action.

3-4. Misuse

There is a high correlation between Card misuse and subsequent delinquency. The APCs can minimize delinquency by looking for instances of Card misuse. All APCs should be using EAGLS to print the Transaction Activity Report. This report will show where the cardholder has used the Card to immediately identify unauthorized use and take appropriate corrective action. The APCs will determine a method to identify misuse that works best for their unit. Methods could include scanning, reviewing a random sample of travel charges, or reconciling travel charge indicators (retail charges, location of the retail charges, the merchant type).

3-5. Transferring accounts

- a. *General.* The losing organization's APC will instruct departing cardholders to in-process with the APC at the new organization (RCS exempt, AR 335-15, Management Information Control System, para 5-2c(2)). The APC at the gaining organization will inform the contractor of the reassignment. All commands will ensure that newly assigned personnel are screened to determine if they have a Card. The APC can accomplish this task by using the contractor on-line service, or by calling GCSU at 1-888-317-2077. The gaining APC will verify that new cardholders are listed under their hierarchy level and are, in fact, assigned to their unit. The gaining unit APC will require the cardholder to complete a new SOU within 60 days. If the cardholder fails to complete a new SOU within 60 days, the gaining unit APC will initiate action with the contractor to terminate the Card. The APC should use EAGLS to transfer cardholders, but may call GCSU to transfer the cardholder.
- b. *Reassignments within the Army Reserve.* Losing unit APCs will use the contractors on line system, EAGLS, to transfer cardholders. They may also use the form found on the GCSU help site. The losing unit APC will keep the cardholder account on his or her basic control account for 14 days after the report date to the new unit. If the account is not transferred by the gaining APC within 14 days, the losing unit APC can request suspension of the Card. Losing APC will contact the ARPM for assistance to resolve problems in obtaining information on the transfer. The gaining APC should print a current Transaction report on the cardholder.
- c. *Reassignments outside the Army Reserve.* The losing APC will use EAGLS or call GCSU to transfer cardholders. The losing APC will keep the cardholder's account on his or her basic control account for 14 days. If the cardholder's account is not transferred within 14 days, the ARPM will request suspension of the Card.

d. *Separations.* The APC will notify the contractor of cardholders who leave the Army Reserve through reassignment, discharge, retirement, resignation, or death, by using EAGLS or calling GCSU. Cardholders who PCS within the DOD will notify the gaining APC when in- processing. Failure to notify the new APC could result in the Card being suspended. The Cards of those that leave the DOD will be cancelled. Cancelled Cards will remain on the command's hierarchy until the contractor runs a purge.

e. *Separated accounts.* The APC is required to transfer all closed accounts for cardholders who are either separated, terminated, retired or deceased and have a remaining delinquent card balance to Deputy Assistant Secretary of Army, Financial Operations, hierarchy level 3049935. Charged off accounts cannot be moved.

CHAPTER 4

Disciplinary and Adverse Actions

4-1. Military personnel

a. Guidelines for both military and civilians are available at <http://www.asafm.army.mil/fo/fod/tc/pg/pg.asp>. Commanders should take appropriate disciplinary action against soldiers who misuse their Card. Such action may include, but is not limited to-

- (1) Counseling
- (2) Memorandum of reprimand
- (3) Bar to reenlistment
- (4) Administrative separation
- (5) Administrative separation from the Army Reserve
- (6) Non-judicial punishment under article 15 of Uniform Code of Military Justice (UCMJ)
- (7) Court-martial.

b. Commanders and supervisors will consult their local Staff Judge Advocate before initiating any disciplinary action related to use of the Card.

c. Violation of this regulation is punishable under Article 92 of the UCMJ.

4-2. Civilian personnel

Supervisors will consult with their servicing civilian personnel office before initiating disciplinary or adverse action related to use of the Card.

4-3. Security clearance

Supervisors should take appropriate action with respect to security clearances for cardholders who misuse their cards or are delinquent. The APCs are required to notify supervisors of delinquency and apparent card misuse. 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 security clearance is warranted.

APPENDIX A

References

Section I

Required publications

AR 25-400-2

Army Records Information Management System (ARIMS)

Section II

Related publications

DOD 7000.14R

Financial Management Regulation, Volume 9 (Travel Policy and Procedures).

Defense Finance and Accounting Service (DFAS) - Indianapolis Center Regulation 37-1

Finance and Accounting Policy Implementation

HQDA Letter 37-97-1

Government Travel Charge Card Program

Department of Army Final Guidance on Implementation of the Travel and Transportation Reform Act Memo

AR 335-15

Management Information Control System

Section III

Prescribed Forms (USAR/USARC forms are available for download from the USAR Intranet website at <https://usarcintra> [click on the "Command Pubs and Forms" link and go to the USAR Forms Index web page] and also at the AKO website at <https://www.us.army.mil/suite/login/welcome.html>).

USAR Form 89-1-R

Government Travel - Military Personnel Statement of Understanding

USAR Form 89-2-R

Government Travel - Civilian Personnel Statement of Understanding

Section IV

Referenced Forms

DA Form 11-2-R

Management Control Evaluation Certification Statement

SF 1199A

Direct Deposit Sign-Up Form

APPENDIX B
Sample Delinquency Memorandums

MEMORANDUM FOR (NAME OF IMMEDIATE SUPERVISOR)

SUBJECT: Delinquent Government Travel Card Payment Notification – 60 Days

1. I have been informed by the GSA Government Travel Card contractor that (cardholder's name) is over 60 days delinquent in payment of his/her account. The total amount due is \$_____.

2. (*Provide the specific information regarding the delinquent charges.*)

3. The Government Travel Card contract requires that all outstanding charges be paid upon receipt of the monthly billing statement. Travel card privileges for this cardholder will be suspended per our contractual agreement as of (date), unless immediate action is taken to resolve this debt. You will notify the cardholder of this action and counsel the cardholder concerning the use of the Government Travel Card. Cardholders on long-term TDY are subject to the same policy and are required to submit partial vouchers for payment every 30 days and maintain their travel card account in a current status. Split disbursement is highly recommended.

4. Noncompliance, or failure to adhere to the guidelines for the Government Travel Card, can result in disciplinary action in accordance with applicable statutory and regulatory provisions and any applicable negotiated agreement.

5. The delinquent balance may be resolved by one of the following actions: (a) payment in full; (b) a reasonable explanation documented and submitted to the undersigned and the contractor; or (c) an agreed upon repayment schedule with the GSA contractor. Billing questions may be directed to the card contractor. Program management questions may be directed to the undersigned at _____.

6. Please have the cardholder sign to acknowledge receipt of this delinquent notification and return it to me with your written response outlining the actions taken within 5 days.

Cc: Cardholder (Signature)
Agency Program Coordinator

Cardholder acknowledgement of memorandum receipt

Name, Grade, Organization

Date

Figure B-1. Sample 60-day delinquency memorandum

MEMORANDUM THRU DIVISION CHIEF/COMMANDER

FOR IMMEDIATE SUPERVISOR

SUBJECT: Delinquent Government Travel Card Payment Notification – 90 Days

1. The 90-day delinquent notification list from the Government Travel Card contractor has been received and (cardholder's name) is now 90 days delinquent in the payment of his or her account. Total amount due is \$_____. The enclosed 55-day notification memorandum informed you that payment on the cardholder's Government Travel Card account was delinquent.

2. *(Provide specific information regarding the delinquent charges.)*

3. The Government Travel Card contract requires all outstanding charges be paid upon receipt of the monthly billing statement. If no action is taken toward this debt, the Program Coordinator or the contractor can cancel the account. Meanwhile charge card privileges have been suspended. These privileges may be restored upon complete liquidation of the debt. The cardholder must be notified and counseled. Cardholders on long-term travel are also subject to the same policy and are required to submit partial vouchers for payment every 30 days and maintain their charge card account in a current status. Split disbursement is mandatory. If the account is not paid in full it may go to salary offset.

4. Noncompliance, or failure to adhere to the guidelines for the Government Travel Card, can result in disciplinary action in accordance with applicable statutory and regulatory provisions and any applicable negotiated agreement.

5. The delinquent balance may be resolved by— (a) payment in full; (b) a reasonable explanation documented and submitted to the undersigned and the contractor; or (c) an agreed upon repayment schedule with the GSA contractor. Billing questions may be directed to the card contractor. Program management questions may be directed to the undersigned at _____.

6. Please have the cardholder sign to acknowledge receipt of this delinquent notification and return it with your written response outlining the actions taken within 5 days.

cc:

(Signature)
Agency Program Coordinator

Cardholder acknowledgement of memorandum receipt

Name, Grade, Organization

Date

Figure B-2. Sample 90-day delinquency memorandum

APPENDIX C

Travel Charge Card Program Management Control Evaluation Checklist

See the Management Control Evaluation Checklist – Travel Charge Card Program (as of 20 July 2004) at the ASAFM Travel Card Program website at <http://www.asafm.army.mil/fo/fod/tc/pg/pg.asp>. At "Program Guidance," select the second bullet: "Management Control Evaluation Checklist -- Travel Charge Card Program" (in pdf).

APPENDIX D

Delinquency Management

The GSA master contract specifies time frames when the contractor must notify the APC of impending suspension or cancellation of delinquent cardholder accounts.

D-1. Mission-critical travel

When mission-related circumstances prevent the filing of interim vouchers, the APC is authorized to notify the card contractor to advise of mission-critical status and ensure that cardholders will not be identified as delinquent. Mission-critical travel is defined as travel performed by Army Reserve personnel under competent orders and performing duties that, through no fault of their own, may prohibit the prompt payment of their outstanding travel charge card bills. The organizational APC or CPM determines this category. While in this category, individual travel charge cards will not be suspended or canceled. Should there be outstanding bills, they will be settled within 45 days of removal from this status.

D-2. Long-term travel

While in a long-term travel status, the traveler will file interim vouchers every 30 days, with split disbursement as the preferred means of settlement. Organizations should assist travelers by providing blank vouchers prior to departure and upon arrival at the TDY location.

D-3. Pre-suspension notification for accounts 55 days past due

The APCs will process the pre-suspension and delinquency reports on a monthly basis. The APC will notify the cardholder and the cardholder's supervisor, by e-mail where possible, that the account will be suspended in 5 days if the contractor does not receive full payment of all undisputed amounts. The APC will request that the supervisor notify the APC, within 5 days, of any reason that the account should not be suspended (i.e., mission-critical travel or long-term TDY). If the APC is given sufficient information by the cardholder's supervisor to justify keeping the account active, the APC will immediately advise the GCSU that the account should remain active. The APC should keep a record of the supervisor's notification and related correspondence. The contractor will suspend Cards that are past due at 61 days. (A sample notification memorandum is at figure B-1.)

D-4. Suspension of accounts 90 days past due

At 90 days past due, the APC will notify the cardholder's supervisor and the next command level, via e-mail when possible, using the memorandum format at figure B-2, that the cardholder's account has been suspended for non-payment. Charge card privileges, which include ATM, access and all charge capability, will be blocked for this cardholder until the contractor has received payment in full. If no action is taken toward this debt, the account will be canceled. At the time the bank will send the cardholder a notice of due process and advise the cardholder the account is subject to salary offset if not paid in full. The APC will keep a record of each notification.

D-5. Cancellation of accounts 120 days past due

At 120 days past due, the contractor will provide the APC with a cancellation notice. The APC will notify the cardholder, and the cardholder's chain of command, by e-mail if possible, that the cardholder's account will be canceled at 126 days past due if the contractor does not receive full payment of the undisputed amounts. The APC will keep a record of each notification. If no action is taken toward this debt, collection action will be taken by the travel card contractor beginning on the 126th day past due. At that time, the bank will send the account information to DFAS to begin the Salary Offset process. Once an account is canceled, reinstatement may be made only when: (1) the account is paid in full; and (2) the commander or director sends written correspondence

to the card contractor requesting reinstatement. The contractor reserves the right to deny the reinstatement request.

D-6. Cancellation of accounts suspended two times

Cancellation of an account will also occur if the account has been suspended two times during a 12-month period for non-payment of undisputed principal amounts and again becomes past due. Accounts that have been suspended twice during a 12-month period will be considered, for cancellation purposes, past due for the third time at 45 days from the closing date on the statement of the account in which the charge appeared.

GLOSSARY

APC

Agency Program Coordinator

APM

Army Program Manager

AR

Army Reserve

ARPM

Army Reserve Program Manager

ASA FM&C

Assistant Secretary of the Army Financial Management and Comptroller

ATM

Automated Teller Machine

CPM

Component Program Manager

DFAS

Defense Finance and Accounting Service

DOD

Department of Defense

DNO

Defense Network Operations

EAGLS

Electronic Accounting Government Ledger System

EFT

Electronic Fund Transfer

GCSU

Government Card Services Unit

GSA

General Service Administration

HL

Hierarchy Level

HQDA

Headquarters, Department of the Army

IDT

inactive duty training

MSC

Major Subordinate Command

NAFI

Non-Appropriated Funds Individual

RRC

Regional Readiness Command

SOU

Statement of Understanding

TDY

Temporary Duty

UCMJ

Uniform Code of Military Justice

USAR

US Army Reserve

USARC

US Army Reserve Command