MEMORANDUM

To: Agency Fiscal Officers

From: David A. Von Moll
State Comptroller

Ron Bell, Director
Division of Purchases and Supply
Department of General Services

Date: June 23, 2004

Subj: American Express Travel Charge Card Program

A recent Auditor of Public Accounts review of the Commonwealth's Travel Charge Card Program has identified significant need for improvement. In response to this review, CAPP Topic 20336, Agency Travel Processing, is being revised and actions are being implemented which will address various areas requiring improved oversight. Several issues are impacting the stability of the program and our ability to procure travel charge card services in the future or, at a minimum, procure such services at reasonable costs. These areas include:

- Instances of travel card activity not related to official state travel.
- Weaknesses in agency program monitoring and training.
- Inactivity during the past twelve months of over 2,800 or thirty-three percent of approximately 8,500 cards issued through the Commonwealth. The cards indirectly cost the Commonwealth $8,200 monthly.
- Poor charge-off and delinquency performance negatively affecting the Commonwealth's ability to renew the current contract.

The following actions are necessary to improve program oversight:

Appoint an Agency Travel Charge Card Coordinator (TCCC)

Per CAPP Topic 20336, Agency Travel Processing, each agency is required to appoint a primary TCCC. Additionally, the upcoming, revised CAPP topic requires agencies to appoint a backup TCCC. Enclosed is a copy of the Travel Charge Card Delegation of Authority Form. This form must be completed for both the primary and backup TCCC. The backup TCCC should be designated as such on the form (i.e., John Smith, Backup). The Delegation of Authority form includes an identification of the "Duties and Responsibilities" of the TCCC including a listing of tasks which can be performed using Amex@Work**. These forms must be completed and returned by July 15, 2004.** Any agency not complying with this requirement will be identified in the Quarterly Report on Statewide Financial Management and Compliance and may lose eligibility to participate in the program – **without** alternative cash advance privileges. Agencies will be required to verify and modify, if necessary, the information on these forms annually.

Require Online Training for TCCC and Cardholders

The Department of Accounts and the Division of Purchases and Supply are currently developing online training courses for TCCC's and cardholders. These courses will outline the duties and responsibilities of the TCCC or cardholder and demonstrate available tools in completing their tasks. These courses will be in the form of PowerPoint presentations and will be available on DOA's website in the same location as the current SPCC (Small Purchase Charge Card) Administrator training. You will be notified when these are completed. **All TCCC's and cardholders will be required to review their relevant training courses annually. Noncompliance may result in the TCCC or cardholder losing all travel charge card privileges.**

Obtain Access to Amex@Work

Each TCCC will be required to obtain access to Amex@Work for the purpose of performing their duties. Through this tool, AMEX provides monthly on-line reports on delinquent accounts and unauthorized transactions, as well as a biannual report on inactive accounts. Access to Amex@Work allows the TCCC to proactively review cardmember charge activity, identify inappropriate charges, and cancel inactive cards. **Delinquent and inactive accounts result in higher costs to the contractor and ultimately threaten the viability of the Commonwealth's travel charge card program.**

Review and Validate Inactive Cards

Enclosed is a list of inactive cards for your agency. The TCCC must review and validate this list of inactive cards, identifying those cards that should be cancelled and providing a justification for any cards on this list that should be maintained. **The altered list must be returned by July 15th to Francine Barnes, Division of Purchases and Supply. fbarnes@dgs.state.va.us or a copy may be faxed to (804) 786-5413.**

It is the responsibility of each TCCC to ensure that travel charge card policies are enforced. Employees should be reminded that AMEX travel cards are to be used for state authorized travel purposes only, not personal business. Employees who make personal purchases, and/or do not pay balances timely, should have their cards cancelled and cash advance privileges denied.

Thank you for your attention to this matter. If you have any questions, please contact Francine Barnes, Division of Purchases and Supply, at (804) 786-0078, e-mail fbarnes@dgs.state.va.us or Allison Patrick, State Payroll Operations Assistant Manager, at (804) 371-7800, email allison.patrick@doa.virginia.gov.

TRAVEL CHARGE CARD
DELEGATION OF AUTHORITY
COMMONWEALTH OF VIRGINIA

Travel Charge Card BCA Account # 378 _ - _ _ _ _ _ _ _ - _ _ _ _ _

Note: A separate form must be submitted for each new or replacement Travel Charge Card Coordinator.

I, _____, an Authorizing Officer of _____(the Agency) hereby authorize the following employee to act on behalf of the Agency in authorizing the applications of government employees for an American Express® Travel Charge Card.

AUTHORIZED TRAVEL CHARGE CARD COORDINATOR

The individual listed below is hereby designated as an Authorizing Officer for this Agency only. It is understood by the Agency that this Delegation of Authority constitutes acceptance by the Agency of the terms and conditions of the Corporate Travel Charge Card Account Polices and Procedures for each applicant so authorized pursuant to this Agreement.

AUTHORIZING OFFICER OF AGENCY

Authorizing Officer (Please Print)	Title
Signature	( ) Date Telephone

The individual listed below is hereby designated as a Travel Card Coordinator for this Agency only. It is understood that this individual is responsible for the agency's program.

TRAVEL CHARGE CARD COORDINATOR

Travel Charge Card Coordinator (Please Print)	E-mail Address
Signature	( ) ( ) Telephone Fax
Office Mailing Address	Month and Date of Birth
City State Zip Code	Secret Phrase for password (will be case sensitive)

- ❑ **Please add the above individual to the Travel Charge Card Coordinator (TCCC) list for the Commonwealth of Virginia, effective _____.**

- ❑ **Please remove _____ from the TCCC list for the Commonwealth of Virginia, effective _____.**

Does previous **TCCC** have access to Amex@work that needs to be deleted?
Yes_____ No_____ Unsure_____

Did previous **TCCC** receive reports? Yes_____ No_____ Unsure_____

Fax this form to (804) 786-5413 - Attn: Francine Barnes, C.P.M., VCO
Division of Purchases and Supply
Phone: (804) 786-0078, Email: fbarnes@dgs.state.va.us

AMEX Travel Charge Card Coordinator Duties and Responsibilities

- Focal point of communication with American Express
- Utilize Amex@work to perform tasks such as:
    1. Submit and approve card applications
    2. Review cardmember charge activity
    3. Suspend, cancel, replace, and reinstate cards
    4. Update cardmembers address
    5. Change accounting and cardmember information
    6. Increase limits for cardmembers enrolled in the cash program
    7. Issue a credit balance refund
    8. Take the Program Administrator survey
    9. Initiate a status tracking search of the transactions you've submitted

- Monitor monthly management reports to ensure program compliance and ensure optimum program performance
    1. Monitor the KR-1300 delinquency report and take corrective action to prevent card suspension and losses. The KR-3000 provides the same information and can be viewed on-line but not copied into Excel.
    2. Review the KR-1205 cardmember listing to ensure all terminated employee cards are canceled.
    3. Review the Low Spend/Zero Spend reports and cancel cards that have not generated charge volume within a 12 month period. Canceling these cards will also reduce exposure to fraud.
    4. Note any negative trends in your program and take corrective action.
    5. Ensure employees submit expense reports in a timely manner to reduce client held days (the average number of days from the billing date to the date funds are received by American Express).
    6. Other reports are available. For more information contact AMEX Global Information Services at 1-800-542-0995 option 1, then option 1 again.
- Assist cardmembers with questions and concerns regarding the Commonwealth corporate travel card program.
- Work with the COV AMEX Dedicated Account Representative (DAR) on problem resolution.
- Monitor program compliance – delinquencies, credit losses, inactive accounts over 12 months, speed of pay.
- Communicate program changes and updates to the DAR.
- Maintain a database of all Commonwealth corporate cardholders.
- Sign up a merchant – send merchant information to DAR as outlined in the training guide.
- The Travel Charge Card Coordinator agrees to keep confidential all information associated with the AMEX travel charge card and prevent access of travel charge card information by any other individual.

Monthly Reports

The following reports will automatically be received by all permanent Travel Charge Card Coordinators (TCCC). Temporary TCCC should refer to the training guide for report information. The list of additional AMEX reports are available through the online training guide. The online training guide can be obtained through www.doa.state.va.us.

Kr-1300 Monthly Aging Analysis

This report examines all active and cancelled accounts (depending on report selectivity). This assists in the management of financial risk of accounts at Cardmember account level.

Kr-2000 Cardmember Activity

This detailed report displays all selected charge activity at a Cardmember level and provides details of the cardmembers transactions. This report is useful as an audit tool to monitor spending and/or policy compliance at an employee level.

Kr-2005 Cardmember Listing (Spreadsheet)

This report lists all or selected Cardmembers and their address information. This report can be used to confirm, cancelled accounts, track anniversary date for review prior to renewal, update internal records, and send maintenance changes to American Express.