



State of Arizona Accounting Manual

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INTRODUCTION

Travel for the State of Arizona is most frequently arranged and paid for using the Central Travel Account (CTA) or the Employee Travel Card (ETC), as appropriate under the circumstances. Such usage must comply in all respects with the terms and conditions of the Travel Card Program (TCP) as outlined in SAAM Sections 5051 and 5054.

This is one of two sections of SAAM dealing with ETCs. This section deals specifically with the responsibilities of the agency employing travelers to whom an ETC may be issued and those within the employing agency who are designated as Agency Travel Card Program Administrators. SAAM 5054 deals with the responsibilities of travelers to whom an ETC might be or has been issued.

Because they deal with different aspects of the same processes, there will be a certain amount of redundancy between SAAM Sections 5051 and 5054. This is both intentional and unavoidable.

It is necessary that Agency TCP Administrators read and be familiar with the provisions of both SAAM Sections 5051 and 5054.

The term "TCP Contractor" refers to the financial institution or other commercial enterprise under contract with the State to provide ETCs to State employees.

The ETC is a personal-liability, non-credit-building charge card issued to State employees to pay for expenses incurred in connection with authorized travel for the State.

Travel arrangements, such as airfare, car rental or hotel reservations, may be made with the CTA or the ETC and expenses incurred at the destination, such as auto rentals, meals and settlements of hotel bills, will be made with the ETC.

Throughout the rest of this SAAM Section, for the sake of brevity, the Agency TCP Administrator will be referred to as the "Agency TCP Administrator."

SAAM 5050 contains policies that address the use of the CTA.

POLICIES

1. All use of the ETC or CTA must comply with the policies set forth in SAAM 5051 and 5054 and any other sections of SAAM that may be relevant.

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2. The CTA or ETC—not the P-Card—is to be used for expenditures directly involved in arranging or paying for State travel.
 - 2.1. P-Cards shall not be used for State travel expenses. P-Cards are, however, the preferred way to pay for expenses that—while not actually travel, transportation, lodging or meals—frequently involve travel or are incurred while traveling, such as conference fees.
 - 2.2. Each agency must determine whether employees may use the ETC for airfare under certain circumstances (such as changes of flight plans in the midst of a trip), and this determination must be reflected in writing in the agency's internal policies and procedures regarding the use of the ETC. Generally, agencies may acquire and use a CTA to book common carrier transportation such as airfares.
 - 2.3. Agencies that elect not to allow airfare purchases using the ETC must obtain at least one (1) CTA for airfare purchases.
 - 2.3.1. Some of the factors that should be considered when determining whether to allow use of the ETC for airfare include: the agency's travel expectations; the size, complexity and structure of the agency; agency internal controls; the agency's internal policies and procedures; agency staffing levels; and matters related to appropriation and budget restrictions.
 - 2.4. In order to properly control the expending of State funds and to monitor appropriation activity, the CTA should be utilized by all medium and large agencies, especially those agencies that do a great deal of air travel in any given fiscal year. Small agencies are encouraged to acquire and use the CTA to arrange and pay for common carrier charges; this practice helps to avoid commitment and spending in excess of available appropriation amounts.
3. Either the CTA or the ETC may be used to book common carrier transportation and lodging.
4. The ETC and/or a personal payment card (i.e., credit card, charge card or debit card):
 - 4.1. May be required when renting automobiles out-of-state or from vehicle rental companies not under State contract.
 - 4.1.1. If available in a given location, rental vehicles must be rented from vehicle rental companies under State contract.
 - 4.2. Are the preferred method for the purchase of meals and incidentals while in travel status.
 - 4.3. May be required to be presented to the lodging establishment upon the traveler's arrival to cover costs the traveler may incur beyond the room charge.

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5. ETC privileges may be cancelled at any time by an Agency TCP Administrator, agency management, or the GAO, due to misuse of the card, payment delinquency, change in duties, termination of employment, or any other circumstances as determined by the agency or the GAO.
6. The cardholder, not the agency or the State, is primarily liable for any amounts due to the to the card issuer. These amounts must be paid on a timely basis and can only be used for valid public purposes related to employee travel. The State, however, is contingently liable for balances due to the card issuer. For this reason, the agency should and the State may exercise its rights to recover any amounts due to the card issuer from the cardholder. The form GAO ETC-101, which must be signed by the cardholder before an ETC is issued to him, makes the conditions of use and the State's rights clear.
7. Employees whose ETC privileges are revoked due to non-payments of charges are not eligible to receive travel advances. The State is not responsible for card reinstatement or any associated fees for ETCs that are revoked. Card reinstatement and associated fees are the sole responsibility of the cardholder.
8. Delinquency, late, or interest charges or fees incurred on the ETC are not eligible for reimbursement. Ample time is allowed to submit a complete and accurate Form GAO-503EZ (or its authorized equivalent), receive reimbursement, and make full payment before delinquency or interest charges are incurred.
9. The State is not responsible for resolving any billing disputes involving an employee's use of the ETC.
10. If authorized by the traveler's agency, an ETC may, within one (1) day of commencing the trip, be used to obtain a travel advance from an ATM for the purposes of paying for non-chargeable travel-related expenses while on official State business.
 - 10.1. ATM cash advances or withdrawals using the ETC should be limited to amounts necessary to cover expenses related to authorized State travel incurred while in travel status. Excess amounts withdrawn and not used, documented (or attested) and/or claimed will not be reimbursed and will remain the responsibility of the cardholder.
 - 10.1.1. Because there is a fee for each cash withdrawal from an ATM, the number of withdrawals should be held to a minimum. It is recommended that each withdrawal be an amount of at least sixty dollars (\$60).
 - 10.1.2. ATM cash withdrawal fees, as determined by the TCP Contractor, are reimbursable when an employee is in travel status overnight. Reimbursement of ATM cash withdrawal fees is limited to one (1) such fee every five (5) business days while in travel status. Employees may, only when using the ETC, be

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- reimbursed up to eight dollars (\$8) per withdrawal. Cash withdrawal fees using personal payment cards are not eligible for reimbursement.
11. The ETC may not be used to pay for the travel-related expenses of any person other than the traveler unless that person is also traveling on official, authorized business of the State or is in the official custody of the cardholder.
 12. Since the ETC is a personal liability card, the card must be issued and forwarded to the cardholder at the cardholder's home, not business, address.
 13. Agency responsibilities related to the ETC.
 14. Agencies should develop, maintain, and enforce adherence to written policies and procedures dealing with the use and the maintenance of the ETC card program at the agency level.
 - 14.1. Agency policies and procedures must be consistent with statewide policy and comply with other pertinent State and Federal laws, regulations, policies and procedures. (See SAAM 0025.)
 - 14.2. Agency policy and procedure statements may incorporate statewide policy, in whole or part, by reference, reproduction or otherwise. (See SAAM 0025.)
 15. Agencies are responsible for familiarizing their personnel who travel for the State or who are expected to travel for the State with all State laws, regulations, policies and procedures involving travel for the State.
 16. Each agency head is to appoint one or more agency employees as Agency TCP Administrators who assumes the title, duties and responsibilities of the position as described herein.
 - 16.1. An Agency TCP Administrator coordinates all TCP activity—i.e., both CTA and ETC activity—in and for his agency.
 - 16.2. An agency head may designate himself as an Agency TCP Administrator.
 - 16.3. The appointment of an Agency TCP Administrator must be properly documented using Form GAO-3C to be kept on file with the GAO. The agency TCP Administrator must also take the Travel Card Administrator Program (TRVCRD_ADMIN) online training available in TraCorp.
 - 16.4. Employees who are designated as Agency TCP Administrators shall not obtain an ETC or a CTA unless exceptions are granted in advance by the GAO.
 17. Issuance of ETCs must be controlled by an Agency TCP Administrator employed by the agency to whose employees ETCs are issued. This control includes, but is not be limited to:

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- 17.1. Following the review procedures set forth in the Quick Reference Guide (QRG) titled *Employee Travel Card Review*, which may be found online at <https://gao.az.gov/training/afis-training-resources>.
- 17.2. Establishing overall spending limits and, if applicable, monthly spending limits, as well as ATM withdrawal limits.
- 17.2.1. These limits must be established by the agency head or his delegate, who may be an Agency TCP Administrator.
- 17.2.2. The overall limit, which is required for each card, is the total amount of credit available to the traveler on the ETC; the monthly limit, which is optional, is the amount of credit available to a traveler in any calendar month. The overall spending limit must be greater than or equal to the monthly spending limit.
- 17.2.3. These limits may vary according to the needs of an individual traveler.
- 17.2.4. Due care must be taken to establish spending limits that reasonably accommodate the needs of the individual traveler while not being excessive. Excessive limits result in greater potential risk to the State; insufficient limits may lead to difficulties when a traveler is attempting to conduct State business.
- 17.2.5. While agencies—or the GAO with the approval of the Agency TCP Administrator—may from time-to-time adjust the spending limits as required, appropriate planning can reduce the administrative costs of card maintenance. Consideration should be given to both the immediate and likely future needs of a traveler. Attention should also be paid to a cardholder's prior use of the card and his compliance with State and agency policies as they relate to travel.
- 17.2.5.1. A five hundred dollar- (\$500) overall spending limit should normally suffice for those whose travel is limited to local travel without overnight stays.
- 17.2.5.2. A three-thousand dollar- (\$3,000) overall spending limit should be sufficient to accommodate most travelers who are likely to travel overnight and out of State.
- 17.2.5.3. The overall spending limit for an individual ETC shall not exceed five thousand dollars (\$5000) except with the prior written approval of the GAO.
- 17.2.6. Any delegation of this authority must be documented in writing and retained for audit.
- 17.3. The distribution of ETC applications (which may be accomplished in paper format or electronically) and the submission of authorized applications to the GAO are the responsibility of the Agency TCP Administrator or other designee.

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17.4. Each agency must add to their separation or transfer checklists an item that determines, by consulting with the Agency TCP Administrator, whether the employee has a travel account.

17.4.1. If it is determined that the employee does not have an ETC, this is to be noted on the separation or transfer checklist.

17.4.2. If it is determined that the employee does have an ETC, this should be referred to the Agency TCP Administrator to properly effect cancelation of the ETC.

18. Agency TCP Administrator responsibilities related to the ETC.

18.1. The Agency TCP Administrator is responsible for ensuring that all employees who apply for an ETC have completed and signed an official Form GAO-ETC-101 before an application is entered into the PCP Website.

18.1.1. If so enabled by the GAO, the Agency TCP Administrator may enter an employee's application into the Payment Card Program (PCP) Website at www.access.usbank.com. Otherwise, the GAO will complete the online application using the copy of the GAO-ETC-101 that it received from the agency.

18.1.2. Completing the GAO-ETC-101 requires that:

18.1.2.1. The applicant's name has been entered into the top line of the Cardholder Agreement.

18.1.2.2. A response has been made to the request for authorization to allow the employee's agency to release certain personally identifiable information to the TCP Contractor. If the response to this request is "do NOT authorize," the employee cannot be issued an ETC.

18.1.2.3. All Applicant Information and Billing Home Address fields contain the required information.

18.1.2.4. The Employee Signature, Name, and Date fields have been completed.

18.1.2.5. The appropriate fields in the Agency Authorization-Card Limits and Signatures portion of the form have been filled in. The signature of at least one (1) approving official is required.

18.2. Fully executed, official Forms GAO-ETC-101 must be scanned and emailed to the GAO at afis.operations@azdoa.gov not later than three (3) business days from the date of entry into the PCP Website.

18.3. Each originally signed, official Form GAO-ETC-101 must be kept on file with the agency and available for audit. Applications shall be held in accordance with record

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retention policies and, for the life the card is to remain active and a zero balance is obtained at end.

19. The Form GAO-ETC-101 may be periodically updated by the GAO.
20. If an agency requires or desires information beyond that contained in the GAO-ETC-101, it may create a draft of the agency-specific form and email it to gaopolicy@azdoa.gov for approval. An agency-specific form must be approved by the GAO prior to its distribution or use. If an agency requires additional information to meet its specific needs, this may be accomplished by creating an agency-specific form or addendum to the official Form GAO-ETC-101. Changes or additions must be approved by the GAO Policy prior to use.
21. The Agency TCP Administrator must, using the PCP Website, review the ETC—charges and payments—of all agency cardholders not later than the twenty-fifth (25th) calendar day of each month. The timing of this review is important; it enables the discovery and reporting of disputed charges to the card issue within the required time frame.
 - 21.1. The Agency TCP Administrator should immediately report any irregularities—such as unauthorized charges, late payments, attempted or actual spending above established limits, charges made while employee was not on travel status, etc.—in the use of the ETC to the cardholder’s superiors.
 - 21.2. In the event of severe or continued irregularities, the agency should cancel the employee’s ETC and evaluate appropriate disciplinary actions up to and including termination.
22. The Agency TCP Administrator should, to the extent practicable, advise agency travelers to whom an ETC has been or will be issued an ETC that they should familiarize themselves with the provisions of SAAM Section 5054.
23. ATM use.
 - 23.1. Each agency must determine whether employees may use the ETC for ATM cash withdrawals, and this determination must be reflected in writing in the agency’s internal policies and procedures governing use of the ETC.
 - 23.1.1. Agencies should restrict the ability to withdraw cash from an ATM to those employees who travel to remote locations at which some or all travel expenses cannot be made using the CTA or the ETC. Withdrawal limits should be kept at as low as possible and strictly managed by the agency. ATM withdrawal limits shall not exceed three hundred dollars (\$300) per week, unless written authorization from the GAO is received in advance.
 - 23.1.2. Agencies may choose to restrict ATM cash withdrawals to certain divisions, sections, or on a case-by-case basis within the agency.

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23.1.3. The Agency TCP Administrator may indicate at the time the ETC application is submitted whether ATM cash withdrawals are to be permitted and, if so, the withdrawal limits that are to be applied.

24. Issuance or denial of an ETC; travel advances.

24.1. Each agency must maintain records of employees who have applied for, received and/or been denied an ETC.

24.2. An employee shall generally not be qualified to receive a travel advance:

24.2.1. If he has not applied for an ETC.

24.2.2. If he has failed to authorize the release of his SSN or other information as required by OFAC,

24.2.3. If his ETC has previously been revoked.

24.2.4. If he has applied for and been denied an ETC.

24.2.5. If he has been issued an ETC.

24.2.6. If he has been approved for an ETC that is still in transit.

24.2.6.1. The Agency TCP Administrator should, for an ETC that has been approved but not yet forwarded to the employee by the TCP Contractor, enquire as to whether the ETC may be dispatched, without additional cost, by overnight courier to the employee or some alternative delivery address, such as to the employee in the care of the hotel to which the employee is traveling. If this can be accomplished, it may be in the best interest of the State and the traveler to do so.

24.3. It should be noted that an employee having been denied an ETC differs from an employee's ETC having been revoked due to non-payment by the cardholder. An agency shall not issue a travel advance to an employee who has had his ETC revoked.

25. Cancellation of the ETC.

25.1. Cancellation of an employee's ETC must, to the extent practicable, occur on or before the employee's separation from State service.

25.2. Upon the sooner of an employee's separation from State service or the agency's receiving notice of the employee's intent to separate, the Agency TCP Administrator must be notified.

25.3. The Agency TCP Administrator will:

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25.3.1. Perform, as applicable, one of the following:

25.3.1.1. **Either**, if possessing the access to do so, immediately inactivate the employee's ETC on the TCP Contractor's website, at www.access.usbank.com, by changing the status to "Terminated" and entering in the Account Owner's Information text box the date and reason for closure (e.g., transfer, retirement, other separation from agency (do not enter "fired" or "terminated" or similar negative comments) etc.).

25.3.1.2. **Or**, if not possessing the access to inactivate the employee's ETC himself, immediately notify the GAO's Statewide TCP Administrator in writing at afis.operations@azdoa.gov to effect the inactivation of the employee's ETC.

25.3.1.3. It will be required in both cases to provide the cardholder's name and the last four (4) digits of the cardholder's ETC account number.

25.3.2. Determine the balance due on the ETC, if any. The Agency TCP Administrator will, if possible, ascertain from the employee when and how the outstanding ETC account balance will be paid.

25.3.2.1. It should be suggested to the employee that the balance, for the sake of convenience, be liquidated through a deduction from his final payroll due from the State. The employee is to be reminded that he has signed an agreement permitting this.

25.3.2.1.1. When an amount is deducted from an employee's payroll to pay an outstanding ETC balance, the amount deducted is to be remitted to the TCP Contractor to pay off the ETC balance on the employee's behalf.

25.3.2.1.2. Such deductions should be coordinated with the GAO's Statewide TCP Administrator who may be contacted at afis.operations@azdoa.gov.

25.3.2.2. If net compensation due to the employee at the time of departure from the State is insufficient to fully liquidate the ETC balance, then it should be determined between the employee and the agency how the balance will be paid. The employee is to be reminded that the balance due on the ETC may be referred to the Office of the Attorney General for collection and that, under such circumstances, the employee will become responsible not only for the balance and any accrued delinquency, late or interest charges, but also any court and collection costs.

25.3.3. Immediately notify the GAO if the employee leaving the agency has an unpaid balance on the ETC and how and when the employee intends to liquidate the balance.

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25.3.4. Notify a terminated employee that his ETC has been cancelled. This notification must be in writing, using an agency and employee specific, fully executed, Form GAO-TC-CN, Account Cancellation Notification Letter, found on the GAO Website at <https://gao.az.gov/publications/forms>. (The GAO-TC-CN published on the GAO Website is a template that an agency is to use when creating Account Cancellation Notification Letters using its agency's letterhead.) The Account Cancellation Notification Letter is to be delivered to the employee:

25.3.4.1. If practicable, in person, at or before the time of termination; or

25.3.4.2. Within two (2) business days of the card's cancellation, by mail or electronic communications.

25.3.5. If a terminated employee fails to make payment on an outstanding balance owed on an ETC that consists of any unauthorized purchases or purchases previously reimbursed by the State, the agency must submit:

25.3.5.1. A Liability Waiver Form to the TCP Contractor; this form is provided to the agency by the TCP Contractor.

25.3.5.2. A copy of the Account Cancellation Notification Letter, Form GAO-TC-CN, found on the GAO Website at <https://gao.az.gov/publications/forms>.

25.3.5.3. A copy of the Account Cancellation Notification Letter is to be retained in the agency's files.

25.4. While it is realized that there are situations in which an employee who is transferring to another State agency may require an ETC at the gaining agency, it has been determined that, for both administrative and internal control purposes, the card must be cancelled by the losing agency and reissued by the gaining agency.

26. Upon a cardholder's resignation, retirement or termination from State service the cardholder's ETC must immediately be deactivated to prevent further use.

26.1. If an employee leaves State service and his ETC has neither been canceled nor the GAO notified in writing of the employee's leaving within three (3) business days of his departure:

26.1.1. The agency head may become personally liable for any charges incurred on the departed employee's ETC that were incurred after the employee's separation date until the date and time the TCP Contractor is notified to cancel the employee's ETC.

26.1.2. The foregoing potential for an agency head's liability suggests that a backup to the Agency TCP Administrator be appointed, whose sole responsibility might be, should the Agency TCP Administrator be unavailable, to contact the GAO to effect the timely cancellation of a departing employee's ETC.

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27. The Agency TCP Administrator should also deactivate an employee's ETC when:

27.1. The cardholder has filed for bankruptcy protection.

27.1.1. The Agency TCP Administrator must immediately deactivate the cardholder's ETC account and discontinue any agency collection activities with respect to this account.

27.1.2. The bankruptcy must immediately be communicated to the State TCP Administrator so that State collection activities are suspended.

27.2. There has been no ETC account activity for thirteen (13) consecutive calendar months.