

# GAO Topic of the Month – March 2024

## Central Travel Accounts – General Use



### Background

Travel for the State of Arizona is generally arranged and paid for using the Central Travel Account (CTA) or the Employee Travel Card (ETC). The CTA, also known as the “Ghost Card,” is an account represented by an account number that agencies can utilize for expenditures directly involved in arranging or paying for State travel. Physical cards are not permitted with the use of a CTA. The card information is sent to the authorized individual by letter only.

General travel arrangements such as airfare and hotel are to be made using the CTA. Other travel expenditures incurred at the destination, such as auto rentals, meals, and the settlement of hotel bills, are to be made using the ETC.

### Should my Agency utilize a CTA?

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, and especially those agencies that do a great deal of air travel in any given fiscal year. In addition, any agency that elects not to allow airfare purchases using the ETC must obtain at least one (1) CTA for airfare purchases. With the exception of paying for conference registration fees, P-Cards shall not be used for any State travel expenses (see SAAM 5050 for additional guidance regarding conference registration/event fees).

### Agency-Specific Policies and Procedures

Per SAAM 5050-4, all agencies utilizing a CTA should maintain agency-specific written policies and procedures dealing with the use of the CTA.

### Preferred Use

The CTA is a State-liability charge account available to all State agencies and is the preferred method for both the reservation and purchase of:

- 1) Airfare and other common carrier charges; and
- 2) Lodging and Car Rental

While a CTA can be used to make lodging reservations, per SAAM-5050-10, “Although permitted, use of the CTA to pay for lodging should be limited to payment on behalf of those employees who cannot obtain an ETC.” When a CTA card is used, in most cases, it will only be practical to use the CTA for the reservation of lodging and car rental, but not the actual payment. The majority of lodging establishments and car rental companies require a physical payment card to be presented upon check-in.

# GAO Topic of the Month – March 2024

## Central Travel Accounts – General Use

The CTA may be used only in connection with activities related to travel on official state business. One example of preferred use versus allowable use is conference and training registration fees. These types of charges are permitted on a CTA only when it is not possible to use a State issued P-card.

### Unallowable Uses

The CTA shall not be used for any purchases not related to official State of Arizona travel. GAO has recently observed some unallowable uses of the CTA. Examples include but are not limited to:

- 1) Membership Organizations (MCC 8699) – Membership organization charges are not to be paid using a CTA. In most cases, a State issued P-card would be an appropriate form of payment for these types of charges.
- 2) Food – (MCC 5812 and 5814) – Although related to travel, food charges are not to be paid with the CTA. See SAAM 5050-11 and other relevant SAAMs for additional information.
- 3) Gift Cards – There are few circumstances when public monies can be used to purchase gift cards, and none of these circumstances involves the use of a CTA. See SAAM 8005, *The Purchase and Distribution of Gift Cards*.
- 4) Office Supplies – Office supplies, including computer software, are not to be purchased using a CTA.
- 5) Professional Services, Schools/Education, Vocational Schools – These types of charges are not permitted on the CTA.
- 6) Non-travel Expenses – Non-travel related expenses are not permitted on the CTA.

Misuse of the CTA for personal gain by an individual can result in the revocation of the individual's card, recovery of misspent funds from the individual, as well as appropriate disciplinary and legal action.

### Documentation

The CTA Cardholder shall maintain all itemized receipts which shall be reconciled and maintained with the statement of activity for all transactions and be available for audit or review. Confirmations are not receipts. An itemized receipt shows itemized charges, taxes and fees, the final settlement amount, and confirms the date and the actual amount of the payment made. Agencies must be able to demonstrate that all charges are in compliance with SAAM.

### Follow Up

GAO Internal Audit will be following up with agencies that have potentially inappropriate and/or unallowable charges on their CTA accounts. During this process, your agency will be asked to explain certain charges, provide supporting documentation including but not limited to any transactions in question, along with any agency-specific policies and procedures over the CTA process.

### Resources

- SAAM 5050, *Central Travel Account (CTA)*
- Form GAO-3C – *Purchasing Card and Travel Card Program Administrator Authorization Form*
- Form GAO-CTA-101 – *State of Arizona Central Travel Account (CTA) Custodian Application and Agreement*
- SAAM Topic 50 - Travel