

Commander's Briefing

Government Travel Card March 2000





Why Use a Travel Card?

- **Card use mandated by 19 Oct 98 law**
 - **P.L. 105-264 requires all federal travelers to use travel card for official travel expenses**
- **GSA issued guidance on 19 Jan 2000**
- **Other federal agencies implemented program**

- The first question people usually ask is why they have to use the Government Travel Card for official military travel -- why can't I just use my own credit card? The short answer is it's the law--not a DOD policy--but a law passed by Congress in 1998. You *must* use the card for your official travel expenses.
- The Government Services Administration issued policy guidance in January outlining when and how to use the card. I will discuss this later in this briefing.
- Additionally, other federal agencies have already implemented the plan. In fact, DoD is one of the last agencies to do so.



Who Can Use a Travel Card?

- **Active duty personnel**
- **National Guard and Reserve personnel**
- **Full-time, part-time, and seasonal civilian personnel (no Foreign Nationals)**
- **Non-Appropriated Fund (NAF) personnel**

- If you perform official travel for the government and you are in one of these categories, you must get the government travel card.



History of the Travel Card

- **Not first credit card used for federal travel**
- **Initial use of credit cards 11 years ago**
- **Used Diners Club, American Express, VISA**
- **Used by at least 1.2 million DoD travelers**

•Reducing federal travel expenditures for the federal government has been a long-standing goal of the U.S. government. Over time, we've evolved from using the Diners Club Card and American Express Card, and are now using VISA card. Starting 1 May 00, federal employees must use the card to charge certain official expenses associated with government travel. We've used a travel card for over 11 years and over 1.2 million DoD travelers have used the card for their government travel needs.

•\$7 billion approximately is spent annually by the federal government on travel expenses. Currently, though, only \$3 billion is charged to travel cards, a significant difference from actual travel expenditures. Requiring use of the travel card will provide significant government savings



How is this Travel Card Different?

- **Mandatory uses**
- **More benefits: VISA card accepted by more vendors worldwide**
- **Failure to use the card may result in disciplinary action**
- **All vouchers will be paid**

•Travelers must use the card for transportation (i.e., airline tickets), lodging and rental cars.

- All airline tickets must be purchased through the on-base Contracted Travel Office (CTO), which will ultimately accept only the government card.

- Base lodging, hotels and rental cars must be paid for with the government card.

•Over 16 Million VISA vendors in 300 countries offers the advantage of wider merchant and ATM acceptance than previous cards. Promotes personal safety by reducing the amount of on-hand cash needed for expenses

•Failure to use the card may result in disciplinary action

•Members will not be denied reimbursement for failure to use the card for mandatory purposes.



How is this Travel Card Different?

- **Account action**
 - **Accounts 60 days delinquent -- suspended**
 - **Accounts 120 days delinquent -- cancelled**

Note: UCMJ action remains available if members use cards for prohibited purposes or are delinquent
- **New fees**
 - **ATM fees still assessed**
 - **New assessment of delinquent account & collection fees**

• Failure to pay your travel card bill will affect your ability to use it. When your account is 60 days delinquent, it will be suspended. When it is 120 delinquent, it will be cancelled.

• As with the old card, UCMJ and administrative disciplinary actions may be taken if you use the card for prohibited purposes or are delinquent in paying your account.

• In a few minutes, I will identify some new fees you need to be aware of.



Mandatory Uses: When Must We Use The Card?

- **Lodging/hotel**
- **Car rental**
- **Official transportation (airline, bus, or train)**
 - **Air Staff currently developing procedures on how transportation will be handled**
 - **No changes to current method until new procedures approved**

- The law requires that the travel card must be used for certain purposes.
- First, the card must be used to pay for lodging/hotel room fees while on official travel. AF Services is currently reviewing its policy to ensure all AF lodging facilities have notices posted to remind TDY/PCS personnel to use their travel cards. They will include the requirement for personnel on official travel to use the travel card in the rewrite of their Lodging AFI, 34-246.
- Second, the travel card must be used to procure rental cars while on official duty.
- The card will ultimately be used to procure all official transportation, like airline tickets, under the new automated Defense Travel System or DTS. At this time, several bases are testing various forms of DTS. These test sites already require the government travel card for ticket purchases and will not change their procedures. At other bases, we need time to transition to new processes with Bank of America and our Commercial Ticketing Offices. Until the procedures for this transition are developed, AF travelers will continue to use the current method of paying for airline tickets at their host installation.
- A commonly asked question is if cash, whether or not obtained through use of the travel card, may be used in lieu of the card itself. The answer is no. The law requires use of the card itself, not cash.



Optional Uses: When May We Use The Card?

- **All other *reimbursable* travel- related expenses**
 - **Examples: laundry/dry cleaning, parking, taxi fares, tips, group meals**
- **As per AFI 65-104, incidental purchases may be charged to the card**
 - **Examples: a drink with dinner, in-room movies, phone calls to family, hotel gym fees**

- Lots of rumor on what the card can and must be used for....think common sense. We already said tickets, billeting, and rental cars are the required use expenses. Items such as parking, dry cleaning, meals and incidentals, local transportation or taxi fares, telephone calls (local and long distance), tips, and any expense at a vendor that does not accept the travel card can be purchased as the traveler likes. The travel card can be used to obtain cash from ATMs to satisfy any cash requirement. However, there are charging limits on both “expenses” and cash withdrawals -- if you have any questions contact your APC. It is up to you to decide if you want to use the card for other travel related expenses such as cab and dry cleaning. You can use cash to tip the baggage handler, you do not have to use the Travel Card to tip (guess you could if you can find a handler with a little swipe machine!). If you add a tip on a meal, you can use the card for the full meal and tip, pay cash for meal and tip, or charge meal and leave cash tip on the table.
- Main point is: *don't use the card for personal expenses or non-travel related expenses, be smart and use the card for the intended purposes.*
- Most commanders will give some leeway on travel related expenses...just be sure it stands the common sense test.



Prohibited Uses: When Can't We Use Card?

- **All unofficial, personal uses**
- **To help prevent misuse, DoD and VISA have blocked certain non-travel related merchant category codes**
 - **To include golf courses, liquor stores, funeral homes, medical expenses, 1-900 phone numbers**

- As with the old card, this card is not to be used for personal expenses. It must be used *only* for official government travel.
- To prevent misuse, you will not be able to use the card at certain categories of merchants. Some of the categories include golf courses, liquor stores, funeral homes (yes, people have attempted to use their travel card to pay for a funeral), medical providers, and 1-900 numbers.
- If you attempt to use your card at one of the blocked categories of merchants, your card will not be accepted. If your mission requires this charge you can ask that the merchant call the VISA or use the number on the back of your card to authorize an override.
- Don't assume that just because your card was accepted by a merchant, that the use is permissible--it must be for official government travel purposes.



How will Travel Card Affect Personal Credit?

- **Credit check is noted but card itself is not reflected on personal credit reports**
 - **Should not affect one's ability to buy a car or a house**
- **Delinquent payments may be reported to credit bureau 126 days after failure to pay**
 - **Card holder will have time to work out any disputes**
 - **However, continued delinquency may damage credit**

• It's important to point out that the credit check done prior to the issue of your travel card will not adversely affect your credit rating. Also, having the credit card will not affect your ability to obtain loans or other credit cards for personal use. In fact, your credit report will not reflect the fact that you have a government travel card. The only way the travel card would be known is if the traveler listed the GTC on a loan application. It is for official business use only and not considered a credit card to be used for personal spending.

• However, delinquent payments that are more than 126 days past the original due date may be reported to credit bureaus and could damage your credit rating. It's important that you review your monthly statement carefully for accuracy. You're not expected to pay invalid charges but you need to dispute them to the Bank of America as soon as possible.



Payment Options

- **By Mail**
 - **Follow the billing instructions**
- **By Phone**
 - **Call customer service at
(800) 472-1424**
 - **Have check available with bank info:
bank address, routing number, account
number**
- **In Person at any BofA**
- **Split Disbursement by Voucher**

- Much like any other type of credit card, there are several payment methods available.
- The most common one is to simply follow the billing instructions on the monthly statement you will receive. The best action though is to pay your bill immediately upon receipt!
- Additionally you can call in a payment or drop into any BofA and pay.
- We highly encourage travelers to elect the split disbursement feature on the voucher. This will allow the voucher payment to be automatically split between the bank and the traveler. DFAS will send the amount specified, via Electronic Funds Transfer (EFT), to BofA to pay the card balance, and any additional monies will go to the traveler's checking account.



Expenses and Fees

- **Delinquent accounts (overdue 126 days) are charged a \$20 per month**
- **Accounts referred for collection are charged 25% of delinquent balance**
- **Cash withdrawals from ATM machines have a 1.9 percent fee added**
 - **ATM fee, billed in monthly statement, is reimbursable**

• To avoid being assessed any late fees it is best to pay your bill immediately upon receipt! In almost all cases, this should not be a problem since the DoD generally pays travelers within 3 to 4 days from the time their vouchers are approved for payment.

• In the worst case scenario, accounts are considered delinquent after 126 days and will be charged \$20 per month. Additionally, once a delinquent account is referred for collection, there will also be a charge of 25% of the delinquent balance. This situation should be avoided at all costs.

• You will be able to take cash withdrawals from any of the 531,000 ATM's worldwide that displays a VISA logo. You should realize there will be a 1.9% fee added to the withdrawal. Also some machines will add an extra .50 to \$4.00 additional fee on top of the 1.9% fee. No additional fee beyond the 1.9% will be charged at an BofA ATM. Both fees are reimbursable, but they do **not** always show up on your ATM receipt. All fees will appear on your monthly statement. So, for reimbursement, don't forget to include your ATM fee(s) on your voucher.



What is a Card-Holder's Responsibility?

- **Safeguard the card**
- **Use the Travel Card only for official travel expenses**
- **Pay the Travel Card bill promptly**
- **Know your unit Travel Card Agency Program Coordinator (APC)**
- **Call base FSO if you have questions**
- **Call BofA Customer Service at (800) 472-1424**

•Like you would with any credit card, you need to safeguard the travel card and immediately notify Bank of America if it's lost or stolen.

•As was mentioned earlier in the briefing, only use the card for official travel expenses.

•Pay the bill promptly within the prescribed time and report invalid charges as soon as possible.

•If you have any questions or need additional information, contact your unit Travel Card APC, your Financial Service Office or BankofAmerica Customer Service.



Questions?
