

FDA STAFF MANUAL GUIDES, VOLUME III - GENERAL ADMINISTRATION

FINANCIAL MANAGEMENT

TRAVEL

GOVERNMENT TRAVEL CHARGE CARD PROGRAM AND ATM ADVANCE PROGRAM

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1. PURPOSE.

This guide will provide instructions regarding the use of the Government Travel Charge Card Program.

2. BACKGROUND.

This regulation will prescribe the policies and procedures governing the Food and Drug Administration (FDA) Travel Charge Card Program.

General Services Administration (GSA) developed the travel charge card program to procure transportation services and pay for per diem and other allowable travel related expenses incurred during official travel. The goal of the program is to reduce FDA's cash requirements by diminishing the need for travel advances and improving internal controls, cash management, and administrative procedures. The travel charge card is a privilege for FDA employees, and employees must follow the policies and procedures outlined in this guide.

3. REFERENCE/AUTHORITY.

FDA policy is consistent with guidance set forth by the following policies regarding the use of the Government Travel Charge Card Program and ATM Advances while on official business. These include:

- A. Department of Health and Human Services Travel Policy Manual, revised November of 2014 (<https://www.psc.gov/transportation-services/resources/HHS-Travel-Policy-Manual.pdf>)
- B. Government Charge Card Abuse Prevention Act of 2012, Public Law 112-194, Section 3 (<http://www.gpo.gov/fdsys/pkg/PLAW-112publ194/pdf/PLAW-112publ194.pdf>)
- C. Human Resources Manual (HRM), Instruction 752: Discipline and Adverse Actions, dated March 20, 2009 (<http://www.hhs.gov/asa/ohr/manual/index.html>)
- D. Pay Administration; Collection by Offset From Indebted Government Employees, 5 CFR Part 550 RIN 3206-AH63 (<http://www.gpo.gov/fdsys/pkg/CFR-2011-title5-vol1/pdf/CFR-2011-title5-vol1-part550.pdf>)
- E. The Travel and Transportation Reform Act of 1998, P.L. 105-264, 112 Stat. 2350 (http://www.gsa.gov/graphics/fas/public_law_105-264_fam9831a_R2GXCI_0Z5RDZ-i34K-pR_R2GXCI_0Z5RDZ-i34K-pR.pdf)
- F. Federal Travel Regulations (FTR), 41 CFR Parts 301-51, 301-52, 301-54, 301-70, 301-71, and 301-76. (<https://www.gsa.gov/cdnstatic/FTR.pdf>)

- G. GSA SmartPay2 Contract
(https://smartpay.gsa.gov/sites/default/files/downloads/SmartPay2_Master_Contract_R25-a9Y_0Z5RDZ-i34K-pR-2.pdf)
- H. Investigations Operations Manual 2016, Chapter 4.2.8.3.2 - Cash Payment (<http://www.fda.gov/ICECI/Inspections/IOM/>)
- I. "Prompt Payment", 5 CFR Part 1315 RIN 0348-AB47
(<https://fiscal.treasury.gov/files/prompt-payment/5cfr1315.pdf>)
- J. "Standards of Ethical Conduct for Employees of the Executive Branch," 5 CFR Parts 2635 (<http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&SID=06f812f26e7ed9f364bb87944757b912&rgn=div5&view=text&node=5:3.0.10.10.9&idno=5>)
- K. "Suspense Accounts - Manual Disbursements, Collections and Payments", FDA Staff Manual Guides 2310.13
(<http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/StaffManualGuides/UCM421795.pdf>)

4. DEFINITIONS.

A. Agency/Organization Program Coordinator (A/OPC) – Agency-designated coordinators, including alternates, who serve as the point of contact for and administer the travel charge card program. A/OPCs are assigned a hierarchy level based on their location and responsibility scope.

Level 1 – Bank Card Coordinator

Level 2 – DHHS Coordinator

Level 3 – FDA Coordinator

Level 4 – Center Coordinator

Level 5/6 – Sub-Center Coordinator

GSA is the Level 1 A/OPC for the entire Government Travel Charge Card Program. The Program Support Center (PSC) serves as the Level 2 A/OPC.

B. Automated Teller Machine (ATM) Advance - Monies obtained from a travel charge card via ATM or bank teller, which is used to cover anticipated out-of-pocket, incidental travel expenses, such as ground

- transportation or occasional meals, and that cannot be purchased with the travel charge card.
- C. Billing Error** - Transactions appearing on a cardholder's account as questionable charges, duplicate billings, or unauthorized charges.
 - D. Cancellation** - Permanent termination of travel charge card privileges.
 - E. Cardholder** - The legal agent (employee) using the travel charge card to buy goods and services in support of official travel and Government business. The cardholder holds the primary responsibility for the card's proper use and payment.
 - F. Cardholder Statement** - A statement, listing all transactions during the billing period, which is sent to each cardholder.
 - G. Cash Advance** - The estimated travel expenses prepaid to an employee who does not have a travel charge card. Cash advances must be obtained in limited amounts commensurate with actual travel. The standard amount is 60 percent of the meals and incidental expenses (M&IE) for the TDY location.
 - H. Delinquency/Delinquent Account** - A travel charge card account balance that is unpaid 31 days or more past the closing date of the statement.
 - I. Dispute** - A written challenge of an unresolved or disputed transaction on the cardholder's billing statement. Cardholders must assert a dispute in writing within 60 days of the date of the statement reflecting the transaction in question in order not to be liable for payment of the transaction in question.
 - J. Fair Isaac Credit Organization (FICO) Score** - A standard credit score which produces a substantial portion of a credit report that credit bureaus sell to lenders so they can assess an applicant's credit risk and whether to extend the applicant credit.
 - K. Inspector** - An FDA employee tasked with collecting and purchasing samples of food, drugs, animal feed, etc. for the sole purpose of inspections and testing.
 - L. Local Sample Purchases** - Purchases made within an inspector's local travel area for the sole purpose of testing and research.
 - M. Manual Payment** - A manual payment is a payment that is not initiated from the FDA's financial system, Unified Financial Management System

(UFMS). Instead, payments are entered and processed using Treasury's Secure Payment System (SPS) prior to an invoice being created in UFMS. This payment should be recorded in UFMS as a clearing payment.

- N. Merchant Category Code (MCC)** - A numerical identifier assigned by the bank and validated by the supplier for classification of products and services.
- O. Misuse of Government Contractor Bank-Issued Travel Charge Card** - Use of the travel charge card in an unauthorized, illegal, or adverse manner. Examples of misuse include unauthorized cash advances, purchase of non-reimbursable personal expenditures, use of the travel charge card when not in an official travel status, and becoming delinquent in payments to the contractor bank.
- P. Official Travel** - Written, approved authorization to travel on official business for the Federal Government that will result in reimbursement for expenses on a travel voucher.
- Q. PaymentNet** - The travel charge card vendor's internet-based system, which provides a variety of reports related to the travel charge card program. The reports assist in the effective management of the travel charge card program.
- R. Restricted Card** - A travel charge card which has a lowered credit limit of \$5,000 and no authorized ATM cash withdrawal allowance. Employees who refuse the credit worthiness check or do not pass the credit worthiness check at the time of application will receive a restricted card.
- S. Salary Offset** - The amount an agency deducts from an employee's salary payment to pay a contractor bank for the undisputed delinquent travel charge card balances incurred in connection with official Government travel.
- T. Split Disbursement** - Split disbursement divides a travel voucher reimbursement between the travel charge card vendor and the traveler. FDA mandates the use of split disbursement for all travel charge cardholders.
- U. Suspension** - The temporary termination of travel charge card privileges.
- V. Travel Charge Card** - A bank-issued Government credit card used solely for official Government travel or to obtain local samples.
- W. Travel Management Center (TMC)** - A service for booking common carriers (e.g. air, rail, and bus confirmations and seat assignments),

lodging accommodations, and car rental services; fulfilling reservations (i.e. ticketing); providing basic management information on those activities; and meeting other requirements as specified in FTR 301-73.106. A travel management service may include a travel management center (TMC), Commercial Ticket Office (CTO), an electronically available system, or other methods of arranging travel.

- X. Unrestricted Card** - A travel charge card which has the agency-standard credit limit of \$12,500 and ATM cash withdrawal allowance of \$500 to be refreshed every seven days.
- Y. Visa IntelliLink** - A spending management system for FDA to manage cardholder expenditures and complete reporting on one single platform across multiple geographies.
- Z. Voucher** - A written request, supported by documentation and receipts where applicable, for reimbursement of expenses incurred in the performance of official travel.

5. POLICY.

A. Travel Charge Card Program

Employees who meet the FTR, DHHS Travel Policy Manual regulations, and FDA requirements for issuance of the card are required to use the travel charge card. The use of the travel charge card is limited to expenses incurred in conjunction with official travel. The provisions of this policy apply to all FDA civil service employees and commissioned corps officers who have been issued or are applying for a travel charge card.

Use of the travel charge card allows employees to take advantage of federal discounts at hotels, and car rental companies. Some lodging facilities will not honor the tax-exempt form unless the employee is paying for lodging with a travel charge card.

1. Qualification for Obtaining a Travel Charge Card and Travel Charge Card Application

Employees who take five (5) or more trips per year are required to apply for and use the travel charge card. Cardholders must use the travel charge card to perform official travel and for all official travel expenses.

a. Travel Charge Card Issuance

Employees who do not currently have a travel charge card may apply for the card and an ATM Personal Identification Number (PIN) if applicable through the employee's Level 4 or lower A/OPC.

Before employees are issued a travel charge card, the following documents must be submitted by the employee to the Level 4 or lower A/OPC:

- (1) Certificate of completion of the DHHS travel charge card training
- (2) Signed HHS Traveler's Agreement for Government Contractor - Issued Travel Charge Card Users
- (3) Signed FDA Zero Tolerance Policy Memo
- (4) Completed travel charge card application

b. Travel Charge Card Limits and Credit Worthiness

Effective January 22, 2007, pursuant to Section 639 of the Consolidated Appropriations Act, 2005 (P.L. 108-447) as referenced in the Circular, all employees applying for a travel charge card must use the contractor bank form that requires the applicant to initial their agreement/refusal for a credit score check prior to issuance of a travel charge card. An employee with a FICO score below 660, or who refuses to permit a credit score check, will be issued a restricted travel charge card. A restricted travel charge card will have a lower credit limit than the FDA standard credit limit and will not have any ATM withdrawal capability.

If the employee is issued a restricted card, they can request a new credit score check if they feel they are in a better credit standing than at the time of original application. It is recommended to allow at least six months before the cardholder submits a request to re-check their credit score.

Neither the contractor bank nor FDA will see any of the employee's credit file data. An employee issued a restricted card due to a FICO score below 660 may contact the credit bureau if they believe that there is an error. There will be no fee charged by the contractor bank for the credit score check.

2. Use and Management of the Travel Charge Card

a. Travel Charge Card Use

The travel charge card will be employed whenever and wherever possible for airline and other common carrier transportation services, hotel/motel, restaurant, automobile rental, gasoline, and other expenses incurred while on official travel. Use of the card does not relieve the cardholder of the responsibility to employ prudent travel practices and to observe the rules and regulations governing travel as set forth in the FTR, the DHHS Travel Policy Manual, the FDA Zero Tolerance Policy, and agency-specific policies and procedures. Cardholders should follow the guidance in the DHHS Travel Policy Manual, Section 10.3.5.2 Use of the Travel Charge Card, when using their travel charge cards.

In addition, FDA restricts most MCC's that offer services and/or products that are non-travel related expenses. As a precautionary measure for those merchants who are misclassified within the travel charge card program, cardholders are prohibited from use of their travel charge card to procure the items listed in the DHHS Travel Policy Manual, Section 10.3.5.2, as well as the following additional items:

- (1) Movie rentals
- (2) Copy/fax services
- (3) International visa purchases
- (4) Government-owned vehicles gas, supplies, or expenses

FDA prohibits the use of the travel charge card to purchase fuel and procure minor maintenance services on GSA fleet or agency-owned and leased vehicles. Use of the fleet credit card is the appropriate payment method for purchases incurred while operating government-owned vehicles; see FDA Staff Manual Guide (SMG) 2173.1, Utilization of Government Vehicles, for more information about fleet use and management.

b. Exemptions to the Use of the Travel Charge Card

GSA has exempted travel expenses and/or classes of employees from the mandatory use of the travel charge card. Exemptions can be found in the DHHS Travel Policy Manual, Section 10.3.5.3 Exceptions to the Use of the Travel Charge Card.

c. Improper Use of the Travel Charge Card

The travel charge card must only be used for official transportation and travel-related expenses. Cardholders must not use the travel charge card to make personal purchases or ATM advances for personal use. Examples of misuse of the travel charge card include:

- (1) Making personal purchases or ATM advances for expenses which are not related to official travel (abuse);
- (2) Failure to pay, or pay in a timely manner, bills for official travel expenses even in the absence of submitted/processed travel vouchers or receipt of reimbursement for travel expenses (delinquency);
- (3) Failure to use the travel charge card for travel-related expenses which are not exempt by regulation or policy (abuse);
- (4) Failure to pay, or pay in a timely manner, unauthorized or personal expenses (abuse and delinquency);
- (5) Failure to properly secure and/or safeguard the travel charge card to prevent misuse by other individuals, including co-workers, family members, and/or friends (abuse);
- (6) Obtaining or permitting issuance of a travel charge card under false pretenses and/or when there is no official need to travel (abuse).

d. Travel Voucher Reimbursement

Cardholders must prepare and submit a travel voucher, with required receipts, within five (5) working days after completion of a trip or period of travel or every 30 days if on continuous travel status. Cardholders will be reimbursed for travel and travel-related expenses authorized and allowable under the FTR and FDA-specific policies.

DHHS has mandated the use of split disbursement which means that the approved travel voucher reimbursement between the contractor bank and the cardholder will be processed separately. Travel card charges made for official travel expenses will be reimbursed to the contracting bank, while approved expenses will be reimbursed to the traveler. Cardholders must monitor bank statements in order to verify payments were made by split disbursement. Any remaining balances on the travel charge card must be paid immediately by the cardholder.

The use of personal funds to finance all travel expenses (except transportation tickets) on official travel is authorized when an employee has been cancelled from the use of the travel charge card. When personal funds are used, employees will be reimbursed for qualifying travel expenses by submitting a proper travel voucher.

e. Responsibility to Pay Travel Charge Card Bills in Accordance with Cardholder Agreements

Cardholders are responsible for reading and adhering to the policies and procedures specified in the cardholder agreement in order to obtain a travel charge card. Under the cardholder agreement, the travel charge card bill is due and payable in full when delivered to the cardholder.

The employee is liable to the contractor bank for full reimbursement of all charges authorized by the cardholder except as described below in section 5.2.f Disputed Charges. .

Under FTR 301-52.24, cardholders must pay the amounts owed to the contractor bank in accordance with the cardholder agreement, even if the cardholder has not yet been reimbursed for those expenses appearing on the billing statement. Cardholders are expected to comply with this guidance by promptly resolving any outstanding balance on the travel charge card account.

f. Disputed Charges

The cardholder agreement informs cardholders about how to handle disputed charges on a travel charge card bill. Cardholders are required to dispute any charges directly with the contractor bank within 60 days of the statement date on which the original transaction appears. See Appendix C for more information on how to submit a dispute.

Once the contractor bank receives the disputed charge(s), they will issue a temporary credit to the cardholder's account while the dispute is being researched.

While the bank is conducting this investigation, the cardholder does not need to pay the amount of the disputed charge and it will not be considered past due. The cardholder's travel charge card will not be suspended for unpaid disputed charges.

g. Lost or Stolen Cards

If a travel charge card is lost or stolen, the cardholder must contact the contractor bank and their Level 4 or lower A/OPC immediately.

Cardholders must not write their PIN on their travel charge card or store the card anywhere that is not a secured location. To avoid unauthorized withdrawals, cardholders should notify the contractor bank and their Level 4 or lower A/OPC at once if they suspect that their PIN has been compromised.

h. Late Fees

If a traveler is not reimbursed by the FDA within 30 days for expenses properly submitted, then the traveler may be entitled to late payment fees. Late payment fees consist of two elements:

- (1) A late payment fee calculated using the prevailing Prompt Payment Act Interest Rate beginning on the 31st day after the required payment date and ending on the date which payment is made; and
- (2) An amount equivalent to any late payment charge that the card contractor would have been able to charge the employee had the bill not been paid.

i. Request for Manual Payment

If a traveler has complied with all responsibilities in section 6.E including submitting all expenses properly and a reimbursement has not been distributed due to an FDA system error the traveler may request a manual payment. Manual payments require prior approval from the Office of Financial Management (OFM) Director, or OFM Deputy Director, or their designee.

3. Deactivation, Reactivation, Suspension, or Cancellation of a Travel Charge Card

Accounts may be suspended or cancelled by the FDA for reasons such as delinquency, misuse, or abuse. The contractor bank may also close an account due to cardholder delinquency and suspected misuse.

Level 3 or lower A/OPCs may also deactivate (temporarily suspend) an account for non-usage by the cardholders.

a. Deactivation and Reactivation of Inactive Accounts

Cardholder accounts which have not been used within the prior six months will be suspended and cards not used within the prior 12 months will be closed due to account inactivity. Cardholder accounts may also be deactivated by the Level 3 or lower A/OPCs upon notification from the cardholder immediate supervisor that a travel charge card is not needed or that the cardholder is not eligible for a travel charge card (i.e., the cardholder will not be traveling more than five times in a year).

Infrequent travelers should contact the contractor bank to determine the status of their travel charge card for subsequent trips. Cardholders with a deactivated travel charge card will need to contact their Center A/OPC at least 72 hours prior to travel commencement to have their travel charge card reactivated. Travelers whose travel charge cards have been closed must reapply for a card if it becomes necessary once more for them to have an active card.

For information about travel charge cards for employees involved in disaster relief and emergency response services, refer to the DHHS Travel Policy Manual, Section 10.3.6.2.

b. Cardholder Accounts with Delinquent Payments

In accordance with their cardholder agreement, cardholders are obligated to pay the undisputed balance within 30 days of the billing statement date. Card account balances that are delinquent, and that are not disputed amounts, will be eligible for the salary offset program.

When the balance on a cardholder account becomes one or more months delinquent, the card will be suspended. Account balances that are delinquent 64 days or more after the first statement date are automatically referred for salary offset and the travel charge card will be cancelled.

When salary offset is initiated, the cardholder will be notified of their eligibility for salary offset. The cardholder will be required to either pay the delinquent balance or set up a payment plan with the contractor bank to pay the undisputed balance in full. If neither action occurs, the cardholder will be notified that salary offset will begin at the start of the next pay period. The Level 4 or lower A/OPC should also follow-up with the cardholder regarding balance payment once salary offset procedures begin.

Cardholders who have lost their travel charge card privileges due to card cancellation, delinquencies, or misuse will not be authorized for travel advances. Travelers who need to perform official travel must charge their common carrier transportation to the FDA centrally billed accounts. All other travel-related costs must be paid by the traveler using personal funds.

In addition to the conditions listed above, a cardholder will have their account cancelled and be prohibited from further charges if either of the following conditions occurs:

- (1) The travel charge card has been suspended two times during a 12 month period for non-payment of undisputed principal amounts and is past due again;
- (2) The account has had payments for which non-sufficient funds were available two times during a 12 month period.

d. Reinstatement of Cardholder Accounts

Individual cardholder accounts which have been suspended or closed by the contractor bank due to delinquency can only be reinstated by the contractor bank. In order for an account to be reinstated, the following criteria must be met:

- (1) The account must have a zero balance. The last payment must have been posted for 10 days, or it is noted that the payment was a money order or cashier's check.
- (2) The account activity must have been 60 days past due less than twice within the last 12 months.
- (3) The account activity must reflect less than two non-sufficient funds checks within the last 18 months and no non-sufficient funds checks within the last six months.
- (4) The individual must have a satisfactory personal credit history as evaluated by the contractor bank.

If cardholder accounts have been closed due to delinquency, the cardholder must wait 12 months from the date of account closure before reapplying for a travel charge card.

B. ATM Advances for Travel

A cardholder may use the travel charge card to obtain ATM advances for the exempted expenses described in the DHHS Travel Policy Manual, Section 10.3.5.3 if authorized in advance by his/her supervisor. ATM advances are used to cover anticipated out-of-pocket incidental travel expenses, such as ground transportation or occasional meals, which cannot be purchased with the travel charge card.

Only travelers with an unrestricted travel charge card will be able to obtain an ATM advance using their travel charge card. Cardholders are expected to obtain ATM advances using the travel charge card and will not be permitted to obtain a cash advance from FDA. An exception may be made for those cardholders authorized for extended foreign travel that may not have access to ATMs in certain foreign locations in order to refresh their ATM advance. In these circumstances, a cash advance may be issued even though he/she is a travel charge cardholder.

1. Approval for and Withdrawal of ATM Advances

ATM advances are to be obtained for authorized Government travel only. The approved travel authorization should indicate that an ATM advance is authorized and specify the maximum amount to be obtained.

ATM advances should be withdrawn not more than two (2) business days prior to the trip. FDA will reimburse cardholders for service fees incurred for ATM advances. Cash obtained from the ATM in amounts greater than required for the travel duration are considered excessive cash advances and are subject to disciplinary action in accordance with FDA policy. Actual use of the travel charge card may be verified from the reports available to all A/OPCs.

While in travel status, a cardholder may need to make an emergency ATM withdrawal without prior approval. If an ATM advance is obtained without prior authorization on the travel authorization, a separate statement justifying the withdrawal should be made in the travel voucher and authorized by the cardholder's supervisor.

For cardholders with unrestricted cards, the card limit for ATM advances is \$500 refreshed every seven (7) days. Cardholders with restricted cards or cards which have been suspended due to delinquency do not have ATM access. However, a cardholder may submit a request with justification to temporarily increase the ATM advance limit or request ATM access on a case-by-case basis to meet

the needs of the cardholder's travel. See Section 7.B of this guidance for more information about how to submit such a request.

ATM withdrawals may be made at a point convenient to the cardholder such as permanent duty station, TDY location, or en route, while on official travel. However, inappropriate locations such as liquor stores or gambling sites are not allowed.

Cardholders must also be cognizant of their destination's political climate and environment to ascertain whether large sums of cash can safely be in their possession.

2. Vouchering for ATM Advances

When an ATM advance is obtained, the receipt should be retained to be included with the travel voucher if the ATM advance is greater than \$75.00.

In addition, the amount of the ATM transaction fee should be indicated on the travel voucher if the financial institution and/or network assess a surcharge for use of their ATM. These surcharges will not appear as itemized charges on the cardholder's monthly statement but will instead be included as part of the amount withdrawn for a given transaction. Cardholders should include the surcharge on their travel voucher.

Claims for ATM fees will not be allowed when:

- a. the travel authorization does not authorize an ATM withdrawal
- b. withdrawals exceed the amount authorized
- c. withdrawals are made after the last day of travel
- d. the voucher does not indicate and show approval for an emergency withdrawal and no other ATM authorization exists on the travel authorization

If the cardholder withdrew an ATM advance before the travel was subsequently cancelled, the cardholder is responsible for paying the amount back to the card account. If the cardholder incurred an ATM fee, the cardholder should submit a claim for reimbursement explaining the circumstances of the trip cancellation. A copy of the travel authorization and cancellation should be attached.

ATM advances should be reduced by the amount of expenses that will be charged directly to the travel charge card or to the travel voucher claim.

3. ATM Advances for Local Samples

If inspectors or other FDA employees have a travel charge card and need cash to pay for a local sample, they are authorized to use the travel charge card to withdraw an ATM advance to pay for the sample regardless of whether they are in travel status. The amount of the ATM withdrawal should be limited to the cost of the sample. Sample costs cannot be charged directly to your travel charge card.

Inspectors should submit an itemized claim for samples along with the ATM fee by submitting a local voucher which includes the sample number. Any documentation should be provided as part of the voucher.

4. Advances for Travelers with Cancelled Cards

A cancelled travel charge card account reflects unfavorable past performance and will be reported to the cardholder's credit organization. For this reason, employees with cancelled travel charge card accounts are considered high risk in the repayment of travel advances. In the case of extreme hardship, employees who have lost their travel charge card privileges may request written approval for a cash advance on a trip-by-trip basis from their Center/Office Chief Executive Officer, who may re-delegate this authority to a level not lower than the Senior Travel Officer of the FDA. Consideration of such requests will be made on a case-by-case basis, and approval should not be assumed. A written record of all such approvals, as well as the basis for each approval, will be maintained by the Center requesting the advance and the Level 3 A/OPC. The Office of Inspector General (OIG) shall review these records during program specific audits.

C. FDA Zero Tolerance Policy

The objective of the FDA Zero Tolerance Policy is to eliminate misuse and abuse in the travel charge card program so that it does not become necessary to impose disciplinary actions on any FDA employee. Proper use of the travel charge card eliminates the need to cancel travel charge card privileges, reducing the administrative burden of taking action against employees, lessens the stress for all involved, and preserves the reputation of FDA and its employees to achieve its mission and goals with integrity.

This regulation sets forth any inappropriate charges and delinquencies. The following misuses of the card are strictly prohibited:

1. Unauthorized charges and charges not associated with official travel, such as personal and family member use of the card. Additional prohibited activities are listed in Section 5.A.2.b of this regulation.
2. Charges while not in an official travel status:
 - a. Use of the card in the vicinity of the cardholder's official duty station or residence is prohibited, unless used in connection with purchasing local samples or for an authorized rental car.
 - b. Cash withdrawals from an automated ATM or bank teller are also prohibited unless in conjunction with local sample purchases.
3. Shared use of the card with another employee for official travel purposes
4. Cardholder permits the travel charge card account to become delinquent
5. Failure to use the card while on official travel unless there is an exemption
6. Failure to pay accounts with sufficient funds
7. Failure to properly use Government voucher reimbursements to repay travel expenses
8. Excessive cash advances, or cash advances not commensurate with official travel

The Agency Assistant Commissioner (OC/OM), as described in the Code of Federal Regulations 21 C.F.R. §10.3, may exempt any payment, person, type or class of payments, or type or class of agency personnel from the use of the travel charge card, if the exemption is determined to be necessary in the interest of the FDA. For a list of Exempted Agency Employees and Types or Classes of Payments, please refer to the DHHS Travel Policy Manual, Section 10.2. GSA must be notified in writing within 30 days after granting the exemption, stating the reasons for the exemption. A copy of the exemption must also be forwarded to the Level 3 A/OPC.

The spending limits issued on travel charge cards are based on the results of an employee's credit worthiness assessment and must be in

accord with the needs of each cardholder. An Agency-wide default limit is set at \$12,500 for an acceptable credit rating or \$5,000 for a lower credit rating (ratings are based on GSA's predetermined FICO score limits) for most travel charge cards. These limits will apply to all new cards unless FDA management can justify a higher amount. Memoranda regarding this matter shall be sent to and approved by the Level 3 A/OPC.

Possession and use of the travel charge card does not relieve the employee from observing rules and regulations governing official travel, including use of Government city-pair contract carriers, American Flag carriers, Government car rental agreements, Government approved lodging facilities, or the Travel Management Center.

Improper, fraudulent, abusive, or negligent use of a travel charge card is prohibited. Appropriate FDA personnel, with the advice of the Office of Human Resources, may impose appropriate corrective actions, including removal in certain cases, for employees who are negligent or engage in misuse, abuse, or fraud with respect to the travel charge card. Appropriate FDA personnel may impose, but are not limited to, the following administrative and/or disciplinary actions for delinquencies, misuse, and/or abuse:

- a. Issue a letter of counseling to the employee;
- b. Deactivate, suspend, or cancel employee accounts; and
- c. Impose additional disciplinary actions deemed appropriate by the Agency.

The circumstances of each individual case should be considered when determining the appropriate type of corrective or disciplinary/adverse action,. Consult the HRM, "Instruction 752: Disciplinary and Adverse Actions" for further guidance. No FDA Official has the authority to override the contractor bank's policy regarding the suspension or cancellation of cardholder accounts.

6. RESPONSIBILITIES.

The primary roles and responsibilities for the policy directives and required procedures within this chapter are as follows:

- A. Responsibilities of the Center/Office Chief Executive Officer

1. Review and provide approval for requests and supporting documentation from the cardholder for requests for temporary ATM withdrawal, and/or temporary restricted or unrestricted card limit increase

B. Responsibilities of the Level 3 A/OPC

1. Complete travel charge card training and recertify every year
 - a. Maintain a file of certificates of completion for all Level 4 A/OPCs one level lower
2. Use the online reporting capabilities in PaymentNet to monitor for cardholder delinquency and potential travel charge card misuse and abuse
 - a. Monitor Level 4 and lower A/OPCs accessing Visa IntelliLink and ensure that cases are being followed up on in a timely manner
3. Review and provide approval for requests and supporting documentation from the cardholder for requests for temporary ATM withdrawal, and/or temporary restricted or unrestricted card limit increase
 - a. Temporarily modify cardholder accounts when requests for temporary ATM withdrawal and/or temporary restricted or unrestricted card limit increases are approved
4. Review requests for cardholder account reinstatement and submit approved requests to the contractor bank
5. Work with the Level 2 A/OPC and the contractor bank to perform a semi-annual deactivation of inactive card accounts
6. Clear cardholders for separation from FDA once the cardholder is verified to have completed requirements for closing an account

C. Responsibilities of the Level 4, 5, and 6 A/OPCs

1. Establish new cardholder accounts and verify employee's completion of required travel charge card training requirements
 - a. Provide employees requesting a card with a copy of the DHHS and FDA-specific guidance on the use of the travel charge card and the employee's responsibilities when signing the travel charge card application

- b. Complete, sign, and forward applications for new travel charge cards to the contractor bank
- 2. Ensure that all cardholders complete the travel charge card refresher training every three years
 - a. Maintain a file of current certificates of completion of training for all cardholders
 - b. Suspend accounts if the cardholder does not complete the training
- 3. Complete travel charge card training and recertify every year
 - a. Maintain a file of certificates of completion for all the A/OPCs one level lower (i.e. the Level 4 A/OPC maintains certificates for all Level 5 A/OPCs)
- 4. Provide an updated listing of the names of the Level 4 and lower A/OPCs and their alternate(s), with their mailing address and telephone numbers, to the Level 3 A/OPC on a quarterly basis
- 5. Use the online reporting capabilities in PaymentNet to monitor for cardholder delinquency and potential travel charge card misuse and abuse
 - a. Create and document cases of abuse and misuse using Visa IntelliLink
 - b. Maintain documentation of the reason for travel charge card suspension or cancellation
 - c. Notify the OIG, contractor bank, and Level 3 A/OPC of potential fraud
 - d. Monitor cardholders' accounts for delinquency and suspend or cancel cards as outlined in Section 4.A.3.c of this guidance
 - (1) Notify cardholders when they are delinquent (see Appendix F)
 - (2) Notify the Level 3 A/OPCs of any mission-related extenuating circumstances for which a cardholder's delinquent account should not be suspended
 - (3) Suspend travel charge cards when accounts are one or more days delinquent

(4) Reactivate suspended travel charge cards when cardholders are authorized to travel and the undisputed balance has been paid in full

6. Review requests and supporting documentation from cardholders for requests for temporary ATM withdrawal, and/or temporary restricted or unrestricted card limit increase
7. Verify in PaymentNet that the travel charge card has been canceled or the balance is \$0 when an cardholder leaves, retires or transfers to another Government agency
8. Review and approve requests for cardholder account reinstatement and submit to the A/OPC one level higher (e.g., a Level 6 A/OPC will submit to a Level 5 A/OPC)

D. Responsibilities of the Cardholder's Immediate Supervisor

1. Issue written notice to those employees who are expected to travel five (5) or more times per year of their need to apply for a travel charge card, and the mandatory use thereof
2. Sign employee's applications for the travel charge card as an internal control measure to ensure that the employee has an official need to receive a card before initiating administrative processing
3. Review and provide approval for requests and supporting documentation from cardholders for requests for temporary ATM withdrawal, and/or temporary restricted or unrestricted card limit increase
4. Authorize cash advances in amounts in accordance with the DHHS Travel Policy Manual, Section 3.3 Travel Advances
5. When notified by the A/OPC of questionable or inappropriate charges, determine and communicate the appropriate disciplinary actions to the cardholder
 - a. Maintain documentation of referrals to OC/OO/OHR and resolution of the referral
 - b. Request that the A/OPC suspend or cancel the card if there is a pattern of inappropriate use or insufficient explanation for repeated delinquencies or suspected abuse/misuse

6. Notify the Level 3 or lower A/OPC if a cardholder is no longer eligible to have a travel charge card
7. Notify the Level 4 or lower A/OPC when an cardholder is transferring between offices within FDA
8. Ensure the appropriate official signs an exit clearance or other form required to document cancellation of the card when an cardholder leaves FDA and that the departing cardholder understands his/her responsibility to pay their proper travel charge card charges in full and on time

E. Responsibilities of the Cardholder

1. Apply for a travel charge card if traveling five (5) or more times in a year
 - a. Complete the documents listed in Section 5.A.1 of this guidance and forward the signed documents to the Level 4 or lower A/OPC
2. Complete the travel charge card refresher training every three (3) years
3. Use the travel charge card for all travel expenses associated with TDY travel unless an exemption applies
 - a. Use the travel charge card only for authorized official Government travel expenses and be aware of what constitutes misuse; examples of misuse can be found in Section 5.2.B of this guidance
4. Ensure that the travel charge card and PIN are kept in a secure location.
5. Report lost or stolen travel charge cards immediately to the contractor bank and the Level 4 or lower A/OPC
6. Obtain ATM advances for exempted expenses
7. Prepare request and supporting documentation for temporary ATM withdrawal, and/or temporary restricted or unrestricted card limit increase
8. Submit proper reimbursement vouchers within five (5) working days following completion of the trip or every 30 days if on continuous travel

9. Pay travel charge card bills on time regardless of voucher reimbursement status and use split disbursement so that the travel charge card will automatically be paid
10. Respond to all A/OPC inquiries about travel charge card issues within one week.
11. Complete and submit requests for card account reinstatement
12. Contact the contractor bank to dispute a charge within 60 days from the statement billing date of the disputed charge
13. Notify the A/OPC when transferring between offices within FDA
14. When leaving, retiring, or transferring to another Government agency, contact the A/OPC and the contractor bank to cancel travel charge card privileges and ensure the travel charge card account has a \$0 balance

7. PROCEDURES.

A. Training Requirements

In order for participants in the travel charge card program to stay up-to-date on the latest rules and regulations, cardholders are required to complete a refresher training every three years. The Level 4 or lower A/OPCs are responsible for keeping documentation of all cardholders' certificates of completion of the travel charge card training and be able to furnish all certificates upon request. Cardholders who do not complete the refresher training will have their card suspended until they complete the training.

In addition, A/OPCs are required to complete the travel charge card refresher training annually. A/OPCs are responsible for keeping a copy of the certificates of completion the A/OPCs one level lower; for example, Level 4 A/OPCs must keep records of all of the Level 5 A/OPCs for whom they are responsible. A/OPCs who do not complete the refresher training will be suspended and a notification will be sent to their supervisor requesting a replacement A/OPC.

B. Requests for Temporary ATM Withdrawal and/or Temporary Card Limit Increase

Under certain circumstances, cardholders may need to have their credit limit increased on their restricted or unrestricted card, require ATM access for their restricted card, and/or increase their ATM access limit on their

unrestricted card. Any requests must be submitted using the memo in Appendix G.

Each trip requiring a request for temporary ATM withdrawal privileges and/or card limit increases must be submitted separately for approval. The memo should provide full details when possible, including the travel authorization number, purpose of the request, amount requested, expenses associated with the request, and dates of the travel. Requests for ATM access for purchasing local samples should include the sample number and/or assignment number.

Memos to request temporary ATM withdrawal and/or card limit increases must be reviewed and approved by the cardholder's supervisor and their Center/Office Chief Executive Officer or Exemption Authorizing Official Designee. Please consult your Level 4 or lower A/OPC for the appropriate time frames for submittal.

Once the request has been approved by the supervisor and Center/Office Chief Executive Officer, the request will be sent for final approval to the Level 3 A/OPC. Once the Level 3 A/OPC receives a request for temporary ATM withdrawal privileges and/or card limit increases, they will have 10 days to review and adjudicate on the request. Requests must be submitted to the Level 3 A/OPC prior to the travel occurring. If the request is approved, the Level 3 A/OPC will make the temporary adjustment for ATM withdrawal privileges and/or card limit increase to the cardholder's account for the duration of the trip.

C. Monitoring Cardholder Accounts

In order to identify potential misuse and abuse, delinquency, and accounts which need to be closed, Level 4 and lower A/OPCs should review reports and accounts on a monthly basis in PaymentNet. When potential issues are identified, the Level 4 or lower A/OPC should notify the cardholder and/or cardholder's supervisor of the issue(s) and request justification or documentation to determine whether additional follow-up actions are necessary.

1. Delinquency

Level 4 and lower A/OPCs should be reviewing reports and accounts on a monthly basis in PaymentNet to identify cardholders with balances which are 31 or more days delinquent.

When card accounts are 1 day delinquent or greater, the Level 4 and lower A/OPC will suspend the travel charge card until the undisputed balance has been paid in full. When card accounts become 31 days

delinquent, the cardholder account will be automatically suspended by the contractor bank. When the balance becomes 64 days overdue or greater, the cardholder account balance will be referred for salary offset procedures and the Level 4 and lower A/OPCs will cancel the card. At 1 day, 31 days, and 64 days delinquent, the A/OPC will send a notice to the cardholder and copy the cardholder's supervisor, the Center/Office Chief Executive Officer, and the Director of the Office of Financial Management (OFM) Division of Travel Services (DTS).

For consistent notification procedures within FDA, use the delinquency notices in Appendix F of this guide.

2. Inactive Accounts

The Level 3 A/OPC will work with the Level 2 A/OPC (Program Support Center) and the contractor bank to perform a semi-annual deactivation of cards that remain inactive during a six-month period.

When contacted by the Level 3 A/OPC that a cardholder account(s) has been identified for deactivation during the semi-annual deactivation of cards, the Level 4 or lower A/OPC should coordinate with the cardholder's supervisor to determine the need for the cardholder to have a travel charge card.

Level 4 and lower A/OPCs should be reviewing reports on a monthly basis to identify card accounts with account inactivity for an extended period of time.

Once accounts have been identified which meet the account inactivity period listed above, the Level 4 or lower A/OPC should contact the cardholder's supervisor to determine whether there is a need for a travel charge card account to remain open. During the semi-annual deactivation of cards, the Level 3 A/OPC will contact the Level 4 or lower A/OPC to reach out to the cardholder's supervisor. If a cardholder has a long period of account inactivity but the account cannot be cancelled, it is recommended that the Level 4 or lower A/OPC suspend the card until the cardholder begins travel.

3. Misuse and Abuse

Level 4 and lower A/OPCs should monitor accounts closely for potential misuse and abuse as outlined in the FDA Zero Tolerance Policy and purchases from restricted MCC's. When potential misuse and abuse is detected by the Level 4 and lower A/OPC, the card will be suspended immediately while the issue is being investigated. If the

cardholder is on active travel, the card should not be suspended until after the travel has been completed.

Once the card has been suspended, a non-supervisory Level 4 or lower A/OPC will send notice to the cardholder to request that documentation be provided. The cardholder should make every effort to respond to requests for justification and documentation in a timely manner. If misuse or abuse is identified after reviewing documentation provided by the cardholder, a non-supervisory Level 4 or lower A/OPC will reach out to the cardholder and the cardholder's supervisor with a memo to outline the issue and steps required for remediating the issue.

As outlined in the Zero Tolerance Policy, the cardholder's supervisor may impose appropriate corrective actions, including:

- a. Requiring the cardholder retake the travel charge card training;
- b. Issuing a letter of counseling to the cardholder;
- c. Deactivating, suspending, or canceling cardholder accounts;
- d. Imposing additional disciplinary actions deemed appropriate by the Agency.

For consistent notification procedures within FDA, the non-supervisory Level 4 and lower A/OPCs should use the inappropriate use notice found in Appendix D to notify travelers of questionable charges incurred while in travel status or the unauthorized use notice found in Appendix E to notify travelers of charges incurred while not in travel status.

In cases of potential fraud, the OIG, contractor bank, and OFM should be notified.

D. Reinstatement of Accounts by the Contractor Bank

If a cardholder has had their account suspended or closed by the contractor bank, a request to have their account reinstated may be submitted to their Level 4 or lower A/OPC. The cardholder account must meet all of the criteria outlined in Section 5.A.3.d of this guidance.

The request must be approved by all lower levels of A/OPCs up to the Level 3 A/OPC. If the Level 3 and all lower A/OPCs approve the reinstatement request, it will be submitted to the contractor bank for approval. The contractor bank will then make the final decision whether to reinstate the cardholder account.

E. Closing an Account

When leaving the Federal government, retiring, or transferring to another Federal agency, the cardholder is responsible for notifying their A/OPC and the contractor bank to close their account. Cardholders must ensure that their account has a \$0 balance before leaving the FDA. If the cardholder has a credit due to FDA, the cardholder must send a check to FDA. If a credit is due to the cardholder, then the cardholder must request that the contractor bank send a check to the cardholder. Cardholders then have the option to dispose of the card or turn it in to their A/OPC or supervisor to be disposed of.

The Level 3 or lower A/OPC should verify that cardholders have closed their account prior to leaving FDA. Level 3 or lower A/OPCs should also ensure that a cardholder's travel charge card has a \$0 balance before clearing the cardholder from separating from FDA.

8. EFFECTIVE DATE.

The guide was signed by Peter Kelchner, Acting Director - Office of Financial Management, effective June 28, 2016.

9. Document History – SMG 2343.1, “Government Travel Charge Card Program and ATM Advance Program”

STATUS (I, R, C)	DATE APPROVED	LOCATION OF CHANGE HISTORY	CONTACT	APPROVING OFFICIAL
Initial	05/04/2010	N/a	OC/OA/OFO/OFM	William Collinson, Director, OFM
Revision	06/28/2016	N/a	OO/OFBA/OFO/OFM	Peter Kelchner, Acting Director, OFM
Change	11/04/2019	Update URLs in Sect. 3	OO/OFBA/OFO/OFM	Sahra I. Torres-Rivera, Director, OFM
Change	01/02/2020	Update URL for Appendix C	OO/OFBA/OFM/DTS	Evan Chiverton, Director, Division of Travel Services

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APPENDIX A – HHS Traveler’s Agreement for Government Contractor-Issued Travel Charge Card Users

Here is the URL for the HHS Traveler’s Agreement for Government Contractor-Issued Travel Charge Card Users:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM195147.doc>).

APPENDIX B – FDA Zero Tolerance Policy Memo

Here is the URL for the FDA Zero Tolerance Policy Memo:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM474158.pdf>).

APPENDIX C – Government Travel Charge Card Dispute Resolution Process

Here is the URL for the Government Travel Charge Card Dispute Resolution Process:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM644468.pdf>).

APPENDIX D – Government Travel Charge Card Inappropriate Use Notices

Here is the URL for the Government Travel Charge Card Inappropriate Use Notices:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM474171.docx>).

APPENDIX E – Government Travel Charge Card Unauthorized Use Notices

Here is the URL for the Government Travel Charge Card Unauthorized Use Notices:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM474176.docx>).

APPENDIX F – Government Travel Charge Card Delinquency Notices

Here is the URL for the Government Travel Charge Card Delinquency Notices:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM474180.docx>).

APPENDIX G – Temporary ATM Withdrawal and Temporary Restricted Card HHS Travel Card Increase Memo

Here is the URL for the Temporary ATM Withdrawal and Temporary Restricted Card HHS Travel Card Increase Memo:
(<http://inside.fda.gov:9003/downloads/Administrative/Travel/GovernmentTravelCard/UCM474185.pdf>).