

BOBBY JINDAL
GOVERNOR



PAUL W. RAINWATER
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Purchasing

TO: All Program Administrators

FROM: Denise Lea
Denise Lea
Assistant Commissioner

DATE: November 30, 2011

RE: Statewide State Liability Travel Card and CBA Policy

Effective January 1, 2012, the State of Louisiana will be changing the State Travel Card Program from an employee liability to a state liability. Therefore, as a result of this change, the Office of State Purchasing and Travel has established a State Liability Travel Card and CBA Policy.

The statewide policy establishes the minimum standards and guidelines for participation in the new program. Each agency is responsible for establishing an internal agency policy. The agency's policy must, at a minimum, include all requirements outlined in the statewide policy, section 3.B, along with internal procedures regarding documentation, security, misuse, discipline and payment processing.

It is important that the Department Head or President of each agency/college/university, as well as both program administrators, review and acknowledge receipt and understanding of the policy by signing the last page of the policy and faxing to the State Travel Office at 225-342-5019. Based on this requirement, please forward to Department Head and any other appropriate personnel so that they may be aware of the contents.

For your convenience we have included a copy of the policy. If you have any questions, you may contact Tammy Toups at tammy.toups@la.gov or 225-342-8053. Thank you for your usual support.

DL:tt

STATE OF LOUISIANA



STATE LIABILITY TRAVEL CARD AND CBA POLICY



January 1, 2012

STATE OF LOUISIANA
STATE LIABILITY
TRAVEL CARD AND CBA POLICY

1. PROGRAM

A. POLICY STATEMENT

The State of Louisiana State Liability Travel Card and CBA Program policy covers and establishes minimum standards for possession and use. The State Liability Travel Card/CBA is a tool used to assist employees in paying for specific, higher cost travel expenses, incurred during travel for official state business. The Travel Card/CBA is a VISA account issued by Bank of America for the State of Louisiana. These accounts will enable employees to purchase travel related accommodations/services with the convenience of a credit card to offset allowable expenses in accordance with PPM49, located at: <http://www.doa.louisiana.gov/osp/travel/travelpolicy/2011-12travelguide.pdf>

Use of the State Liability Travel Card/CBA is provided for official state business use only.

It will be the responsibility of the agency to set individual cardholders single purchase limits. An agency may allow a SPL (single purchase limit), agency-wide or on an individual card basis, up to \$5,000 without prior approval from the Office of State Purchasing and Travel. The Office of State Purchasing and Travel must approve in writing any authority for a SPL or one time override to be above \$5,000.

This policy and procedures along with the use of the Travel Card and CBA does not negate any current requirement and/or allowances in PPM49, including the travel authorization/expense forms which must be completed for all non-routine travel, conferences and out of state travel, as well as, Purchasing Policies, Rules and Regulations, Louisiana Statutes, or Executive Orders.

B. TRAVEL CARD/CBA PROGRAM BENEFITS

The use of this card will improve efficiency and effectiveness by forming one source of payment for contract airfares, which is a requirement by the airlines to continue offering totally refundable, non-penalty airfares to the State, along with reducing the need for cash advances.

C. CONDITIONS OF PARTICIPATION

All agencies/colleges/universities, as a condition of participation in the State Liability Travel Card/CBA Program shall abide by the terms of this policy unless a "Request for Exception" form is submitted and approved by the Office of State Purchasing and Travel.

No employee may qualify for a State Liability Travel Card if their State of Louisiana Corporate Travel Individual Liability account has been revoked due to charge-offs and/or non-payment or if their account currently has a balance. All accounts must be paid in full prior to consideration for a State Liability Travel Card.

All Travel Card cardholders must sign the State Liability Travel Card Program Cardholder Agreement Form acknowledging and outlining the cardholder's responsibility under the program. See Section 4.B .

Agency/College/University's failure to comply with all conditions of participation may result in removal from the Travel Card/CBA Program.

2. DEFINITIONS

Airfares, State Contracted –airfares, bid by the Office of State Purchasing and Travel, which are totally refundable but higher in cost due to the last seat availability requirement of the airline. These fares are usually only used for last minute notice of travel. State contracted airfares must be purchased with the State Liability Travel Card or an agency's CBA account.

CBA (Controlled Billed Account) –a credit account issued in an agency's name (no plastic cards issued). These accounts are direct liabilities of the State and are paid by each agency. CBA Accounts are controlled through an authorized approver(s) to provide means to purchase any allowed transactions/services allowed in this policy. See Section 4.C. Please realize that although other travel related charges are now allowed on the CBA account, the traveler needs to ensure that the actual "plastic" is not necessary, as there is no plastic issued for a CBA account.

Cycle - the period of time between billings. For example, the State of Louisiana Travel Card closing period ends at midnight the 8th of each month. Synonymous with "billing cycle"

Cycle Limit –maximum spending (dollar) limit a Travel Card/CBA is authorized to charge in a cycle. These limits should reflect the individual's travel patterns. They are preventative controls and, as such, should be used judiciously.

Incidental Expense – expenses incurred while traveling on official state business which are not allowed on the state liability travel card. Incidentals include, but are not limited to, meals; fees and tips to porters, baggage carriers, bellhops, hotel maids; transportation between places of lodging/airport such as taxi; phone calls and any other expense not allowed in Section 4C.

MCC Code (Merchant Category Code) –a standard code the credit card industry uses to categorize merchants based on the type of goods or services provided by the merchant. A merchant is assigned an MCC by the acquiring bank.

Merchant –a business or other organization that may provide goods or services to a customer. Synonymous with "supplier" or "vendor".

PPM49 (Policy and Procedure Memorandum 49) –the state’s general travel regulations. These regulations apply to all state departments, boards and commissions created by the legislature or executive order and operating from funds appropriated, dedicated, or self sustaining; federal funds, or funds generated from any other source.

<http://www.doa.louisiana.gov/osp/travel/travelpolicy/2011-12travelguide.pdf>

SPL (Single Purchase Limit) - the maximum spending (dollar) limit a Travel Card is authorized to charge in a single transaction. The SPL limit may be up to \$5,000; however, this limit should reflect the individual’s travel patterns. There are preventative controls and, as such, should be used judiciously. Purchases shall not be split with the intent of and for the purpose of evading the Travel Card single purchase limit set for cardholder.

Travel Card - a credit account issued in an employee’s name. This account is direct liability of the State and is paid by each agency. Travel Card accounts are a tool used to assist the employee in paying for specific, higher cost travel expenses, incurred during travel for official state business only.

Travel Card Log – used in reconciliation process for purchases/services charged during the billing cycle. Log is used by matching the paper memo statement received from the bank to the log and the documentation obtained from the vendor(s).

Transaction - a single purchase. A credit also constitutes a transaction.

Transaction Documentation –all documents pertaining to a transaction. The documentation is also used for reconciliation at the end of the billing cycle and is to be retained with the monthly reconciliation documentation for review and audit purposes. Examples of transaction documentation include, but are not limited to: itemized purchase receipts/invoices, receiving documents, credits, disputes, written approvals, airline exception justifications/approvals, travel authorizations/expense forms, etc.

3. STATE LIABILITY TRAVEL CARD ADMINISTRATION RESPONSIBILITIES

A. OFFICE OF STATE PURCHASING AND TRAVEL RESPONSIBILITIES

The State of Louisiana, Office of State Purchasing and Travel is responsible for the statewide contract administration of the State Liability Travel Card/CBA Program. The State Program Administrator will serve as a central point of contact to address all issues and changes necessary to the overall program, and coordinate such changes with the contractor, Bank of America.

The Office of State Purchasing and Travel will issue and maintain the State Liability Travel Card/CBA Policy as contained herein. If the state’s policy or the program limits are changed statewide, a revised Travel Card/CBA Policy will be issued by the Office of State Purchasing and Travel.

The Office of State Purchasing and Travel will approve agency participation in the program and identify the allowable Merchant Category Codes (MCC) and their limits, if applicable. MCC allowances will be in accordance with Section 4C. Agency exceptions granted on a case-by-case basis will be in writing on the exemption request form and forwarded to the Office of State Travel.

Cash is not allowed and will be blocked from use in this program.

B. AGENCY/COLLEGE/UNIVERSITY RESPONSIBILITIES

Agency responsibilities include administration of their State Liability Travel Card/CBA program, and compliance with state guidelines identified here and in PPM49.

The Department Head will be responsible for designating Agency Travel Card/CBA Program Administrators and for notifying the State Program Administrator at the Office of State Purchasing and Travel of any changes in the department head or program administrator(s).

Agency is responsible for developing a policy documenting all internal procedures and ensuring that they are in accordance with the guidelines of the State Liability Travel Card/CBA Policy and updated when necessary with changes/additions which may occur in the agency's internal procedures and/or State's policy.

The Agency Program Administrator(s) will be responsible for keeping abreast of program updates as they are sent as email updates and are posted on the Office of State Purchasing and Travel Website <http://www.doa.louisiana.gov/osp/travel/traveloffice.htm> along with dissemination of this information to the Department Head, Cardholders, and any other agency personnel as deemed appropriate.

Agency is responsible for performing post audits of cardholder transactions to monitor appropriate use while verifying that purchases are made in accordance with PPM49 and/or all purchasing rules and regulations. Remember that all transactions MUST have a receipt. The bank will provide reporting capabilities at no cost to each agency.

Agencies are also responsible for establishing proper controls and developing internal policies and procedures, as well as:

1. Conducting necessary training to ensure that the cardholder is aware of all duties and responsibilities associated with possession/use of a State Liability Travel Card. Administrator shall maintain the original employee signed copy of the State Liability Travel Card Program Cardholder Agreement Form, for all participants of the Travel Card Program. A copy of the signed agreement along with the state and agency policy shall be provided to the participating employee.

2. Determining appropriate cardholders and setting individual cardholder limits for single transactions, daily and/or cycle transaction limits. We recognize certain business transactions require higher limits and approval over \$5,000 may be granted with written approval from Office of State Purchasing and Travel. However, when requesting approval for a higher SPL be aware that it is best practice to limit the SPL to the lowest necessary SPL that is needed for the duties of that individual. It is also best practice to issue only one card per cardholder.
3. Determining allowable merchant category codes based on individual needs and the State's allowances.
4. Educating cardholders on use of cards and sales tax requirements. See Section 6
5. Maintaining budgetary controls.
6. Developing a travel card log used to assist in reconciliation process.
7. Monitoring for inactive cardholder accounts and adjusting SPL's and/or monthly cycle limits accordingly based on possible change in needs and/or cancellation of card, especially when not utilized in a twelve month period.
8. Establishing procedures, as part of exit paperwork, to collect and cancel cards upon termination of the employee.
9. Educating cardholders on process of reporting a card lost, stolen and/or any fraudulent activity.
10. Requesting cards, and performing any maintenance necessary for agency cardholders. Monitoring the issuance of cards, ensuring prompt reconciliation of periodic statements.
11. Establish procedures for reducing Travel Card cardholders to \$1 limits during an extended absence and/or until cardholder returns. This will be done to protect the cardholder and the agency during their absence.
12. Establishing and enforcing personnel policies to discipline employees in the event of abuse or failure to comply with established guidelines as well as procedures for recoupment of unauthorized charges and/or overage of allowances as defined in PPM49. If abuse, whether accidental or for travel incidentals, occurs more than twice, cancellation of the Travel Card is strongly encouraged.
13. Establish internal procedures for both state and city tax reimbursements to applicable hotel, city parish and/or State to handle hotel charges which are not allowed but were charged resulting in an unauthorized tax exemption for charges such as room services, movies, double occupancy for additional non-state employees, etc as well as other charges which are in excess of official business days (such as personal days added at the beginning or end of a trip/conference)
14. Maintaining list of all agency cardholder's names.
15. Establishing agency Corporate Business Accounts (CBA's) and determining proper authorizers. The contract travel agency and Bank of America must be notified of authorizers for each CBA account.
16. ISIS Accounting Interface Agencies:
Establish and assign default accounting codes for cardholders. There will be a default accounting code for each appropriated program that will consist of the fund/agency/organization/object combination. The fund/agency will be the ISIS Agency number, the organization code will be the clearing organization number established by OSRAP (TRV plus the appropriation number; ex TRV1, TRV2) and the clearing object will be 2670. The clearing organizations will be set up by OSRAP at the time of enrollment in the program.

The Agency will be responsible for notifying OSRAP of all instances that will require a change in the agency's structure.

A clearing organization code (TTTT) will also be set up for each corporate account (ISIS Agency) for miscellaneous charges and for cardholder transactions that have an incorrect default code.

Reconciling cardholder statement to electronic payment (P4 Travel Card Vendor Payment Voucher Input Form) and distributing costs from the default accounting codes to the proper accounting codes. ISIS Agencies must notify OSRAP immediately of any discrepancies.

17. NON-ISIS Accounting Interface:

Agencies will assign codes specific to their accounting system. These assigned account numbers will track purchases as deemed necessary.

18. Non-Interface Agencies:

For any agency not receiving an interface into their accounting system, it will be the agency's responsibility to ensure that reconciliation is completed and payments are made timely.

C. Supervisor/Reviewer Responsibilities

1. Always submit approvals with all necessary documentations in a timely manner and in accordance with your agency's policy
2. Ensure each transaction:
 - Has an appropriate business purpose
 - Is in compliance with PPM49 and/or any applicable purchasing rules and regulations
 - Is in compliance with the agency and the State's Liability Travel Card/CBA policy
 - Has all required documentation supporting the transaction
 - Is not a duplication of personal request and/or reimbursements

D. Audit Reports

The following reports, at a minimum, should be run on at least a monthly basis:

- Card Decline Report – shows all transactions which declined during a specified time period, including the reason for the decline. Example of card declines include card may not have been activated, mcc group excluded, not enough money available, type of vendor not allowed, etc.
- Card Status Report – shows the status of each card by listing the cardholders name, profile, single transaction limit. You should be able to verify that each cardholder has been assigned the correct profile and all limits are correct.

All reports are be used as a tool to assist the program administrator with determining which cardholders may need a refresher training course, counseling, cancellation of card, as well as, to determine possible changes to cardholders limits, profiles, and MCC groups.

4. POLICY REQUIREMENTS

A. STATE LIABILITY TRAVEL CARD ACCOUNT REQUIREMENTS/GUIDELINES

1. Travel advances should not be given to an employee who does not qualify for a State Liability Travel Card because their State of Louisiana Corporate Travel Individual Liability account was revoked due to charge-offs and/or non-payment or account has an outstanding balance. List of current ineligible employees may be obtained from the Office of State Purchasing and Travel or from Bank of America.
2. All Travel Card transactions must have a receipt and must be in accordance with all PPM49 guidelines, <http://www.doa.louisiana.gov/osp/travel/travelpolicy/2011-12travelguide.pdf> , Purchasing Policies, Rules and Regulations, Louisiana Statutes and/or Executive Orders <http://www.doa.louisiana.gov/osp/osp.htm> including the travel authorization/expense forms which must be completed for all non-routine travel, conferences and out of state travel.
3. In accordance with airline contracts and PPM49, it is mandatory that all state contracted airfare be purchased with a State Liability Travel Card or an agency's CBA account.
Note: While not mandatory, the Travel Card and Agency CBA account may be used for all other non-contracted airfares.
4. Cardholders must be approved by appropriate agency authority and distributed only to frequent travelers, based on the request of a supervisor, manager or department head, not as an automatic process upon hiring.
5. Cardholders must attend training class and sign a State Liability Cardholder Agreement Form acknowledging cardholder's responsibilities prior to receiving.
6. All Travel Cards are issued with state liability, under which the state is liable for the payment of the purchases. The program is based on the strength of the State's financial resources, not the personal finances of the cardholder.
7. Due to State Liability, Travel Cards are to be issued in the name of State of Louisiana employees only.
8. Travel Cards will be issued with dual limits. The overall card cycle limit determined by the agency, and a SPL limit up to \$5,000, also determined by the agency. These limits should reflect the individual's travel patterns. They are preventative controls and, as such, should be used judiciously. Exceptions to the SPL may be requested from the Office of State Travel with a travel exemption request form.
9. Default accounting codes must be assigned if your agency has created an interface with your accounting system.
10. State Liability Travel Card is a VISA card and will be identified with the State of Louisiana seal and marked Commercial Travel Card/Louisiana Travel Card. The cards will be embossed with the Employee's name, department name, account number and tax exempt number.
11. Expiring Travel Cards will automatically be replaced/renewed prior to the Travel Card's expiration date by the issuing bank. All replacement/renewed cards will be sent to agency's program administrator.

B. INDIVIDUAL TRAVEL CARD CARDHOLDERS SHALL:

1. Use for official state travel only. No personal use.
2. Attend training class and sign a State Liability Cardholder Agreement Form, acknowledging cardholder's responsibilities prior to receiving.
3. Never put the full Travel Card account number in emails, fax, reports, memo, etc. If designation of an account is necessary, only use of the last four or eight digits of the account is to be allowed.
4. Recognize that the Travel Card is the property of the State of Louisiana and the cardholder is responsible for the physical security and control of the Travel Card and its appropriate use. The Cardholder is also responsible for maintaining the security of card data such as the account number, the expiration date, and the card verification code (CVC), the 3-digit security code located on the back of the card.
5. The cardholder shall never send a copy of the Travel Card if requested by a merchant. If this is required for payment, then the cardholder must use another form of payment other than the State Liability Travel Card.
6. Present a personal credit card when checking into a hotel to cover any incidental expenses, which are not allowed, if using the Travel Card to pay for hotel room charges. If incidentals are incurred during a business trip, traveler must be reimbursed through the agency's travel reimbursement policy and procedures including the travel expense, BA12, process.
7. Never use an individual Travel Card for personal, non-business expenses for any reason. Travel Card is limited to the person whose name is embossed on the card. The Travel Card shall not be used to pay for another or loaned to another person to pay for official or non-official travel expenses.
8. Taxes should never be paid on hotel, Enterprise instate vehicle rentals, Park-N-Fly parking charges with this card, since it is a state liability. See Section 6.
9. Never, under any circumstances, use the Travel Card to access cash.
10. Never accept cash in lieu of a credit to the Travel Card account.
11. Never use Travel Card for Incidentals.
12. Never use Travel Card for gift cards/gift certificates.
13. Never use Travel Card for purchase of alcohol, food or entertainment services without prior approval from Office of State Purchasing and Travel.
14. Never use Travel Card for fuel and maintenance if agency is part of the Fuel Card and Maintenance Program. However, in the event that the program is not covered in a certain area, then the Travel Card may be used and files must be completely documented.
15. Never use Travel Cards to avoid procurement or payment procedures.
16. Submit their travel expense form www.doa.louisiana.gov/osp/travel/forms.htm and all required transaction documentation, special approvals, etc timely and in accordance with their agency's internal policy. Note: Every Transactions must have a receipt. Failure to do so should result in cancellation of Travel Card.
17. **NEVER MAKE A PAYMENT DIRECTLY TO THE BANK** in the event that an unauthorized charge is placed on the cardholder's state liability Travel Card. If the payment is made directly to the bank, it will cause the monthly statement billing file to be out of balance and agency will have to determine the cause. Ultimately, it will be determined that a personal payment was made, therefore, report any unauthorized charges to your program administrator immediately.

18. Notify the agency's program administrator if fraudulent charges are noticed, as the card may need to be cancelled and another card issued.
19. Notify program administrator if use of a card has changed and lower or higher limits are necessary.
20. Immediately report a lost or stolen card to Bank of America, 1-888-449-2273.

C. ALLOWABLE STATE LIABILITY TRAVEL CARD TRANSACTIONS

1. **AIRFARE** – State contracted airfare must be paid for with either a State Liability Travel Card or an Agency's CBA account. Airfare, other than state contracted, may be charged by any means including a traveler's personal credit card.
2. **STATE CONTRACTED TRAVEL AGENCY FEES**
3. **REGISTRATION FOR CONFERENCE/WORKSHOPS** – this card may not be used for Membership Dues
4. **HOTEL/LODGING**
5. **RENTAL CAR**
6. **PARKING** – Only with hotel stay and combined on invoice and Park-N-Fly Parking
7. **INTERNET SERVICES** – Only with hotel stay and combined on invoice
8. **AIRLINE BAGGAGE FEES** – Only when combined with normal airfare cost at time of reservation. If baggage charge is invoiced/billed separately or at time of check-in, these fees are not allowed on the Travel Card without approval from Office of State Travel
9. **GASOLINE FOR RENTAL CAR/STATE OWNED CAR ONLY** - Not to be used if agency is part of the Fuel Card Program/Contract. However, in the event that the program is not covered in a certain area, then the travel card may be used and file must be completely documented.
10. **SHUTTLE SERVICE** – Only when pre-paid prior to trip. Not for individual ground transportation during a business trip such as taxi, bus, etc. without approval from Office of State Travel

D. STATE CORPORATE BUSINESS ACCOUNT (CBA) REQUIREMENTS/GUIDELINES

1. All CBA transactions must be in accordance with PPM49 guidelines, <http://www.doa.louisiana.gov/osp/travel/travelpolicy/2011-12travelguide.pdf> , Purchasing Policies, Rules and Regulations, Louisiana Statutes and/or Executive Orders <http://www.doa.louisiana.gov/osp/osp.htm>.
2. The purpose of a CBA is to provide a tool for agencies to purchase contract and non-contract airfare and assist with payment of travel expenses only. See Section 4.C. Please realize that although other travel related charges are now allowed on the CBA account, the traveler needs to ensure that the actual "plastic" is not necessary, as there is no plastic issued for a CBA account.
3. In accordance with airline contracts and PPM49, it is mandatory that all state contracted airfare be purchased with a State Liability Travel Card or an agency's CBA account.
Note: While not mandatory, the Travel Card and Agency CBA account may be used for all other non-contracted airfares.
4. The State promotes the use of the CBA account for airfares and registration; however each department head will determine who is eligible to use the CBA within their agency.

5. The account(s) are issued in the name of the agency and the program administrator is the primary point of contact for those accounts. The agency may designate multiple authorizers per account. The contract travel agency and Bank of America must be notified of authorizers for each CBA account.
6. CBA account(s) shall have an overall card cycle limit determined by the agency. These limits should reflect the agency's travel patterns. They are preventative controls and, as such, should be used judiciously.
7. If the agency is currently set as a company with Bank of America, the Program Administrator may establish a new or additional CBA account through Bank of America's on-line system, WORKS. If an agency is not established as a company then you must contact the State Travel Office to complete all necessary documentation.
8. The CBA accounts are also the direct liability of the state. Each agency will be responsible for ensuring all payments are made timely to the bank.
9. No plastic card is issued. These are referred to as ghost accounts. If it is determined that personal or other unauthorized charges are occurring on the CBA account, appropriate steps, up to and including dismissal, shall be taken to resolve the misuse/abuse of the account.
10. The full CBA account number shall never be put in emails, fax, reports, memo, etc. If designation of an account is necessary, only use of the last four or eight digits of the account is to be allowed.
11. All CBA accounts must be paid in full monthly and must be made by electronic payment.

5. CARD MISUSE

- A. FRAUD PURCHASES** - any use of the Travel Card/CBA which is determined to be an intentional attempt to defraud the state for personal gain or for the personal gain of others.

An employee suspected of having misused the Travel Card/CBA with the intent to defraud the state will be subjected to an investigation. Should the investigation result in findings which show that the actions of the employee have caused an impairment to the state service, and should those findings be sufficient to support such action, the employee will be subject to disciplinary action. The nature of the disciplinary action will be the prerogative of the appointing authority and will be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Legislative Auditor and the Director of the Office of State Purchasing.

- B. Non-Approved Purchase** - a purchase made by a State cardholder for which payment by the state is unapproved. A non-approved purchase differs from a fraud purchase in that it is a non-intentional misuse of the Travel Card/CBA with no intent to deceive that agency for personal gain or for the personal gain of others.

A non-approved purchase is generally the result of a miscommunication between a supervisor and the cardholder. A non-approved purchase could occur when the cardholder mistakenly uses the Travel Card rather than a personal card.

When a non-approved purchase occurs, the cardholder should be counseled to use more care in handling of the Travel Card/CBA. The counseling should be in writing and maintained in the employee's file for no longer than one year unless another incident

occurs. The employee should be made to pay for the item purchased inappropriately. Should another incident of a non-approved purchase occur within a 12 month period, the appointing authority should consider revocation of the Travel Card/CBA.

C. MERCHANT FORCED TRANSACTIONS

Commercial cards are accepted by a variety of merchants that process transactions only if approved by the issuing bank thereby abiding by the card controls in place. Processing transactions are administered as follows:

Merchants processing transactions is typically a two step process:

1. Merchant authorizes transactions against card controls (MCC, limits, exp date, etc.) and if approved receives an authorization number.
2. Merchant submits the transactions for payment from the bank.
 - a. In rare instances, merchants will circumvent the authorization process and only perform step 2. This means that the merchant didn't authorize the transaction against the card controls and therefore did not receive an authorization number.
 - b. If this does happen, the merchant has forfeited all dispute rights and the transaction can be disputed and unless the merchant can provide a valid authorization number, the dispute will be resolved in the cardholders favor.

D. CARD SECURITY

Each cardholder is responsible for the security of their card, and therefore should:

1. Never display their Card Account Number around their work area
2. Never give his or her Card Account Number to someone
3. Never **email** full account numbers under any circumstances

6. SALES TAX

- A. Charges are a direct liability of the State, therefore, Louisiana sales tax should not be charged on hotel, Enterprise in-state vehicle rentals and Park-N-Fly parking charges.
- B. Cardholders should make every effort at the time of hotel, Enterprise in-state vehicle rental and Park-N-Fly parking charges to avoid being charged Louisiana State sales tax..
- C. In the event state sales tax is charged and a credit is warranted, it will be the cardholder's responsibility to have the vendor-merchant (not Bank of America) issue a credit to the cardholder's account.
- D. It is State Policy not to pay Louisiana State sales tax; however, the Agencies may exempt cardholders from obtaining a credit from the vendor-merchant for state sales tax charges of \$25 or less. If a cardholder continually allows taxes of \$25 or less to be charged to the card, corrective measures must be taken. It is the Agency's responsibility to monitor these sales tax transactions to ensure corrective action is taken against repeat offenders.

7. DOCUMENTATION

A. COMPLETE DOCUMENTATION

1. Ensure that documentation is adequate and sufficient to adhere to PPM49, State Purchasing guidelines and Accounting guidelines for recording of expenditures in the State/Agency accounting system. Agency should ensure that immediate supervisors or designated reviewers are verifying and signing receipts and/or Travel Card logs certifying that the documentation is acceptable for each transaction, that it was for official state business, that it is in compliance with appropriate rules and regulations and that it has been reviewed and is approved.
2. Documentation is required for all purchases and credits. For items such as registrations, where the vendor does not normally generate a receipt or packing slip, a copy of the ordering document may be used. Acceptable documentation must include a line description and line item pricing for the purchase.
3. The Agency will maintain a file of all supporting documentation in accordance with record retention laws. This file will be subject to periodic review by the Office of the Legislative Auditors and any other duly authorized auditor.

B. INDIVIDUAL STATE LIABILITY TRAVEL CARDS

1. It will be each cardholder's responsibility to submit their travel authorization/expense forms and all required transaction documentation, special approvals, etc timely and in accordance with their agency's internal policy to help ensure it is paid timely by the State.

C. CORPORATE BUSINESS ACCOUNTS (CBA)

1. Authorizers for the CBA accounts will maintain records / approvals sufficient to reconcile the CBA statement to ensure it is paid timely by the State. Each Program Administrator is responsible for ensuring that documentation is adequate and sufficient to adhere to PPM49, State Purchasing guidelines and Accounting guidelines for recording of expenditures.

8. PAYMENT PROCEDURES FOR INDIVIDUAL TRAVEL CARD AND CBA ACCOUNTS

A. PAYMENT PROCEDURES

The Agency will ensure that necessary procedures and controls are in place for prompt payment, reconciliation and cost distribution of charges and credits. Agency specific policies and procedures must be developed. These policies should address required approvals and authorizing procedures. Copies of this policy must be made available to all cardholders and other personnel responsible for Travel Card and CBA Accounts.

1. Bank of America will send paper statements and/or an electronic file containing all cardholder transactions. These files may be used for reporting and reconciliation.
2. The paper statements and the electronic Statement Billing File, if applicable, will be sent after the close of the billing cycle. Payment must be made electronically to Bank of America within 25 days of statement billing date.

B. ISIS INTERFACE AGENCY

1. The billing cycle for all ISIS Agencies will be the 8th of each month. The Statement Billing File will be used for ISIS Agencies to create a P4 (Travel Card Vendor Payment Voucher Form) and interface to AFS. This document will use the default accounting codes assigned to the cardholder at the time of issuance and a default accounting code assigned to the corporate account for miscellaneous charges. The interface will automatically create the P4 document each month. No action is required by ISIS Agencies for payment.
2. The P4 document will override budget checks and cash checks in AFS to produce an electronic funds transfer (EFT) to be sent to Bank of America. The EFT request will be processed on the 28th of each month to allow for timely payments throughout the year.

C. NON-ISIS INTERFACE AGENCY

1. Agencies can use the Statement Billing File to interface to their accounting system or use paper statements to produce ONE electronic funds transfer (EFT) to Bank of America.

9. RECONCILIATION AND COST DISTRIBUTION

- A. Documentation must be obtained indicating the date of purchase/service, the vendor name, description of the item (subclass), amount, receipt date and accounting distribution information such as organization number, object, reporting category, location, travel authorizations/expense forms, any special justifications/approvals, etc. This may be accomplished by maintaining a "Travel Card Log" or recording information directly on the receipt from the vendor for each purchase, service and/or credit made with Travel Card/CBA. Agency policy will determine who provides this information and how it is transmitted to the accounting department.
- B. Cardholders will receive paper memo statements monthly from Bank of America within approximately 5 business days of the close of the billing cycle. If the cardholder statement is not received timely, the cardholder must notify his program administrator immediately so that a statement can be obtained for reconciliation purposes.
- C. The cardholder must reconcile purchases/services charged during the billing cycle by matching the bank memo statement to his Travel Card log/record and the documentation obtained from the vendors. The documentation will be reviewed and certified by the cardholder as received or reported as a disputed item. The cardholder will then forward this to his/her immediate supervisor or designated reviewer.

- D. The immediate supervisor or designated reviewer must review the information and documentation submitted by the cardholder. See Section 3C. The reviewer must verify that acceptable documentation exists to support each purchase, service and/or credit, verify that purchases are for official state business, and that purchases/services comply with PPM49 and appropriate rules and regulations. The immediate supervisor or designated reviewer must sign the Travel Card log or memo statement certifying his review and approval. **Cardholder shall not approve his own monthly Travel Card log.** Agency policy will then determine what information is to be forwarded to the agency's accounting department.
- E. If it is determined that personal or other unauthorized charges are occurring on the card, appropriate steps, up to and including dismissal, shall be taken to resolve the misuse/abuse of the card. (See Section 5; Card Misuse)
- F. Upon notification by the immediate supervisor or designated reviewer that the cardholder reconciliation has been approved, the accounting section will ensure that the charges are distributed to the appropriate accounting codes. The agency Travel Card policy will outline what documentation is to be submitted to the accounting department.

G. ISIS INTERFACE AGENCY

1. ISIS Accounting sections must review the P4's immediately upon their posting and determine if any discrepancies exist between paper statement and the P4's. If a discrepancy does exist, you should contact your agency's program administrator and/or Bank of America Account Specialist to determine how the discrepancy will be corrected. Once this information is received, Accounting must contact OSRAP and fax a copy of the billing statement to OSRAP (225) 342-1053. OSRAP will then determine if manual P4's have to be built. This must take place prior to the 28th of each month.
2. Miscellaneous charges made to the corporate account must be reviewed, approved and reconciled. Miscellaneous charges will default to TTTT instead of an appropriated ORGN for ISIS agencies. Agency accounting departments must move these charges to the proper ORGN.
3. If a cardholder's spending defaults to TTTT rather than their correct ORGN an error has occurred. The travel card exceptions report and the 1G08 report of detailed transactions can be used to determine the reason for a cardholder's spending defaulting to TTTT. The agency program administrator / accounting department must take steps to resolve the items on the report by contacting the bank and OSRAP if necessary to correct the routing error. This should be done prior to receiving the next month's statement to prevent errors reoccurring.
4. ISIS Agencies will prepare a journal voucher document (J6 or J2 or create a REJ6 record to automatically generate the J6 each month) to credit the default accounting codes (Travel Card clearing organization and object) and debit the appropriate organization, object, reporting category, etc. Note: Payment for all ISIS Agencies will be made automatically on the 28th of each month regardless of the status of the reconciliation process.
5. ISIS Agencies must reconcile the paper statement at the corporate account level to the electronic payment made to Bank of America. All charges and/or credits should be cleared from the Travel Card clearing organizations each month for ISIS Agencies.

H. NON-ISIS AGENCIES:

1. Miscellaneous charges made to the corporate account must be reviewed, approved and reconciled. Agency will reconcile and distribute costs to their accounting system in a timely manner and according to agency policy and procedure. Note: reconciliation may take place before or after payment for Non-ISIS Agencies but payment shall be made to Bank of America within 25 days of the statement date.
- I. It is the responsibility of each agency to obtain through WORKS or contact the Bank if your paper statement is not received timely. Agencies should complete the reconciliation and distribution processes each month and prior to receiving the next billing cycle.

10. WAIVERS

A. EXCEPTIONS

1. The Director of State Purchasing and Travel, or designee, may waive in writing any provisions of these regulations when the best interest of the State will be served.

The Department Head and Agency Program Administrator, by signing this Policy, acknowledge and accept his/her responsibilities in the administration of this program as outlined herein.

Department Head

Agency Primary Program Administrator

Agency Secondary Program Administrator

Agency

Date

CARDHOLDER AGREEMENT FORM—State Liability Travel Card

The State of Louisiana (“State”) and Department of _____ (“Department”) are providing you with a State Liability Travel Card. The Travel Card must only be used for State of Louisiana official business travel. All acceptable charges must be in accordance with current PPM49 allowances, State of Louisiana State Liability Travel Card and CBA Policy, The Department of _____ Travel Policy and all current purchasing rules and regulations, if applicable. Applicable rules and policies include, without limitation, the following:

Procurement Rules: <http://www.doa.louisiana.gov/osp/osp.htm>
 Policy and Procedure Memorandum 49 (PPM49) <http://www.doa.louisiana.gov/osp/travel/travelpolicy.htm>
 State of Louisiana Travel Card Statewide Policy
 Department of _____ Travel Card Policy
 Department of _____ Travel Policy

I, _____, (“Cardholder”) agree that upon receipt of the Travel Card I shall comply with the applicable rules and policies listed above, this Agreement, and any subsequent revisions to any of the foregoing.

Conditions for Use of Travel Card

As the cardholder, I agree to accept responsibility for all charges against the card and the protection and proper use of the Travel Card as outlined in this Agreement and all relevant rules and policies, which I have read and completely understand. I further agree to:

- (1) Never use the Travel Card for the purpose of paying vendors for allowable purchases of goods and services which are not for official state business travel;
- (2) Never use the Travel Card for personal purchases or personal travel;
- (3) Never allow others to use the Travel Card or use my card for others travel expenses;
- (4) Always obtain and submit all receipts, invoices and other necessary documents for each transaction as well as verify the charges on the Travel Card and to submit such charges for approval, dispute, credits and/or fraud processing; and
- (5) Always reconcile travel-related charges within the State/Department’s prescribed timelines, but in no instance later than 15days past the statement date. I understand and agree that Department will monitor the use of the Travel Card and that I will be personally liable for any unauthorized use thereof.

Penalties for Misuse of Travel Card

I acknowledge and agree that I understand that in the case of my willful or negligent default of my obligations under this Agreement, the State/Department has the following rights, to the extent authorized by law:

- (1) To deduct any unauthorized charges in accordance with Department of _____ Travel Policy, until all unauthorized charges are paid in full.
- (2) The State/Department may pursue any remedy for the recovery of unpaid amounts, including referring of unpaid amounts to an attorney for collection.
- (3) The State/Department may impose any appropriate corrective or disciplinary action permitted, including cancellation of card privileges and or up to termination and possible criminal charges, under applicable law. Once privileges are revoked, for any reason, the cardholder will not be allowed to receive a new card unless prior approval is granted through the Office of State Purchasing and Travel and cash advances shall not be allowed.

Lost Travel Card

If the Travel Card is lost, stolen, or compromised in any manner, I shall immediately notify Department’s program administrator and the bank issuing the Travel Card.

Return of Travel Card

Upon notification of my transfer from Department, change in duties, termination of employment, suspension, retirement or cancellation of my Travel Card privileges, I agree to notify Department’s program administrator and to promptly return the Travel Card to Department.

Cardholder: _____ Employee ID# _____
 Signature: _____ Date: _____

Print Name: _____ Phone: _____

Department/Section _____ E-Mail: _____

Approving Authority:

Signature: _____ Date: _____

Print Name: _____ Phone: _____

Department/Section: _____ E-Mail: _____



State of Louisiana
Office of State Purchasing
And Travel

12/2011

REQUEST FOR EXCEPTION TO
STATE P-CARD, T-CARD AND
CBA POLICY/PROCEDURES

Mail To: State Purchasing and Travel Office
Post Office Box 94095 OR
Baton Rouge, LA 70804-9095
Attn: Barbara Rhodes

Fax To: 225-342-5019
Attn: Brenda Myers

Agency/College/University Official Name: _____

Telephone: _____ Fax: _____

Agency Program Administrator: _____

Describe Exception Request for Approval and Justification for Need: (If necessary attach additional page)

Cite specific paragraph(s) of State P-Card/T-Card/CBA Procedure and/or Guideline related to the exception:

Please specify the time period for which you are requesting the exception.

- One-time override (List MCC Code, if applicable, Override in Exception Above)
- Permanently
- From _____ 20__ to _____ 20__

The undersigned, duly authorized to sign on behalf of the state entity named herein, for the purpose of requesting an exception to the State Purchasing P-Card/T-Card/CBA procedures, does hereby affirm that the requested exception is necessary. Further, in the event this exception is approved, I understand it does not relieve said state entity of its legal responsibilities to ensure that all issues associated with this request will be in compliance with all applicable purchasing rules, regulations, PPM49, statues, executive orders.

Signature of Program Administrator

Date

This request is hereby: Approved Denied

Comments: _____

State Purchasing & Travel

Date