



STATE CONTROLLER'S BULLETIN

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State Controller

Rebecca M. Wyke, Commissioner
Administrative & Financial Services

Bulletin #FY07-07

SUBJECT: Travel Credit Card Standards and Procedures

DATE: January 4, 2007
TO: All Departments and Agencies
FROM: Edward A. Karass, State Controller

This bulletin addresses the standards, policies, and procedures surrounding the State of Maine's Travel Card Program with Chase Manhattan Bank. The policies contained in this bulletin will be incorporated into the State Administrative and Accounting Manual in the next revision. Until that time this bulletin serves as the promulgated guidance from the Office of the State Controller and is effective as January 4, 2007.

The most current version of this document will be kept on the Office of the State Controller's website under the OSC Travel Section. It is suggested that distribution of paper copies of this document be minimized by referring to the Internet version wherever possible. The Office of the State Controller will update the web version of this *Standards and Procedures* document as needed, and will *not* notify departments of every update.

State Travel Program Coordinator: Angela L. Dickinson 626-8474 Fax 626-8422

Summary

A contract with JPMorgan Chase allows employees who have good credit standing and who travel as part of their jobs to obtain a corporate travel charge card through JPMorgan Chase. Eligible employees complete a card request form, forward it to the Office of the State Controller Program Coordinator, and receive the travel card directly from JPMorgan Chase. The cardholder enters into a contract with JPMorgan Chase. The State of Maine accepts no primary liability for employee charges made using the card as it is furnished to qualified applicants as a more convenient tool for paying the costs of State authorized travel more convenient.

The JPMorgan Chase credit card enjoys widespread acceptance. Employees traveling out-of-state will be able to use the card to for almost all travel expenses.

As the State is potentially the payer of last resort, no personal use of the credit card is allowed. Unauthorized use of the card may result in discipline up to and including dismissal.

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Responsibilities

The **State Controller** will:

- Publish statewide standards and procedural guidelines
- Appoint a State Program Coordinator within the Office of the State Controller
- Oversee the program.

The **State Program Coordinator** in the Office of the State Controller will:

- Administer the Travel Card Program, ensuring compliance with the JPMorgan Chase contract
- Process applications for credit cards; cancel credit cards on termination, retirement, or employee card abuse
- Provide assistance and training for Department Travel Coordinators
- Review JPMorgan Chase management reports, ensuring the cards were not used for personal purposes and that there are no outstanding amounts over 60 days due to JPMorgan Chase
- Report monthly to the State Controller card statistics and Program status
- Approve or deny requests for card reinstatement of canceled cards

The **Department Fiscal Operations or Other Selected Section** will:

- Appoint a Departmental Travel Coordinator
- Administer appropriate disciplinary action to those who abuse card privileges

The **Department Travel Coordinator** will:

- Ensure that all cardholders are familiar with the card standards and procedures, along with their responsibilities as a travel card holder
- Report inappropriate personal use of the travel credit card to senior management
- Handle program problems and respond to cardholder questions
- Process requests for application/cancellation/reinstatement of cards as appropriate, forwarding on same to the Office of the State Controller Program Coordinator



The **Cardholder** will:

- Adhere to the standards and procedures of the Credit Card Program, and the specifications in the JPMorgan Chase application/agreement
- Pay JPMorgan Chase promptly
- File expense reports promptly to be able to pay the credit card bill before a late charge is applied
- Pay late charges unless State card administration has made an error that causes the late charge
- Notify the Department Travel Coordinator of a change of address, phone number, etc.
- ***Use the card only for official State business, and State travel related expenses.***

General Standards, Policies & Procedures by OSC

All individuals who travel are encouraged to apply for a JPMorgan Chase Travel Card. However, employees may choose to continue to use their personal credit cards.

- Travel credit cards eliminate the need for cash advances. Departments may restrict cash advances to cardholder employees.
- Random review and audit of the Travel Card Program will be a targeted area in departmental internal control assessments to assure compliance with standards and procedures.
- Any employee who travels in overnight status as part of his/her job is entitled to apply for a travel credit card.
- New or reassigned employees who are likely to travel as part of their jobs may apply for a travel credit card as part of their orientation process.
- Employee cardholders transferring between Departments will notify their new Department Travel Coordinator.
- Employees terminating State service must turn in their credit card to the Department Travel Coordinator.

- All charges made on the JPMorgan Chase travel card with the exception of meals that are covered by the traveler's per diem must be recorded on the travel expense reimbursement form.



Application Process

Applicants will:

- Complete the employee section of the application form and sign the form, agreeing to its terms and conditions
- Obtain an Authorizing Signature from whoever an appointing authority designates to approve credit card issuances
- Forward the document to your [Department Travel Coordinator](#)

Department Travel Coordinator(s) will:

- Ensure that the form has been completed, authorized, and signed by the employee
- Initial the application form and send it to the [Office of the State Controller State Program Coordinator](#)

State Program Coordinator will:

- Review the application for completeness
- Verify that the card application is approved by the Employee's supervisor as well as the [Department Travel Coordinator](#) and have initialed the application form
- Contact JPMorgan Chase to verify the applicant is not a previous cardholder canceled due to abuse
- Submit the application to JPMorgan for processing

Program Details

The State bears no primary responsibility for employee charges made to the card. The card will show "State of Maine" and the employee's name. Though the credit card is State sponsored, the cardholder enters into a contract with JPMorgan Chase. The cardholder is responsible for all payments to JPMorgan Chase upon receipt of the bill and in accordance with the terms and conditions of the agreement.

Only the person to whom the travel card is issued may use it

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- All State of Maine permanent employees who are likely to travel annually as part of their job are eligible to apply for a card.
- JPMorgan Chase has the right to deny a card based on an employee's past history of card abuse or indebtedness.
- The card must be used solely for expenses related to official State travel. These expenses include, but are not limited to lodging, taxi, car rental, parking and meals. Airline purchases are excluded from the individual liability travel card, but can be made through the procurement card with proper authorization.
- JPMorgan Chase will continue to renew or replace a travel card until the State Program Coordinator requests otherwise.
- Upon receipt, the cardholder will immediately sign the card and complete the Travel Card Acceptance Form and return it to the Controller's Office.

Payment and Reconciliation

- The State of Maine will reimburse the traveler for authorized and allowable expenses. Any charges in excess of the amount reimbursed will be paid to the card company with the personal funds of the traveler. The State of Maine bears no primary liability for charges made using the card.
- The cardholder will provide JPMorgan Chase with a valid address for billing purposes. The monthly billing statement will be sent to the address provided.
- In order to avoid late charges and to adhere to the contract, cardholders will make payments in U.S. dollars to JPMorgan Chase upon receipt of the monthly statement.
- Individuals are responsible for maintaining their account in a current status. In order to ensure prompt payment of outstanding balances, all charges must be recorded on the travel expense voucher submitted for reimbursement.

Billing inquiries and disputes should be made by the cardholder directly to JPMorgan Chase. The following collection procedures will apply to all past due accounts:

1. At 30 days past due a delinquency notice will appear on the employee's billing statement.
2. At 60 days past due, JPMorgan Chase automatically suspends the employee's card.
3. Any charges associated with late payments that are the fault of the cardholder will be paid by same. Conversely, any late charges incurred due to an error on the State's part are paid by the State.



Card Problems

Card abuse is considered to be unauthorized purchases, delinquent payments, and use by someone other than the State employee. JPMorgan Chase will not hold a cardholder liable for any unauthorized transaction following notification to JPMorgan Chase of a loss, theft or possible unauthorized use of the card. Abuse of the card will have consequences for the abusing employee, including suspension of the card.

- JPMorgan Chase will notify the cardholder of suspension. The Travel Coordinators will see the action on the monthly reports. If the account/card dispute is not resolved, the account will then be suspended.
- If the suspended account is paid in full prior to 120 calendar days after the billing date, the suspension may be lifted if approved by the State Program Coordinator.
- JPMorgan Chase may conduct credit worthiness checks of cardholders who have been suspended.

Cancellation

- A travel card will be canceled if one of the following occurs:
 1. Cardholder leaves State service.
 2. Cardholder is deceased.
 3. Duplicate accounts are issued.
 4. Delinquent account reaches 120 calendar days from billing date for undisputed charges.
 5. Cardholder requests cancellation.
 6. Card is out of use for one year.
- The cardholder can dispute a charge. However, if the account/card dispute is not resolved, the account will be canceled.
- Cardholders may at any time request cancellation of their account. The cardholder cuts the card in half and returns it to the Department Travel Coordinator. The Coordinator will submit the cancellation notice through the State Program Coordinator to JPMorgan Chase.
- The State reserves the right to cancel the Travel Credit Card Program at its discretion.

Reinstatement

- Canceled accounts may be requested for reinstatement with the Authorizing Signature and approval from both the Department and State Travel Program Coordinators. JPMorgan Chase retains final approval.

Emergencies

- Necessary emergency purchases are reimbursable. In an emergency situation, the card can be used to purchase emergency items incidental to travel, such as baggage and clothing lost while traveling on official State business. The travel card can be used to purchase commercial train or plane tickets in an emergency. Reimbursement of these expenses is contingent on the approval of the Department Travel Coordinator prior to submission of any reimbursement claims.
- The cardholder can request a replacement card directly from JPMorgan Chase, for the following reasons:
 1. Lost or stolen card. If the card is lost, the cardholder is required to notify JPMorgan Chase and the Department Travel Coordinator immediately. Should the cardholder need assistance it will be provided by the Coordinator. The old card will be canceled and a new account number and card issued within 24 hours.
 2. Destroyed, worn or damaged cards.
 3. Name changes.

Card Renewal

- If the account is delinquent or on hold for any reason, a replacement card cannot be issued.
- At renewal time, JPMorgan Chase will provide a new card at least thirty working days prior to expiration of the old card.

Benefits

- The card is widely accepted. When a traveler discovers areas that are not covered by the card, please report this information to the State Program Coordinator.
- Eliminates the time consuming cash advance process. With lodging, restaurants, taxis, car rentals and parking covered by the JPMorgan Chase Travel Card, there is little need to request an advance.
- If you lose the card it can be replaced at no cost within 24 hours, whereas lost cash is irreplaceable.
- The JPMorgan Chase monthly bill captures all expenses associated with a particular trip.

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Other Information

- Employees who have credit problems, e.g., due to bankruptcy while in divorce settlement, may be able to obtain a card with a limited line of credit. Call the State Program Coordinator to discuss.

Cardholder Assistance

Cardholders may call 1-800-270-7760 (U.S.) for the following assistance:

General information.

Resolving billing conflicts.

Reporting lost or stolen cards.

Inquiries, re-payment and account balance.

Information about using the card.