GAO Topic of the Month - October 2021

Monitoring Late Fees for Purchasing & Travel Cards

Background

GAO Internal Audit performs monitoring activities of State of Arizona Purchasing Cards (P-Cards), Employee Travel Cards (ETC), and Central Travel Accounts (CTA). A consistent area of risk for all of these cards is late fees which are incurred when payments are not made by the required due date. This Topic of the Month (TOM) addresses agencies' responsibilities in timely identifying and addressing late fees and how late fees can be identified in the US Bank Travel Card Program website.

All agencies with purchasing or travel cards are responsible for regularly monitoring card activity for the cards issued to their employees. This responsibility includes regularly identifying cardholder accounts that have incurred late fees and taking appropriate action. Late fees incurred on Purchasing Cards and Central Travel Accounts are State liabilities that result in additional and unnecessary costs to the State, while late fees incurred on employee travel cards are unnecessary and avoidable costs to employees and could become a possible cost to the State if not paid by the cardholder. In addition to the increased and avoidable costs, late fees may be an indicator of potential card abuse and/or process deficiencies within your agency.
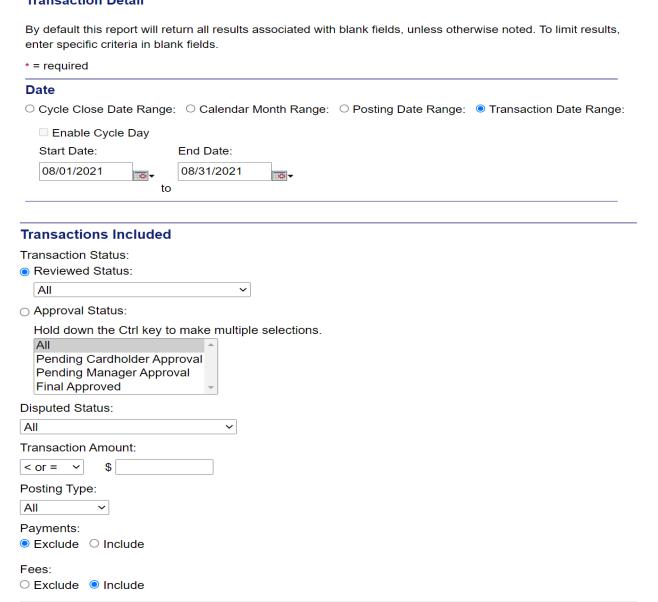
Late fees, along with other important transaction details, can be identified by generating a transaction detail report in the US Bank Travel Card Program website (see the September 2021 TOM, US Bank Reports Available for Purchasing & Travel Cards). On the secure US Bank website https://access.usbank.com, select Reporting, then Financial Management, and finally, the Transaction Detail link.   Since the various cards are set up slightly different, there are two different methods to run late fee reports. The first method shown is the easiest and will work for both travel cards, the ETC and CTA. Since Purchasing Cards have a Managing Account, a slightly different method is necessary.

Method for Identifying Late Fees on Travel Cards (ETC & CTA)

Enter the appropriate information into the Financial Management Transactional Detail page as follows.

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Financial Management
Transaction Detail

By default this report will return all results associated with blank fields, unless otherwise noted. To limit results, enter specific criteria in blank fields.

* = required

Date

○ Cycle Close Date Range: ○ Calendar Month Range: ○ Posting Date Range: ● Transaction Date Range:

☐ Enable Cycle Day

Start Date:	End Date:
08/01/2021	08/31/2021

to

Transactions Included

Transaction Status:
● Reviewed Status:

```
All                                        ▼
```

○ Approval Status:

Hold down the Ctrl key to make multiple selections.

```
All                                  ▲
Pending Cardholder Approval
Pending Manager Approval
Final Approved                       ▼
```

Disputed Status:

```
All                                  ▼
```

Transaction Amount:

```
< or =  ▼    $
```

Posting Type:

```
All         ▼
```

Payments:
● Exclude ○ Include

Fees:
○ Exclude ● Include

Enter the start and end date for your review period. Note that options include Cycle Close Date Range, Calendar Month Range, Posting Date Range, and Transaction Date Range. In this example, we have selected the transaction date range and specified the period of review as 08/01/2021 to 08/30/2021. Additionally, "Include" must be selected under Fees (see example above).

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Additional Detail

☐ Display Transaction Custom Fields   ☐ Display Allocation Detail

☐ Display Transaction Comments   ☐ Display Merchant Data (Excel Only) ⓘ

| Most Recent Comments ▾ |

Note: Selecting all comments will add additional content to the report and alter its existing format.

Merchants

○ Merchant Category Code Group:

Note: Hold down the Ctrl key to make multiple selections.

| All |
| artist supplies |
| jewelry equip |
| misc apparel |

○ Merchant Category Codes:

To limit the results from the default of "all," enter a MCC or search. Separate multiple MCCs by a comma and no spaces.

[   ]   Search for Codes

◉ Merchant Names:

To limit the results from the default of "all," enter a full or partial "begins with" merchant name and add it to the list.

[   ] **Add >>**   LATE PAYMENT CHARGE

<< Remove

Select By

To limit the results from the default of "all," select one of the following and enter a full or partial "begins with" accounting code or alternate accounting code name (at least 3 characters).

◉ Accounting Code

[   ]

○ Alternate Accounting Code Name *

[   ]

Sort Report By

Account Name ▾	Trans Date ▾	No Sort ▾	No Sort ▾
◉ Ascending Order	◉ Ascending Order	◉ Ascending Order	◉ Ascending Order
○ Descending Order	○ Descending Order	○ Descending Order	○ Descending Order

Under Merchants select the "Merchant Names" field and enter "LATE PAYMENT CHARGE" in the box on the left. Click the "Add" button to move it over to the right as shown above. All other fields should be left as the default and not modified.

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Report Output

Output Type:

Excel

Output Parameter Page Placement:
Selection defines the location of the Parameter Page details on the report output.

End

Group Report By

⦿ Processing Hierarchy Position: *
   If selected, a processing hierarchy position is required.
   Bank: Agent: Company: Division: Department:

   3046   Search for Position or Add Multiple

   ☐ Include Processing Hierarchy names in report

○ Account Number(s):*
   If selected, at least one account is required. Separate multiple accounts by a comma and no spaces.

                                                                                     Search for Accounts

Under Group Report By, enter the bank code "3046" for Travel Cards (ETC and CTA).

Break/Subtotal Level

- No Break/Subtotal -

Page Break:
○ Yes   ⦿ No

Note: Page Break is applicable only if a Break/Subtotal Level is chosen.

Run Report   **Reset**   **Create Scheduled Report**

<< Back to Financial Management

Click, "Run Report." A report will be generated that includes all late fees incurred on all ETCs and CTAs for your agency for the specified period selected.

Method for Identifying Late Fees on Purchasing Cards (P-Cards)

The reporting method for identifying late fees is slightly different because P-Cards are paid at the managing account level rather than the individual card level. The Transaction Detail Report is still utilized to identify P-card late fees however; the following steps are different and should be entered as follows:

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Date

○ Cycle Close Date Range: ○ Calendar Month Range: ● Posting Date Range: ○ Transaction Date Range:

☐ Enable Cycle Day

Start Date: End Date:

08/01/2021   📅▾   08/31/2021   📅▾

to

For P-Card late fees, "Posting Date Range" must be selected. Enter the start and end dates.

Group Report By

○ Processing Hierarchy Position: *

If selected, a processing hierarchy position is required.

Bank:	Agent:	Company:	Division:	Department:	
1425					Search for Position or Add Multiple

● Account Number(s):*

If selected, at least one account is required. Separate multiple accounts by a comma and no spaces.

	Search for Accounts

Under Group Report By, enter the bank code "1425" for all agencies, except RSA which is "7129" (P-card bank codes). Next, select the "Account Number(s)" button, then click the "Search for Accounts" on the lower right hand side, which will bring up the next screen:

Financial Management
Transaction Detail - Search & Select an Account

Search for Diversion Accounts | Search for Managing Accounts

Cardholder Account Search
Search for an account by Cardholder Account Number, Name, or Social Security Number.
You can also find a cardholder account by first Searching for a Managing Account.

Account Number (Last 4 digits):

[   ]

	Last Name:	**First Name:**
OR	[ ]	[ ]

Social Security Number:

OR [   ]

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Financial Management
Transaction Detail - Search & Select an Account

Search for Diversion Account | Search for Cardholder Account

Managing Account Search
Search for an account by Managing Account Number, Name, or Company Number.

Managing Account Number (Last 4 digits):

[   ]

OR **Managing Account Name:**

[%   ]

OR **Last Name:** [   ]   **First Name:** [   ]

Company Number:
OR [   ]

[Search]

Enter "%" (the % is a wildcard) in the "Managing Account Name" field and click Search. A list of all managing accounts at your agency will be listed. Select the check box next to each managing account to be included. (Note, CTA accounts will also be shown using this option since they are also paid at the managing account level). Click "Run Report." A report will be generated that identifies late fees incurred on all P-card accounts at your agency for the specified period of review. (This method can also be used for CTA cards; however, there are more steps so the first method may be preferable.)

Both reports are useful tools to help your agency monitor late fees and processes. A report can be generated to determine what late fees have been incurred over any defined time period. The report will provide the cardholder name, number, amount, and date(s). This report can also be scheduled and emailed (see the September 2021 TOM, US Bank Reports Available for Purchasing & Travel Cards). If a card is incurring regular late fees, additional follow-up may be necessary. Please review SAAM 4520 for additional guidance regarding late fees.