



State of Arizona Accounting Manual

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Section 51 Employee Travel Card (ETC)

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INTRODUCTION

Travel for the State of Arizona is generally arranged and paid for using the Central Travel Account (CTA) or the Employee Travel Card (ETC).

The ETC, which is discussed in this Section, is a personal liability card issued to State employees to pay for expenses incurred in connection with authorized travel for the State.

Generally, travel arrangements, such as air fare, car rental or hotel reservations, will be made with the CTA and expenses incurred at the destination, such as auto rentals, meals and settlements of hotel bills will be made with the ETC.

POLICIES

1. The CTA or ETC—not the P-Card—is to be used for expenditures directly involved in arranging or paying for State travel.
 - 1.1. P-Cards shall not be used for State travel expenses. P-Cards are, however, the preferred way to pay for expenses that—while not actually travel, transportation, lodging or meals—frequently involve travel or are incurred while traveling, such as conference fees.
 - 1.2. Agencies that elect not to allow airfare purchases using the ETC must obtain at least one (1) CTA for airfare purchases.
 - 1.3. In order to properly control the expending of State funds and to monitor appropriation activity, the CTA should be utilized by all medium and large agencies, especially those agencies that do a great deal of air travel in any given fiscal year.
2. The ETC is a personal-liability charge account that State agencies may arrange to have issued to their employees who travel.
3. The ETC or the CTA is a preferred method for the purchase of:
 - 3.1. Airfare and other common carrier charges.
 - 3.2. Lodging.
4. The ETC is generally required for auto rentals.

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5. The ETC is the preferred method for the purchase of meals and incidentals while in travel status.
6. Agencies should maintain written policies and procedures dealing with the use of the ETC. Such policies and procedures must be consistent with statewide policy and comply with other pertinent State and Federal laws, regulations, policies and procedures.
7. Agency policy and procedure statements may incorporate statewide policy, by reference, reproduction or otherwise.
8. Agencies are responsible for familiarizing their personnel who travel for the State or who are expected to travel for the State with all State laws, regulations, policies and procedures involving travel for the State.
9. Agencies are to appoint an agency employee as Agency Travel Card Program Administrator. The Agency Travel Card Program Administrator coordinates all travel card program activity—i.e., both CTA and ETC activity—in and for his agency.
10. Agency responsibilities related to the ETC.
 - 10.1. Issuance of ETCs must be controlled by the agency employing the individuals to whom ETCs are issued. This control includes, but is not be limited to:
 - 10.1.1. Review and authorization of employee applications.
 - 10.1.2. Establishment of overall spending limits and, if applicable, monthly limits and ATM withdrawal limits.
 - 10.1.2.1. These limits must be set by the agency head or his delegate.
 - 10.1.2.2. Any delegation of this authority must be documented in writing and retained for audit.
 - 10.2. Each agency head must designate an employee to assume the title, duties and responsibilities of Agency Travel Card Program Administrator.
 - 10.2.1. An agency head may designate himself as the Agency Travel Card Program Administrator.
 - 10.2.2. The designation of an Agency Travel Card Program Administrator must be properly documented using Form GAO-3C to be kept on file with the GAO.
 - 10.2.3. The distribution of ETC applications (which may be accomplished in paper format or electronically) and the submission of authorized applications to the Travel Card Program Contractor are the responsibility of the Agency Travel Card Program Administrator.

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10.2.4. The Agency Travel Card Program Administrator is responsible for ensuring that all employees who apply for an ETC have signed an official Form GAO-ETC-101 prior to applying for a card.

10.2.4.1. Fully executed, official Forms GAO-ETC-101 must be scanned and emailed to the GAO at afis.operations@azdoa.gov.

10.2.4.2. Each originally signed, official Form GAO-ETC-101 must be kept on file with the agency and available for audit.

10.2.4.3. The Form GAO-ETC-101 may be periodically updated by the GAO to meet the needs of the government.

10.2.4.4. If an agency requires additional information to meet its specific needs, this may be accomplished by creating an agency-specific addendum to the official Form GAO-ETC-101.

10.2.5. Employees who are designated as Agency Travel Card Program Administrators shall not obtain an ETC unless exceptions are granted in advance by the GAO.

10.2.6. The Agency Travel Card Program Administrator should, using the Travel Card Program Website, review the ETC—charges and payments—of all agency cardholders not later than the twenty-fifth (25th) calendar day of each month. Agency Travel Card Program Administrators should immediately report any irregularities—such as unauthorized charges, late payments, attempted or actual spending above established limits, etc.—in the use of the ETC to the cardholder's superiors. In the event of severe or continued irregularities, the agency should cancel the transgressing employee's ETC and evaluate appropriate disciplinary actions up to and including termination.

10.3. Each agency must exercise due care when establishing spending limits on the ETC.

10.3.1. It is expected that a three-thousand dollar (\$3,000.00) overall spending limit should be able to accommodate most travelers for the State of Arizona.

10.3.2. Spending limits established should reasonably accommodate the expected travel needs without being unduly excessive. While agencies may adjust the limits at any time, appropriate planning can control maintenance efforts. Consideration should always be given for immediate and future travel needs as well as the cardholder's compliance with policy.

10.3.3. Monthly limits may be adopted, but the overall spending limit for an individual ETC shall not exceed five thousand dollars (\$5,000.00), unless exceptions are approved in advance by the GAO.

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- 10.3.4. For frequent in-state travelers with no need or limited need for lodging, it is expected that the overall spending limit should not exceed five hundred dollars (\$500.00).
- 10.4. Each agency must determine whether employees may use the ETC for ATM cash withdrawals, and this determination must be reflected in writing in the agency's internal policies and procedures governing use of the ETC.
- 10.4.1. Agencies should restrict ATM cash withdrawal access to only those employees who travel to remote locations at which some or all travel expenses will be non-chargeable. Withdrawal limits should be kept at as low as possible and strictly managed by the agency. ATM withdrawal limits shall not exceed three hundred dollars (\$300.00) per week unless exceptions are approved in advance by the GAO.
- 10.4.2. Agencies may choose to restrict ATM cash withdrawals to certain divisions, sections, or on a case by case basis within the agency.
- 10.4.3. The Agency Travel Card Program Administrator must indicate at the time of the submittal of the ETC application whether ATM cash withdrawals are to be permitted and, if so, the withdrawal limits that are to be applied.
- 10.5. Each agency must determine whether employees may use the ETC for airfare, and this determination must be reflected in writing in the agency's internal policies and procedures governing use of the ETC.
- 10.5.1. Agencies that elect not to allow airfare purchases on the ETC must obtain at least one (1) CTA for airfare purchases.
- 10.5.2. Some of the factors that should be considered when determining whether to allow use of the ETC for airfare include: the agency's travel expectations; the size, complexity and structure of the agency; agency internal controls; the agency's internal policies and procedures; agency staffing levels; and considerations related to appropriation and budget restrictions. It is recommended that agencies with a minimal number of travelers for whom airfare must be purchased simply use the ETC.
- 10.6. Each agency must maintain records of employees who have applied for, received or been denied an ETC.
- 10.6.1. Employees shall generally not be considered for a travel advance unless they have either both applied for and been denied an ETC or have been approved for an ETC that is still in transit.
- 10.6.2. Employees who have been denied an ETC, due to their failure to complete the application by not providing a social security number or other required information, will not be eligible for a travel advance.

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- 10.6.3. It should be noted that an employee being denied an ETC differs from an ETC being revoked due to non-payment by the cardholder. Agencies shall not issue a travel advance to an employee who has had his ETC revoked.
- 10.7. Each agency must have written procedures in place and enforce adherence to those procedures to ensure cancellation of ETCs issued to employees who are either transferring to another State agency or leaving State service.
- 10.7.1. Cancellation of ETCs possessed by employees who leave or will be leaving State service must, to the extent practicable, occur on or before the employee's separation date. In the event that the employee leaves State service and subsequently fails to make full payment for charges outstanding, agency heads and other agency management may be personally responsible for any charges that have been incurred after the employee's separation date until the date that the Travel Card Program Contractor receives notification of cancellation of the ETC.
- 10.7.1.1. Upon the sooner of an employee's separation from State service or receiving notice of his intent to separate, the agency must:
- 10.7.1.1.1. If the agency has access to the card issuer's online account administration tool, use that tool to cancel the employee's card; or
- 10.7.1.1.2. If the agency does not have access to the card issuer's online account administration tool, notify the Statewide Travel Card Program Administrator requesting cancellation of the employee's card.
- 10.7.1.2. Agencies must notify a terminated employee that his ETC has been cancelled. This notification must be in writing, using an agency and employee specific, fully executed, Form GAO-TC-CN, Account Cancellation Notification Letter. (The GAO-TC-CN published on the GAO Website is a template that an agency is to use when creating Account Cancellation Notification Letters using its agency's letterhead.) The Account Cancellation Notification Letter is to be delivered to the employee:
- 10.7.1.2.1. If practicable, in person, at or before the time of termination; or
- 10.7.1.2.2. Within two (2) business days of the card's cancellation, by mail or fax.
- 10.7.1.3. A copy of the Account Cancellation Notification Letter is to be retained in the agency's files.
- 10.7.1.4. If a terminated employee fails to make payment on an outstanding balance owed on an ETC that consists of any unauthorized purchases or purchases previously reimbursed by the State, the agency will be required to submit a Liability Waiver Form to the Travel Card Program Contractor. This form will be provided to the agency by the Travel Card Program Contractor. Along with this

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form, the agency must submit a copy of the Account Cancellation Notification Letter, Form GAO-TC-CN.

10.7.2. Cancellation of ETCs possessed by employees who are transferring to another State agency must occur on or before the employee's transfer date. While it is realized that there are situations in which an employee who is transferring to another State agency may require a ETC at the gaining agency, it has been determined that for both administrative and internal control purposes, the card must be cancelled by the losing agency and reissued by the gaining agency.

10.7.3. Cancellation of ETCs may be accomplished by the Agency Travel Card Program Administrator online or by contacting the Travel Card Program Contractor via telephone. If the Agency Travel Card Program Administrator is not available to complete the card cancellation within the required time restrictions, the Statewide Travel Card Program Administrator may be contacted for assistance. The Statewide Travel Card Program Administrator is authorized to complete ETC cancellations on a statewide level, if necessary. Agencies requiring assistance with ETC cancellations may either contact the GAO via email at AFIS.OPERATIONS@azdoa.gov and request to complete the transfer or contact the Statewide Travel Card Program Administrator for assistance. The Statewide Travel Card Program Administrator will request the EIN of the employee who is transferring and will verify all information prior to cancelling the card.

11. Employee responsibilities related to the ETC.

11.1. All State travelers, especially those identified as frequent travelers, are encouraged to apply for the ETC. Employees shall generally not be issued a travel advance unless they have either applied for and been denied an ETC or have been approved for an ETC, which is still in transit when the employee's travel commences.

11.2. The ETC may be used to purchase airfare (if permitted by internal agency policies), lodging, car rental, other transportation charges, meals and incidental expenses, and other miscellaneous charges incurred while in travel status when conducting official State business.

11.3. Purchases of travel-related goods and services in excess of established limits (e.g., upgrades of airfare to first class, meals whose cost exceeds maximum State reimbursement rates, etc.) made while in travel status may be charged to the ETC but will not be reimbursed to the traveler by the State and remain the sole responsibility of the cardholder.

11.4. The employee is liable for all charges incurred on the ETC. The employee is required to appropriately maintain his account and to make all payments on a timely basis. The State will reimburse the employee for allowable expenses upon receipt of a properly completed Form GAO-503EZ (or its authorized equivalent) accompanied by required backup documentation. The employee is responsible for full payment of the ETC upon receipt of the statement.

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- 11.5. Employees whose ETC privileges are revoked due to non-payment of charges are not eligible to receive travel advances. The State is not responsible for card reinstatement or any associated fees for ETCs that are revoked. Card reinstatement and associated fees are the sole responsibility of the employee.
- 11.6. Delinquency charges incurred on the ETC are not eligible for reimbursement. Ample time is allowed to submit a complete and accurate Form GAO-503EZ (or its authorized equivalent), receive reimbursement, and make full payment before delinquency charges are incurred.
- 11.7. The State is not responsible for resolving any billing disputes involving an employee's use of the ETC.
- 11.8. If authorized by the traveler's agency, an ETC may, within one (1) day of commencing the trip, be used to obtain a travel advance from an ATM for the purposes of paying for non-chargeable travel expenses while on official State business.
- 11.8.1. ATM cash advances or withdrawals using the ETC Card should be limited to amounts necessary to cover State travel expenses while in travel status. Excess amounts withdrawn and not used while in travel status are the responsibility of the cardholder.
- 11.8.1.1. Because there is a fee for each cash withdrawal from an ATM, the number of withdrawals should be held to a minimum. It is recommended that each withdrawal be an amount of at least sixty dollars (\$60).
- 11.8.1.2. ATM cash withdrawal fees, as determined by the Travel Card Program Contractor, are reimbursable when an employee is in travel status overnight. Reimbursement of ATM cash withdrawal fees is limited to one such fee every five (5) business days while in travel status. Employees may, only when using the ETC, be reimbursed up to eight dollars (\$8.00) per withdrawal. Cash withdrawal fees using personal payment cards are not eligible for reimbursement.
- 11.9. ETC privileges may be cancelled at any time by agency management, due to misuse of the card, change in duties, termination of employment, or any other circumstances as determined by the agency.
- 11.10. Upon a cardholder's resignation, retirement or termination from State service:
- 11.10.1. The cardholder must immediately destroy the card or surrender it to the issuing agency.
- 11.10.2. The agency must, upon receiving a surrendered card, immediately destroy it by shredding or similar means and keep a record of the card's destruction.

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12. The ETC shall not be used for any purchases that are not related to State of Arizona travel.