

July 18, 2001

TO: Directors and Fiscal Officers of State Agencies

FROM: Thomas W. Johnson
Director

SUBJECT: Amendment of Travel rule: Rule 126-1-02 of the Administrative Code;
New System-Assigned Identifier in CAS; Changes to American Express
Travel Card Program

Please be advised of the amendment of the travel rule; the new system-assigned identifier in CAS; and changes to the American Express Travel Card Program.

I. Amendments to Travel Rule

The amended travel rule took effect as an emergency rule on July 1, 2001. The emergency rule implements the in-state meal receipts requirement that was outlined in an earlier memorandum of June 19, 2001 to directors and fiscal officers of state agencies. The emergency rule also clarifies some other provisions of the rule.

The proposed permanent travel rule was filed on July 13 and should take effect on September 27, 2001. A copy of the final rule will be distributed at that time. Differences between the emergency rule and proposed permanent rule are noted in brackets below. Attached are the emergency rule, proposed permanent rule, and memorandum of June 19, 2001. These are also posted on OBM's web page for state agencies.

The amended rule implements the in-state meal receipts requirement and provides clarification as follows:

- All travel within the state of Ohio by state agents at state expense or on paid travel status must be authorized by the head of a state agency or his/her designee as appropriate state business (paragraph (B)(1)(a)).
- Unless otherwise specified in the rule, all receipts required by the rule shall be submitted to the Office of Budget and Management, and the Office of Budget and Management may specify the manner in which receipts shall be submitted (paragraph (B)(5)).
- The term "traveler" is changed to "state agent" to standardize the terminology in the rule.

- The rates specified in the rule are the rates that apply per state agent per calendar day (paragraphs (D) and (E)(2)(a)).
- The Fiscal Year 2002 maximum in-state meals rate per state agent when the state agent is on travel status for a full calendar day, that is, travel both preceded and followed by an overnight stay, is \$30.00 without receipts or \$35.00 with receipts submitted by the traveler to his/her state agency. These amounts are pro-rated for less than a full day of travel (paragraph (D)(1)(b)).

Please see the earlier memo of June 19, 2001 to directors and fiscal officers for additional information about the rate changes for Fiscal Year 2002. Meal receipts are required when meal expenses exceed \$30.00 for a full day of travel or exceed the pro-rated portion of the \$30.00 that applies to less than a full day of travel. The receipts requirement assures that the State of Ohio is complying with federal requirements for substantiation of employee business expenses and is paying employee travel expenses under an accountable plan as defined by the Internal Revenue Service. Travel expenses that are not substantiated or are paid under a nonaccountable plan are reportable as income and are subject to withholding. Receipts are necessary because for certain locations within the state, the State of Ohio is reimbursing in-state meal expenses at rates that exceed the maximum federal meal rates allowed for those locations.

- Conference registration fees may be reimbursed to the state agent, or conference registration fees may be paid directly by the state agency in advance of the conference (paragraph (G)(1)). [*This provision is in the proposed permanent rule but is not in the emergency rule.*]
- If the registration fee includes a meal or if the conference includes or provides a meal, the state agent shall not be reimbursed for that same meal under the daily meal allowance, and any amount reimbursed to the state agent under the daily meal allowance shall be adjusted (paragraph (G)(1) and (2)). [*This provision is further clarified in the proposed permanent rule.*]
- Lodging at the conference site or lodging at a hotel identified in the conference registration materials as one of the conference hotels may be reimbursed at actual cost, provided such cost is reasonable as determined by the head of a state agency or his/her designee (paragraph (G)(3)).
- Receipts are required for miscellaneous conference expenses exceeding one dollar (paragraph (G)(4)). [*This provision is in the proposed permanent rule but is not in the emergency rule.*]

- Reimbursement of travel of agency contractors shall be reimbursed at rates not to exceed those specified in the rule and in accordance with provisions of the rule that are applicable to state agents (paragraph (J)). [*This provision is in the proposed permanent rule but is not in the emergency rule.*]
- When the head of a state agency grants an exception to one of the rule provisions specified in paragraph (I)(2)(b) of the rule prior to the expense being incurred, all other provisions of the rule shall remain in effect (paragraph (L)(2)). The agency head may waive the overnight requirement for in-state meals if the agency head determines that the agency will thereby save a lodging expense, provided the over forty-five mile requirement specified in paragraph (I) of the rule is still met (paragraph (L)(2)(b)(ii)).

II. New System-Assigned Identifier in CAS

State employees who receive reimbursement through the Central Accounting System (CAS) are currently identified by their Social Security Numbers (SSNs). On June 25, 2001, State Accounting converted all state employees' SSNs to a new system-assigned identifier in CAS. The new identifier will begin with the letter "E" followed by eight numbers (e.g., E12345678). Through this conversion, OBM hopes to better protect employees' SSNs from unauthorized use. OBM forms such as the Travel Expense Report (OBM 7148) have been revised to reflect this change.

When adding new state employees to the CAS vendor file for reimbursement, agencies will not select the "E number" that will represent the employee in CAS. Instead, CAS will automatically assign the identifier during the vendor entry process. To determine the new identifier for a state employee who already exists in CAS, enter the employee's name in the Vendor Name inquiry (QVNDR01). Alternately, if the employee's SSN has been released to a CAS user, the CAS user may use an employee's Social Security Number to look up that individual's new identifier on a new CAS inquiry designed for this purpose: QVNDR14.

III. American Express Corporate Travel Card Program

The following changes in the State of Ohio American Express corporate travel card program have been implemented in order to address the sizeable number of delinquent accounts and avoid the cancellation of the program. Your cooperation is requested.

Individual Corporate Card: The State of Ohio makes the American Express corporate travel card available to state agency travelers. The cards are made available

to the traveler at no cost to the traveler and at no cost to the state agency or State of Ohio. A card will be issued only if an authorized agency representative approves the issuance of a card to the individual state agency traveler. A state agency shall approve cards **only for state agency travelers**.

The corporate card allows the traveler to segregate all state travel charges on a single card and to avoid putting these charges on a personal card. The individual cardholder is entering into a contract with American Express and is responsible for the payment of all charges on the card. The state agency and State of Ohio have no liability for the payment of the charges placed on the individual corporate card.

Business Travel Account: A state agency may obtain a business travel account (BTA) for the direct billing of *airline tickets only*. Since this is an agency account, the agency is responsible for the appropriate use of the card and for the payment of all charges billed to a BTA. Therefore, the agency shall secure the account and limit the use of the account to an employee whose name appears on the account. Please be sure that the name of a designated current employee is assigned to the account. The names on many of these accounts need to be updated. **To update the name on a BTA account, please have your program coordinator contact American Express at 1-800-492-1477.** EFT payment is being set up for the BTA accounts.

The controls described in A. and B. below have been placed on the individual corporate cards.

A. \$50 Monthly Limit on Retail Purchases

No more than \$50.00 in retail charges may be placed on an individual card each month. Retail use shall be limited to the purchase of personal items that are needed by an employee who is *in travel status*. The travel card shall not be used in the employee's headquarters area or for the employee's personal travel. The travel card shall not be used to make agency purchases. The \$50.00 monthly retail limit will ensure that unlimited personal use of the card does not jeopardize the travel card program. With the exception of the \$50.00 retail limit, the travel card shall be used **ONLY FOR REIMBURSABLE TRAVEL EXPENSES THAT THE STATE EMPLOYEE INCURS WHILE TRAVELING ON AUTHORIZED STATE BUSINESS**. Further, the cardmember agreement states that the card will be used for business purposes. A traveler may contact American Express directly to apply for a personal American Express card for all other personal use.

The American Express corporate card is offered to state travelers on the basis of their employment with a state agency. Therefore, upon separation from state

service, the employee must turn in his/her corporate American Express card to his/her agency. If an employee transfers to another agency, the corporate card must be canceled or, with the permission of the new employing agency, transferred to the new state agency employer. The program coordinator shall contact American Express to cancel the card. **Please ensure that as part of your agency's job exit process, you obtain all corporate cards held by departing employees and cancel those cards.**

B. Membership Rewards® Program

State of Ohio employees are blocked from enrolling in the American Express *Membership Rewards*® program. This will ensure that employees are not obtaining for personal use rewards points that accrued from travel at state expense. Blocks may be removed with OBM's approval only if an agency has a documented program that provides for the agency to apply the membership rewards to agency travel. Please refer to the Ohio Ethics Commission's Opinion 91-010 which prohibits the personal use of frequent flyer benefits accrued from state-paid travel.

C. American Express @ Work

Agency program coordinators are advised to utilize the American Express @ Work website/tools under the corporations tab at www.americanexpress.com in order to administer and manage the account. This site should be used to approve and submit applications, cancel and transfer cards, update names and addresses, and review account information. The agency coordinator should sign up at the website or by telephone at 1-800-230-1285.

Please encourage all cardmembers to submit timely expense reports and make timely account payments. You may inform the cardmembers that they may enroll in American Express' on-line service for cardmembers called "Check Your Bill." To enroll, cardmembers may visit americanexpress.com, click on the "corporations" tab, and select "Learn more & register" under Check Your Bill header. Registration can also take place over the phone by calling 1-800-AXP-1234. Once enrolled, a cardmember can access his/her American Express Card Account via the website at www.americanexpress.com any time. The cardmember may review account information, initiate charge inquiries, and pay bills online.

D. Cancellation of Cards

1. Cancellation of Delinquent Cards

American Express may cancel the card of any cardmember whose account is delinquent sixty days or more in a six-month period consistent with the Cardmember Agreement which states that American Express “can revoke your right to use the corporate card at any time with or without cause and without giving you notice.” Additionally, American Express may garnishment a delinquent cardmember’s state compensation as provided by Revised Code Section 124.10.

2. Cancellation of Cards of Former State Employees

OBM is working with American Express to identify cardmembers who are no longer state employees and cancel those cards.

3. Cancellation of Inactive Cards

American Express will cancel cards that have been inactive for at least twelve months. This action is being taken because of the costs involved for the company to maintain those cards.

E. Program Coordinator

Please *confirm or update* your agency’s designation of a program coordinator. **THE NAME OF A CURRENT EMPLOYEE MUST BE PROVIDED.** American Express’ records list many coordinators who are no longer with the state. A current contact is required. Please complete the form below and send to **both**:

1. Brittney L. Faust, Account Representative

11244 N. Sagauo Blvd., #103

Fountain Hills, AZ 85268

FAX and telephone: 1-800-706-9128 or FAX (480) 816-0218]

E-mail: brittney.l.faust@aexp.com

2. Mary Ellen Forrester at OBM .

FAX: 466-3813; Telephone 644-8797

E-Mail: molly.forrester@obm.state.oh.us

May fax and then send *original* to OBM.

AMERICAN EXPRESS ACCOUNT AUTHORIZATION

The employee named below is authorized to act on behalf of the named agency to authorize and approve the issuance of American Express corporate cards for employees of the agency who travel on agency business; to transfer and cancel cards, update names and addresses, and review account information. Neither the named coordinator nor the agency assumes any liability for charges made to any corporate card.

Name of State Agency (*Complete Name Please*)

American Express Basic Control No.

Name of American Express Program Coordinator for Agency

Coordinator's Street Address	City	State	Zip Code
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Coordinator's Telephone (Area Code + No.)	Coordinator's FAX (Area Code + No.)
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Coordinator's E-Mail Address

Approved by:

Signature of Agency Head	Date
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Name of Agency Head

PLEASE COMPLETE AND SEND THIS FORM TO **BOTH** AMERICAN EXPRESS AND OBM BY **JULY 31, 2001**. *Send original to OBM.*