UNDER SECRETARY OF DEFENSE

WASHINGTON DC 20301-1100

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COMPTROLLER

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
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DIRECTOR, DEFENSE RESEARCH AND ENGINEERING
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DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTORS OF DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Implementation of Legislative Changes to the Department of Defense (DoD) Travel Charge Card Program

The Bob Stump National Defense Authorization Act for fiscal year 2003 (Public Law 107-314) enacted section 2784a of title 10, "Management of Travel Cards." This section contains provisions relating to mandatory split disbursement and offset against the current and retired pay of civilian employees and military personnel.

This memorandum addresses actions to be taken to implement section 2784a, as well as certain on-going actions initiated in accordance with travel card authorities existing prior to the enactment of section 2784a.

Split Disbursement

Effective immediately, the Military Departments and Defense Agencies shall implement mandatory split disbursement for military personnel. This implementation shall include provisions that all expenses of official travel be separately identified in travel claims so that payments for such charges may be disbursed directly to the issuer of the travel charge card. Supervisors and approving officers shall return any claims that do not accurately reflect the charges to be disbursed directly to the travel charge card contractor to the claimant for correction.

The Under Secretary of Defense (Personnel and Readiness) is requested to notify the national unions of the intent to begin bargaining for implementation of mandatory split disbursement for civilians. Bargaining with local unions with respect to default split disbursement in connection with contract modifications made to the DoD Task Order for the Travel Card Program has not been completed. Once complete and pending finalization of bargaining for mandatory split disbursement, however, default split disbursement shall be implemented for civilian employees. When mandatory split disbursement is implemented for civilian employees, the requirements stated above for military claims will also apply to civilian claims.

Pending completion of the bargaining processes on default split disbursement, approving officials should encourage the voluntary use of split disbursement to the maximum extent possible.

Salary Offset

The pay of current civilian employees and active and retired military personnel is subject to salary offset. In accordance with existing procedures, offsets for these individuals shall continue under the provisions of section 2784a.

Civilian retired pay, which is administered by the Office of Personnel Management (OPM), is not currently subject to salary offset. In accordance with the provisions of section 2784a, offset shall be applied against retired civilian employees who retired without paying travel card charges. The Director, Defense Finance and Accounting Service (DFAS) is directed to work with the OPM to establish any agreements and procedures necessary to begin salary offset collections on travel card debts owed by civilian retirees.

The provisions concerning both split disbursement and salary offset are mitigating measures to reduce delinquencies on individually billed accounts. Commanders and supervisors are responsible for ensuring that all civilian and military personnel are aware that the card may be used only for charges incurred in connection with official travel. Additionally, appropriate administrative and disciplinary actions may be taken against individuals who misuse, or allow delinquencies to accrue against their travel card.

If you have any questions regarding these matters please contact Accounting and Finance Policy and Analysis Directorate, (703) 697-8282 or DFAS Travel Card Program Management Office, at (703) 607-5050

Dov S. Zakheim