

State Fleet Card Oversight Usage and Responsibilities

Introduction The Department of General Services (DGS), Office of Fleet and Asset Management (OFAM) administers a statewide one-provider payment system contract for the purchase of fuel and travel-related services with the US Bank Voyager Fleet Systems Inc. (Fleet Card Vendor) and with American Express Travel Related Corporate Services, Inc., respectively. The State Fleet Card (Fleet Card) enables state departments to pay for fuel purchases while using government vehicles and long-term commercial vehicle rentals.

State departments that need a commercial card service for the point of sale purchasing of traditional fleet fuels (such as gasoline and diesel) are required to use the Fleet Card and participate in the State Fleet Card Program (Fleet Card Program).

In order to ensure appropriate controls are in place for all state departments to effectively administer the Fleet Card Program while preventing abusive Fleet Card practices, including fraud and waste, state departments are required to implement the oversight procedures specified in this document. By **June 30, 2013**, and each year thereafter, state departments utilizing the Fleet Card must certify that they have implemented these procedures.

Fleet Card Usage

The State Fleet Card can only be used by state employees conducting official state business. Additionally, state departments may authorize other individuals (such as retired annuitants, volunteers, etc.) who are on official state business and whose travel expenses are paid by the state, to use the Fleet Card.

The Fleet Card can be used for department-owned and DGS-leased vehicles. Additionally, departments are authorized to use the State Fleet Card for long-term commercial vehicle rentals through the state's commercial car rental contract. A long-term commercial vehicle rental is defined as a vehicle rental of 30 calendar days or more that has been approved by OFAM.

The Fleet Card cannot be used for personal vehicles or for the purchase of items such as food or sundries (personal items). Additionally, the Fleet Card cannot be used for short-term commercial vehicle rentals unless an emergency arises and the user has prior departmental approval for use of the card in such circumstances.

Departmental Procedures Overview

Each department is ultimately responsible for the charges on, and use of, its issued Fleet Card(s). To oversee the usage of the Fleet Card Program, each department must implement the following required procedures listed below. It is important to note that a department may create additional policies and procedures, above and beyond those required by this document, as needed.

- Designate a departmental Fleet Card Coordinator (Coordinator) to oversee the Fleet Card Program.
- Designate a support staff person as the Fleet Card Liaison (Liaison) to process the ordering and cancelling of the Fleet Cards separate from the Coordinator for appropriate separation of duties. Note: For DGS-leased vehicles, the ordering, replacement, and cancellation of cards will continue to be conducted by OFAM.
- Ensure adequate separation of duties within the management of the Fleet Card Program to help eliminate fraud, waste and abuse. *Note: DGS realizes that some departments, due to their size and/or funding, will not have the resources to assign separate duties to more than one employee, or, in the case of larger departments, may need to assign these duties to multiple employees.*
- Develop Fleet Card Program Procedures Manual. (See Attachment A - Sample State Fleet Card Program Procedures Manual) Procedures shall include:
 - Description of the roles and responsibilities of the staff who provide oversight and monitoring of the Fleet Card Program, i.e., Coordinator, Liaison, Fleet Card User's Supervisor (Supervisor), and Fleet Card User (User).
 - A document for users defining allowable Fleet Card uses.
 - Oversight and tracking inventory of all Fleet Cards including valid-all-vehicle (VAV) cards.
 - Steps for ordering/cancelling Fleet Cards, (when employees retire, transfer, or leave; when vehicles are sold or transferred to another department or individual, etc.) reporting lost, stolen, or damaged Fleet Cards, and for distributing Fleet Cards.
 - A request form to order or cancel a Fleet Card which includes all pertinent information for tracking purposes, such as: equipment number, license plate number, make/model, Fleet Card number, user's name/address/phone number, and reason for a new card (lost, stolen, damaged, etc.).
- Ensure staff is properly trained according to their role(s) and responsibilities. These roles include: Coordinator, Liaison, Supervisor, and User.
- Ensure Monthly Account Summary Reports (monthly invoices) are paid on a timely basis.
- Ensure that a Fleet Card User Agreement is signed by each individual authorized by the department to use the Fleet Card. (See Attachment B – Sample Fleet Card User Agreement)

The following activity is not required but is considered a best practice and is highly recommended:

- Develop a Fleet Card expenditure review procedures/checklist for supervisors when reviewing employee Fleet Card transactions.
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Fleet Card Coordinator

The Coordinator is an individual designated by the department to act as the Coordinator of the department's use of the Fleet Card Program. The Coordinator is responsible for the oversight of the Fleet Card Program for the department which includes dissemination of all policies, procedures, and updates. These duties include the distribution of Management Memos to Users. Depending upon whether or not the vehicle is department-owned, DGS-leased, or a long-term commercial vehicle rental, the Coordinator's duties may vary. Please see the categories listed below showing the duties that the Coordinator must perform.

Department-Owned and Long-Term Commercial Vehicle Rentals

- Maintain a current tracking system (e.g., database) of all active Fleet Cards assigned to a vehicle or to an authorized individual.
- Provide access to the Fleet Card online system which is currently Voyager's Fleet Commander Online system (FCO) to:
 - Supervisor(s) so expenditure reviews can be conducted; Access permission must be set and limited to specific reports; and
 - Liaison so Fleet Cards can be ordered or cancelled.
- Establish and maintain purchase limits for Fleet Cards which may include limits on daily transactions, daily dollar amounts, and monthly dollar amounts, etc.
- Establish daily, weekly, and monthly reports from FCO as needed including but not limited to transaction exception and billing reports.
 - Design exception reports that correspond to uses of the Fleet Card(s) (setting parameters needed to monitor any exceptions to the allowable uses).
- Ensure Supervisors review and certify expenditures and Fleet Card exception reports.
 - Analyze and compare miles driven, tank capacity, and fuel purchases for potential misuse/abuse.
 - Investigate all exceptions and, if misuse is determined, take appropriate action according to departmental policy.
- Ensure that all non-issued and/or VAV Fleet Cards (when not in use with a vehicle) are kept in a secured location at all times.
- Periodically (monthly or quarterly) reconcile database of Fleet Cards to

inventory reports available through FCO to ensure only authorized Fleet Cards are in use.

- Ensure the Monthly Account Summary Reports (monthly invoices) received from the Fleet Card Vendor are paid on a timely basis.
- Establish emergency purchasing policies for the Fleet Card so users are able to purchase such items as tires, batteries, wiper blades, towing, and emergency repairs.
- Provide departmental procedures to each User regarding Fleet Card usage, including procedures for emergency purchases.
- By June 30, 2013, and each year thereafter, collect the Department's Annual Certification Form and submit to OFAM.

The following activities are not required but are considered best practices and are highly recommended:

- Periodically assess department policies and procedures related to the Fleet Card Program. Recommend/implement improvements to create efficiencies and/or further prevent misuse.
- If applicable, require Users to enter a vehicle's correct odometer reading when prompted at the gas pump.

DGS-Leased Vehicles

As part of its vehicle leasing services, OFAM actively monitors the usage of the Fleet Cards assigned to its leased vehicles. OFAM maintains an active database of its Fleet Cards, facilitates the ordering and cancellation of Fleet Cards, and works with departments to establish and maintain appropriate Fleet Card purchasing limitations. Additionally, OFAM utilizes the Fleet Card Vendor's, Fleet Commander Online system (FCO) to produce and review monthly exception reports and identify questionable transactions that may indicate potential fraud, waste, and/or abuse. OFAM works closely with department Coordinators, Liaisons, and/or Supervisors to gather additional information and report Fleet Card misuse if ultimately identified.

Where a department leases one or more DGS vehicles, a Coordinator should also:

- Inform OFAM of any potential fraudulent or abusive practices.
- Provide OFAM with current Coordinator contact information, and update as appropriate.
- By June 30, 2013, and each year thereafter, collect the Department's Annual Certification Form and submit to OFAM.

- Ensure that Users enter a vehicle's correct odometer reading when prompted at the gas pump.

The following activities are not required but are considered best practices and are highly recommended:

- Periodically assess department policies and procedures related to the Fleet Card Program. Recommend/implement improvements to create efficiencies and/or further prevent misuse.

Fleet Card Liaison

The Liaison is an employee designated to process the ordering and cancelling of the Fleet Cards separate from the Coordinator for appropriate separation of duties. Depending upon whether or not the vehicle is department-owned, DGS-leased, or a long-term commercial vehicle rental, the Liaison's duties may vary. Please see the categories listed below showing the duties that the Liaison must perform.

Department-Owned and Long-Term Commercial Vehicle Rentals

- Establish procedures for the ordering, cancelling, and distribution of Fleet Cards.
- Develop a Fleet Card order/cancellation request form (See Attachment A -Sample State Fleet Card Program Procedures Manual) including all pertinent information for tracking purposes, such as: equipment number, license plate number, make/model, card number, user's name/address/phone number, and reason for a new Fleet Card (lost, stolen, damaged, etc.).
- Receive Fleet Card Request Form from authorized personnel:
 - Review the request form to ensure all necessary information is provided and approved by proper authority.
 - Process request via FCO.
- Verify the accuracy of all Fleet Cards that are ordered and make sure they are correct prior to distributing to the User.
- Collect all signed Fleet Card User Agreements and store pursuant to department policies.

DGS-Leased Vehicles

- Use the request form (See Attachment A -Sample State Fleet Card Program Procedures Manual) provided by OFAM to order Fleet Cards.
- Notify OFAM to initiate a Fleet Card cancellation.

- Collect all signed Fleet Card User Agreements and store pursuant to department policies.

**Fleet Card
User's
Supervisor**

The Supervisor is responsible for ensuring that state vehicles, long-term commercial vehicle rentals, and Fleet Cards are used by authorized individuals in the conduct of official state business. Depending upon whether or not the vehicle is department-owned, DGS-leased, or a long-term commercial vehicle rental, the Supervisor's duties may vary. Please see the categories listed below showing the duties that the Supervisor must perform.

Department-Owned and Long-Term Commercial Vehicle Rentals

- Provide User with Fleet Card Program information including any departmental policies and procedures regarding emergency usage.
- Monitor Fleet Card usage to ensure Fleet Card charges are accurate and appropriate; review and verify monthly activity and expenditure reports generated by FCO or the Coordinator.
- Reconcile monthly billing statements to actual usage of the Fleet Cards by using transaction reports, vehicle mileage logs, receipts, etc.
- Research and verify questionable and miscellaneous transactions.
- Ensure Fleet Cards are properly secured when a vehicle is stored or otherwise not in use. Fleet Cards should not be kept in an unattended vehicle.

The following activities are not required but are considered best practices and are highly recommended:

- Periodically assess the need for issued Fleet Cards, including VAV cards, and make recommendations to the Coordinator and/or Liaison regarding cancellations.

DGS-Leased Vehicles

- Reconcile the Monthly Travel Log (State STD Form 273) and the employee's itinerary to ensure all documentation is congruent.
- Research and verify questionable and miscellaneous transactions.
- Instruct User(s) as to the need to properly secure a Fleet Card when a vehicle is stored or otherwise not in use. Ensure that any Fleet Card storage procedures are followed if established by the department.

The following activities are not required but are considered best practices and are highly recommended:

- Periodically assess the need for issued Fleet Cards, including VAV cards, and make recommendations to the Coordinator and/or Liaison regarding cancellations.
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Fleet Card User

The User is any individual authorized by their department to use the Fleet Card to conduct state business. All Users must sign a Fleet Card User Agreement for collection by the Liaison (See Attachment A - Sample State Fleet Card Program Procedures Manual). Additionally, regardless of whether the vehicle is department-owned, DGS-leased, or a long-term commercial vehicle rental, the User must:

- Ensure protection of the Personal Identification Number (PIN) associated with the Fleet Card. Do not share with other users (unless authorized) or write it directly on the Fleet Card.
 - As applicable, purchase E-85 or regular grade (unleaded) gasoline only. Unless specifically required by the vehicle manufacturer, the purchase of mid-grade or premium (supreme) unleaded gasoline is strictly prohibited.
 - Follow established departmental procedures set by the Coordinator for emergency purchases of items such as tires, batteries, wiper blades, towing, and allowable repairs.
 - Maintain all Fleet Card purchase receipts until monthly billing statements have been reconciled and approved for payment. Follow departmental record keeping procedures.
 - Report lost or stolen Fleet Cards immediately to the Liaison, Coordinator, and/or Supervisor. If no one is available, contact Voyager Customer Service directly at (800) 987-6591, 24 hours a day, 7 days a week. Inform the Liaison and Coordinator or Supervisor as soon as possible.
 - Enter vehicle's correct odometer reading when prompted at the gas pump while fueling your vehicle.
 - Keep the Fleet Card in a secure location when the vehicle is not in use; do not leave the Fleet Card in an unattended vehicle.
 - Not purchase prohibited miscellaneous store items such as food or sundries (personal items).
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Allowable Purchases

As authorized by a department, the Fleet Card may be used to purchase the following items when conducting official state business:

- Regular-grade unleaded gasoline and diesel.
- Alternative fuels such as E-85, biodegradable diesel, CNG, and Propane.
- Fluids and lubricants (i.e. oil, anti-freeze, washer fluid, etc.).
- Basic (low-cost) car washes.
- Emergency roadside assistance through the National Automobile Club (800-600-6065).

In addition, emergency purchases, such as wiper blades, fan belts, tires, etc., are allowed in urgent situations only. Emergency purchases must be defined and approved by each department.

Prohibited Purchases

The following items are prohibited and must not be purchased using the Fleet Card:

- Unless specifically required by the vehicle manufacturer, the purchase of mid-grade or premium (supreme) unleaded gasoline is strictly prohibited.
 - Fuel for personal vehicles
 - Miscellaneous items such as food or sundries (personal items)
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Payment

Each department shall review and process the Monthly Account Summary Report (monthly invoice) on a timely basis. Payment is due 25 calendar days after Account Summary Report is mailed by the Fleet Card Vendor.

Monitoring Exception Reports for Potential Fraud

The Fleet Card Vendor can provide customized exception reports via FCO, such as:

- Transactions over \$100
- Transactions beyond the tank capacity of a vehicle
- Transactions over 35 gallons
- Multiple transactions per day
- Out-of-state transactions
- Food transactions
- Miscellaneous transactions
- 12:00 a.m. – 3:00 a.m. transactions
- Saturday and Sunday transactions
- Holiday transactions

When an exception report is received, the Coordinator and/or Supervisor should review each transaction for potential fraud. If fraud is determined, an

investigation should be started by authorized personnel. Additionally, in cases of suspected fraud, the Fleet Card should almost always be cancelled immediately. The Fleet Card will become inactive immediately after the initial notification to the Fleet Card Vendor.

Audit and Certification

Department compliance with Management Memo 12-08, *State of California Fleet Card Program*, as well as the Fleet Card policies required by this document may be subject to auditing by DGS on a periodic basis. In addition, DGS will require each participating department to submit an Annual Certification form indicating that the department has implemented the requisite Fleet Card Program oversight procedures and has assigned a Coordinator and/or Liaison to manage that department's Fuel Card Program. The Annual Certification Form should be submitted to OFAM by June 30, 2013, and each year thereafter. The Annual Certification Form can be found at <http://www.dgs.ca.gov/ofam/Resources/Publications.aspx>.

Available Resources and Services Offered by the Current Fleet Card Provider, US Bank Voyager Fleet Systems Inc.

The Fleet Card Vendor's FCO System provides:

- Real-time Fleet Card administration including but not limited to PIN management, Fleet Card ordering and cancellation, authorization and purchase controls.
- Various customizable reports for account maintenance including:
 - Management Reports – Identify transaction trends or misuse by tracking purchases by merchant, dollar amounts, type of purchase, fuel economy, purchases by date, and other parameters.
 - Exception Reports – Identify trends and abuse/misuse (e.g., excessive tank capacity report, product variance report, invalid odometer report, pattern discrepancy report, and miles per gallon variance report).
 - Transaction Reports – Captures many separate data elements.
 - Inventory Reports – Provides inventory information by generating reports on individual Fleet Cards, vehicles, and driver information as provided by the department.
 - Billing Reports – Provides information on all transactions including payments and adjustments.
 - Ad Hoc Reports – Additional reports could be developed to meet the needs of the departments.

Web based training at <https://wbt.fleetcommanderonline.com>

DGS Contact Information

For further information concerning the *State Fleet Card Oversight Usage and Responsibilities* document, please contact:

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Attachments

Attachment A: Sample State Fleet Card Program Procedures Manual
Attachment B: Sample Fleet Card User Agreement
