

MANAGEMENT MEMO

NUMBER:

MM 07-08

SUBJECT:

COMMERCIAL RENTAL CAR FORMS OF PAYMENT

DATE ISSUED:

AUGUST 16, 2007

EXPIRES:

RESCINDED 12/19/16
UNTIL RESCINDED

REFERENCES:

References made to MM06-02, Commercial Rental Car Contracts

ISSUING AGENCY:

DEPARTMENT OF GENERAL
SERVICES

Purpose of this Memorandum

This management memo establishes new procedures and policy for paying the State of California commercial car vendors: Enterprise Rent-A-Car and Vanguard Car Rental USA. The new process includes:

- Eliminating the DGS Charge Card ("blue card") for commercial rental cars;
- Establishing direct billing accounts with the vendors to streamline the payment system; and
- Improving account reconciliation and reporting functions.

Who is affected

All State agencies, commissions, boards, colleges, and State-approved general contractors that use the rental car contracts for State travel.

Who should review

Deputies for Administration, Fiscal Officers, Accounting Officers and Travel Coordinators

Background

State agencies and employees pay commercial rental car companies using many payment methods which create additional work for State accounting departments and can delay payments to vendors. Consolidating payment methods can streamline accounting, enhance reporting and simplify the rental car process for the traveler. Additionally, using centralized payment methods, such as the American Express Car Rental Business Travel Account, can save money with direct billing payment processing.

Acceptable Forms of Payment

The two (2) recognized forms of payment for the State's Commercial Rental Car contracts with Enterprise and Vanguard (National/Alamo) will be:

- The American Express Car Rental Business Travel Account (CRBTA); and
- The American Express Government Card

Effective September 30, 2007, the DGS Charge Card ("blue card") will no longer be an acceptable form of payment for rental cars.

Cash, personal checks, and personal credit cards are **not** authorized forms of payment for the State of California commercial rental car contracts.

State travelers should consult their department policy on rental cars before scheduling travel.

STATE ADMINISTRATIVE MANUAL

**1) CRBTA
Benefits**

Departments are encouraged to use the card-less, direct billing, CRBTA account for rental car charges. The CRBTA provides a central billing system between the State, the rental car company, the travel agency, and American Express. Travel may be booked directly with the individual rental car company or through a designated travel agency.

A department with an American Express Business Travel Account (BTA) may easily establish a CRBTA (see directions below). A few benefits of the CRBTA are:

- Travelers always receive the State rate and proper insurance.
- Departments receive billing information from the rental car company in advance of receiving the American Express monthly summary invoice, which allows staff sufficient time to reconcile discrepancies.

The submission of this payment package will streamline the payment process and provide high level tracking and reporting enhancements.

- CRBTA accounts may be established with as many supplemental account numbers as required, allowing the State to identify rental car charges by cost-center, division and department, or individual traveler.
- Departments may create a report that matches reservation information against billing information to streamline reconciliation and improve auditing.

**2) Booking
&
Payment
Procedures**

The CRBTA account works as follows:

1. Traveler makes rental car reservation online with rental car company or through travel agency; cost-center information and card-less number are embedded in reservation.
2. Traveler picks up vehicle (using California Driver License as identification) and receives contract and car at guaranteed State rate including proper insurance.
3. American Express pays rental car company.
4. Traveler submits copy of rental contract with justification form, if applicable, to office Travel Coordinator or office accounting personnel.
5. Rental car company sends vehicle rental invoice which includes a monthly detail report to department for reconciliation.
6. Department reviews individual rental car contract with the monthly detail report; reconciles, and requests any adjustments from rental car company prior to receipt of the American Express monthly summary billing statement.
7. American Express sends monthly summary billing statement to department which is then submitted for payment together; with rental car company invoices, detail report and justification forms.
8. Departments submit their monthly approved invoice packages to their respective accounting offices which will include the following, together with any internal department policy requirements:
 - rental car company individual vehicle contract;
 - rental car company monthly detail report;
 - American Express monthly Corporate Card Statement of Account (monthly summary billing statement); and
 - all vehicle justification forms, (sample form #1 attached) which may include:
 - > vehicle upgrades except compact and intermediate;
 - > non contract vehicle rentals; and
 - > long term (over 7 days) vehicle rental
9. Department submits payment approval transmittal package to the SCO for payment to American Express.

STATE ADMINISTRATIVE MANUAL

- 3) **AB 2592 Reporting Required** Please note that the contract reformation to Commercial Car Rental Contract Agreement RFPDGSOFACC06ENT (Primary) and RFPDGSOFACC06VAN (Secondary), include additional airport fees approved with the passing of California AB2592, requiring the rental car industry to separately state all applicable fees and surcharges on rental contracts. These fees may be included but not exceed the State contracted maximum rate per the existing contract. The contract may be viewed at www.ofa.dgs.ca.gov website under the Travel Program link.

 - 4) **Rental Car Guidelines** Rental car guidelines can be reviewed on the Travel Guide located in the SAM appendix at <http://sam.dgs.ca.gov/TOC/0700/Appendix/S-1.htm> page 5, section, Rental Vehicles 500. The guidelines provide best practices for the State traveler. One important cost saving practice that all State travelers should note is whenever possible, to return rental vehicles with a full tank of gas to avoid fuel charges by the rental car company.
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Directions to Establish a CRBTA

In order to determine if your department is currently participating in the CRBTA program, contact your department Accounting Office or your Travel Coordinator.

The vendors will provide a simple, one-time, one-page application form for Departmental approval. Sample forms 2 and 3 are attached as reference material only.

If you would like to implement a CRBTA, please follow these steps:

1. Contact American Express to establish a **supplemental** Business Travel Account.

American Express
 Doug Browne
 National Account Manager
 Sacramento, CA
 (877) 462-7956 Toll Free
 (530) 273-6750 FAX
doug.browne@aexp.com

2. Once American Express has established your supplemental BTA, contact Enterprise and Vanguard to establish CRBTA accounts.

Enterprise Rent-A-Car
 Lisa Holmes
 State of California Account Manager
 Roseville, CA
 (916) 787-4733
 (916) 787-4535 FAX
lisa.m.holmes@erac.com

Vanguard Car Rental USA
 Patti Elliott
 National Account Manager
 Burlingame, CA
 (800) 608-7514 ext. 163
 (952) 841-3695 FAX
elliottp@nationalcar.com

**Contact
Information**

Wendy O'Donnell, Statewide Travel Program Administrator, Department of
General Services, Office of Fleet & Asset Management, 1700 W. National
Drive, Sacramento, CA 95834, (916) 928-2529, Wendy.Odonnell@dgs.ca.gov.

Signature

Original SAM Management Memo signed by Will Bush, Director

Will Bush
Director, Department of General Services

Attachments 1, 2, and 3

Interoffice Memo

Attachment Sample 1

TO: STATE CONTROLLERS OFFICE

From: _____
AGENCY NAME DIVISION NAME

RE: _____
Name of Employee (s)

Subject:

Substantiation for renting a larger vehicle rather than the contract vehicle OR for daily rate exceeding contract rate.

1. **Employees Traveling Together**
Five or more employees traveling together with luggage and other belongings. More economical to rent one larger vehicle.

2. **Employee is large in stature.** Please describe the circumstances and advise the make and model of vehicle rented and the make and model available for contract rate

3. **Medical Problem:** A statement from a medical doctor is on file with the supervisor.

4. **Other (explain):** _____

Signature-Employee's SUPERVISOR Date Please PRINT Name Title

I hereby certify that the information listed above is true and correct.

ATTACHMENT SAMPLE 2

AMENDMENT TO THE BUSINESS TRAVEL ACCOUNT AGREEMENT
BETWEEN COMPANY AND
AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC.

This amends the Business Travel Account (BTA) Agreement State of California,
_____ (“Company”) and American Express Travel Related Services
Company, Inc. (“Amexco”).

The BTA Agreement is hereby amended to permit Company to use the BTA account
number for the billing of car rental charges. The Company acknowledges that a minimal amount of
information will be captured on the BTA statement for these charges (name of the service
establishment and the dollar amount charged).

Company agrees to pay these charges in full (inclusive of any delinquency assessments) in
accordance with the BTA Agreement, and that all terms and conditions of the BTA Agreement
apply to the billing of car rental charges.

Except as specifically set forth herein, all terms and conditions of the BTA Agreement
remain in full force and effect.

AMERICAN EXPRESS TRS Co. State of California, _____

By: _____

By: _____

(signature)

Name: _____

Name: _____

Title: _____

Title: _____

EFFECTIVE DATE: Upon Completion

BILLING ACCOUNT NUMBER: 3782-

(To be completed by client)

AMEX REQUESTOR: Doug Browne

TELEPHONE NO: 877-462-7956

FAX: same

REGION: Western

ATTACHMENT SAMPLE 3

Enterprise Rent-A-Car's Application for Central Billing with American Express' Business Travel Account

The Department of _____ is participation with Enterprise Rent-A-Car in the American Express Car Rental BTA program. If you would like an abbreviation of your department name to be used on Statements, please include it here: _____

CRBTA American Express Account Number: _____

Travel Agency Contact Information

Travel Agency: _____

Contact: _____

Phone Number: _____

E-mail Address: _____

Department Contact Information:

Main Account Contact: _____

Statement/Billing Contact: (If Different) _____

Mailing Address: _____

Phone: _____

Fax: _____

E-mail Address: _____

Do you Require Cost Codes: (Please Circle One) Yes No
If Yes: 1. What should they be labeled (ex: Cost Codes, Index, etc) _____
2. In what format will the be (ex: #####-#####) _____

Effective February 2006, we will no longer be mailing out invoices with our monthly statements. All invoices will be kept on file for 5 years and can be requested if additional information is required. The following information is Standard on our Statements:

Last Name, First Name, Date In and Out, Rental Location, Branch Number, Ticket Number, Total Charges, Daily Rate, Number of Days, Miles Driven, Fuel, Sales Tax, Airport Fees, Other Charges.

Other Requested Information: _____

Please complete and email or to: Kristin.L.Loaiza@erac.com or Fax to: 1-866-827-4694.

