



September 24, 2007

TO: Campus Constituents

FROM: Vivian Standifird
Controller

RE: Travel & Entertainment Card Program

In 2006, Accounting and Procurement Services issued new procedures on travel and entertainment expenses. The new procedures clarified the manner in which travel and entertainment expenses should be reimbursed by the university in order to assure the university's compliance with IRS regulations. The procedures were circulated campus-wide and training sessions were held for persons authorizing expense reports. The training sessions were successful as evidenced by the improvement in the timeliness of expenses reported, as well as the improvement in the substantiation of business purposes.

Our documentation improvement efforts are now focused on the university's credit card programs. To date, it is acceptable to charge travel and entertainment expenses to the employee's American Express procurement card ("Procard"). New this year, a US Bank Visa card will be available to qualified employees. This card will be known as the travel and entertainment card ("T&E Card").

The T&E Card will be used in place of the Procard for all travel and entertainment expenses including airfare, lodging, car rental, meals and other incidental costs. There will be no 'per transaction' limit and there will be a higher monthly limit associated with this card. Similar to the former Diner's Club card, the T&E Card is issued directly to an employee making the employee individually liable for the timely payment of all charges. Expenses charged on the card should be promptly reported to Procurement on an expense report so payments can be made by Procurement to US Bank on behalf of the cardholder. The cardholder's obligation to properly report and substantiate the charges prior to the University's payment of those charges will better assure our compliance to IRS documentation requirements. If you've been following current Procard procedures, there will be no significant changes to your current practice other than the fact that you will have more flexibility with a higher credit limit and a VISA card that is more widely accepted.

The implementation of the new T&E Card program brings changes to the existing Procard program. Since the T&E Card will now be used by employees for travel and entertainment needs, travel and entertainment expenses will be restricted on the Procard effective no later than January 31, 2008 (or sooner as the transition to the new card progresses). Existing Procard cardholders should immediately apply for a new T&E Card to avoid any disruption in their credit privileges. Procards will continue to be used by departments for the purchase of business-related goods and services of \$1,000 or less.

Controller
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Employees should typically hold only one card – either a T&E Card if he/she frequently travels or entertains, or a Procard if he/she is responsible for buying department supplies or other low dollar items.

To obtain a new US Bank Visa T&E Card, please complete a T&E Card Application available at www.sandiego.edu/travelcard. Please also plan to attend a brief T&E Card orientation session including a overview of the cardholder agreement. We recommend you attend the orientation session with your assigned staff person, if that person is responsible for coordinating your travel and completing your expense reports. Our first available T&E Card training will be on October 3, 2007.

On behalf of Accounting and Procurement Services, I sincerely thank you for your continued cooperation as we make strides to protect the University's regulatory compliance. Your feedback is very important to us. If you have any questions or concerns regarding either card program, please contact the University's Corporate Card Administrator, Steven Heath, at extension 7594