Government Agency Leverages Virtual Travel Card Program to Drive *Efficiency, Improved Reconciliation* and *Better Reporting*

Case study

The United States Air Force (USAF) is the air service branch of the United States Armed Forces, and is one of the eight uniformed services of the U.S.

The USAF takes part in the GSA SmartPay® Program, which is the world's largest government charge card and commercial payment solutions program, providing services to more than 560 Federal agencies, organizations, and Native American tribal governments.

The Challenge

When non-government employees, such as entertainers and contractors, must travel on behalf of the USAF, they are not eligible to obtain a Government Travel Charge Card (GTCC).

GTCC must be used for government authorized travel transactions when possible. As a result of this restriction, travel-related transactions, including lodging and transportation costs associated with off-base housing, are instead charged to a centrally-billed account (CBA), which is more challenging for USAF finance professionals to reconcile. CBAs do not provide the level of detail to distinguish those travelers that have charged transactions to it. The challenge is compounded when multiple travelers use the same CBA.

Non-government employees are also burdened by this process because travel charges must be applied to the traveler's personal card and then reimbursement sought following the trip.

The USAF GTCC team decided a new card solution was required, but they were mindful of having to issue a large number of new cards. The efficiency of any new solution would be paramount.

As an innovation-minded branch of the government, the USAF turned to Citi to implement a Virtual Card Account (VCA) for Travel pilot program. "At the Air Force, we're always trying to look at where can we improve overall effectiveness for our travelers," explained Darrell Haraway, Component Program Manager, USAF. "We have a reputation for taking the lead on new enhancements, which is one of the reasons why virtual cards were so appealing to us."

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The Solution

Citi worked with the USAF on a weekly basis, developing a deeper understanding of the needs of non-government travelers, as well as the requirements of the finance team. Based on the findings, the team decided to proceed with a VCA pilot program, which would provide greater security, controls and enhanced reporting to help decrease the time it takes to reconcile transactions.

Citi implemented the VCA for Travel solution. Because it is a virtual solution, no physical cards were distributed, which immediately addressed the challenge of issuing and managing a large number of new cards. "The VCA program is highly flexible, allowing us to set spend limits per traveler, based on how the travel is conducted," stated Haraway. "That gives our travel coordinators more control and enables us to more easily reconcile expenditures, as well as generate on-demand transaction reporting. One aspect of the program that is particularly efficient is that we are able to keep orders for audit purposes within the organization, at the same time making the burdensome flow of documentation to the Defense Finance Accounting Service (DFAS) no longer necessary."

The Results

The VCA for Travel pilot program will be used by the USAF for the Department of Defense (DoD) as a proof-of-concept for other branches, and is expected to stand as a best-practice for civilian agencies, as well. In addition to eliminating the need for non-government workers to pay for travel expenses out of their own pocket, then seeking reimbursement, virtual cards drive tremendous efficiency for the USAF finance function. One of the biggest benefits will be to reduce the time it takes travel coordinators to reconcile transactions. Virtual cards also provide greater audit controls and better reporting capabilities. Instead of having reports that are limited in scope, thus necessitating the running of multiple reports, VCA allows for comprehensive reporting.

The USAF team has put together lessons learned from this pilot, which can be used across the government to drive increased adoption. "As we approach full implementation, USAF is ready to share what we've learned in this process, so other agencies can benefit from our work," concluded Haraway. "Involving stakeholders from across the organization early in the process, including budget and travel teams, as well as senior leadership is important to achieving buy-in. We worked with Citi to build this VCA from the ground up, and we hope the DoD and other government agencies can benefit from our hard work."

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