



THE ASSISTANT SECRETARY THE NAVY  
(FINANCIAL MANAGEMENT AND COMPTROLLER)  
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WASHINGTON, DC 20350-1000

AUG 5 2004

MEMORANDUM FOR DISTRIBUTION

Subj: TRAVEL CARD PROGRAM

In May 2004, the delinquency rate for the Department of the Navy (DON) travel card program reached an all-time low. Although historically program performance improves during the spring, the levels reached in May in terms of dollars delinquent and the delinquency rate show even better-than-expected improvement. This achievement is the direct result of hard work by commanders, supervisors, agency program coordinators (APC), and travelers, who demonstrated increased responsibility in handling their accounts.

The Department's travel card program has historically experienced an upward spike in delinquency beginning in June, when measured as both dollars delinquent and the delinquency rate. To ensure the recently achieved progress continues, I ask that you fully employ the policies, tools, and program training that is available, and that you focus squarely on program effectiveness and delinquency management. We should all be reminded that after then-record-low rates in mid-2003, delinquencies increased in the second half of the year.

Early identification of delinquent travelers is the most effective way to keep delinquency rates low. APCs should begin cardholder pre-suspension notification at 45 days past the closing date of each cycle, versus the 55 days currently required by the Department of Defense Financial Management Regulation, Volume 9, Chapter 3. Earlier highlighting of delinquency is a proven, preemptive action, which yields positive results and was recommended by the Naval Audit Service in their report on DON's travel card program.

Many major commands are to be commended for their below-goal delinquency rates and decreasing delinquency dollars. However, now is the time to intensify our efforts to maintain this good performance. Continuously improving performance on this front is an essential element of good financial management practices within the Department.

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