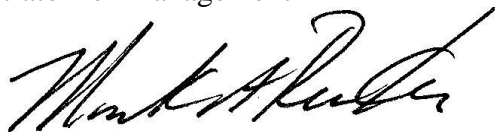


For: FFAS Offices

**FFAS Purchase Card FY 2014 Local Agency Program Coordinator (LAPC) and  
Agency Program Coordinator (APC) Review and Guidance**

Approved by: Deputy Administrator for Management



**1 Overview**

**A Background**

To meet mandatory guidelines set forth in OMB Circular A-123, Appendix B, the USDA Charge Card Service Center (CCSC) requires random quarterly reviews by the Local Agency Program Coordinator (LAPC) of cardholders' purchase card transactions as part of its management controls, policies, and practices for ensuring appropriate charge card and convenience check usage and oversight of payment delinquencies, fraud, misuse, or abuse.

**B Purpose**

This notice applies to all FFAS LAPC's and FFAS APC's and provides guidelines for completing the **required** quarterly reviews for FY 2014. The primary objectives of the reviews are to assess all of the following:

- adequacy of internal and management controls to help prevent fraud, waste, and abuse
- compliance with laws and regulations
- efficiency of operations.

<b>Disposal Date</b>	<b>Distribution</b>
January 1, 2015	All FAS, FSA, and RMA Offices; State Offices relay to County Offices

Notice AS-2265

1 Overview (Continued)

C Contacts

For questions about this notice, contact either of the following.

IF there are questions about...	THEN contact...
purchase card program review process	either of the following: <ul style="list-style-type: none"> <li>• Sheryl Welch, APC, by either of the following:               <ul style="list-style-type: none"> <li>• e-mail to <b>sheryl.welch@kcc.usda.gov</b></li> <li>• telephone at 816-926-6108</li> </ul> </li> <li>• LaVerne Walker, APC, by either of the following:               <ul style="list-style-type: none"> <li>• e-mail to <b>laverne.walker@wdc.usda.gov</b></li> <li>• telephone at 202-720-4044.</li> </ul> </li> </ul>
procurement policy	Yvonne Howerton, AMD Director, by either of the following: <ul style="list-style-type: none"> <li>• e-mail to <b>yvonne.howerton@wdc.usda.gov</b></li> <li>• telephone at 202-690-5401.</li> </ul>

2 Policy

A LAPC Quarterly Review Requirements

LAPC’s shall conduct random quarterly reviews of cardholder’s transactions to ensure sufficient management and oversight, including a broad look at current cardholder activity.

Reviews should consist of a combined electronic review of transaction information in US Bank Access Online (AXOL), running an AXOL Transaction Detail report, and a physical review of the actual documentation (either the original documents or scanned/FAXed copies). The LAPC’s shall request a random sampling of no less than ten transactions for physical review from each cardholder being reviewed that quarter. More physical reviews may be requested if the LAPC feels that 10 samples will **not** be enough to conduct a thorough review of the cardholder’s activity. This random physical review **must** include a **minimum of 50 percent** convenience check transactions, if applicable. LAPC’s should prioritize their physical sampling requests: First, on questionable transactions that may appear on the Transaction Detail reports; secondly, on convenience checks transactions; and finally, routine card transactions.

**Examples:** Cardholder A wrote six convenience checks for the first quarter review period and there are **no** questionable transactions on the report. The LAPC will request a minimum of ten samples for physical review with at least five of those samples being convenience check documentation.

2 Policy (Continued)

A LAPC Quarterly Review Requirements (Continued)

Cardholder B wrote two convenience checks for the same review period and The LAPC is questioning three transactions on the report. The LAPC will request a minimum of ten samples for physical review that will include the three questionable transactions, two convenience check samples, and then random card transactions. LAPC should focus on transactions that appear questionable, if applicable, on his or her reports.

LAPC's will review a minimum of 25 percent of their cardholders each quarter. LAPC's are required to review each cardholder they manage over the course of the FY at least one time.

**Note:** This means that the 25 percent of cardholder accounts reviewed each quarter must vary from quarter to quarter until 100 percent of all cardholder accounts for each LAPC are reviewed at least once by the end of FY 2014.

The purpose of the reviews is to take a broad look at the cardholder's activities and a detailed look at specific transactions, including randomly selected transactions and/or questionable transactions.

Using the Quarterly Review Checklist (Exhibit 1), LAPC's shall report the results of their reviews to their APC by the end of the second month following the close of each quarter. **No** data elements on Exhibit 1 shall be altered or removed. LAPC's will e-mail or FAX **only** the completed Exhibit 1 to the APC by the following required dates. LAPC's shall retain a copy of Exhibit 1 along with any supporting physical documentation at their office and follow standard guidelines for record keeping and disposal of this data.

LAPC Quarterly Review Schedule		
Quarter Reviewed	Period	Due Date to APC
Q1 FY14	October through December	February 28, 2014
Q2 FY14	January through March	May 31, 2014
Q3 FY14	April through June	August 30, 2014
Q4 FY14	July through September	November 29, 2014

If there are signs of misuse, abuse, and/or fraud, the LAPC will coordinate with the administrative officer to conduct an investigation of the transactions and request transaction documentation from the cardholder. The LAPC shall contact the APC for appropriate guidance with any necessary administrative action.

## 2 Policy (Continued)

### B APC Quarterly and Yearly Report Requirements

The APC shall notify CCSC of 100 percent receipt of the LAPC's quarterly reviews by e-mail to [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov). Reviews will be conducted quarterly, with an e-mail sent to CCSC after each quarterly review advising 100 percent compliance. A summary report (Exhibit 2) shall be prepared following the close of FY 2014.

The APC shall complete the FY-end review (Exhibit 2) by **December 12, 2014**, and e-mail the completed Exhibit 2 to CCSC to [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov).

### C Resources

Resources are as follows:

- the USDA CCSC Purchase Card, web site at [http://www.dm.usda.gov/procurement/ccsc/pc\\_guides\\_ref.htm](http://www.dm.usda.gov/procurement/ccsc/pc_guides_ref.htm) provides a:
  - manual, "Coordinators Reporting Manual for Management and Oversight"
  - video, "Purchase Card Training on How to Run Reports in AXOL" (16:04 minutes)
  - training video transcripts, as follows:
    - "Report Guidelines 12/16/09"
    - Coordinators Purchase Card Program Guide (Sept 2010)
    - "PCard-12-2009: Revised Check Procedures"
- a link to forms is at <http://www.dm.usda.gov/procurement/ccsc/forms.htm>
- GSA Oversight Manual, "Blueprint for Success: Purchase Card Oversight", at [http://www.gsa.gov/graphics/fas/Blueprint\\_For\\_Success\\_PurchaseCard\\_Oversight.pdf](http://www.gsa.gov/graphics/fas/Blueprint_For_Success_PurchaseCard_Oversight.pdf)
- President's Council on Integrity and Efficiency (PCIE) handbook, "A Practical Guide for Reviewing Government Purchase Card Programs", at <http://www.ignet.gov/pande/ie/credit-cards-06-002.pdf>.

LAPC Quarterly Review Checklist

LAPC Quarterly Review Checklist			
Completed by:	<input style="width: 95%;" type="text"/>	Date:	<input style="width: 95%;" type="text"/>
Submitted to:	<input style="width: 95%;" type="text"/>	F/Y Covered:	<input style="width: 95%;" type="text"/>
	(APC Name)		
Area/ Location:	<input style="width: 95%;" type="text"/>		
<input checked="" type="checkbox"/>	Quarter Reviewed:	For the Months of:	Due Date to APC:
	Q1	October – December	February 28
	Q2	January – March	May 31
	Q3	April – June	August 31
	Q4	July – September	November 30
<p><b>NOTE</b> : LAPCs should review 25% of their cardholders each quarter, ensuring review of 100% of the total accounts the LAPC manages over the course of a year (this requires that the 25% of cardholder accounts reviewed each Quarter vary and be a unique list to total a complete 100% review of cardholder accounts for each LAPC at year-end).</p> <p><b>Please supply the following data regarding your review:</b></p>			
	Data Requested	Number #	
1.	What was the total number of cardholders at end of Quarter?		
2.	Of the total number of cardholders in #1 above, how many were reviewed? <i>(should be 25% of total # of cardholders)</i>		
3.	Of the total number of cardholders in #1 above, how many are no longer under your managing account/supervision? <i>(if any)</i>  <i>In addition, please note:</i> <ul style="list-style-type: none"> <li>• LAPCs should confirm that Purchase cards are issued to current USDA employees.</li> <li>• If cardholder is no longer a USDA employee, LAPCs should confirm that the account is closed.</li> </ul>		
4.	Of the number of cardholders reviewed in #2 above, how many of them have convenience checks?		
5.	What is the total number of transactions for the Quarter?		
6.	How many total transactions were reviewed in AXOL?		
7.	Of the total transactions reviewed in AXOL in #6 above, how many were convenience check transactions?		
8.	Of all of the transactions reviewed in #6 above, how many included a review of documentation?		
9.	Of the convenience check transactions reviewed in #7 above, how many included a review of documentation?		
10.	What is the total number of convenience check transactions for the Quarter?		

LAPC Quarterly Review Checklist (Continued)

	Data elements that must be reported to OMB:	Number #
1.	Number of cases reported to OIG or coordinator for possible card misuse and/or abuse.	
2.	Number of administrative and/or disciplinary actions taken for card misuse.	
3.	Number of administrative and/or disciplinary actions taken for convenience check misuse.	

LAPCs shall review transactions for compliance with acquisition regulations and with direction given in DR 5013-6 and the *Coordinator's Purchase Card Program Guide*, with particular emphasis on the following areas:

Area of Transaction Review	No. of Occurrences <i>(if applicable)</i>	Comments and/or Administrative Action(s) Taken
Improper purchases (examples listed below) <i>(For a more detailed list, see Section 9 of the Coordinator's Purchase Card Program Guide.)</i>		
<ul style="list-style-type: none"> <li>• Split purchases</li> <li>• Unauthorized purchases</li> <li>• Personal use</li> <li>• <i>Other</i></li> </ul>		
Accountability – for example:		
<ul style="list-style-type: none"> <li>• Complete &amp; timely reconciliation/approval in AXOL</li> <li>• Timely final approval by AO</li> <li>• <i>Other</i></li> </ul>		
Proper use of Convenience checks – for example:		
<ul style="list-style-type: none"> <li>• Pre-approval over \$2500</li> <li>• Check is not written to self, for cash, to VISA merchant, or to large business</li> <li>• <i>Other</i></li> </ul>		
Use of required sources of supply		
<ul style="list-style-type: none"> <li>• <i>Other</i></li> </ul>		

LAPC Quarterly Review Checklist (Continued)

Additional Findings, Comments, or Recommendations <i>(optional)</i>	
<p>With my signature below, I affirm that all information provided on this form is true and accurate.</p>	
<input type="text"/>	<input type="text"/>

APC Annual Purchase Card Program Review

**APC Annual Purchase Card Program Review**

**Summary of Findings**

Agency:  Covered:

APC Name:

Total No. of Cardholders for the Agency:  Total No. of AOs e Agency:

Total No. of LAPCs:

	Data Requested	Number #
1.	Total No. of cases reported to OIG/APC for possible card misuse and/or abuse	
2.	Total No. of administrative and/or disciplinary actions taken for card misuse	
3.	Total No. of administrative and/or disciplinary actions taken for convenience check misuse	

*Please indicate in the chart below whether all LAPCs submitted their quarterly reports and if they were compliant.*

No.	Specific Review Criteria	Yes	No	Comments/ Notes
<b>LAPC Quarterly Reports</b>				
1.	<b>1<sup>st</sup> Quarterly Review Submitted</b> (October-December due February 28)			
2.	<b>2<sup>nd</sup> Quarterly Review Submitted</b> (January-March due May 31)			
3.	<b>3<sup>rd</sup> Quarterly Review Submitted</b> (April-June due August 31)			
4.	<b>4<sup>th</sup> Quarterly Review Submitted</b> (July-September due November 30)			

**Additional Findings, Comments, or Recommendations** *(optional)*

With my signature below, I affirm that all information provided on this form is true and accurate.

APC Signature

Date