

For: FFAS Offices

**FFAS Purchase Card FY 2015 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 LAPC of cardholders' purchase card transactions. This review process helps to validate management controls, policies, and practices and ensure appropriate charge card and convenience check usage, and oversight of payment delinquencies, fraud, misuse, or abuse.

The primary objectives of the reviews are to assess all of the following:

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

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 2015.

Disposal Date	Distribution
January 1, 2016	All FAS, FSA, and RMA Offices; State Offices relay to County Offices

Notice AS-2277

1 Overview (Continued)

C Contacts

For questions regarding 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">• Sheryl Welch, APC, by either of the following:<ul style="list-style-type: none">• e-mail to sheryl.welch@kcc.usda.gov, or• telephone at 816-926-6108• LaVerne Walker, APC, by either of the following:<ul style="list-style-type: none">• e-mail to laverne.walker@wdc.usda.gov, or• telephone at 202-720-4044.
procurement policy	Yvonne Howerton, AMD Director, by either of the following: <ul style="list-style-type: none">• e-mail to yvonne.howerton@wdc.usda.gov, or• telephone at 202-690-5401.

2 Policy

A LAPC Quarterly Review Requirements

LAPC's shall conduct random quarterly reviews of cardholder's transactions to ensure that sufficient management and oversight is provided, 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 that is being reviewed for the quarter. More physical reviews may be requested if the LAPC feels that ten 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.

2 Policy (Continued)

A LAPC Quarterly Review Requirements (Continued)

LAPC’s should prioritize their physical sampling requests according to the following:

- first, on questionable transactions that may appear on the Transaction Detail Reports,
- second, 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.

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 their reports.

LAPC’s will review a minimum of 25 percent of their cardholders each quarter and 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 2015.

The reviews allow management to take a broad look at the cardholder’s activities, and provide 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 FY15	October through December	February 27, 2015
Q2 FY15	January through March	May 29, 2015
Q3 FY15	April through June	August 31, 2015
Q4 FY15	July through September	November 30, 2015

2 Policy (Continued)

A LAPC Quarterly Review Requirements (Continued)

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.

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. 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 2015.

The APC shall complete the FY-end review (Exhibit 2) by **December 11, 2015**, and e-mail the completed Exhibit 2 to CCSC to 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 provides a:
 - manual, "Coordinators Reporting Manual for Management and Oversight",
 - video, "Purchase Card Training on How to Run Reports in AXOL" (16:04 minutes), and
 - training video transcripts, as follows:
 - "Report Guidelines 12/16/09",
 - Coordinators Purchase Card Program Guide (Sept 2010), and
 - "PCard-12-2009: Revised Check Procedures".
- a link to forms 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,
- GSA SmartPay, "Managing your Purchase Card Program" at <http://smartpay.gsa.gov/program-coordinators/managing-your-program/purchase-card>, and
- GAO Government Audit Guide, Auditing and Investigating the Internal Control of Government Purchase Card Programs at <http://www.gao.gov/new.items/d0487g.pdf>.

LAPC Quarterly Review Checklist

Following is the LAPC quarterly review checklist.



Office of Procurement & Property Management (OPPM)
Charge Card Service Center (CCSC)

LAPC Quarterly Review Checklist

The LAPC shall conduct random quarterly reviews of cardholder transactions. The purpose of this review is to ensure that LAPCs perform sufficient management and oversight including a broad look at current cardholder activity (e.g., the past 90 days).

Reviews should be a mix of an overview of transaction information in Access Online (or an Access Online Transaction Detail report) and a physical review of the actual documentation (either the original documents or scanned/faxed copies). Agencies shall set parameters regarding the number of transactions that need physical review.

LAPCs should review 25% of their cardholders each quarter, ensuring review of transactions from 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). The goal is to take a broad look at cardholder activity and a detailed look at specific transactions, including randomly selected transactions and/or questionable transactions.

The LAPCs shall report the results of their reviews to their APC by the end of the second month following the close of each quarter. For the current review schedule please reference the [APC Certification of LAPC Review](#) form. Agencies may choose to require earlier reporting dates. Agencies may choose to expand the checklist to make it more specific and to add data elements important for management of their purchase card programs. However, no data elements on the [LAPC Quarterly Review Checklist](#) shall be altered or removed.

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

LAPC Quarterly Review Checklist (Continued)



Office of Procurement & Property Management (OPPM)
Charge Card Service Center (CCSC)

LAPC Quarterly Review Checklist

Completed by: Date:
(LAPC Name)

Submitted to: FY Covered:
(APC Name)

Area/Location:

<input checked="" type="checkbox"/>	Quarter Reviewed:	For the Months of:	Due Date to APC:
<input type="checkbox"/>	Q1	October – December	February 28
<input type="checkbox"/>	Q2	January – March	May 31
<input type="checkbox"/>	Q3	April – June	August 31
<input type="checkbox"/>	Q4	July – September	November 30

Note: 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).

Please supply the following data regarding your review:

	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"> • LAPCs should confirm that Purchase cards are issued to current USDA employees. • If cardholder is no longer a USDA employee, LAPCs should confirm that the account is closed. 	

LAPC Quarterly Review Checklist (Continued)



Office of Procurement & Property Management (OPPM)
Charge Card Service Center (CCSC)

LAPC Quarterly Review Checklist

Data Requested		Number #
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 Access Online?	
7.	Of the total transactions reviewed in Access Online 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?	

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 (if applicable)	Comments and/or Administrative Action(s) Taken
Improper purchases (examples listed below) (For a more detailed list, see the <i>Coordinator's Purchase Card Program Guide</i> .)		
<ul style="list-style-type: none"> • Split purchases • Unauthorized purchases • Personal use • <i>Other</i> 		

LAPC Quarterly Review Checklist (Continued)



Office of Procurement & Property Management (OPPM)
Charge Card Service Center (CCSC)

LAPC Quarterly Review Checklist

Area of Transaction Review	No. of Occurrences <i>(if applicable)</i>	Comments and/or Administrative Action(s) Taken
Accountability, for example: <ul style="list-style-type: none"> • Complete and timely reconciliation/approval in Access Online • Timely final approval by AO • <i>Other</i> 		
Proper use of Convenience checks, for example: <ul style="list-style-type: none"> • Pre-approval over \$2,500 • Check is not written to self, for cash, to VISA merchant, or to large business • <i>Other</i> 		
Use of required sources of supply <ul style="list-style-type: none"> • <i>Other</i> 		

Additional Findings, Comments, or Recommendations <i>(optional)</i>

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

LAPC Signature

Date