

For: FFAS Offices

**FFAS Purchase Card FY 2013 Local Agency Program Coordinator (LAPC) and
Agency Program Coordinator (APC) Review and Guidance**

Approved by: Deputy Administrator, Management



1 Overview

A Background

According to requirements in OMB Circular A-123, Appendix B, APC Annual Purchase Card Program Reviews are due by December 15 following the close of FY. Standardized forms are available to facilitate the annual review process to determine the effectiveness of the program, ensure compliance and adequate oversight, and to detect cardholder misuse and/or fraud.

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

APC's shall notify the Charge Card Service Center (CCSC) of 100 percent receipt of LAPC quarterly reviews by e-mail and complete FY-end reviews by **December 13, 2013**.

B Purpose

This notice provides guidelines for completing the **required** quarterly reviews for FY 2013. 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.

This notice applies to **all** FFAS LAPC's and FFAS APC's.

Disposal Date January 1, 2014	Distribution All FAS, FSA, and RMA Offices; State Offices relay to County Offices
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1 Overview (Continued)

C Contacts

For questions about this notice, contact 1 of the following.

IF there are questions about...	THEN contact...
the 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• 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• telephone at 202-720-4044.
procurement policy	Yvonne Howerton, Chief Contracts Operations Branch (COB), by either of the following: <ul style="list-style-type: none">• e-mail to yvonne.howerton@wdc.usda.gov• telephone at 202-690-5401.

2 Policy

A LAPC Quarterly Review Requirements

Reviews should be a mix of an overview of transaction information in US Bank Access Online (AXOL), 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 from the cardholder, a random sampling of no less than 10 transactions for physical review. More physical reviews may be requested if 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 should focus his or her physical sampling on questionable transactions that may appear on the Transaction Detail reports, convenience checks transactions, and card transactions.

Examples: Cardholder A wrote 6 convenience checks for the first quarter review period and there are **no** questionable transactions on the report. LAPC will request a minimum of 10 samples for physical review with at least 5 of those samples being convenience check documentation.

Cardholder B wrote 2 convenience checks for the same review period and LAPC is questioning 3 transactions on the report. LAPC will request a minimum of 10 samples for physical review that will include the 3 questionable transactions, 2 convenience check samples, and then random card transactions. LAPC should focus on transactions that appear questionable, if applicable, on his or her reports.

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2 Policy (Continued)

A LAPC Quarterly Review Requirements (Continued)

LAPC's will review a minimum of 25 percent of their cardholders each quarter. LAPC's are required to review each cardholder the LAPC manages over the course of the FY at least 1 time.

Note: This requires that the 25 percent of cardholder accounts be reviewed each quarter vary and be a unique list that totals a 100 percent review of cardholder accounts for each LAPC by the end of each FY.

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 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 will e-mail or FAX **only** the completed Exhibit 1 to 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
2	January through March	May 31
3	April through June	August 30
4	July through September	November 29

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

B APC Quarterly and Yearly Report Requirements

APC shall notify CCSC of 100 percent receipt of 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. APC shall complete the FY-end review (Exhibit 2) by **December 13, 2013**, and e-mail the completed Exhibit 2 to CCSC to ccsc@dm.usda.gov.

2 Policy (Continued)

C Additional Resources

Additional 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)
 - 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
- 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"/> (APC Name)	F/Y Covered:	<input style="width: 95%;" type="text"/>
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>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).</p> <p>Please supply the following data regarding your review:</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"> • 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. 		
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"> • Split purchases • Unauthorized purchases • Personal use • <i>Other</i> 		
Accountability – for example:		
<ul style="list-style-type: none"> • Complete & timely reconciliation/approval in AXOL • Timely final approval by AO • <i>Other</i> 		
Proper use of Convenience checks – for example:		
<ul style="list-style-type: none"> • Pre-approval over \$2500 • 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> 		

APC Annual Purchase Card Program Review

APC Annual Purchase Card Program Review

Summary of Findings		
Agency: <input style="width: 90%;" type="text"/>	Covered:	<input style="width: 90%;" type="text"/>
APC Name: <input style="width: 95%;" type="text"/>		
Total No. of Cardholders for the Agency: <input style="width: 40%;" type="text"/>	Total No. of AOs for the Agency: <input style="width: 40%;" type="text"/>	
Total No. of LAPCs: <input style="width: 30%;" type="text"/>		
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
LAPC Quarterly Reports				
1.	1st Quarterly Review Submitted (October-December due February 28)			
2.	2nd Quarterly Review Submitted (January-March due May 31)			
3.	3rd Quarterly Review Submitted (April-June due August 31)			
4.	4th Quarterly Review Submitted (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