# U. S. Department of Commerce Charge Card Management Plan

## Version History

| Version | Date | Author |
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| 1.0 | 3/31/2006 | Dao Vissering |
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# Table of Contents

# 1. Introduction

As required by ***OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs***, this plan outlines the policies and procedures within Department of Commerce (DOC) that are critical to the management of the charge card program, in order to ensure that a system of internal controls is followed and to mitigate the potential for fraud, misuse, and delinquency.

This document is intended to be a living document and will be updated as changes occur within DOC's charge card program.  The primary purpose of the plan is for DOC's benefit and reference, but as requested by OMB, a copy is being sent electronically to Mark Bussow (MBussow@omb.eop.gov), Office of Federal Financial Management and to Bradley Forrestel (Bradley.forrestel@gsa.gov), General Services Administration.

# 2.  Personnel Management

## 2.1 Key management officials
*This section provides a list of the key card program management officials associated with the charge card program within the agency, along with their title and responsibilities.  The key officials for each program are listed in the tables below.*

**Purchase Card Program**

| Name | Title | Responsibilities |
|---|---|---|
| Janette Labbee | Purchase card Level 1 A/OPC | DOC SmartPay COTR – oversees agency's purchase card program. |
| David Carter | Commerce Office of Acquisition Management-Purchase Card Program Policy | Provides policy leadership in acquisition and procurement management |

| Agency/Bureau | Acquisition Management | Finance |
|---|---|---|
| OSEC/OIG | Wendy Clare | John Quick |
| Census Bureau | Karen Daniels | Robin Guinn |
| NOAA CRAD – A/OPC<br>NOAA WRAD – A/OPC<br>NOAA ERAD – A/OPC<br>NOAA MRAD – A/OPC<br>NOAA HQ – A/OPC | Sharon Tyson<br>Paul Spizzirri<br>Michele McCoy<br>Carolyn Hedgpeth<br>Tracey Cureaux | Janice Hill<br>Angela Hunter<br>Carolyn Collins<br>Joanna Shubert<br>Rosellen Montesino |
| NIST Gaithersburg – A/OPC<br>NIST Boulder – A/OPC<br>NTIS – A/OPC | Janet Braden<br>Carolyn Hedgpeth<br>Vicky Buttram | John Quick<br><br>Larry Hurst |
| PTO – A/OPC | Muriel Brown | Jay Kurt |
| ITA HQ – A/OPC<br>ITA – Domestic – A/OPC | Robin Carpenter<br>William Ashcraft | Beverly A. King |
| EDA HQ, BIS, MBDA HQ, BEA, NTIA HQ, NTIA Boulder, ESA – A/OPC | Tracey Cureaux | John Quick |
| TA – A/OPC | Janet Braden | John Quick |

**Travel Card Program**

| Name | Title | Responsibilities |
|------|-------|------------------|
| Trina Boyce | Travel card Level 1 A/OPC | Oversees the agency's travel card program |
| Howard Batchelor | Travel card Level 1 A/OPC | Alternate |

**Fleet Card Program**

| Name | Title | Responsibilities |
|------|-------|------------------|
| Jeri Coleman | COTR/Fleet Level 1 A/OPC | Oversees the agency's fleet card program |
| Taprina Jackson | ACOTR/Fleet Level 1 A/OPC | Alternate |
| Joy Taylor | ACOTR/Fleet Level 1 A/OPC | Alternate |

## 2.2  Process for appointing cardholders and AOs

*This section outlines agency policies and procedures, by program, for appointing cardholders and Approving Officials (AOs).*

**Purchase Card Program**

Employees applying for the Contractor issued Government Purchase card, are nominated by their supervisor to become a small purchasing agent for the U.S. Government.

All nominees for purchase card authority as well as Approving Officials (AO) must complete the GSA purchase card web training prior to issuance of an account or establishment as an AO. After successful completion of the training, they will receive certification, which must be provided as part of their nomination package to their Agency Program Coordinator (APC) at their servicing acquisition office.  The designated Approving Official (AO) signature is also required on the application package.  The AO can be the supervisor or office administrator of the organization. Once the application package is completed and signed, submit the documents to their servicing Agency Program Coordinator (APC) for processing.  The Department of Commerce (DOC consistently maintains a ratio of 4 cardholders to every approving official.

**Travel Card Program**

The use of the contractor-issued Government travel charge card is mandatory for all Departmental employees who travel five (5) times or more per year on official business, unless an exemption has been granted.  The use of the card is limited to expenses incurred incident to officially authorized Government travel.  Use of the card other than in connection with officially ordered travel is strictly forbidden.  Personal and family member use of the card and purchases from retail stores are also strictly forbidden.  However, common or shared services or facilities (i.e., rooms, meals, etc.) with family members or business associates may be charged to the card while on official business.  This does not apply to common carrier transportation tickets.  Only the official portion of the charged expense may be claimed on the travel voucher.

Bureau managers, charge card coordinators, and other bureau officials do not have the authority to override the contractor's corporate policy regarding suspension or cancellation of employee accounts, unless there are extenuating circumstances.

Employees applying for the Contractor issued Government travel card must:

Read and abide by "Contractor issued Government Travel Card Responsibilities" and cardholder training; http://fss.gsa.gov/webtraining/trainingdocs/traveltraining/index.cfm

Complete and sign the "Government Travel Card Application."
http://www.osec.doc.gov/oas/travel/Citibank-Travel-Card-Application.pdf

Complete and sign the "Employee/Approving Official Acknowledgment Statement" (Appendix B, page three (3) of the application packet).

Once completed and signed, the "Government Travel Card Application" and the "Employee/Approving Official Acknowledgment Statement" is submitted to the servicing APC for processing.

**DOC Fleet card program**

**GSA Voyager Credit Card for Agency-Owned and Commercial-Leased vehicles; and, GSA-Leased vehicles**

DOC Fleet Card Program uses the GSA Voyager Fleet Card under contract with Citibank. A local GSA Fleet Management Center assigns a card to a vehicle and it should be used only for the vehicle identified on the card. This card program offers widespread acceptance for customers/drivers as well as innovative technology behind-the-scenes to help control DOC fleet costs. GSA provides a fleet service card with each leased vehicle for the purchase of fuel and minor maintenance. The GSA Fleet lease agreement provides for full-service to include fuel and routine maintenance services.

Purchases for maintenance and repair services are limited to $100 without prior approval. If repairs on a vehicle exceed $100, the vendor must contact the GSA maintenance control center at 1 (866) 400-0411 for repair authorization. If a vehicle requires after-hours emergency repairs when the MCC is closed, Citibank/Voyager can authorize purchases up to $500. Emergency repairs are vehicle breakdowns, accidents, tire blow out, towing, etc. In the event of an emergency that renders the vehicle unsafe to operate, the driver must call Voyager at 1 (800) 621-3588 to receive authorization for repairs up to $500. The driver must call the MCC during the next regular business day to report the work that was done

The Department is currently participating in a Pilot Program with Citibank MasterCard. No additional information is available at this time because results have not been reviewed to determine the feasibility of whether or not to continue with this program.

*Explain your agency's procedures for assigning fleet cards and appointing AOs in the fleet card program. How does your agency determine which vehicles are assigned fleet cards? What is the process to assign a fleet card? What level must an employee be in order to serve as an AO? What is your agency's ratio of fleet cardholders to AOs?*

DOC fleet managers assign fleet cards in accordance with GSA fleet management policy which is to assign each vehicle its own credit card. DOC fleet managers complete and submit the request for Agency owned and commercially leased vehicles to the Voyager Credit Card Company for processing. For GSA leased vehicles, GSA provides the Voyager Card when the vehicle is leased to the Department. DOC fleet managers at the Department and Bureau levels can serve as AOs. Fleet Cards are assigned to vehicles not to individuals, ratios are not applicable.

Employees are instructed to call their servicing GSA Fleet Management Center or Voyager Card Services at 1 (800) 987-6591for lost or stolen cards as soon as possible.

### 2.3 Procedures at employment termination or transfer

*This section outlines the procedures taken by the agency when an employee terminates employment within the Federal government or transfers to a different agency or transfers within the same agency.*

**Purchase Card Program**

- When transferring between bureaus/operating units within the Department, or leaving the agency, the cardholder must notify his/her AO and APC
- When leaving, retiring, or transferring to another Government agency, the cardholder must return the card to the AO, cut in half. The AO will forward the cardholder maintenance sheet to the APC for cancellation. The AO is responsible for the complete destruction of the card.
- The APC will close the account via Citibank's, Citidirect system http://www.cards.citidirect.com/welcome.asp or by calling Citibank directly. The cancellation of the card will be done immediately upon acceptance of the purchase card by the APC.

**Travel Card Program**

- When transferring between bureaus/operating units within the Department. A new card will not be issued when an employee transfers within the Department. Therefore, notification of transfer is required. The APC of the losing bureau must notify the contractor and the APC of the gaining bureau.
- When a cardholder resigns, retires, or transfers to another Government agency, the cardholder must return the card, cut in half, to his/her APC for cancellation.
- The APC verifies if there is an outstanding balance based on the cardholders last statement. It is the cardholder's responsibility to pay all outstanding balances. If the statement indicates a balance, the APC will not approve the CDS 126 or equivalent clearance record and the employees last check may be held until balances are paid.
- The APC closes the account via the Citidirect system at: http://www.cards.citidirect.com/welcome.asp or by calling Citibank directly. The cancellation of the card is done immediately upon acceptance of the travel card by the APC.

**Fleet Card Program**

Not applicable because DOC Fleet cards are assigned to the vehicle, not the driver.

# 3. Training

## 3.1 General

Generally all charge card program participants, regardless of level or responsibilities receive training prior to appointment or issuance of a card, and as prescribed by the Appendix B of OMB Circular A-123, DOC will require that all charge card program participants take refresher training every 3 years, at a minimum. Specific procedures for training are explained below.

## 3.2 Purchase card program

**Cardholders and Approving Officials**

All nominees for purchase card authority as well as all Approving Officials must complete the GSA Purchase Card web based training prior to issuance of the purchase card or establishment

as an Approving Official.  The training course is located at
http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm.  The course contains
an on-line quiz and a certificate of completion.  The certificate is automatically generated upon
successful completion of the on-line quiz.  A copy of the certificate of completion must be
provided to the servicing Head of Contracting Office (HCO) as part of the nomination package, as
specified in the DOC Purchase Card Procedures, Commerce Acquisition Manual (CAM)
1313.301.  In addition, all Purchase Cardholders and Approving Officials are responsible for
reading and understanding the DOC Purchase Card Procedures outlined in CAM 1313.301.
These procedures provide DOC specific requirements and limitations.

**Agency Program Coordinators**

All nominees for the role of Agency Program Coordinator (APC) are required to take GSA on-line
training: http://apps.fss.gsa.gov/webtraining/trainingdocs/aopctraining/index.cfm.  They are also
provided with the link to GSA publications, such as Blue Print for Success and APC Survival
Guide.  In addition the DOC bureau APC may provide supplemental training specific to their
agency's mission needs.  For example the National Institute of Standards and Technology
(NIST), Bankcard Training Program includes mandatory completion of the GSA SmartPay online
training, classroom (or one-on-one) training to reinforce the Bankcard rules and regulations set
forth in the CAM 1313.301 on purchase card, and classroom (or one-on-one) training on the
Commerce Purchase Card System.  The NIST Bankcard support system includes comprehensive
information on their Acquisition Management Division website, cardholders, approving officials,
bankcard point of contact, email and a telephone "hot-line" communication with the APC.

## 3.3 Travel card program

**Cardholder**s

All card applicants must complete the GSA online training course for travel cardholders available
at http://fss.gsa.gov/webtraining/trainingdocs/traveltraining/index.cfm, and obtain a completion
certificate.  The certificate must be forwarded to the cardholder's Bureau APC.  Refresher training
is required every three years, and the certification must be forwarded to the cardholder's APC.

**Agency Program Coordinators**

All APCs are required to complete the GSA online training course at:
http://apps.fss.gsa.gov/webtraining/trainingdocs/travel%20AOPCquiz/index.cfm.  After
completing, obtain a completion certificate and forward it to the level 1 APC.  Refresher training is
required every three years, and the certification must be forwarded to the leverl 1 APC.  All APCs
are encouraged to: participate in scheduled APC meetings  held quarterly or as  necessary;
participate in  contractor  user training; and participate in any travel card meetings or conferences.

## 3.4 Fleet card program

**Cardholder/Vehicle**

DOC drivers utilize training on the GSA web-site.  The training includes "dos and don'ts,"
reporting of lost or stolen cards, types of purchases, and bank contact information.  In addition,
DOC fleet operators use the pamphlet titled "Helpful Hints for Fleet Card Use," which provides
GSA customer information for the fleet service cards.  In addition, attendance at the GSA Annual
Fleet Conference is encouraged as it offers opportunities for training and updates regarding the
latest fleet requirements.

### 3.5 Record keeping

*This section summarizes agency procedures for documentation and record retention.*

**Purchase Card Program**

As required by the U.S. National Archives and Records Administration (NARA), cardholders are required to keep copies of all documents pertaining to each purchase for 6.3 years, such as but not limited to: (a) Reconciled Purchase Card Order Log; (b) Monthly account statement ; (c) Sales receipts; (d) Packing slips; (e) Credits; (f) Government Cardholder Dispute Form; (g) Originating Requisition/Order Document (i.e., approved CD 435, requisition, internal order form, etc.) (h) Vendor invoice; (I) Prior approval, concurrences, conversations with vendor/requisition; (j) miscellaneous documents relevant to the purchase.  In addition, Approving Officials are required to maintain the records of departed cardholders for a minimum of 6.3 years.

All training certificates are maintained in the Acquisition Offices under the oversight of the APC. The Department of Commerce Bankcard Center archives all purchase card data files for a minimum of 7 years.

**Travel Card Program**

For the travel card program, the bureau APC maintains a separate file for each employee that contains a copy of the charge card application as well as an acknowledgement statement and the training certification.  Files indicate active versus inactive accounts.

Travel APCs are encouraged to contact their respective Human Resource Office for personnel listings that show employees who have left Government service so that files can be kept up to date.  Upon transfer, an employee's original documents should be sent to the receiving organization.

**Fleet Card Program**

Each Bureau has its own fleet manager which is responsible for requesting new and replacement Voyager Credit cards. The bureau APCs maintain all records for fleet cards under their purview.

### 3.6 Ensuring effectiveness of training requirements

*This section outlines agency procedures for ensuring that training policies and procedures remain current and effective.*

Both DOC purchase and travel card programs have essentially similar training requirements, i.e. all DOC cardholders utilize the GSA web-based on-line course for basic training, and all cardholders and approving officials must take refresher training every 3 years.  However, for the purchase card program, refresher training consists of a commercially available Simplified Acquisition Course (minimum of 24 hours).  Additional training may be required to update cardholders and Approving Officials on operating unit procedures, relevant regulatory changes and/or internal policies/procedures of the servicing acquisition office.  In addition, DOC has a purchase card Risk Management Team that continuously work on assessing and evaluating the Commerce Acquisition Manual policy on purchase card, and meet quarterly to address policy updates.  Notification of policy updates are sent to the bureau Head of Contracting Offices for distribution and implementation*.*

## 4.  Risk Management

Consistent with the general principles outlined in OMB Circular A-123, the Department has an ongoing responsibility to evaluate the effectiveness of the actions taken to comply with the requirements of the guidance.  Pursuant to Section 639 of the Consolidated Appropriations Act,

2005 (P.L. 108-447) Chapter 6 of the Circular, *Credit Worthiness*, requires all agencies to assess the credit worthiness of all new travel card applicants prior to issuance of cards. Credit risk results will enable The Department to conduct its own internal decision making process in addition to mitigating the risk of fraud, misuse, and abuse of the Federal charge card program.

## 4.1 Creditworthiness policies and procedures

*This section summarizes agency policies and procedures regarding creditworthiness and performing credit checks.*

**Travel Card Program**

The GSA SmartPay contractor will conduct credit checks to determine creditworthiness of applicants for the Department's travel card program. All applications will receive either a pass or restricted identifier. If notice is received that an employee has been identified for a restricted card, then a reduced spend limit will be put into place based upon Bureau business need and Department guidelines. The contractor will absorb the cost associated with creditworthiness checks. All credit scores will be held by the contractor and stored accordingly. If the Department receives an intra-government employee transfer and the employee applies for a travel card with the, a new credit check will be done.

**Fleet Card Program**

Creditworthiness policies are not applicable to the DOC Fleet Card Program. The cards are issued to the vehicle not the employee.

## 4.2 Controls, practices, and procedures related to Centrally Billed Account (CBA) delinquencies

*This section outlines agency risk management procedures in regard to CBA delinquencies.*

**Purchase Card Program**

A "Statement of Account" is sent to the individual cardholder from Citibank and lists all purchases made in the previous 30 day billing cycle. The billing cycle date for DOC cardholders is the 3rd of the month. If a "Statement of Account" has not been received by the cardholder within 10 working days after the close of the billing cycle date, the cardholder should access the statement on Citibank's on-line system, CitiDirect at http:www.cards.citidirect.com. Cardholders and Approving Officials must ensure that statements (or automated equivalent, in accordance with operating unit procedures) are promptly reconciled. Where automated systems are NOT in place, the statement must reach the servicing Finance Office within 15 days after receipt. If a cardholder knows in advance that he/she will be absent and not available to reconcile the "Statement of Account, the cardholder shall forward all appropriate documentation (sales receipts, credit vouchers, etc.) to the Approving Official. The Approving Official shall reconcile, sign and forward a copy of the statement to the servicing finance office. When the cardholder returns, he/she must sign the original statement and forward it to the servicing finance office and retain the original transaction documentation, unless otherwise directed by the operating unit Chief Financial Officer. In most cases, the reconciliation takes place within the DOC automated system and must be completed by the sweep date which is posted on the Commerce Bankcard Center web site and reminders are sent to Cardholders and Approving Officials each month. If the cardholder is not able to reconcile within the 2-week allotted time period by entering the web based system, the Group Administrator and/or Approving Official shall ensure the reconciliation is completed in a timely manner before the sweep date. Reports are available to Approving Officials in the Citibank system.

The DOC Office of Financial Management has authorized the use of "FastPay" which is payment to Citibank within 3 days after receipt of the invoice for the payment of purchase card accounts.

Servicing finance offices may pay the invoices prior to receipt of the Statements of Account in order to maximize rebates.

**Travel Card Program**

A "Statement of Account" is sent to the centrally billed cardholder from Citibank and lists all purchases made in the previous 30 day billing cycle.  The billing cycle date for DOC cardholders is the 3rd of the month.  If a "Statement of Account" has not been received by the cardholder within 10 working days after the close of the billing cycle date, the cardholder is instructed to access the statement on-line system, at http:www.cards.citidirect.com.  Cardholders and Approving Officials must ensure that statements are promptly reconciled.  The statement must reach the servicing Finance Office within 15 days after receipt.  If a cardholder knows in advance that he/she will be absent and not available to reconcile the Statement of Account, the cardholder shall forward all appropriate documentation to the Approving Official.  The Approving Official shall reconcile, sign and forward a copy of the statement to the servicing finance office.  When the cardholder returns, he/she must sign the original statement and forward it to the servicing finance office and retain the original transaction documentation, unless otherwise directed by the operating unit Chief Financial Officer.

**Fleet Card Program**

DOC's Bureau Fleet Managers review all invoices/bills prior to forwarding vouchers to their financial offices for vendor payment.  In the event of delinquency notification, US Bank Voyager Fleet Card Services will send an email notification to the DOC Fleet Manager who will contact the appropriate financial office for resolution.

## 4.3 Controls, practices, and procedures related to Individually Billed Account (IBA) delinquencies

*This section outlines agency risk management procedures in regard to IBA delinquencies.*

**Travel Card Program**

The contractor notifies the Department when payment has not been received and the account is 61+ days past due.  In turn the Department APC notifies the Bureaus who have delinquent travel cardholders.  Employees who are 61+ days delinquent are considered in violation of standards of conduct as established by the Public Law, Government regulations, and the GSA travel regulations.  The employee's supervisor is required to take administrative action in accordance with Department Administrative Order (DAO) 202-751 on discipline below.  The Bureau APCs also have access to the Citibank Delinquency reports via the Citibank Custom Reporting System.

Disciplinary Actions:

- Failure to pay a just financial obligation in a proper and timely manner

    - First Offense - written reprimand to removal
    - Second Offense - 5 days suspension to removal
    - Third Offense -30 days suspension to removal

Upon implementation of the E-GOV Travel System, split pay will be mandatory for all vouchers processed through the system.

## 4.4 Controls, practices, and procedures related to charge card misuse and abuse

*This section outlines agency risk management procedures in regard to charge card misuse and abuse.*

**Purchase Card Program**

Specific risks associated with the DOC purchase card program would include open Merchant Category Codes (MCC) on the cardholders' accounts. The missions of the Commerce employees are so varied that placing restrictions on the MCC many times can cause a work stoppage.

Examples of policies and procedures to mitigate risks include:

The identification of credit worthiness to determine employees likelihood to repay charges.

The Department of Commerce Bankcard Center (CBC) monitors daily transactions that are screened against 36 possible questionable MCC. Findings are immediately sent via e-mail to the servicing program coordinator for further review. Responses are maintained at CBC.

Agency Program Coordinators review monthly MCC reports for the billing cycle transactions. APCs utilize the Citibank on line system to review statements. Random sampling of cardholder statement audits are conducted throughout the year on an ongoing basis with annual reporting.

Each quarter DOC staff at the Commerce Bankcard Center (CBC) review an accounts payable report that shows all payments made to the contractor. Reviewing this report ensures that duplicate payments are not made to their charge card contractor.

| Risk | Risk Management Action | Person Responsible |
|---|---|---|
| Description of the risk | Description of the strategy to be used to overcome the risk | Personnel responsible for monitoring the risk and executing the risk management action |
| Employee will not repay charges | Use credit worthiness policy to conduct credit checks. | APCs |
| Unauthorized charges | Monitor daily transactions and monthly reports | CBC, APCs and Head Contracting Officers/OIGs |
| Late payments | Monthly reviews and Annual Review/Auditing | APC – CBC Data Mining |

Below are examples of DOC procedures for reviewing charge card reports for general oversight and also specifically to detect charge card misuse and abuse.

Daily transactions are screened against 36 merchant category codes that could possibly produce questionable items. If questionable transactions are noted, the agency program coordinator is contacted for further review. Agency program coordinators check monthly MCC roll up reports as well as their random sampling of auditing throughout the year. The Commerce Bankcard Center uses Discoverer software to search into the data for possible split purchases, vendor favoritism and spending trends, review of internet sales, and purchases on holidays and weekends. Findings are sent forward to the APCs and their responses are tracked.

Monthly reports are generated from the Commerce Bankcard Center and sent to the APC. Updated account information, alphabetical listings of cardholders and approving officials, MCC report. Quarterly they are sent a non usage report which shows the accounts that have not been used in the past 6 months. Bureau APCs are also encouraged to conduct a random sampling of transaction reviews through DOC system or Citibank on line system.

*Disciplinary actions that DOC would impose on cardholders who misuse or abuse the government charge card include:*

Blatant misuse of a Government Purchase Card is handled through the bureau Head of Contracting Office who may in turn report to their OIG. Disciplinary actions may include card suspension or cancellation and/or reimbursement by the cardholder to the bureau/agency as appropriate. Cardholders are subject to disciplinary action under applicable DAO 202-751, and Government-wide administrative procedures, including suspension and/or removal. Extreme cases may end up in prosecution through the court system.

**Travel Card Program**

The Bureau APC's will review the travel card activity report of all cardholder accounts monthly to identify potential areas of concern. In turn the Bureau APC's will notify the cardholder's supervisor of any questionable charges/transactions. A copy is sent to the servicing Human Resource Office. If charges are identified as misuse/abuse or outside of Departmental Policy, the employee's supervisor is required to take action in accordance with DAO 202-751 on discipline provided below.

- Disciplinary Actions from DAO 202-751

  o Use of or allowing use of Government funds, property, personnel or other resources for unauthorized purposes.

    - First Offense-5 days suspension to removal
    - Second Offense-30 days suspension to removal
    - Third Offense-Removal

| Risk | Risk Management Action | Person Responsible |
|---|---|---|
| **Description of the risk** | **Description of the strategy to be used to overcome the risk** | **Personnel responsible for monitoring the risk and executing the risk management action** |
| Cash Advances when not in TDY status | Monitoring of the CD100 travel card usage report | APC will inform Manager/Supervisor of possible fraud based on unusual activity. The Manager/Supervisor will be responsible to act on the information. |
| Use of card for non-official purposes, furtherance of travel | Monitoring of the CD100 travel card usage report | APC will inform Manager/Supervisor of possible fraud based on unusual activity. The Manager/Supervisor will be responsible to act on the information. |
| Charges outside of Federal and or Department of Commerce Travel Policy | Monitoring of the CD100 travel card usage report | APC will inform Manager/Supervisor of possible fraud based on unusual activity. The Manager/Supervisor will be responsible to act on the information. |

**Fleet Card Program**

Note:  There is minimum risk for abuse with the Fleet card because it can only be used with the vehicle which bears the same license plate as the card.

The Bureau Fleet Managers will review the fleet card monthly activity for all cards assigned to vehicles under their purview to identify potential areas of concern.  They will notify the supervisor of the individual using the card and the DOC Fleet manager of any questionable charges/transactions.  A copy will also be sent to the servicing Human Resource Office.  If charges are identified as misuse/abuse or outside of Departmental Policy, the employees Supervisor is required to take action in accordance with Department Administrative Order (DAO) 202-751 on discipline.

- Disciplinary Actions from DAO 202-751

    o Use of or allowing use of Government funds, property, personnel or other resources for unauthorized purposes.

        ▪ First Offense-5 days suspension to removal
        ▪ Second Offense-30 days suspension to removal

**Third Offense-Removal**

## 4.5 Appropriate authorization controls establishment

In June 2005, the CBC implemented a data mining methodology to detect instances of abuse, misuse, and fraud, and is committed to make ongoing progress towards perfecting current efforts, processes, and possibly expansion of this methodology.

This methodology included using the reporting function in the Oracle database, Discoverer software to query for transactions or cardholders that warrant additional investigation.  When cardholders are identified as candidates for further investigation, a different report is utilized to research the purchasing history of the cardholder in question, and then a CBC staff member contacts the APC with the findings and requests further investigation into the transaction.  Responses are tracked on a master spreadsheet with comments and used for reporting (e.g. quarterly OMB reporting, and DOC OIG).

Other recurring data mining methods are run on a weekly basis.  For example querying on purchases that were made over a weekend, a holiday or a weekend in conjunction with a holiday; using the daily file of transactions from Citibank to monitor and detect cardholder activities such as split transactions.  CBC staff member contacts the APC with the findings and requests further investigation into the transaction.  As referenced in the Commerce Acquisition Manual 1313.301, if instances of abuse, misuse, and fraud would occur, the cardholder will be subject to penalties ranging from disciplinary action to criminal penalties.

## 4.6 Ensuring effectiveness of risk management controls
*This section outlines agency procedures for ensuring that risk management policies and procedures remain current and effective.*

The DOC approach for managing the purchase card program is based on the risk management strategy for implementing acquisition reform.  Risk management is a vital component of the DOC Purchase Card Program and on-going oversight is a priority.  As reported by the DOC OIG, for more than 15 years, government employees have relied on purchase cards to expedite their ability to make small purchases, obtain training, and otherwise streamline unwieldy federal procurement procedures.  As DOC and other agencies push for greater efficiency in the

acquisition process, purchase cards will become an ever-more critical procurement option and their use will inevitably increase.  Hence, the collective efforts to improve the purchase card program government-wide must be guided by three key principles:

- STOP any and all personal abuses with aggressive oversight and strong disciplinary actions.
- CAUTION managers to address systemic weaknesses and problematic practices.
- GO forward at full speed to implement best practices and other proactive efforts that will prevent problems and promote efficiencies.

The DOC OIG works actively to uphold these key principles.  As an example of the first principal at work, the OIG receives ongoing allegations of purchase card abuse.  The allegations, when deemed credible, are handled as criminal investigations.

Additionally, the Department's Procurement Executive and Director of Acquisition Management (OAM) has implemented a tiered risk management program, which includes multiple control levels in placed that assist with the day-to-day management of the program and help to identify weaknesses.  These include Department-wide policies; centralized management and reporting; bureau-specific policies; regularly scheduled transaction review, and systematic reconciliation procedures.  Additionally, DOC established a purchase card risk management team to maintain currency and effectiveness of our policies in relation to regulatory changes and continuously assess and evaluate enhancements to strengthen the overall program.

# 5.  Strategic Sourcing

In accordance with the OMB memorandum on strategic sourcing (www.whitehouse.gov/omb/procurement/comp_src/implementing_strategic_sourcing.pdf), agencies are required to implement strategic sourcing for certain commodities, and should analyze purchase card spending data as part of this effort.  By October 1, 2005, the Chief Acquisition Officer (CAO) of each agency must identify at least 3 commodities that could be purchased more effectively and efficiently through the application of strategic sourcing, excluding software that can be purchased under the SmartBuy program.  Beginning in January 2006, the CAO must annually report to the OMB/OFPP reductions in the prices of goods and services, reductions in the cost of doing business, improvements in performance, and changes in the achievement of socio-economic acquisition goals at the prime contract and, if possible, the subcontract level.

## 5.1 Strategic sourcing implementation

*This section summarizes Department of Commerce practices related to strategic sourcing.*

The DOC spends approximately $1.6 billion on goods and services each year.  Since the issuance of the OMB Memorandum on strategic sourcing, the CAO has taken the lead in directing efforts to comply with the memorandum.  As a result of such efforts, DOC has conducted a high level opportunity analysis to identify three commodity areas where the potential exists for enterprise-wide savings.  The analysis revealed that DOC spends a significant portion of its procurement budget in the following commodity areas:  Automatic Data Processing and Telecommunication Services, Automatic Data Processing Equipment, Software, Supplies and Support Equipment and Professional Services, and Professional, Administrative and Management Support Services.  During the first quarter of fiscal year (FY) 2006, DOC vetted the three commodity areas through the DOC Chief Financial Officer (CFO) and Chief Information Officer (CIO) Councils.  The next steps for implementing strategic sourcing will include: establishing CAO/CFO/CIO planning & design team with bureau and key stakeholder participation; finalizing the DOC strategic sourcing plan, including the governance process; and

setting up commodity councils to refine and finalize the spend analysis, implement strategic sourcing requirements, and manage compliance.

As part of its overall strategic sourcing initiative, DOC's National Oceanic and Atmospheric Administration (NOAA) participated in a spend analysis project with Citigroup.  Under the direction of the spend analysis project, FY 2004 accounts payable files were used to identify opportunities to shift payments to purchase cards rather than through accounts payable. Preliminary results revealed that DOC is unnecessarily paying prompt payment interest to suppliers who accept Visa, and that there exists vast opportunities for benefits (e.g. reduce cost of processing low dollar, high volume payments, increase agency rebates, and confirm compliance with current policies...), to warrant further investigation into expanding the spend analysis project Department-wide.

## 5.2 Ensuring effectiveness of strategic sourcing policies

*This section outlines agency procedures for ensuring that strategic sourcing policies and procedures remain current and effective.*

The Commerce Bankcard Center conducts in depth analysis at year-end to find ways to improve the purchase card program.  An example of is an annual analysis that includes top 100 vendors reports that are then compared to the accounts payable spend analysis.  Efforts are underway to use this data to align various methods of payment to the same vendor with a single solution of using purchase cards for reoccurring charges to vendors that accept purchase cards.

# 6.  Refunds and Tax Recovery

## 6.1 Refund management

*This section outlines agency procedures to promote and ensure the effectiveness of refund management controls*.

DOC Bankcard Center charge card refunds:  All monies above the expenses of the bankcard center are returned to the agencies on a quarterly basis.  Each year, DOC conducts market research, interviewed other agencies and conducts annual discussions with the contractor Citibank, to maximize refund revenue on our Task Order prior to exercising the option for continued services.

## 6.2 Tax recovery

*This section outlines agency policies and procedures to promote and ensure the effectiveness of tax recovery.*

DOC cardholders are aware that all Government purchases are tax-exempt; (Tax exemption information is available on the DOC Bankcard Center web page that links with the GSA internet site at: http://apps.fss.gsa.gov/services/gsa-smartpay/taxletter

If the proposed tax is $10.00 or less, ask if the merchant will grant a tax exemption without requiring a tax exemption certificate.  In some cases States no longer allow tax exemption from State taxes and in the past DOC has complied with the Treasury Financial Handbook that permits a cardholder to make the purchase as long as the taxes do not exceed $10.00.

DOC vehicles are assigned Voyager credit cards, and the taxes are automatically taken off at the pump.  DOC receives rebates from the Travel Card and the Voyager card programs.  The DOC

has not received rebates from the CitiGroup Master Cards Pilot Program for Fleet due to minimal usage.

# 7. Reporting

## 7.1 Reports

*This section outlines the various charge card reports that Department of Commerce utilizes for monitoring delinquency, misuse, performance metrics, and other transactions and program management issues. Examples include standard reports that DOC receives, as well as any ad hoc reports its bureaus run. Below is a table of reports.*

**Purchase Card Program**

| Report Name | Purpose | Frequency | Data Source | Data Elements | Report Author | Report Recipients |
|---|---|---|---|---|---|---|
| Management Reports | Monitors number of transactions, dollars spent, total number of active cards, percentage of card usage and number of card activity per agency. | Each Cycle | CBC Oracle Discoverer Ad Hoc System | Cardholders, Number of Transactions & Dollars Spent | CBC Staff Member | OFM, OAM and APCs for each service area. |
| Gasoline Report | Monitors use of pcard for gasoline or gasoline related charges. | Each Cycle | CBC Oracle Discoverer Ad Hoc System | Agency, Cardholder, Vendor, Vendor Location, Date & Dollar Spent | CBC Staff Member | OAS Fleet |
| MCC Report | Monitors questionable transactions falling under (36) different MCC in the pcard and convenience checking program. | Daily with a full report generated after each cycle. | CBC Oracle Discoverer Ad Hoc System | Agency, Cardholder, Vendor, MCC, MCC Description, Dollar Spent, Date | CBC Staff Member | APC for each service area |
| Census Report | Monitors transactions above $2500. | Each Cycle | Citibank Custom Reporting System (Ad Hoc) | Cardholder, Acct No., Merchant, Dollar Spent, Trans Post Date | CBC Staff Member | APC for each service area |
| MCC Report | Monitors questionable transactions falling under (36) different MCC in the pcard and convenience checking program | Daily with a full report generated after each cycle. | CBC Oracle Discoverer Ad Hoc System | Agency, Cardholder, Vendor, MCC, MCC | CBC Staff Member | APC for each service area |
| Census Report | Monitors transactions above $2500 | Each Cycle | CBC Oracle Discoverer Ad Hoc System | Cardholder, Acct No., Merchant, Dollar Spent, Trans Post Date | CBC Staff Member | APC for each service area |
| Accountable Property Report | Tracks unreconciled accountable property | Quarterly | CBC Oracle Discoverer Ad Hoc System | Cardholder, Acct No, Agency, Location, Default Acct Code | CBC Staff Member | Personal Property Management Division for each agency |

| Report Name | Purpose | Frequency | Data Source | Data Elements | Report Author | Report Recipients |
|---|---|---|---|---|---|---|
| Non-Usage Report | Tracks pcard accounts that have not been used in the previous 6 months | Quarterly | CBC Oracle Discoverer Ad Hoc System | Cardholder, Acct No, Agency, Location, Approving Official | CBC Staff Member | APC for each service area |
| Approving Official (AO) with no card holders | Monitors open AO accts with no card holders under their authority | Quarterly | CBC Oracle Discoverer Ad Hoc System | AO Name, Agency, Phone No. | CBC Staff Member | Report used internally |

*Purchase Card Program Continued.*

| Report Name | Purpose | Frequency | Data Source | Data Elements | Report Author | Report Recipients |
|---|---|---|---|---|---|---|
| Top Vendor Report | Spend Analysis - Tracks top 10 vendors used by agency | Annually | CBC Oracle Discoverer Ad Hoc System | Agency, Merchant, Total Dollar Spent, No of Transactions | CBC Staff Member | APC for each service area |
| Food Vendor Report | Monitors misuse of card for purchasing food/drinks | Quarterly | CBC Oracle Discoverer Ad Hoc System | Cardholder, Acct No, Agency, Merchant, MCC, MCC Description, Dollar Spent, Posted Trans Date | CBC Staff Member | APC for each service area |
| Data Mining Reports | Monitors misuse by tracking questionable vendors, transactions on weekends/holidays, split purchases, purchase repeatedly from same vendor | Ongoing | CBC Oracle Discoverer Ad Hoc System | Cardholder, Acct No, Agency, Merchant, MCC, MCC Description, Dollar Spent, Posted Trans Date | CBC Staff Member | APC for each service area, OIG |
| Duplicate Payments | Monitors duplicate payments made by DOC to contractor | Quarterly | CBC Oracle Discoverer Ad Hoc System | Agency Name, Date of Payment, Amt of Payment | CBC Staff Member | OFM |
| Purchase Card Summary Report | Spend Analysis | Annually (Fiscal Year) | Bankcard's (CBC) Oracle Discoverer Ad Hoc System | Agency, Trans Posted Date, Trans Dollar Amt | CBC Staff Member | OAM (Bal Score-card) |
| ITA Report | Monitors Misuse | Each Cycle | Bankcard's (CBC) Oracle Discoverer Ad Hoc System | Cardholder, Location (domestic & foreign), Trans Posted Date, Trans Dollar Amt | CBC Staff Member | APC for ITA |
| Natl Weather Service (NWS) Report | Monitors Misuse | Each Cycle | Bankcard's (CBC) Oracle Discoverer Ad Hoc System | Cardholder, Location, Acct No., Trans Posted Date, Trans Dollar Amt | CBC Staff Member | NWS HQs Office |

**Travel Card Program**

| Report Name | Purpose | Frequency | Data Source | Data Elements |
|---|---|---|---|---|
| Account Activity Report, CD 100 | Monitoring misuse | Monthly | Citibank Custom Reporting System/Shared Reports/Standard Reports | All cardholder transactions |
| Card Delinquency Report, CD 200 | Monitoring delinquency | Monthly | Citibank Custom Reporting System/Shared Reports/Standard Reports | All cardholder delinquencies |
| Declined Authorization Report, CD 220 | Monitoring attempted transactions | Monthly | Citibank Custom Reporting System/Shared Reports/Standard Reports | Attempted transactions that have been declined |
| Pre-Suspension Pre Cancellation Report, CD 700 | Monitor payment timeliness | Weekly or Monthly | Citibank Custom Reporting System/Shared Reports/Standard Reports | Account status prior to suspension or cancellation |
| Suspension, Cancellation Report, CD 1300 | Monitor payment timeliness | Weekly or Monthly | Citibank Custom Reporting System/Shared Reports/Standard Reports | Account status and past due amount information |
| T2 Report | Monitor cancelled accounts due to returned mail | Monthly | Citibank Custom Reporting System/Shared Reports/Organizational shared folders/Dept of Commerce Shared Reports | Names of cardholders with returned mail that need to be contacted |

**GSA Fleet Card Program Available Reports**

The DOC Fleet Card Program uses the GSA Fleet innovative mileage reporting application called GSA Fleet Drive-thru, which is a web-based mileage reporting system for GSA Fleet customers.

With Reports Carryout, customers are able to generate a GSA Fleet vehicle inventory report on the Internet whenever the need arises. Reports can be generated (within agency only) by customer number, in a format that can be opened in either Microsoft Word or Excel.

DOC, as a GSA customer who lease government vehicles and/or purchase supplies is able to access billing information, generate reports, and download billing information into Excel spreadsheets using Web Bill. The GSA Web Bill system was developed to research and analyze billing information related to the leasing of government vehicles and/or the purchase of supplies efficiently through the Internet.

# 8. Section 508 of the Rehabilitation Act

## 8.1 Section 508 Compliance

*This section summarizes agency practices related to ensuring that products procured comply with Section 508 of the Rehabilitation Act.*

The Section 508 of the Rehabilitation Act of 1973 requires that when Federal departments or agencies develop, procure, maintain, or use electronic and information technology (E&IT), they must ensure that such E&IT allows Federal employees with disabilities to have access to and use of information and data that is comparable to the access to and use of information and data by other Federal employees.

Section 508 also requires that individuals with disabilities, who are members of the public seeking information or services from a Federal department or agency, have access to and use of information and data that is comparable to that provided to the public without disabilities.

All procurements including micro- purchases made on and after April 1, 2005, must comply with the requirements of Section 508, including open market buys and those made through government contract vehicles (e.g. GSA Advantage), unless an exception applies (see part 39.2 of the Federal Acquisition Regulation on www.acqnet.gov/far).  It is mandatory for all requirement officials including Purchase Cardholders to comply with Section 508.  The requirement official has the responsibility for making the required determinations and the cardholder must include documentation in their purchase card records.  A sample Electronic and Information Technology (EIT) Procurement Checklist for Section 508 compliance is provided in Attachment B.  Purchase card Approving Officials should ensure cardholder compliance when reviewing and approving cardholder documentation of purchases.

All DOC Purchase Cardholders and Approving Officials are required to complete Section 508 training.  This training may be accessed at www.section508.gov , by logging into "Register For the 508 Universe."

# 9.  Environmental Requirements

## 9.1  Environmental quality of products procured with purchase cards

*This section summarizes agency practices related to the environmental quality of products procured with purchase cards.*

The Resource Conservation and Recovery Act, Executive Order (E.O.) 13101, Greening the Government through Waste Prevention, Recycling, and Federal Acquisition, and the FAR requirement buying recycle content products and services for Purchase Card purchases, including those under $2,500.00.  When purchasing products or services, all Purchase Cardholders should strive to make those purchases as environmentally friendly as possible.  The aim of buying green is to reduce the environmental and human health damages associated with their purchases by increasing their acquisition of recycled and environmentally preferable products and services to the extent feasible, consistent with the following considerations:

1. Price;
2. Performance;
3. Availability;
4. Environmental Safety.

There are many strategies that can be used when purchasing products and services with the idea of buying green.  Regardless of the types of products, buyers should check first to see if they fall under the following categories:

A.  Recycled Product Content - Products/services in this category are made from post consumer materials.  The Environmental Protection Agency (EPA) designates recycled content products that Government agencies must buy.  For products which have been designated by EPA, the cardholder must purchase those which contain recycled content as long as they are available, meet performance needs, and are cost-competitive.  EPA recommends the required minimum percentage of recycled content that the products should contain (Internet site http://www.epa.gov/oppt/epp ).

B.  Bio-based Products - Products/services in this category are often not made of recycled content, but the material they are made from is renewable, often a biological process by-product, or a domestic agricultural material, including plant, animal and marine materials.  One way to think of these kinds of products is that they are natural

substitutes for products made from manufactured chemicals and non-renewable resources. Information concerning these products can be obtained from the U.S. Department of Agriculture (Internet site http://www.ofee.gov ), click on Green Purchasing.

C. Energy Efficient Product - Products/services in this category exhibits the Energy Star logo and are designed to conserve energy during their operation. Energy efficient also includes energy efficient products in the top 25th percentile of efficiency and standby power devices. The Department of Energy's Federal Energy Management Program (FEMP) has established a Stand-By Power Device Product Listing with information on such products as computers, fax machines, and printers. Refer to www.eren.doe.gov/femp/procurement for efficiency recommendations, cost-effectiveness examples, buyer tips, product sources, and for additional information.

D. Reduced Toxicity Hazardous Chemicals - Products/services in this category are made with few or even no chemicals that have been shown to cause human and environmental health problems. E.O. 13101 emphasizes the significance of purchasing environmentally preferable (EPP) products. These products can be viable alternatives to products that contain hazardous materials or toxic chemicals. To date, agencies have conducted more than 30 EPP projects that range from renovation of the Pentagon parking lot and building construction to acquisition of janitorial products or services. Refer to www.epa.gov/oppt/epp for summaries of the pilot projects, sample contract language, standards information, product sources, and additional information.

Green products are readily available. They can be purchased from the Defense Logistics Agency, General Services Administration, Javits Wagner O=Day sources, Federal Prison Industries, electronic catalogs, Federal Supply Schedules, and commercial open market sources. Web sites are also available to help meet buying green requirements. Comprehensive Procurement Guidelines and Recovered Materials Advisory Notices may be accessed at: http://www.epa.gov/cpg/  The Office of the Federal Environmental Executive displays product information and fact sheets at: http://www.ofee.gov