

U.S. DEPARTMENT OF COMMERCE
Office of Inspector General



**PUBLIC
RELEASE**

BUREAU OF THE CENSUS

*Accountable Property Used
for the Decennial Census
Needs Improved Controls*

Bankcard Program Is Well Managed

Final Audit Report No. ESD-11781-0-0001/March 2000

Office of Audits, Economics and Statistics Audits Division



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EXECUTIVE SUMMARY

The Constitution mandates that a census of the nation's population be taken every 10 years for the purpose of apportioning seats within the House of Representatives. While apportionment is the most widely known use of decennial census data, it is also used for congressional redistricting, managing federal agencies, and allocating federal funds. The decennial census provides official information on this country's people and their social, demographic, and economic characteristics.

The Bureau of the Census has the responsibility for conducting decennial censuses. In preparation for the next decennial census, to be conducted on April 1, 2000, the bureau has established temporary field offices throughout the United States and Puerto Rico. By the close of 1999, there were 12 regional census centers (RCCs), 520 local census offices, an area office in Puerto Rico, and four data capture centers in operation.

Over \$60 million of personal property will be placed in temporary field offices for the decennial. As part of our audit, we reviewed controls over accountable personal property in the Boston, Los Angeles, and Dallas RCCs. Accountable personal property includes capitalized personal property, office furniture and equipment having a unit cost of \$2,500 or more, sensitive items (items that are easily convertible to personal use or have a high potential for theft), borrowed or leased personal property, and contractor, grantee, accountable, or sensitive property. We also conducted physical inventories at the three RCCs, the San Juan, Puerto Rico, area office (which is administratively under the Boston RCC); and six local census offices, two in each of the three regions visited.

As part of our audit, we also reviewed bankcard transactions at the Boston, Los Angeles, and Dallas RCCs and the area office in San Juan, Puerto Rico. Although the regional directors are authorized to issue bankcards to LCOs, at the time of our review, none of the local field offices in those regions had been issued bankcards.

Our audit disclosed the following areas where the bureau needs to make improvements to better manage its accountable personal property:

- Bureau personnel did not properly record hundreds of items in the property books or in the Automated Property Management System. Much of the accountable personal property located at the RCCs was not on either the headquarters' or the RCCs' inventory listings. For example, almost 30 percent of the property we inventoried at the Dallas RCC was not on any inventory listing. We recommend that the bureau require each RCC and area office to designate staff specifically to receive personal property and maintain adequate accountability (see page 5).

- The bureau requires complete physical inventories of accountable personal property at regular intervals, generally at least once a year. However, physical inventories had not been conducted at any of the RCCs we visited even though they had been open for more than a year. Moreover, bureau property records were not reconciled with financial records. We recommend that the bureau ensure that required physical inventories of accountable property are conducted annually and that the property and accounting records are promptly adjusted, as necessary, to reflect the inventory results (see page 7).
- Bureau personnel did not carefully control transferred personal property. Specifically, we noted a lack of documentation to show approval for transferred property and property not being posted in property records. We recommend that the bureau strengthen controls over transferring accountable property to ensure that transfers are properly approved and documented in accordance with procedures. Bureau personnel also did not obtain required prior approval for and improperly documented a loan of accountable property to another agency. We recommend that the bureau provide increased oversight of the property management system to ensure that transfers and loans of accountable property to other agencies are approved and documented in accordance with procedures (see page 8).

The Bureau concurred with these recommendations. The Bureau's response to our draft report is attached as Appendix I and we have incorporated the Bureau's comments into the final report where appropriate. We commend the Bureau on its responsiveness in taking quick action to address the concerns noted in our report. For example, the Bureau has completed full physical inventories in nine of the twelve regions, with the remaining three regions and Puerto Rico to be completed in March 2000. The Bureau has also designated staff to be responsible for receiving and recording personal property.

Our audit of bankcard transactions disclosed that the bureau was properly administering the bankcard program, and that regional personnel were following appropriate internal control procedures and exercising sound management practices in the order, receipt, and recording of purchases. However, we recommended that the bureau consider establishing additional controls, including a reduced dollar limit, such as \$100 per single purchase, on any cards issued to LCOs. Although the Bureau stated that they did not concur with our recommendation, they did in fact consider our proposal and determined that additional controls would hamper the needs of LCOs in an emergency. We believe that the bureau's action met the intent of our recommendation.

INTRODUCTION

The Constitution mandates that a census of the nation's population be taken every 10 years for the purpose of apportioning seats within the House of Representatives. Decennial census data is also used for congressional redistricting, managing federal agencies, and allocating federal funds, and is disseminated to state and local governments, academia, and the private sector as well. The decennial census provides official information on the country's people and their social, demographic, and economic characteristics.

The Commerce Department's Bureau of the Census is responsible for conducting decennial censuses. In preparation for the next decennial census, to be held on April 1, 2000, the bureau established temporary field offices throughout the United States and Puerto Rico. Operation of these offices requires large quantities of personal property, such as furniture, photocopy machines, data processing equipment, and facsimile machines. In addition, government purchase cards have been issued to personnel at some of the field offices to expedite and simplify small purchases.

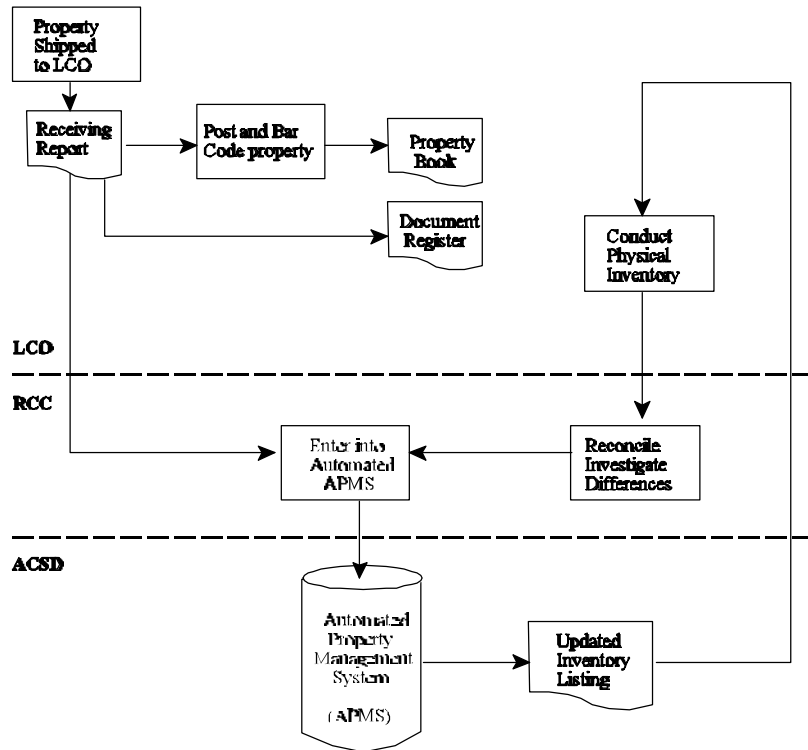
Both the Department's *Personal Property Manual* and the Bureau of the Census's *Administrative Manual* recognize the importance of maintaining controls over the acquisition of accountable property.

The Bureau of the Census's Automated Property Management System (APMS), a database comprising all accountable property items assigned to each division and office in the bureau, is designed to provide the necessary data for the identification, management, and accountability of bureau accountable property items, which include all:

- capitalized personal property,
- office furniture and equipment having a unit cost of \$2,500 or more,
- sensitive items (items that are easily convertible to personal use or have a high potential for theft),
- borrowed or leased personal property, and
- contractor, grantee, accountable, or sensitive property.

Property control and accountability systems are required to provide for current, accurate property records and the proper documentation and processing of property transactions. The bureau's system of accountability and control is depicted on the following page.

Decennial Personal Property Management System



Within the bureau, field office managers are responsible for administering the property management program under the direction of the Field Division, with policy administered by the Administrative Customer Services Division (ACSD). Within ACSD, the Property Accountability Branch

- records all acquisitions, transfers, and disposition of property;
- maintains an automated property records system that identifies all accountable property items assigned to each office;
- schedules physical inventories; and
- investigates and makes recommendations concerning instances of lost, stolen, damaged, and abandoned property.

The Finance Division is responsible for maintaining the official general ledger accounts showing the recorded cost of the bureau's property.

In 1986, several agencies, including the Department of Commerce, conducted a pilot project that identified opportunities for reducing administrative procurement costs through the use of bankcards. In 1989, the bankcard was made available government-wide through a contract

administered by the General Services Administration. Bankcard use was facilitated by the Federal Acquisition Streamlining Act of 1994 and Executive Order 12932, which eliminated some requirements for purchases of \$2,500 or less, known as “micro-purchases,” and encouraged agencies to move the authority to make simple purchases from procurement offices to program offices. In fiscal year 1996, bankcards were used government-wide to make about 4 million purchases totaling more than \$1.6 billion.

Census Bureau officials are responsible for ensuring that bankcard usage complies with the *Federal Acquisition Regulation (FAR)* and *Commerce Acquisition Manual* requirements. The Department’s Office of Acquisition Management is responsible for overseeing management of the bankcard program within Commerce and, in turn, has delegated that authority to the Heads of Contracting Offices (HCOs). The Census Bureau HCO further delegated purchasing authority to local approving officials and individual cardholders. HCOs, approving officials, and cardholders all have responsibilities to ensure that the bankcard program is properly administered.

PURPOSE AND SCOPE OF AUDIT

The purpose of our audit was to (1) evaluate the adequacy of the bureau’s internal controls over personal property used by its field offices in preparation for the 2000 decennial, (2) ensure compliance with laws, regulations, policies and procedures governing personal property, and (3) determine whether decennial field offices were utilizing their bankcards in accordance with FAR, Part 13, “Simplified Acquisition Procedures,” and the *Commerce Acquisition Manual*, Part 13, “Commerce Purchase Card Procedures.” We reviewed applicable laws, regulations, policies, and procedures; examined selected files and records; and reviewed appropriate documentation. We interviewed headquarters officials in Suitland, MD; regional census center (RCC) personnel in Boston, Massachusetts, Los Angeles, California, and Dallas, Texas; area office personnel in San Juan, Puerto Rico; and local office staff in Lowell and Boston, Massachusetts, Long Beach and Los Angeles, California, and Dallas and Ft. Worth, Texas.

We reviewed and evaluated the bureau’s compliance with the following applicable laws and regulations, Commerce policies, and procedures:

- Department of Commerce Personal Property Management Manual.
- Federal Property Management Regulations.
- Department Organization 20-1.
- Federal Acquisition Regulations, Part 13.
- Department of Commerce Acquisition Manual, Part 13.
- Department of Commerce Acquisition Circular 96-01.

We found no instances of non-compliance with applicable laws and regulations.

We reviewed the adequacy of internal controls and assessed the reliability of certain computer-generated data used in our review. We concluded that the data was sufficiently reliable for use in meeting our audit objectives. We did not assess the overall reliability of computer systems because the OIG's Office of Systems Evaluation is conducting separate reviews of decennial-related computer systems.

Our audit was conducted at Census Bureau headquarters in Suitland; the Boston, Los Angeles, and Dallas RCCs; the area office in San Juan; and selected local census offices (LCOs). The audit was conducted in accordance with *Government Auditing Standards* and was performed under the authority of the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, dated May 22, 1980, as amended.

FINDINGS AND RECOMMENDATIONS

I. Controls Over Personal Property Need To Be Improved

Our review disclosed deficiencies in the bureau's controls over personal property. Discrepancies were found between the official inventory listings generated by APMS and the personal property actually located at the field offices we visited.

Hundreds of items purchased or leased for the 2000 Decennial Census were not recorded in the property books or in APMS. As a result, the inventories for the field offices did not accurately reflect the personal property located at these offices. For example, almost 30 percent of the property, valued at \$471,591, at the Dallas RCC was not on the inventory list. Similar conditions existed at the other field offices we visited.

We found two probable causes for the discrepancies we noted. First, RCCs had no designated staff or receiving point in the RCC for property, and as a result, incoming property was delivered directly to various staff members, who did not always record its receipt. Second, the staff designated to control personal property were generally assigned to other duties as well and did not have the time to record property. Such omissions weaken the controls over accountable property and create a potential for property to be lost, stolen, or improperly used.

The *Census Property Management Job Aid* states that the following five operational actions need to be properly documented in order to successfully maintain and control property: (1) receiving, (2) transferring, (3) posting, (4) disposing, and (5) inventorying. When an RCC receives property, designated staff is to verify the contents of material received, post it in the property book, enter the information into APMS, and place documentation in the document book. At an LCO, the contents are to be verified, designated staff are to post it in the document register page of the Property Management Book D-616, and the documentation is to be placed behind the document register page. This information is to be forwarded to the RCC for input into APMS.

However, in the regions we reviewed, many items of accountable property had not been recorded in the property book, or on the document register page, or input into APMS. Although information showing the total extent of omissions is unavailable, existing documentation reveals that the problems are of sufficient importance to warrant attention.

We conducted a complete physical inventory at all locations visited and found 463 accountable items, with a total value of more than \$1 million, that had not been placed in the property inventory records. We also found 156 accountable items, totaling \$374,109, that were listed but could not be located at the time of our review. Specifically:

- The Boston RCC had 80 accountable items, totaling \$239,721, that were not listed on the APMS. In addition, 46 items, totaling \$94,618, were on the official inventory list but could

not be located at the RCC. Also, some items received from headquarters were not bar coded as required. The individual who was responsible for maintaining property accountability was also responsible for the acquisition of space for the LCO, and maintaining control over personal property was not a priority. After our visit, we were told that the RCC had hired two staff persons whose specific duties are to maintain adequate property accountability.

- The Puerto Rico Area Office had 42 accountable items, totaling \$43,017, that were not listed on the official inventory listing; the property book was not current; some items had the wrong bar code numbers assigned; and an office inventory list showed some items as having been disposed of, when in fact they were still in the office.
- The Los Angeles RCC had 161 accountable items, totaling \$371,442, that were not listed on the official inventory listing. In addition, there were 62 items, totaling \$193,935, recorded in the official inventory listing that we could not locate.
- The Dallas RCC had 180 accountable items, totaling \$471,591, that were not recorded in the official inventory listing. And 48 items, worth \$85,556, that were on the official inventory listing could not be located. After our review, we were told that the office had designated one person to provide adequate property accountability. Also, all LCOs have now had property books distributed to them. And, at the Dallas and Fort Worth LCOs, bar codes have now been placed on items that were not previously bar coded.

Recommendation

We recommend that the Director, Bureau of the Census, require that each regional census center and area office designate staff specifically to receive and maintain adequate accountability for personal property.

Agency Response

The Census Bureau concurred with our recommendation and has taken steps to ensure that the RCCs have designated staff for receiving property and maintaining property records. For example, some RCCs have new hires to help control and process property documents and assist with updating the Automated Property Management System (APMS); the Field Decennial Logistics Clearinghouse, established in May 1999, is monitoring and controlling the flow of property documents between headquarters and decennial field offices; and clarifications to instructions for maintaining the Property and Document Books underscore the importance of maintaining accurate and current property records.

OIG Comment

These actions, if properly implemented, meet the intent of our recommendation.

II. Periodic Physical Inventories Need to Be Conducted

Our review disclosed that bureau personnel had not conducted periodic physical inventories as required by Census's *Administrative Manual*. Physical inventories are an important component of internal controls because they provide an established basis for identifying property on hand and reconciling this information with applicable property records. Without physical inventories, it is impossible to determine if property is missing and, if so, how much.

The manual states that "Physical inventories of accountable property must be taken at regular intervals, generally at least once a year or an equivalent cycle commensurate with the value of the personal property and the complexity of operations of the Operating Unit. Property management activities and financial accounting activities should coordinate the establishment of schedules and procedures for taking inventories." During our site visits to the RCCs, we found they had not taken the required physical inventories, although they had been in operation since early 1998.

Consistent with this policy, the bureau's *Administrative Manual* specifies that Property Accountability Branch personnel will conduct and monitor the physical inventories of all headquarters and Census Bureau divisions/offices annually and provide training on inventory procedures before taking inventory.

Since our site visits, the bureau has taken action to comply with property inventory requirements. A September 2, 1999, memorandum from the Associate Director for Finance and Administration to the Field Division and the Office of Finance, Office of Acquisition, ACSD, and the National Processing Center, established an Accountable Property Inventory Task Force to conduct 100-percent inventories of the National Processing Center, Regional Offices, and Regional Census Centers. This task was scheduled to be completed by October 20, 1999.

Recommendation

We recommend that the Director, Bureau of the Census, ensure that required physical inventories of accountable property are conducted annually and that the property and accounting records are promptly adjusted, as necessary, to reflect the inventory results, as required by the *Administrative Manual*.

Agency Response

The Bureau concurred with our recommendation and has completed full physical inventories at RCCs and Accuracy and Coverage Evaluation Offices in nine regions. The three remaining regions and Puerto Rico will be completed by March 2000.

OIG Comment

The actions taken and planned, if properly implemented, meet the intent of our recommendation.

III. Transferred and Loaned Property Requires Better Control

During our audit, we found property improperly transferred to the Puerto Rico Area Office and the Los Angeles RCC. Twenty-one microfiche readers, totaling \$5,859, were transferred to the Los Angeles RCC, and 17 accountable items, totaling \$23,447, were transferred to the Puerto Rico Office. In addition, we found that property on loan to the General Services Administration (GSA) was improperly documented. The Puerto Rico Area Office used the BC-1550 "Property Pass" to lend two Hewlett Packard printers, valued at \$7,900, to GSA. In none of these instances was the required record, CD-50, "Personal Property Control," prepared.

The bureau's *Administrative Manual* specifies that transfers of accountable property between property custodians should be documented and posted promptly to the accountable and custodial records. It recognizes the importance of controlling transfers and loans of accountable property and specifies that transfers between bureau units or to other agencies or loans to other agencies are not permitted without prior notification and approval of the Chief, Property Accountability Branch, ASCD.

The manual requires that all transferred and loaned property be accompanied by a CD-50. This form must be forwarded with each transfer or loan of accountable property with the signatures of both the releasing and receiving property custodian for the transfer or loan to be considered complete. The office receiving the transfer or loan of the property should document the receipt on the CD-50 and send one copy to the originator. Each office should retain a copy of the CD-50, and forward a copy to the Property Accountability Branch, ACSD, for input into APMS.

Recommendation

We recommend that the Director, Bureau of the Census, ensure that transfers and loans of accountable property to other agencies are properly approved and documented in accordance with bureau procedures.

Agency Response

The Bureau concurred with our recommendation. In accordance with Census Bureau property management procedures, Field Division will send a memorandum to all decennial census field offices reminding them that whenever accountable property is loaned to another government agency, staff must:

- a. Prepare manual Forms, CD-50, Personal Property Control.
- b. Have the responsible party at the receiving agency sign the CD-50 acknowledging receipt.
- c. Retain the original of the signed CD-50 in the field office.

ACSD is finalizing procedures mandating that shipping and receiving units in all Census Bureau facilities be provided with an APMS-generated CD-50, Personal Property Control (transfer document), to transmit with accountable property as it leaves the loading dock. Once implemented, the procedures should help ensure the availability of proper documentation for the receiving field offices as well as facilitate APMS updating.

OIG Comment

These actions, if properly implemented, meet the intent of our recommendation.

IV. Bankcard Program Is Well Managed

In conjunction with our audit of personal property, we conducted a review of the use of bankcards for small purchases at the three RCCs and the Puerto Rico Area Office. The purpose of this review was to determine whether the field offices were using their bankcards in accordance with applicable policies and procedures. We examined bankcard transactions and supporting documentation from the office openings to the date of our review.

Our field work revealed no significant problems in the management and operation of the bankcard program. We found that the program was being properly administered and that regional personnel followed appropriate internal control procedures and exercised sound management practices in the order, receipt, and recording of bankcard purchases.

In the three regions reviewed, only the RCCs had been issued bankcards. While the regional directors are authorized to issue bankcards to the LCOs, at least one regional director advised us that he has no plans to distribute them to LCOs. Others were undecided. Placing bankcards in LCOs could raise a number of concerns, among them the sheer number of bankcards that would

be involved, the wisdom of providing bankcards to temporary employees, and the difficulty of RCCs distant from LCOs providing adequate oversight of bankcards.

Recommendation

We recommend that the Director, Bureau of the Census, consider imposing additional controls, including a reduced dollar limit, such as \$100 per single purchase, on bankcards that are distributed to LCOs. Reducing the purchase limit would have the effect of limiting the potential loss to the government due to misuse of the card.

Agency Response

The Bureau did not concur that additional controls, such as a \$100 transaction limit, were needed on bankcards distributed to LCOs. The Bureau believes there are adequate controls over bankcards and that the \$100 transaction limit would not adequately meet the needs of the LCOs in an emergency.

OIG Comment

Our recommendation was that the Bureau consider imposing additional controls, such as a \$100 transaction limit, only on cards distributed to LCOs. We found no problems with internal controls over cards used by employees at the regional offices. Although the Bureau did not concur, it did in fact consider our proposal and determined that additional controls were not needed and that having a transaction limit would hamper the needs of the LCOs in an emergency. We believe that the Bureau's actions meet the intent of our recommendation.



MAR 9 2000

MEMORANDUM FOR Mary L. Casey
Acting Assistant Inspector General for Auditing

Through: Robert J. Shapiro *RJ for*
Under Secretary for Economic Affairs

From: Kenneth Prewitt *Kenneth Prewitt*
Director

Subject: *Accountable Property Used for the Decennial Census Needs
Improved Controls; Bankcard Program is Well Managed*
Draft Inspection Report No. ESD-11781-0-XXXX

This is in response to your memorandum dated January 11, 2000, transmitting the above-referenced draft audit report. The U.S. Census Bureau's response to the recommendations included in this report follow:

Title of Finding: I. *CONTROLS OVER PERSONAL PROPERTY NEED TO BE IMPROVED*

Recommendation: *Require that each regional census center (RCC) and area office designate staff specifically to receive and maintain adequate accountability for personal property.*

Census Bureau Response

The Census Bureau concurs with this recommendation and has already taken steps to ensure that it is implemented by the RCCs. Census Bureau staff do not anticipate that all RCCs will designate a single, full-time property manager, but all offices will have designated staff for receiving property and maintaining property records.

Action Taken or Planned:

1. The Atlanta, Chicago, and Charlotte RCCs have already appointed dedicated administrative specialists with sole responsibility for property management. Other RCCs are moving in this direction. In these offices, all property and property documents will come through a designated individual/area before it is released to the intended recipient. As Field Division has observed property management improvements in offices with dedicated property staffs, these "best practice" models have been discussed at Regional Directors' conferences.

2. In other RCCs where the administrative specialist responsible for property continues to assume other collateral administrative duties along with property accountability, additional support/clerical staff have been hired to assist with property management. These new hires help control and process property documents and assist with updating the Automated Property Management System (APMS). This has improved property control and recordkeeping.
3. As Local Census Office (LCO) space leasing activities wind down, administrative leasing specialists will be available to assist with property management and other administrative duties in some RCCs. This should provide more back-up support to existing property staff who continue to maintain other administrative responsibilities.
4. In May 1999, the Census Bureau established the Field Decennial Logistics Clearinghouse to monitor and control the flow of property documents between headquarters and decennial field offices. Whenever property is received without accompanying documentation/records in any field office, the office must contact the Clearinghouse, which follows up with the responsible party to obtain the required documentation. The field offices also transmit all completed documents for property receipts, transfers, accessing, and losses through the Clearinghouse for disposition. This has been very effective and has relieved the field offices of time-consuming and costly follow-up. It also has improved the timeliness of APMS inventory data.
5. Clarifications to instructions for maintaining the Property and Document Books also are being drafted and should be released within the next several weeks. The revised instructions also will underscore the importance of maintaining accurate and current property records.

Title of Finding: **II. PERIODIC PHYSICAL INVENTORIES NEED TO BE CONDUCTED**

Recommendations: **Ensure that required physical inventories of accountable property are conducted annually and that property and accounting records are promptly adjusted, as necessary, to reflect the inventory results, as required by the Administrative Manual.**

Census Bureau Response

The Census Bureau concurs with this recommendation and has completed full physical inventories at RCCs and the Accuracy and Coverage Evaluation Offices (ACERO) in nine of the twelve regions. The remaining three regions and Puerto Rico will be completed by the end of March 2000.

Action to be Taken or Planned:

1. Between October 1999 and January 2000, physical inventories were completed in the following RCCs and ACEROs.
 - a. Philadelphia
 - b. New York
 - c. Chicago
 - d. Detroit
 - e. Denver
 - f. Seattle
 - g. Dallas
 - h. Charlotte
 - i. Boston

The Administrative and Customer Services Division (ACSD) has provided inventory reports to the Philadelphia, New York, Chicago, Boston, and Detroit RCCs and ACEROs. These offices are currently **reviewing** their property records so that ACSD can make the necessary property adjustments in the APMS. As reports are received by other offices, reconciliation will occur within 30 days.

2. Physical inventories should be completed in the Atlanta, Los Angeles, and Kansas City RCCs and ACEROs, and in the Puerto Rico Area Office and ACERO in March 2000. The inventories will be followed by an adjustment of all records within 30 days of receipt of inventory reports by the offices.
3. We have tasked the RCCs with coordinating completion of physical inventories for LCOs under their jurisdiction. Most LCOs have completed this process for the estimated 50-55 items in their inventories. The Census Bureau anticipates that inventories for the remaining LCOs will be completed by March 15.

Title of Finding: III. TRANSFERRED AND LOANED PROPERTY REQUIRES BETTER CONTROL

Recommendation: Ensure that transfers and loans of accountable property to other agencies are properly approved and documented in accordance with Bureau procedures.

Census Bureau Response

The Census Bureau concurs with this recommendation.

Action Taken or Planned:

1. In accordance with Census Bureau property management procedures, Field Division will send a memorandum to all decennial census field offices reminding them that whenever accountable property is loaned to another government agency, staff must:
 - a. Prepare manual Forms, CD-50, Personal Property Control.
 - b. Have the responsible party at the receiving agency sign the CD-50 acknowledging receipt.
 - c. Retain the original of the signed CD-50 in the field office.

2. ACSD is finalizing procedures mandating that shipping and receiving units in all Census Bureau facilities be provided with an APMS-generated CD-50, Personal Property Control, (transfer document) to transmit with accountable property as it leaves the loading dock. Once implemented, the procedures should help ensure the availability of proper documentation for the receiving field offices as well as facilitate APMS updating.

Title of Finding: IV. BANKCARD PROGRAM IS WELL MANAGED

Recommendation: Consider imposing additional controls, including a reduced dollar limit, such as \$100 per single purchase, on bankcards that are distributed to LCOs. Reducing the purchase limit would have the effect of limiting the potential loss to the government due to misuse of the card.

Census Bureau Response

The Census Bureau does not concur with this recommendation.

The Census Bureau believes that there are adequate controls for bankcards. Regional directors may request bankcards for individual LCOs if it is determined that the General Services Administration regional supply system and other procurement methods cannot adequately meet the needs of the LCOs for emergency supplies. To date, no LCOs have been issued bankcards for this purpose, and the Census Bureau does not anticipate that many regions will request cards for their LCOs.

The Census Bureau does not believe that a per-transaction limit of \$100 would adequately meet the needs of the LCOs in an emergency. If and when one or more regions initiate a request for LCO purchase cards, a decision will be made by the regional director, in conjunction with headquarters and the Chief of the Acquisition Division, on appropriate limits.

cc: US/EA