

**U. S. DEPARTMENT OF COMMERCE  
CHARGE CARD PROGRAM NARRATIVE  
FISCAL YEAR 2020**

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Agency: U.S. Department of Commerce  
Contact: Ebony Jackson, Policy Analyst  
Email: [ejackson@doc.gov](mailto:ejackson@doc.gov) Phone: 202.482.1720

***All agencies are required to report to the Office of Management and Budget, Office of Federal Financial Management, and maintain for their own use, the following narrative information. Those agencies listed in the original Chief Financial Officers Act of 1990 and the Department of Homeland Security are required to report these items on an annual basis. All other agencies are required to report these items on a bi-annual basis.***

- 1. What are the date(s) of the most recent and next scheduled independent review (e.g. Office of Inspector General) for all agency charge card programs?***

Purchase Card

The Department of Commerce (DOC) Office of Inspector General conducted a performance audit and a report, entitled “Internal Controls for Purchase Card Transactions Need to be Strengthened,” issued May 2, 2013. The Office of Inspector General does not release information on future scheduled reviews.

Travel Card

Ernst & Young completed an assessment of the Department’s Travel Card Program in February 2013. Results have been incorporated as part of the Department’s overhaul of the program.

The Office of Financial Management, in collaboration with the Office of the Secretary’s travel subject matter experts, and pre-decisional involvement of organized labor within the Department, updated the DOC Travel Card Handbook. The Chief Financial Officer and Assistant Secretary for Administration approved the updates to the Travel Card Handbook, which was sent as a broadcast message to DOC employees on November 9, 2016.

Fleet Card

The DOC Office of Inspector General conducted a performance audit, and outlined findings and recommendations in the October 2010 report entitled “Commerce Should Strengthen Accountability and Internal Controls in Its Motor Pool Operations.”

- 2. Describe the current process for monitoring delinquency. What reports does your agency review? What actions are taken when a problem is discovered?**

#### Purchase Card

Agency Program Coordinators (APCs) are required to monitor the servicing bank's report for delinquencies. In the event of a delinquent notification, the servicing bank will send an email notification to the Department's APC, who will take corrective action.

#### Travel Card

The Travel Card Agency Program Coordinators monitor the servicing bank's report of delinquency levels, including pre-suspension and pre-cancellation reports on cardholder accounts that have become delinquent. The servicing bank has the discretion to initiate cancellation procedures on individually billed accounts after going through the suspension process. As necessary, the Travel Card APC provides a monthly delinquency report to management. In appropriate circumstances, the employee's supervisor may take disciplinary action in accordance with Department Administrative Order (DAO) 202-751, entitled Discipline. In addition, APCs have access to delinquency reports for cardholder account monitoring purposes.

#### Fleet Card

In the event of a delinquent fleet charge card notification, the servicing bank sends an email notification to the Department's Fleet Manager. The DOC Fleet Manager is responsible for taking the necessary corrective action to remedy the issue.

- 3. If applicable, describe the steps your agency takes to address protracted turnaround time (> 15 working days) following voucher submission for travel voucher reimbursement.**

Not applicable.

- 4. Describe the method your agency uses to identify and detect possible card misuse. This includes the use of any specialized information technology solutions, as well as any requests to charge card vendors for data reports.**

#### Purchase Card

- The Department uses Visa Intellilink, a comprehensive data mining tool, to monitor questionable Merchant Category Codes (MCC).
- APCs review monthly MCC reports for billing cycle transactions.
- APCs utilize the servicing bank's online system (CitiManager) to review statements.
- APCs perform monthly/quarterly statistical reporting and quarterly management reviews of cardholders under their purview in order to evaluate the effectiveness and efficiency of the purchase card program policy, procedures, and internal controls.

#### Travel Card

The Department has a Zero Tolerance Policy for travel card misuse, abuse, and delinquency. The underlying objective of the Department's Zero Tolerance Policy is to

deter, eliminate, and understand the degree of misuse and abuse, while ensuring the integrity and accountability of the travel card program.

Appropriate use of the travel card reduces the need to cancel charging privileges, eliminates the administrative burden of taking action against employees, and preserves the reputation of the Department and its employees.

Misuse can include, but is not limited to:

- Cash withdrawals from an ATM during non-travel periods, including prior to three days before or when the travel is completed;
- Cash withdrawals not related to official travel;
- Use within the local duty station, with the exception of ATM withdrawal within three days of official travel;
- Personal expenses; or
- Intentionally not paying undisputed charges in a timely manner, whether or not reimbursed by the agency.

The operating unit APC reviews the travel card activity report of all cardholder accounts monthly to identify potential areas of concern. If appropriate, the APC notifies the cardholder's supervisor of any questionable charges and/or transactions. If charges are identified as fraud, misuse, abuse, or outside of Departmental policy, the employee's supervisor is authorized, in appropriate circumstances, to take disciplinary action in accordance with DAO 202-751, entitled Discipline. The Electronic Access System (EAS) has transaction reports that are used to monitor suspected fraud, waste or abuse. APCs are required to monitor the available reports on a monthly or quarterly basis. All travel card managers are required to review these reports monthly and report quarterly on actions taken.

#### Fleet Card

The DOC Fleet Manager reviews fleet charge card activities. The DOC Fleet Manager reviews fleet charge card transactions for questionable activity and collaborates with Bureau fleet managers regarding any issues which result from this review. Additionally, the DOC Fleet Manager reports suspected fraud, waste, misuse, or abuse to the Office of Inspector General.

Fleet charges that are identified as fraud, waste, misuse, or abuse violate Departmental policy. When circumstances regarding the violation warrants it, the offending employee's supervisor is authorized to take disciplinary action in accordance with DAO 202-751, entitled Discipline.

- 5. Describe any future plans (within the next 12 months) to enhance charge card systems by automating reviews to detect instances of abuse, misuse, and fraud.**

#### Purchase Card, Travel Card and Fleet Card Programs

The Department has transitioned to SmartPay3 utilizing Citibank/Visa data mining and transaction monitoring tools. The Department will continue to conduct compliance monitoring and detect instances of fraud, abuse, and misuse utilizing tools.

- 6. Describe any best practices the agency employs in charge card management.**

#### Purchase Card

- The majority of DOC purchase cardholders have single purchase limits at \$3,500 or less. Single purchase limits above the \$3,500 are limited to cardholders with FAC-C certification and a contracting officer's warrant as outlined in Commerce Acquisition Manual 1301.6.
- Approving officials who manage cardholder accounts with single purchase limits above the \$3,500 threshold are required to complete FAC-C certification training as outlined in Commerce Acquisition Manual 1301.6.
- A customized DOC purchase card training curriculum was developed and delivered to agency program coordinators, approving officials and cardholders within the Department.
  - All cardholders and approving officials are required to take the GSA online purchase card training as well as DOC online customized purchase card training which is housed in the Department's Learning Management System (LMS) – Commerce Learning Center (CLC). The training certificates must accompany the purchase card application.
  - Annual refresher training is mandatory for all agency program coordinators, approving officials and cardholders. Failure to comply with refresher training requirements results in suspension of cardholder accounts.
  - Purchase card customized training and annual refresher training is available on the Department's CLC. The CLC offers enhanced oversight through reporting features which enable program managers to track individuals that have successfully completed refresher training requirements.
- DOC presently has a ratio of seven cardholders per approving official. Over the years, this ratio has proven to minimize program risk by limiting the scope of oversight and reconciliation responsibilities.

- All cardholders and approving officials are required to read Commerce Acquisition Manual (CAM) 1313.301, Purchase Card Program. Prior to receiving a purchase card, cardholders and approving officials must certify that they have read and understand the CAM. The manual is available at: [http://www.osec.doc.gov/oam/acquistion\\_management/policy/commerce\\_acquisition\\_manual\\_cam/documents/CAM%201313%20301%20Revised%20February%202015.pdf](http://www.osec.doc.gov/oam/acquistion_management/policy/commerce_acquisition_manual_cam/documents/CAM%201313%20301%20Revised%20February%202015.pdf)
- Pre- and post-purchase checklists are available for cardholders and approving officials to provide step-by-step guidance and ensure all federal and Departmental policies and procedures are adhered to when making purchases.
- Reporting templates are available for monthly, quarterly, and annual purchase card reviews to enhance internal efficiency, and ensure consistency with A-123 internal controls and Departmental policy/procedures compliance.
- Quarterly conference calls are held with APCs to identify areas of concern, review policy and compliance, and share best practices.
- APCs conduct ongoing reviews and oversight. In addition, APCs are required to submit monthly and quarterly statistical reports and perform quarterly purchase card program management reviews.
- Access to the servicing bank's online systems is available to cardholders, approving officials, and APCs for charge card management.
- An agency newsletter is published to share best-practices, policy updates, and new initiatives within the charge card program – the *APC Digest*.

#### Travel Card

- The Department has moved to an e-travel enterprise-wide system, which provides more transparency of travel data and enhanced internal controls.
- The master travel card profile limit is set at \$5,000 and requests for a larger limit are evaluated based upon the number of trips and estimated cost of travel.
- DOC manages a web page that provides links to travel card forms and agency policy.
- APCs utilize Citibank's and Visa's online systems for card management.
- APC span of control is limited to a maximum of 500 cardholders.
- APCs are required to conduct monthly, quarterly, and annual reviews to assess the health of the Travel Card Program.

- APCs are required to conduct annual deactivation reviews.
- The Department conducts annual reviews of all travel Centrally Billed Accounts (CBA) to determine justification for use of accounts.
- Email notifications from the Department's APCs are distributed to Bureau APCs regarding delinquencies and potential misuse.
- The Department hosts quarterly meetings to ensure program participants are well informed of travel card policy requirements.

#### Fleet Card

- Fleet cards are vehicle, airplane, and marine vessel specific. Fleet card use is restricted to the assigned vehicle, and cannot be issued to any individual.
- Fleet managers are required to use the online card management systems provided by Citibank/Visa and WEX.

#### ***7. Department's plans for implementing paperless statements.***

#### Purchase Card, Travel Card and Fleet Card Programs

Citibank's electronic management system, CitiManager allows individual access for cardholders to view and print monthly transaction statements.

#### ***8. Provide any additional useful information regarding charge card programs.***

Not applicable.