

## You Need to Know...

This quick guide assists Purchase Coordinators (APCs/LAPCs) in carrying out their authority and responsibilities in managing their purchase card program and is to be used in conjunction with Departmental Regulation (DR) 5013-6 and the Coordinator's Purchase Card Program Guide. The DR and Guide are available at <http://www.da.usda.gov/procurement/ccsc>.

## Qualifications of APC/LAPC

In order to manage the program effectively, APCs and LAPCs must be classified in either the 1105 or 1102 procurement series or meet the training requirements of the Acquisition Workforce Training, Delegation and Tracking System for a Level IB (LAPCs) and Level 1C (APCs) contracting officer.

According to "Section 3.2, Agency Program Coordinator," *Coordinator's Purchase Card Program Guide*, the HCAD is to provide a written designation to the Departmental Program Manager and address the Coordinator's classification and/or training requirements in compliance with the Acquisition Workforce Training, Delegation and Tracking System for a Level IC contracting officer

## Program Oversight

Overall management and oversight of the Purchase Card Program is the responsibility of Coordinators. Each role has uniquely defined responsibilities in monitoring purchase card transactions through AXOL and VISA Intellilink. As part of the oversight, Coordinators are to respond to user alerts within 30 days after notification. Alerts are messages to Coordinators regarding questionable transactions and transactions selected by statistical sampling for review and other events, as defined by the USDA CCSC. Some alerts will trigger a set of questions that must be answered to verify the validity of a specific transaction. Alerts are developed to reduce fraud, waste, and abuse.

- **APC Responsibilities** - The major responsibilities of the APC are:
  - Establish and maintain agency-wide communication;
  - Establish agency-unique purchase card policies and procedures when needed;
  - Appoint Assistant, Deputy, or Regional APC;
  - Appoint LAPC;
  - Conduct agency-wide oversight of the purchase card program, including proper use of required sources of supplies and services;
  - Participate in meetings with the DPM to address purchase card programmatic issues;
  - Provide guidance to LAPCs or additional training when needed;

- In the absence of an LAPC, cancel purchase cards immediately upon employee's termination;
- Serve as primary contact for LAPCs and as the liaison with the DPM and the bank;
- Audit program compliance and file retention. Notify the LAPCs of non-compliance issues and assists them in enforcing non-compliance measures;
- Identify future program applications/enhancements and submit to the DPM for final assessment;
- Determine and recommend appropriate Merchant Category Classification (MCC) code ranges for card use; and
- Provide senior agency management with purchase card transaction and convenience check data.
- **LAPC Responsibilities** - The LAPC is responsible for the day-to-day operation of the purchase card program at their respective site. They work directly with the cardholder, bank contact person, and APC. LAPC duties are to:
  - Establish and maintain the purchase card program within his/her designated location;
  - Provide additional training and guidance to cardholders when needed;
  - Monitor cardholder purchases using electronic management application and tools;
  - Conduct statistical sampling reviews;
  - Report fraud, waste, and abuse in accordance with agency procedures;
  - Establish and update cardholder information;
  - Distribute program literature and materials to cardholders;
  - Ensure proper use of required sources of supply;
  - Perform card cancellations due to termination or employee transfer;
  - Perform maintenance changes using AXOL;
  - Instruct cardholders to immediately notify the bank customer service representative of a lost/stolen card/check;
  - Instruct cardholders to immediately notify the bank of any discrepancies or unauthorized charges within 90 days of the transaction date;
  - Utilize the bank's "Coordinators Who to Call" information;
  - Approve: cardholder accounts on an emergency basis or where the cardholder has separated from the agency;
  - Approve "trailing" transactions after a cardholder account is closed;
  - "Final" approve transactions when the AO has separated from the agency; and
  - Query quarterly final approval transaction reports.

## Program Reviews

Program reviews are integral part of the Purchase Card Program efforts to implement purchase card internal controls to reduce waste, fraud and abuse throughout the program, in compliance with OMB Circular A-123 requirements and regulations. Further detailed

information is available in the Coordinator's Purchase Card Program Guide. Brief descriptions of the review requirements for each Coordinator are:

- **LAPC Quarterly Review.** The LAPC shall conduct random quarterly physical reviews of cardholder transaction files. A chart outlining the minimum number of cardholder account reviews required based on the number of total cardholders managed can be viewed in **Exhibit 10**, the "LAPC Quarterly Review Checklist," in the *Coordinator's Purchase Card Program Guide*. **Exhibit 10** is the required format for the review.
- **APC Annual Program Review.** The APC shall conduct program reviews following the close of each fiscal year to ensure LAPCs and cardholders are adhering to applicable requirements. The APC review will be based on the LAPC Quarterly Review submissions. The primary objectives of the review are to assess:
  - Compliance with laws and regulations;
  - Efficiency of operations; and
  - Adequacy of internal or management controls to help prevent fraud, waste, and abuse.

**In accordance with requirements in OMB Circular A-123, Appendix B, the "APC Annual Purchase Card Program Reviews" are due by December 15<sup>th</sup> following the close of the fiscal year.** Standardized forms are available to facilitate the annual review process in order to determine the effectiveness of the program, ensure compliance and adequate oversight and to detect cardholder misuse/fraud. Refer to **Exhibit 11** for the official "APC Annual Purchase Card Program Review" form.

## Reporting

Comprehensive reporting is vital to effective overall management and oversight of USDA's Purchase Card Program. Standard reports are available in AXOL to assist APCs, LAPCs, and AOs in the areas of purchase card program management, financial management, supplier management, and compliance management. Reports can also be scheduled for delivery at regular intervals. For a list of reports available to improve management and oversight of the USDA Purchase Card Program, please refer to "Section 7: Reporting," *Coordinator's Purchase Card Program Guide*. AXOL allows users to customize reports for their specific needs. These reports can be saved and also scheduled for delivery at regular intervals.

## Separation of Duties

Proper separation of duties creates an environment that should preclude attempts at fraud, misuse and abuse of the purchase card and convenience check. Key duties of the Purchase Card Program are to be segregated among different roles to minimize the risk of loss to the Government to the greatest extent possible. This should include separating the responsibilities for making

purchases, authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual shall control all key aspects of a transaction, except for purchases under \$300. Agencies shall implement internal controls to mitigate the risk of fraud, misuse, and abuse in accordance with the guidance in OMB Circular A-123, Appendices A and B.

### Card Misuse/Fraud/Abuse

APCs/LAPCs need to stress the importance of the cardholder's responsibility in using the purchase card/convenience check at the very beginning of their training. A cardholder must comply with all Federal and Departmental prohibitions, controls, limitations, and approval requirements. Intentional use of the purchase card or convenience checks by a cardholder for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of the employee's purchase card and/or convenience checks. Disciplinary actions may be taken against the cardholder. The cardholder may be liable for payment of the purchase. **This may include financial liability and consideration of disciplinary action up to and including removal from position and possible criminal prosecution.**

All instances of suspected fraud or abuse must be reported. The LAPC must forward all documentation related to the suspected fraud or abuse to the APC. The APC will involve the appropriate offices as necessary. The Department of Human Resources has provided a list of suggested penalties for specific types of misconduct. Although each case must be evaluated on its own merit, **Exhibit 12** in the *Coordinator's Purchase Program Guide* provides a framework to assure consistent application of disciplinary and administrative penalties throughout the Department. Please note that the LAPC has been authorized to suspend cards for a specific time and/or to permanently terminate accounts for repeat or first time serious violations. Serious violations include blatant violations of purchase card policy, splitting purchases, and/or allowing another employee to use purchase card.

OMB has further clarified the terms "fraud" and "erroneous or improper" purchase and details including examples can be viewed in "Section 9: Administrative Actions" in the *Coordinator's Purchase Program Guide*.

### Administrative Actions

LAPCs are responsible for reporting all instances of suspected fraud or abuse to the APC. The APC will involve the appropriate offices, as necessary. For detailed instructions, refer to "Section 9. Administrative Actions," in the *Coordinator's Purchase Card Program Guide*.

### Training Requirements

Coordinators are required to complete web-based system and policy training. The training requirements are listed in "Section 6, Training Requirements," *Coordinator's Purchase Card Program Guide*.

Certification is required for all web-based training modules. For AXOL certification purposes, users with multiple roles (e.g., coordinator, approving official, and cardholder) are to take web-based training and certification exam at their highest role. In this example, this highest role is coordinator. For Purchase Card Policy training, users with multiple roles are to register for each role and take the required certification exam. **The web-based training must be completed before the issuance of a USERID.** It is highly recommended that coordinators attend the annual GSA Smart Pay Conferences.

### Program Support

Program support for Coordinators is available from the USDA Charge Card Service Center (CCSC) and US Bank.

- CCSC – Information pertaining to all 3 business lines is available at the USDA CCSC website, <http://www.da.usda.gov/procurement/ccsc/>. Questions pertaining to the USDA Charge Card Program can be forwarded to [ccsc@da.usda.gov](mailto:ccsc@da.usda.gov)
- US Bank Contacts:
  - U.S. Bank Government Services Technical Help Desk staff: (1-800-254-9885, option 2)
  - Customer Service: (888) 994-6722, star key (\*) to speak to a representative
  - AXOL Helpdesk: (800) 254-9885, option 2
  - Account Coordinator: **Jennifer Dalhed, (800) 254-9885 option 3**
- User Guides & Useful Websites:
  - USDA's CCSC Purchase Card Program Website- [http://www.da.usda.gov/procurement/ccsc/purchase\\_card.htm](http://www.da.usda.gov/procurement/ccsc/purchase_card.htm)
  - AXOL Website: <https://access.usbank.com>
  - AXOL Web-based Training: <https://wbt.access.usbank.com/>

### Set up/Maintenance Forms

US Bank set up and maintenance forms for AOs and cardholders are available at: [http://www.usbank.com/cgi\\_w/cfm/inst\\_govt/products\\_and\\_services/usda.cfm](http://www.usbank.com/cgi_w/cfm/inst_govt/products_and_services/usda.cfm)

- Set up new LAPC and APC – (1) submit information to US Bank Account Coordinator; (2) submit POC Maintenance form to US Bank
- Set up new AO – (1) submit Reporting Hierarchy Setup Form to bank; (2) submit cardholder maintenance form to transfer cardholder to new AO or create new cardholder account; (3) log in to AXOL, System Administration/User Profile to give AO access to AXOL.

Refer to "Section 4. Program Operation," in the *Coordinator's Purchase Card Program Guide*, for detailed instructions.



# AXOL QUICK GUIDE For Coordinator's Purchase Card Program Guide Management and Oversight of USDA's Purchase Card Program



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