

CCSC Monitoring and Oversight CAP: The Questionable Transaction Report (QTR)

I. Introduction

The CCSC's Oversight and Compliance Division has recently implemented a new compliance and oversight auditing program called the Questionable Transaction Report (QTR). This new development adds another oversight system and increases overall communication channels between the CCSC, Agency Program Coordinators (APCs), Local Agency Program Coordinators (LAPCs) and the actual cardholder. This report represents all questionable transactions related to both the purchase card and convenience check transactions. The immediate advantages and gains from this program coincide with CCSC Program Management policy requirements set forth in the DR 5013-6 and internal controls and separation of duties as mandated by A-123 Appendix B.

II. Report Generation

The actual QTR document is a consortium of data from Access Online (AXOL) and Visa Intellilink systems. The CCSC utilizes these technologies to access a multitude of information by selecting date ranges and specific criteria. The reports generate data including cardholder transactions, Convenience Checks data including illegible payee information, transaction and posting dates, transaction dollar amount, and merchant information.

The cardholder is also required to input various data into the Transaction Management Section under the "Comments" Tab. For example, the Goods Recvd Date, Merchant Information and Item Description must be entered on all Purchase Card Transactions. If a cardholder decides to write a convenience check instead of using their Purchase Card, they must document the same items required by the Purchase Card, however, they must also include a Tax Identification Number (TIN) or Employee Identification Number (EIN) and a DCIA Waiver #.

The following screenshot is an example of the fields and corresponding data entered by a cardholder. This is a proper entry into AXOL Transaction Management "Comments" Tab and is required by the DR 5013-6 for all purchase card and convenience check transactions. This screenshot details a convenience check and the lists the Conv. Checks TIN #, Conv Ck Mer Inf/Waiver #, the Goods Recvd Date and the Item Description. These fields are mandatory entries into AXOL when writing a convenience check. When a cardholder uses a Purchase Card, the Goods Recvd Date and Item Description are the prescribed documentation requirements.



U.S. Department of Agriculture

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Transaction Management

Transaction Detail

- **Product:** Purchasing Card [Switch Products](#)
- **Card Account Number:** ***** , XXXXXX,XXXXX [Switch Accounts](#)

[Card Acct List](#)
[Trans List](#)

Transaction Summary

Stat us	Tran Date	Posti ng Date	Merchant	City/S tate	Am ount	D et ail	Purc hase ID	Accounting Code
	12/07	12/09	COW CREEK RANCH 001020	ST. PAUL, MN	\$4,520.20			11 1502 PNEV8409 1502 2342

Disputed Extracted Reallocated Reallocation Locked

- Summary
- Allocations
- User Line Items
- Comments
- Approval History
- Client Data

Home

Contact Us

The Comments tab provides the ability to enter comments specific to your organization that enable the information about a transaction.

The Comments are no longer available for editing because the transaction:

- is no longer in your approval queue.
- has been included in a GL Extract.

Conv. Checks TIN#

04-3667705

Agency Specific Data

SOLDIER FIRE

Conv Ck Mer Inf / Waiver#

Merchant Name, Merchant Address, Merchant City, Merchant State, Merchant Zip Code

Waiver # 6

Goods Recvd Date

05/15/2009

Item Description

Dipping site for heliattack crew during Soldier Fire

Regarding DCIA Waiver #'s, the section titled "Conv Ck Mer Inf/Waiver #" is the field designated for cardholders to properly record Waiver #'s when issuing a convenience check. There are seven DCIA Waiver #'s with varying descriptions and the cardholder must select a specific Waiver # to designate the reason for writing the convenience check. Some reasons cardholders choose to write a convenience check are related to mission sensitive situations, extenuating circumstances and emergencies. For example, the Forest Service may need to acquire a service or product in a rural area and the merchant does not accept the Visa Purchase card. The cardholder subsequently writes a convenience check to obtain the item which is part of their critical mission. The DCIA Waiver # documentation along with the Goods Recvd Date, Merchant Information and Item Description are required by the DR 5013-6 and also assists the CCSC with oversight and future agency audits.

ACTUAL CARDHOLDER TRANSACTION DETAILS

Transaction Management Transaction Detail

- **Product:** Purchasing Card [Switch Products](#)
- **Card Account Number:** *****1234, JANE CARDHOLDER [Switch Accounts](#)

The Comments tab provides the ability to enter comments specific to your organization that enable the gathering of addi

The Comments are no longer available for editing because the transaction:

is no longer in your approval queue.
has been included in a GL Extract.

Conv. Checks TIN#

410832269

Agency Specific Data

Conv Ck Mer Inf / Waiver#

Ortonville Independent 29 NW 2nd St PO Box 336 Ortonville Mn 56278 Waiver 02

Goods Recvd Date

04/20/2010

Item Description

News Paper Subscription - one Year

[AXOL:](#)

[TRANSACTION MNGT – TRANSACTION LIST – TRANSACTION DETAIL – COMMENTS SECTION](#)

III. The QTR

The actual QTR is an excel document listing the cardholder name, agency, transaction date, posting date, dollar amount and merchant information. The QTR includes the questionable transaction under the section titled “Reason for Inclusion in Questionable Transaction Report” actual reasons the transaction failed the audit and is now part of an official QTR.

Questionable Transactions Report

Questionable Transactions Reports (QTR)

❖ QTR Description

- Report compiled and distributed by the CCSC (Damien Sisca) to assist Coordinators in flagging questionable transactions in an effort to reduce fraud, waste and abuse.

❖ What is the QTR used for and why is it important?

- Proper Management & Oversight
- Compliance

No.	Status	Name	Agency	Trans Date	Post Date	Trans Amount	Merchant Name
4		Joe Sample	USDA XYZ	2010/02/05	2010/02/08	\$2,870.95	XYZ Supplies
4a		Reason for Inclusion in Questionable Transaction Report					
		Conv Check greater \$2500					
		No Waiver # and No Item Description					
4b		DCIA Waiver #					
		None					
4c		Item Description					
		None					
4d		Resolution					
		APC Action: Notified Cardholder, fixed max check amt to \$2500 in AXOL					
4e		Comments / Questions / Notes					
STATUS COLOR KEY:							
		Attention / Action Needed					
		Resolution In Progress					
		Completed					



QTR SUBJECT AREAS

The CCSC Compliance and Oversight Division will analyze nine subject areas susceptible to fraud, misuse and abuse. The CCSC selects a category and applies this area of research across the entire agency, generating reports on all cardholder transactions. These nine subject areas are:

1. Convenience Checks - Written > \$2500 (Merchant Info., Waiver #...ect.)
2. Split Transactions (splitting transactions so total purchases are below single purch limit)
3. Blocked MCC Codes (Casino, ect...)
4. Convenience Checks – Written to Visa Merchants
5. Convenience Checks - Illegible
6. Manual Override (CH/LAPC)
7. Cash Advances
8. Convenience Checks - Written to an individual named party (people's names)
9. Duplicate Transactions (same merchant/same day)

IV. QTR Process

After analyzing reports from a specific transaction category, the CCSC will list all questionable transactions in the QTR and detail the exact reasons the transactions were included in the QTR. The CCSC will enter “QTR to APC” under the “Resolution” Field and email the QTR to the appropriate APC. Once the APC receives the QTR, they are required to obtain a valid explanation from the cardholder, explain the steps taken to resolve the questionable transaction and enter the information into the “Resolution Field.” Once the CCSC receives the response from the APC, the CCSC will convert the “Resolution Status” box from “Yellow” Status to “Green” Status and successfully close the questionable transaction and the QTR.

3d		Resolution
		QTR to APC

3d		Resolution
		Checkwriter will be reminded to enter the waiver #. Use of the check fits FS rules permitting checks >\$2.5K for support of emergency incidents. Checkwriter is working with vendor to establish a BPA which will be paid through IAS (or directly from FFIS).

The CCSC is allotting a total time of three weeks from the initial QTR transmission to the final “Resolution” from the APC to the CCSC. Also, as an additional oversight measure, the CCSC is requesting all APCs to send any additional correspondence related to their QTRs in an email attachment when submitting their final QTR “Resolution.” This communication channel and flow of QTRs, via email, between the CCSC and the APCs and the subsequent confirmation by the APCs with their entry into the “Resolution” Status Box, validates receipt and review by the APCs, which adequately satisfies an A-123 CAP.

V. Clean Status Letter

Recently, while auditing an agency for the Subject Category - “Blocked Merchant Category Codes” (MCCs), the report was CLEAN with zero questionable transactions and it was not necessary to issue a QTR. This signifies the particular agency is in total compliance for this specific subject area.

When the CCSC discovers the agency is a CLEAN agency, a letter is sent to the APC recognizing their high-level of compliance and oversight in managing their agency’s Charge Card Program.

EXAMPLE OF CLEAN AGENCY LETTER

Sheryl,

The CCSC has and will conduct routine audits on cardholder transactions consistent with our program charter. The Oversight and Compliance Division of CCSC will run specific transaction reports focusing on transaction type, policy and procedure violations, and identification of potential instances of fraud, misuse and abuse.

Our goal is to ensure that USDA's Charge Card program is "Clean." Each audit will either produce questionable transactions which will require the APC to provide an explanation and take corrective action or the Agency will be given a "Clean" designation, reflecting cardholder transactions are in compliance with DR 5013-6 policy regarding purchase card transactions, based on the parameters set for that particular report.

The CCSC completed **QTR #2 - Blocked Merchant Category Code (MCC)** for agency-Farm Service Agency. This specific audit analyzed various Blocked MCCs including:

5932 - ANTIQUE SHOPS

7977 - MEMBERSHIP CLUBS (SPORTS)

7273 - DATING & ESCORT SERVICES

7995 - BETTING/TRACK/CASINO/LOTTO

7297 - MASSAGE PARLORS

8651 - POLITICAL ORGANIZATIONS

7932 - BILLIARD/POOL ESTABLISHMENT

9223 - BAIL AND BOND PAYMENTS

Based on the parameters identified above, there are no questionable transactions on this audit report related to the Farm Service Agency (FSA-FA) and Farm Service Agency County Extensions (FSA-CE). These agencies attained **CLEAN** Audit Status.

We commend you for your effective management and appreciate the opportunity to support you and your agency.

The CCSC is here to provide guidance and support to our agencies. The QTR will provide the CCSC and APCs with an oversight tool; supplementing current internal management strategies to reduce deviations from USDA policy as well as instances of fraud, misuse and abuse within the USDA Purchase Card Program. Please refer any questions regarding this QTR communication to damien.sisca@da.usda.gov.

Thank you,

Damien Sisca
CCSC Compliance and Oversight Lead

Debt Collection Improvement Act Waivers for Check Writing Purposes

Waiver No.	Short Description	Long Description
01	Individual Determination	Where an individual determines in his/her sole discretion that use of the purchase card would cause a financial hardship or impose a hardship due to a physical or mental disability, or a geographic, language, or literacy barrier. (Agency personnel may not challenge an individual's hardship determination).
02	Agency Makes One Payment	Where the agency does not expect to make more than one payment to the same recipient within a one-year period.
03	Foreign Country Infrastructure	Where the infrastructure of a foreign country does not support electronic transfers.
04	Transaction in Disaster Area	Where the transaction is with a vendor/recipient in a declared disaster area.
05	Threat to National Security	Where a threat may be posed to national security, the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised.
06	Unusual and Compelling Urgency	Where an agency's need for goods and services is of such unusual and compelling urgency that the Government would be seriously injured unless the transaction is processed by other than electronic means.
07	One Source for Required Supplies or Services	Where there is only one source for the required supplies or services and the Government would be seriously injured unless the transaction is processed by other than electronic means.