

MEMORANDUM

To: Agency Program Coordinators
From: CCSC Compliance Section
Subject: Review of Cardholder Transactions Documentation
Date: July 10, 2013

The Charge Card Service Center (CCSC) is in the process of implementing an additional oversight and compliance program that ensures the charge card program is in compliance with the Departmental Regulation (DR) 5013-6 and Office of Management and Budget (OMB) Circular A-123. This memo outlines the program area that the CCSC will be implementing.

With the implementation of this program, the CCSC is providing support to the agencies in reducing and/or mitigating risk of fraud, abuse, and misuse within the respective agencies. The CCSC's intent with this program is to help the agencies increase the integrity of their internal programs, apply best practices, and ensure the agencies are in compliance with DR 5013-6.

The program area is the Random Sampling of Cardholder Transactions. During the course of an Office of Inspector General (OIG) audit of the CCSC, the OIG requested that the CCSC take additional oversight and internal control measures in accordance with our DR 5013-6 and OMB Circular A-123 by performing agency random sampling on documentation of cardholder transactions to ensure the documentation is in compliance with all applicable policies and regulations.

The CCSC is fully aware and confident that 99 percent of our cardholders are using their cards and convenience checks correctly in support of their respective agency's mission. However, the CCSC and the agencies have a responsibility as stewards of the taxpayer's dollars to ensure that we are doing all that we can to provide effective oversight; making sure that our transactions are allowable, and in support of the Department's mission without variation.

The following section describes the details of the program area, process for the program area, and when the program will begin.

Random Sampling of Receipt Documentation Program Area

As stated in the [OMB Circular A-123, Section 4.3](#), "Ensuring that cardholder statements of account and supporting documentation are reviewed and utilized to monitor delinquency, misuse, and other transaction activities." One of the oversight and internal control recommendations from the OIG is for the CCSC to perform agency random sampling on receipt/documentation of cardholder transactions to make sure that the documentation is in compliance with all applicable policies and regulations. The CCSC has assured the OIG that the program will begin the random sampling of receipts as an agency tool for oversight and internal control.

Percentage of Random Sampling for each Agency

Based on the OMB Circular A-123 and DR 5013-6 requirements, the agencies will need to provide transaction documentation, including but not limited to, purchase requisitions, approval request, receipts, etc., of selected transactions going back three years. A statistical formula for the number of transactions each agency has to sample was used. The total number of transactions required for sampling will be provided. The agencies will need to provide the CCSC with the transaction documentation within 30 calendar days of receipt of their individual list of transactions. As of now this requirement will be conducted annually.

How to Respond to the Receipt Random Sampling Program Area

The following section provides the process steps required by the APCs to successfully respond to this request:

1. The CCSC sends each agency APC a list of random selected transactions (in a spreadsheet) that requires response/documentation.
The CCSC names the spreadsheet by [Agency] Receipt Random Sampling FY2013.xlsx, which includes transactions from FY2010.
2. The APC/LAPCs ask their cardholders to provide the documentation for each transaction listed in the spreadsheet.
3. The APC reviews the documents provided by their cardholders for compliance to program polices and federal regulations and completes the following columns in the spreadsheet:
 - **Yes/No:** Enter “Yes” if you are submitting receipt documentation for the accompanying transaction. If you enter “No,” you must complete the **APCs Comments** column.
 - **APCs Comments:** Provide any needed comments and/or provide an explanation for any missing documentation for a transaction(s).
4. Within 30 calendar days of receiving the CCSC’s e-mail, the APC submits the spreadsheet and **any supporting documentation** to the [CCSC Inbox](#), using the following in the subject line of the e-mail, “[Agency] Receipt Random Sampling FY2013,” for example, FS Receipt Random Sampling FY2013.

In addition, the CCSC suggests the APCs apply some form of naming convention to the supporting documentation submitted so that the documentation can be easily associated with the transaction, such as:

- [Agency] Receipt Random Sampling FY2013 transactions 1 to 5
- [Agency] Receipt Random Sampling FY2013 transactions 6 to 15
- [Agency] Receipt Random Sampling FY2013 transactions 16-19

where 01, 02, and 03 are sequential numbering of your receipt documentation associated to the spreadsheet you were sent.

5. The CCSC reviews the responses and documentation for the Receipt Random Sampling for compliance to program policies and contacts the APC as needed.

Receipt Random Sampling Program Area Begin Date

The CCSC will send the first Receipt Random Sampling report on July 12, 2013. The CCSC will then send subsequent Receipt Random Sampling reports to the agencies/divisions annually and requests a response for each of the transactions within 30 business days of receipt. These subsequent reports will contain cardholder transactions from FY2011, FY2012, and so on, respectively, going back three years.

Summary

Again, with the implementation of this program, the CCSC is providing the agencies with support and oversight of their Charge Card Programs to mitigate the risk of fraud, abuse, and misuse. In addition, this program will apply best practices across the USDA Charge Card Program and ensure the agencies are in compliance with DR 5013-6.

We appreciate your cooperation in this endeavor as we strive to make USDA's charge card program the most secure, efficient, innovative, and most successful charge card program in the Federal Government.