

# APC Quarterly Newsletter

The USDA Charge Card Service Center (CCSC) APC Quarterly Newsletter provides updates on ongoing initiatives, announces new policies and procedures, and provides a forum for Purchase APCs to share information regarding USDA's Charge Card Program.

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## Calendar of Events

April 2012	May 2012	June 2012
9th: Cardholder Suspensions	8th: Cardholder Suspensions	7th: APC Certification of Receipt of all assigned LAPC Quarterly Checklist Reviews for FY Q2 2012 - covering Jan 1st - Mar 31st due to the CCSC
10th & 24th: Cardholder Suspension Lifts	9th & 23rd: Cardholder Suspension Lifts	8th: Cardholder Suspensions
26th: GSA SmartPay2 Conference Registration Opens	28th: Memorial Day Holiday (Govt. Closed)	11th & 25th: Cardholder Suspension Lifts
	31st: LAPC Quarterly Checklist for FY Q2 2012 - covering Jan 1st - Mar 31st due from LAPCs to their APC	

## Welcome

The USDA Charge Card Service Center (CCSC) is pleased to release this second issue of the APC Quarterly Newsletter for Fiscal Year (FY) 2012. And once again, congratulations to the Agency of the Quarter for Q1 FY 2012, Animal & Plant Health Inspection Service (APHIS), who achieved the following outstanding performance metrics:

APHIS			
	Q4-2011	Q1-2012	Variance
Convenience Checks usage	0.00%	0.00%	0.00%
Transactions Final Approved within 60 days	95.85%	93.68%	2.26%
	Q1-2011	Q1-2012	Variance
Spend increase	\$8,072,417	\$7,222,494	-10.53%

Additional congratulations go to the Q1 FY12 Honorable Mention agency, Food Safety & Inspection Service (FSIS)!

The CCSC Team would like to thank all charge card program participants for all of your continued hard work, contributions, and accomplishments. If you have any questions, please contact us at [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov).

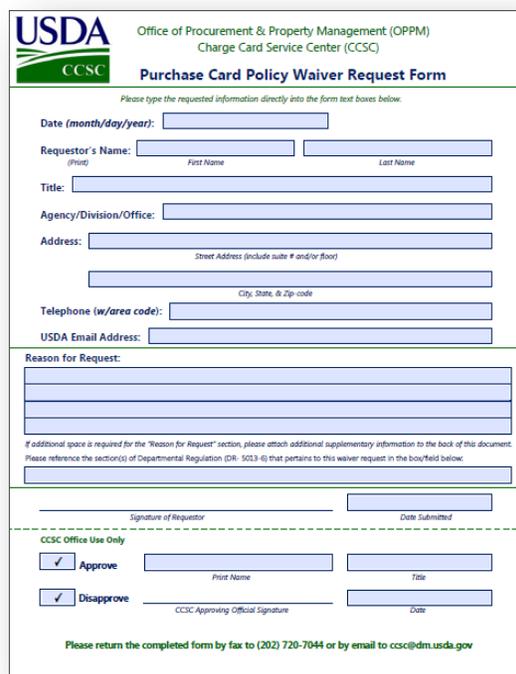
## New Purchase Card Policy Waiver Request Form

On February 4, 2012, the CCSC developed and distributed a **Purchase Card Policy Waiver Request form** to streamline and manage waiver requests relating to Departmental Regulation (DR) 5013-6.

This waiver form should be used for exceptions to any Departmental purchasing policies including those listed in DR 5013-6, AGAR Advisories, and Departmental Procurement Regulations. Waivers may be granted for a specific time period, annually, or indefinitely, depending on the type of request.

All **Purchase Card Waiver Requests** must be submitted to the CCSC at [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov) with cc: to Frank Hodo ([frank.hodo@dm.usda.gov](mailto:frank.hodo@dm.usda.gov)) utilizing this form and include all requestor information listed in the form as well as a reason for the request and a reference to the section(s) of Departmental Regulation (DR- 5013-6) that pertains to the waiver request.

If you have any questions on this process, please email the CCSC at [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov).



The form is titled "Purchase Card Policy Waiver Request Form" and is from the USDA Office of Procurement & Property Management (OPPM) Charge Card Service Center (CCSC). It includes fields for: Date (month/day/year), Requestor's Name (First and Last Name), Title, Agency/Division/Office, Address (Street, City, State, & Zip code), Telephone (w/area code), and USDA Email Address. There is a section for "Reason for Request" with a note: "If additional space is required for the 'Reason for Request' section, please attach additional supplementary information to the back of this document. Please reference the section(s) of Departmental Regulation (DR: 5013-6) that pertains to this waiver request in the box/field below." The form also has a signature line for the Requestor and a section for "CCSC Office Use Only" with checkboxes for "Approve" and "Disapprove", each with fields for First Name, Title, and Date. At the bottom, it says "Please return the completed form by fax to (202) 720-7044 or by email to ccsc@dm.usda.gov".

## New Purchase Cardholder Suspension Dates

**Purchase Cardholder Suspension Dates:** As previously communicated in the December 2011, Volume V issue of the APC Quarterly Newsletter, the CCSC has changed the "card suspension dates" and "suspension lift dates" on monthly cardholder account suspensions, for cardholders who have not approved transactions posted in their Transaction Management List for a period of 60 days up through the cycle date.

Below are the new dates for Suspension and Suspension Lifts from April 2012 through the end of the fiscal year (FY) 2012:

Purchase Cardholder Suspension Dates (Note: Suspensions occur once a month)	Suspension Lift Dates (Note: Lifts on 'suspended' accounts occur twice a month)
April 9, 2012	April 10 <sup>th</sup> and 24 <sup>th</sup> , 2012
May 8, 2012	May 9 <sup>th</sup> and 23 <sup>rd</sup> , 2012
June 8, 2012	June 11 <sup>th</sup> and 25 <sup>th</sup> , 2012
July 9, 2012	July 10 <sup>th</sup> and 24 <sup>th</sup> , 2012
August 8, 2012	August 9 <sup>th</sup> and 23 <sup>rd</sup> , 2012
September 10, 2012	September 11 <sup>th</sup> and 25 <sup>th</sup> , 2012

## Revised Cardholder Request for Purchase Card Form

As communicated on February 23, 2012, in PCard-02-2012: New Cardholder Request for Purchase Card Form, the CCSC distributed a new version of the 'Cardholder Request for Purchase Card' form, which was effective immediately. The communication indicated that when completing the new card request form, the newly added 'Foreign National' box must be checked accordingly.

New card requests and hierarchy set-ups forms are to be completed and emailed to the [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov) for processing and submission to U.S. Bank. Any new card requests on the old form will be rejected by the CCSC. The "Revised Purchase Card Request Process" is listed below:

- 1) The Approving Official (AO) completes the attached 'Cardholder Request for Purchase Card' template and submits it to the account Coordinator (LAPC or APC). Please ensure the following:
  - a. The name entered in the 'Name' field **matches** the applicant's name on record with the USDA's HR department. Nicknames or short names are **not** permissible.
  - b. The "Line of Accounting" is **correct** on the request submitted so that the request is not rejected. To ensure accuracy, please copy the line of accounting (directly from AXOL) and paste the value into the 'Accounting Segments' field of the Cardholder Request for Purchase Card template.
  - c. The hierarchy is **valid**. Also, please make sure that the Processing hierarchy and the Reporting hierarchy **match** (i.e., agent/level4; company/level 5; division/level 6; department/level 7).
  - d. The AO name entered is the name associated with the hierarchy listed in **TSYS**.
  - e. The 'Third Line Embossing' field is completed with the information you want embossed on the card below the cardholder's name.
  - f. The demographic information (i.e., including zip code) is **valid**, as well as the telephone number and email address **are** included.
  - g. All "Y/N" boxes must be completed before submitting.
- 2) When entering the Monthly Office Limit (i.e., 30-Day), Single Purchase Limit, and Convenience Check (Y/N), please ensure compliance with the Purchase limit policies.
  - a. If the Single Purchase Limit amount entered is greater than the micro-purchase threshold, then a copy of the warrant must be included so that the request is not rejected.
- 3) The form must be **signed and dated** by both the Cardholder and the AO before submitting to the CCSC. Electronic signatures are **not** permissible.
  - a. The date of signature **must** be within 30 days from the submission date.
- 4) The Coordinator (LAPC or APC) will review the request and email the completed request to [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov) with cc: to [yadira.stamp@dm.usda.gov](mailto:yadira.stamp@dm.usda.gov).
  - a. Enter "New Purchase Card Request" and the Agency (e.g., ARS) in the subject line of the email.
- 5) The CCSC will perform a Quality Assurance (QA) validation on the agency submitted request and if errors are found, will return to the submitting agency Coordinator for necessary changes and re-submission.
- 6) Upon completion of a successful request validation review, the CCSC will email a confirmation of receipt to the submitting agency Coordinator with cc: to the agency AO. The submitting Coordinator must reply to this confirmation email to confirm and validate the request for the new card account request.
- 7) The CCSC will submit the validated request for new card account to U.S. Bank for processing and card issuance.

# APC Quarterly Newsletter

## Reminders for LAPC & APC Reviews

This is a reminder that LAPC Quarterly Review Checklists for January 1 – March 31, 2012 are due to APCs by May 31, 2012. APC’s certifications of receipt of all LAPC Quarterly Reviews are due to the CCSC by June 7, 2012.

As previously communicated, LAPC Quarterly Review Checklists should be collected and kept by the APCs. The checklist should not be sent to the CCSC; only the certification form that all LAPC checklists were received by the APC should be sent to the CCSC. The form must be signed by the APC and dated to be deemed as valid.

The CCSC has the responsibility at the Departmental level to ensure that the agencies are performing the required management and oversight and therefore, the APCs are to complete and sign the “APC Certification of LAPC Quarterly Review” form, to certify that they have received all of the LAPCs checklists. Fillable checklist forms can be accessed on the CCSC website at:

### LAPC Quarterly Review Checklist:

PDF: [http://www.dm.usda.gov/procurement/ccsc/LAPCQuarterlyReviewChecklist\\_20100810.pdf](http://www.dm.usda.gov/procurement/ccsc/LAPCQuarterlyReviewChecklist_20100810.pdf)

The LAPC Review and the APC Certification form are completed quarterly, according to the following timeline:

Quarter Reviewed:	For the Months of:	Due Date to APC:	Due Date to the CCSC:
Q1 FY12	October – December	February 29	March 7, 2012
Q2 FY12	January – March	May 31	June 7, 2012
Q3 FY12	April – June	August 31	September 10, 2012
Q4 FY12	July – September	November 30	December 7, 2012
Q1 FY13	October – December	February 28	March 7, 2013
Q2 FY13	January – March	May 31	June 7, 2013
Q3 FY13	April – June	August 30	September 9, 2013
Q4 FY13	July – September	November 29	December 6, 2013

The review should include approximately 25% of the LAPCs’ Cardholders each quarter and as a result, the review should cover 100% of the LAPC’s Cardholders by the end of the year. This review does not mean you must look at physical documentation from every cardholder within that 25% of cardholders you review each quarter. If the reviews are performed throughout the quarter, the number of reviews stipulated should be manageable for all LAPCs. There should be at least some physical review of documentation done of the reviewed cardholders each quarter in the form of scanned, faxed, or original receipts, purchase orders, or other like documentation.

If you have any further questions on this process, please email the CCSC at [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov).

## Segregation of Duties: Coordinators-AOs Hierarchy Exception Report Monitoring

As communicated in **PCard-04-2012: Segregation of duties – Coordinators-AOs Hierarchy Exception Report Monitoring**, a review was conducted of cardholder account setups and establishment of hierarchies pertaining to user roles in Access® Online (AXOL).

The purpose of the review was for compliance with the segregation of duties requirement as identified in the Office of Management and Budget (OMB) Circular A-123, *Appendix A, Management’s Responsibility for Internal Control*, and Departmental Regulation (DR) 5013-6, *Use of the Purchase Card and Related Alternative Payment Methods*. The review revealed that there are Coordinators that have the ability to manage their own purchase card account(s), as well as Approving Officials (AOs) that have the ability to Final Approve their own transactions.



APCs are responsible for ensuring that key duties and responsibilities are segregated among different roles to reduce the risk of error, fraud and abuse. To aid the APCs in this effort, the CCSC developed a custom report called the **Coordinators-AOs Hierarchy Exception Report**, with distribution beginning in January, 2010. This report lists the role/Functional Entitlement Group (FEG), the hierarchy for each role, and the cardholder account number.

The CCSC sends the report to the APCs on the 15<sup>th</sup> of every month to ensure compliance with the A-123 guidance and to strengthen the internal controls and policy set forth within AXOL and the USDA Purchase Card Program. APCs are given two (2) weeks to review this report and validate whether the Coordinators/AOs are managing their own purchase card account(s). APCs are to complete the fixes and send an email confirmation to the CCSC to validate that the necessary corrective action has been taken by the date requested.

Upon running the monthly custom report, the CCSC compares the Coordinators/AOs found in the current month, to those found in the previous month report and determine whether this is the first time identified or identified in the previous month. One March 9, 2012, the CCSC communicated that effective March 15, 2012, if the Coordinator/AO was previously identified and the APCs did not make the correction to the user profile or to the cardholder account, the APCs will be allowed one (1) week to complete the fixes the second time identified. Failure to complete the fixes in one (1) week, after the second notice, will result in the termination of the Coordinator/AO user id (i.e., status changed to “Removed”).

**REMINDER:** Please note that no one is allowed to contact the U.S. Bank Customer Service to request that the user id be reinstated and neither are they to go into AXOL and setup a new user profile for the Coordinator/AO before making the necessary corrections. The CCSC will run the System Administration report daily for the Coordinator/AO whose user id has been removed to ensure that a new user id has not been setup in the same hierarchy listed under the old user id unless a hierarchy transfer has been performed on the cardholder account.

The CCSC appreciates your cooperation and support in helping to eliminate the potential for waste, fraud and abuse within the SmartPay2 Purchase Card program, as well as complying with the A-123 requirements. If you have any questions on this process, please email the CCSC at [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov).

## Reduction in Convenience Check Usage

During the last APC Meeting on March 22, 2012, APCs were reminded that USDA Agencies have been previously directed in both the **DR 5013-6** and the **AGAR Advisory No. 52** to reduce and eventually eliminate the use of convenience checks. Per AGAR No. 52, "Agencies are directed to take steps to eliminate use of convenience checks" and Agencies are instructed to obtain annual waiver authority to write checks up to a certain amount each year, with the interim amounts decreasing each subsequent year towards elimination of check writing in general. During the APC Meeting, the following instructions were given to Agencies who currently use convenience checks. These Agencies are to take the following actions:

- Over the next 60 days, conduct an audit/review on how checks were used throughout your Agency, looking specifically at the type of purchase (service, supply, or bona fide emergency) that the checks were written for in FY11.
- Devise an action plan that you believe your Agency would be able to institute to significantly reduce your check outlay in FY12.

In addition, as signed under **31 CFR 208**, the U.S. Department of Treasury is in the process of trying to eliminate all forms of payment which are not made via some type of electronic funds transfer (EFT).

The **Office of Budget and Management (OMB) Circular A-123, Appendix B** states, "Convenience checks are a payment and/or procurement tool intended only for use with merchants that do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the charge card. Public Law 104-134, The Debt Collection Improvement Act of 1996 requires that, with limited exceptions, Federal payments be made through electronic means. The Department of the Treasury has ruled that checks are not electronic funds transfer (EFT) compliant." A-123 policy also states that "convenience checks may not be written to vendors who accept the purchase card."

Agencies, APCs, LAPCs, and all cardholders who have check writing privileges must be aware of the policies on convenience check use within the DR 5013-6, AGAR No. 52, 31 CFR 208, and OMB Circular A-123, Appendix B.

### Debt Collection Improvement Act (DCIA) Waivers

**EFT Waiver Conditions:** The conditions under which an EFT waiver is warranted are enumerated below and cited in 31 CFR Part 208.4.

- **Condition 1:** An individual determines, at his or her sole discretion, that payment by electronic funds transfer would impose a hardship due to a physical or mental disability or a geographic, language, or literary barrier, impose a financial hardship, or where the individual does not have an account with a financial institution.
- **Condition 2:** The political, financial, or communications infrastructure in a foreign country does not support payment by EFT.
- **Condition 3:** Payment to a recipient in a designated disaster area.
- **Condition 4:** A war or national emergency designated by the President or Congress or a military operation designated by the Secretary of Defense.
- **Condition 5:** Payment by EFT may pose a threat to national security, jeopardize the life or physical safety of an individual, or compromise a law enforcement action.

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## Debt Collection Improvement Act (DCIA) Waivers, continued...

- **Condition 6:** We do not expect to make more than one payment to the same recipient within a one-year period (i.e., the payment is non-recurring, and the cost of making payment via EFT exceeds the cost of making the payment by check).
- **Condition 7:** Where USGS' need for goods or services is of such a compelling urgency that the Government would be seriously injured unless payment is made by a method other than EFT; or where there is only one source for goods or services and the Government would be seriously injured unless payment is made by a method other than EFT.

## USDA Charge Card Program Reminders



### Foreign National Y/N indicator

Please be reminded that the CCSC added an “indicator” in AXOL to identify Foreign Nationals with Purchase cards: **Foreign National Y** or **Foreign National N**.

This information is not protected and for this reason we are asking that you advise your Coordinators, Approving Officials, and Cardholder to not remove this information from the Demographic Information screen. This information will be used for reporting purposes. The CCSC appreciates your cooperation and support in implementing the changes identified above.

### AXOL Reporting & Security Enhancement

Please remind your Coordinators and Approving Officials that **effective April 15, 2012, account numbers that appear in Access Online (AXOL) reporting will be masked except for the last four digits.** Currently within AXOL reporting, the last ten digits are visible.

This change impacts all report types – standard, flex data and scheduled – and formats, including PDF, browser and Excel. It does not affect how the account number displays within the user interface of AXOL.

For example, today account number 4000 1234 5678 9010 appears in AXOL as \*\*\*\*\*3456789010. Now, the account number will appear as \*\*9010. The new account number masking will be applied to all reporting within AXOL, except for Global Reports, which will be updated at a later date. This reporting enhancement further enables U.S. Bank to improve the overall security of AXOL and safeguard customer data.

If you are using AXOL reporting to feed other systems, please be aware that the account number masking is changing, and you will only be able to now view the last four digits of the account number. Please update your systems accordingly. Please email any questions to [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov).

## USDA Charge Card Service Center (CCSC)

 The CCSC welcomes your feedback. Please email us at [ccsc@dm.usda.gov](mailto:ccsc@dm.usda.gov) about ways we can improve the newsletter, with topics you would like included in upcoming newsletters, and or questions. Thank you!