



USDA Required Process & Procedures for A-123 Compliance

2011 GSA SmartPay2[®] Conference 

Thursday August 18, 2011

8:00 - 9:10 am

The Venetian, Las Vegas: Room # Galileo 903 – 904

Agenda

❖ **A-123 Overview**

- A-123 Background
- Required Training
- USDA A-123 Audit & the CCSC

❖ **OMB A-123 Audit Committee Findings**

- Requisition & Receipt
- Purchase Card Limit Increase
- Convenience Checks

❖ **Processes & Procedures**

- Purchase Card & Hierarchy Requests
- Coordinators – AOs Hierarchy Exceptions
- Correcting Processing / Reporting Hierarchies
- Purchase Card & Hierarchy Processes

❖ **CCSC Custom Report**

- USDA Database Account Set-up Report

A-123 Overview

❖ A-123 Overview

■ Office of Management and Budget (OMB) Circular A-123 Background

OMB Circular A-123, Appendix B, establishes guidance for Executive branch agencies for improving the management of government charge card programs. The requirements in OMB Circular A-123, Appendix B pertain to the use of charge card programs by agencies and their employees and must be included in internal agency regulations, procedures, and training materials.

■ Training

ALL Coordinators should have completed the Purchase Card Reporting & Policy Training March 2011. Additionally, Coordinators are required to take refresher training at least every 3 years per OMB A-123.

■ USDA A-123 Audit & the CCSC

The CCSC has maintained a centralized cardholder account setup and hierarchy setup system since October 1, 2009, in response to a request made by the OCFO after an A-123 audit.

The purpose of the centralization is to strengthen the internal controls involving card request and set-up after the existing process was found to be deficient.

A-123 Overview

■ USDA A-123 Audit & the CCSC, continued...

• As a result, the CCSC's responsibilities include:

- Assuming the responsibility of processing new card requests, new hierarchy setups, and existing hierarchy maintenance requests from the agencies. New card requests and new hierarchy set-ups can only be initiated through the CCSC by emailing the requests to ccsc@dm.usda.gov.
- Preventing at-risk cards or duplicate cards from being issued. At-risk cards are cards where a separation of duties are not in place and the APC/LAPC/AO is able to maintain their own card (e.g., increase their own authorization limits, final approve their own transactions). Duplicate cards are cards requested in the same hierarchy as an already open card in Access Online.
 - Any new card requests or new hierarchy setup requests submitted to the CCSC that are deemed as 'at-risk' or 'duplicate' will be rejected by the CCSC and returned to the appropriate individual to make the necessary changes to the hierarchy and resubmit.
- Running the Coordinators-AOs Hierarchy Exception Report monthly (on the 15th of every month) to identify all APCs/LAPCs/AOs that are also Cardholders and review their card account hierarchy to determine if the hierarchy on their card is the same as the hierarchy that they oversee as APCs/LAPCs/AOs. If this is so, we then forward the information to the APCs, so that they may perform a hierarchy transfer on the APC/LAPC/AO card account from the hierarchy that they maintain or request a new hierarchy for the card account.

OMB A-123 Committee Findings

❖ OMB A-123 Committee Findings

A communication was emailed to the APCs on June 30th detailing the OMB A-123 Review of the charge card process which identified **three (3) internal controls with reoccurring deficiencies** (*internal controls will be reviewed for OIG audit as well*):

- 1) Requisition:** Purchase Cardholders will retain the requisition for 3 years in the Purchase Card file. LAPCs will perform Quarterly Reviews to verify that there are indeed requisitions for randomly selected Purchase Card transactions;
- 2) Purchase Card Limit Increase:** If the Cardholder is requesting a limit above the Department's set Micro-Purchase limit, the LAPC must verify that the Cardholder has the appropriate warrant level. The AO/Cardholder's Supervisor or the requesting Cardholder must provide a copy of his/her warrant; and
- 3) Convenience Checks:** In order to ensure that 'segregation of duties' requirements are being met, Purchase Cardholders must obtain a specific level of approval from the APC in accordance with Agency convenience check procedures prior to issuing a convenience check for any amount greater than \$2,500.

OMB A-123 Committee Findings

Requisition & Receipt

❖ **Basic definitions for requisition and receipt:**

- **Requisition:** Asking for or requesting something, almost always in a written form.
- **Receipt:** Written acknowledgement that a specified article or sum of money has been received as an exchange for goods or services. The receipt is evidence of payment or transfer of those goods or services.

❖ **The Purchase Cardholder will retain the requisition for 3 years in the Purchase Card file. LAPC's will perform quarterly reviews to verify that there are indeed requisitions for randomly selected Purchase Card transactions.**

- The USDA A-123 Committee found that the Purchase Card Program has a reoccurring deficiency in the area of 'requisition.' This deficiency is triggered by the individual agencies which make up USDA, but is assessed at the Department Level to the Charge Card Service Center (CCSC) as the oversight body to the agencies and USDA.

OMB A-123 Committee Findings

Requisition & Receipt

❖ The USDA Purchase Card DR 5013-6 states:

- **Section 7. Definitions, (dd.) Requisition:** Required for purchases at or below the simplified acquisition threshold (including purchases at or below the micro-purchase threshold). The requisition from an authorized official (cardholder) may be in the form of a written request, an email, and/or document that identifies an official government need and funds for the specific supply or services, including blanket authorizations for routine purchases.
- **Section 8. Agency Internal Control Requirements, (g.):** Prior approval and subsequent review of purchase card activity is required for all purchase card transactions. This includes documenting independent receipt and acceptance of goods/services obtained with the purchase card or related alternative payment method. Purchases at or below the “de minimis” amount (\$300) do not require independent receipt and acceptance. Agencies shall provide guidance for handling instances (e.g., emergency incidents and remote working conditions) where independent receipt and acceptance is so impractical as to be essentially impossible.

OMB A-123 Committee Findings

Requisition & Receipt

❖ The USDA Purchase Card DR 5013-6, continued...

- **Section 7. Definitions, (w.) Independent Receipt and Acceptance:** Having someone other than the cardholder sign for receipt and acceptance of goods or services. Further instructions are available in the *Cardholder's Purchase Card Program Guide*, *Approving Official's Purchase Card Program Guide*, and *Coordinator's Purchase Card Program Guide*.

❖ Important Notes on 'Requisition and Receipt':

- Per DR 5013-6, you may use a blanket authorization for routine supplies and services. It is incumbent upon the cardholder and AO to craft a blanket authorization consistent with routine purchases necessary for that office or program.
- The Cardholder will need to obtain a new blanket authorization each time the funding changes (at a minimum, annually) on the Purchase Card.
- These policies are a part of OMB A-123 Appendix B (Charge Card Management Financial Regulations) which requires the CCSC to take responsibility for training the Agencies on these policies as well as enforcement of the policies.

OMB A-123 Committee Findings

Purchase Card Limit Increase

- ❖ **If the Cardholder is requesting a limit above the Department's set Micro-Purchase limit, the LAPC must verify that the Cardholder has the appropriate warrant level.**

The AO/Cardholder Supervisor or requesting cardholder must provide a copy of his/her warrant.

- The USDA A-123 Committee found that the Purchase Card Program has a reoccurring deficiency in the area of Purchase Card limit increase above the micro purchase threshold.

This deficiency is triggered by the individual agencies which make up USDA, but is assessed at the Department Level to the Charge Card Service Center (CCSC) as the oversight body to the agencies and USDA.

OMB A-123 Committee Findings

Purchase Card Limit Increase

❖ The USDA Purchase Card DR 5013-6 states:

- **Section 14. Delegation Of Authority, (c.) Micro-Purchase Over \$3,000:** The micro-purchase threshold, as defined in FAR 2.101 or as otherwise provided by law, may exceed \$3,000 under certain circumstances (e.g., purchases of supplies or services to facilitate defense against or recovery from terrorism).

In such cases, Heads of Contracting Activities or their designees may issue letters of delegation to selected non-warranted cardholders authorizing them to purchase supplies or services up to the micro-purchase threshold established for the given situation.

The letter of delegation shall state the reason why the employee is authorized to make micro-purchases over \$3,000, and the amount of the employee's temporary single purchase limit. The letter shall be submitted to the cognizant LAPC, who will make the necessary changes in AXOL. This authority terminates upon revocation of the letter of delegation, the employee's separation from their organization, or cancellation of the card by the APC or LAPC.

OMB A-123 Committee Findings

Purchase Card Limit Increase

❖ The USDA Purchase Card DR 5013-6, continued...

- **Section 14. Delegation Of Authority, (d.) Simplified Acquisitions and Formal Contracts:** Only warranted USDA employees (see Section 7gg) may purchase above the micro-purchase level. Warranted individuals may use their purchase card and related alternative payment methods in accordance with FAR Parts 12, 13, 14, and 15, up to the single and monthly purchase limits established for their cards.

Convenience checks are limited to \$2,500 except in bona fide emergencies. The single purchase limit established for a warranted individual may not exceed the lesser of the amount of the individual's delegated authority or \$1 million. Requests to exceed \$1 million may be approved by the APC on a case-by-case basis.

The single purchase limit may never exceed the warranted individual's delegated authority. Refer to DR 5001-1, Acquisition Workforce, Training, Delegation and Tracking Systems, and DR 5100-2, Real Property Leasing Officer Warrant System, for policy on contracting delegations of authority/warrants.

OMB A-123 Committee Findings

Purchase Card Limit Increase

❖ **CCSC Current Oversight Action:**

- The Purchase Card request was centralized at the CCSC on October 1, 2009. As part of the Quality Assurance (QA) validation, if the Single Purchase Limit (SPL) on the card request is greater than the micro purchase limit without evidence of a warrant certificate for the level requested, the CCSC rejects the card request and sends an email notification back to the Agency Coordinator asking for confirmation on whether or not the cardholder has an active warrant, and if so, requesting a copy of the warrant certificate.

Upon receipt of the warrant certificate, the CCSC will submit the request to the US Bank for processing and card issuance. If the CCSC does not receive confirmation or proof of active warrant, the CCSC will not submit the request to U.S. Bank.

OMB A-123 Committee Findings

Purchase Card Limit Increase

❖ **CCSC Additional Oversight Action:**

- As a result of the A-123 notification of its findings, outlined in an email communication to the CCSC on June 6, 2011, the CCSC has added additional reporting and oversight to the 'Account List Report' within Access Online (AXOL) to identify active cardholder accounts with SPL greater than \$3,000.
- The CCSC looks at the 'Account Open Date' for the Cardholder to determine whether or not the Purchase Card application was processed by the CCSC. If so, the CCSC searches its card request folder for the original SPL amount submitted on the application.
- If the current SPL is greater than the SPL originally submitted, then the CCSC will reach out to the APC for confirmation on whether or not the Cardholder has now acquired an active warrant, as well as the warrant amount.
- Failure to respond to the CCSC inquiry will result in the CCSC decreasing the cardholder's SPL to \$1.

OMB A-123 Committee Findings

Convenience Checks

- ❖ **In order to ensure that segregation of duties requirements are being met, a Purchase Cardholder must obtain specific level approval from the APC in accordance with agency convenience check procedures prior to issuing a convenience check for any amount greater than \$2,500.**
 - The USDA A-123 Committee found that the Purchase Card Program has a reoccurring deficiency in the area of issuing convenience checks for amounts greater than \$2,500.

This deficiency is triggered by the individual agencies which make up USDA, but is assessed at the Department Level to the Charge Card Service Center (CCSC) as the oversight body to the agencies and USDA.

OMB A-123 Committee Findings

Convenience Checks

❖ The USDA Purchase Card DR 5013-6 states:

- **Section 9. Special Instructions, (l.) Prohibition on Writing Convenience Checks over \$2,500:** It is USDA policy that convenience checks shall not be issued over \$2,500. Warranted Purchase Cardholders who need to issue checks over \$2,500 due to a documented emergency shall secure approval from the APC.
- **Section 7. Definitions, (q.) Emergency states:** An unexpected, serious occurrence or situation that would result in injury, financial or otherwise, to the Government.



OMB A-123 Committee Findings

Convenience Checks

❖ **CCSC Current Oversight Action:**

- **Questionable Transaction Report (QTR):** The CCSC implemented the QTR program in March 2010.

The purpose of the program initially was to audit convenience checks over \$2,500 and ensure that Cardholders are entering the required information in the Comment Fields within Access Online (AXOL).

- If the Cardholder fails to complete the Comment Fields (i.e., TIN#, Merchant Info/DCIA Waiver#, Good Received Date, and Item Description) as prescribed in DR 5013-6, then the CCSC will generate a subsequent QTR detailing which required fields were flagged, the steps necessary to satisfy the QTR, and progress the QTR from a **RED** Status to a **GREEN** Status.

OMB A-123 Committee Findings

Convenience Checks

❖ **CCSC Additional Oversight Action:**

- As a result of the A-123 notification of its findings, outlined in an email communication to the CCSC on June 6, 2011, the CCSC has added an additional QTR requirement to the CCSC Current Oversight Action (listed on the previous slide) to validate the '**APC approval/disapproval**' for all convenience checks written over \$2,500.
- Upon notification of findings to the APC, the APC will be required to provide the CCSC with a copy of the '**APC approval/disapproval**' notice/confirmation for the convenience check written greater than \$2,500.
- Failure to provide the CCSC with the written notice will result in a QTR progression from **YELLOW** Status to **RED** Status.

OMB A-123 Committee Findings

Convenience Checks

❖ Questionable Transaction Report (QTR)

- The QTR is a report compiled and distributed by the CCSC to assist Coordinators in flagging questionable transactions in an effort to reduce fraud, waste, and abuse.
 - The CCSC works directly with APCs on QTRs and associated Resolutions.
 - The QTR provides increased / additional management and oversight.
 - The CCSC allots a total time of three (3) weeks to finalize the QTR 'Resolution' stage.
 - CCSC requests that all APCs send additional correspondence via an email attachment when submitting their final QTR 'Resolution' to the CCSC.

OMB A-123 Committee Findings

Convenience Checks

No.	Status	Name	Agency	Trans Date	Post Date	Trans Amount	Merchant Name
		Benny Cardholder (Card # - 0717)	FSA	1/10/2011	1/12/2011	\$12,145.00	AMERICAN FREEZE DR001101
1a		Reason for Inclusion in Questionable Transaction Report					
	RED	Conv Check Written Greater \$2500 - All pre-transaction documentation required including APC prior approval and requisition details. Example of Requisition Detail Documentation: An email request sent to Approving Official.					
	RED	No Conv Check Tin#					
	RED	No Merchant Info Merchant Info required in Field #3 title " Conv Ck Mer Info / Waiver #" (both Merchant Info. and DCIA Waiver #)					
	RED	No DCIA Waiver # - DCIA Waiver # required in Field #3 titled " Conv Ck Mer Info/Waiver #" (both Merchant Info. and DCIA Waiver #)					
	RED	No Goods Recvd Date					
1b		Conv Check TIN# / Merchant Info. / DCIA Waiver # / Goods Recvd Date					
	RED	NONE / NONE / NONE / NONE					
1c		Item Description					
	GREEN	Salvage of Chester/Delaware Files.					
1d		Resolution					
	YELLOW	QTR to APC					
1e		Comments / Questions / Notes					
		Please supply all pre-transaction requisition approval documentation to CCSC. (Departmental Regulation DR 5013-6) Conv Check TIN#, Merchant Info., DCIA Waiver # & Goods Recvd Date - required documentation in AXOL Comments Section. (Departmental Regulation DR 5013-6)					

STATUS COLOR KEY:	
RED	Attention / Action Needed / Question
YELLOW	Resolution In Progress
GREEN	Completed

OMB A-123 Committee Findings

Convenience Checks

No.	Status	Name	Agency	Trans Date	Post Date	Trans Amount	Merchant Name
1		Benny Cardholder (Card # - 0717)	FSA	1/10/2011	1/12/2011	\$12,145.00	AMERICAN FREEZE DR001101
1a		Reason for Inclusion in Questionable Transaction Report					
	RED	Conv Check Written Greater \$2500 - All pre-transaction documentation required including APC prior approval and requisition details. Example of Requisition Detail Documentation: An email request sent to Approving Official.					
	RED	No Conv Check Tin# 22-37-15116					
	RED	No Merchant Info Merchant Info required in Field #3 title " Conv Ck Mer Info / Waiver #" (both Merchant Info. and DCIA Waiver #) Merchant info: American Freeze Dry Operations, Inc. PO Box 5740 Deptford, NJ 08096					
	RED	No DCIA Waiver # - DCIA Waiver # required in Field #3 titled " Conv Ck Mer Info/Waiver #" (both Merchant Info. and DCIA Waiver #)					
	RED	No Goods Recvd Date 12/15/2010					
1b		Conv Check TIN# / Merchant Info.			/ DCIA Waiver # / Goods Recvd Date		
	GREEN	22-37-15116 / American Freeze Dry Operations, Inc. PO Box 5740 Deptford, NJ 08096			/ 3 / 12/15/2010		
1c		Item Description					
	GREEN	Salvage of Chester/Delaware Files.					
1d		Resolution					
	GREEN	APC contacted CH to obtain required doc					
1e		Comments / Questions / Notes					
		Please supply all pre-transaction requisition approval documentation to CCSC. (Departmental Regulation DR 5013-6) Conv Check TIN#, Merchant Info., DCIA Waiver # & Goods Recvd Date - required documentation in AXOL Comments Section. (Departmental Regulation DR 5013-6)					

STATUS COLOR KEY:	
RED	Attention / Action Needed / Question
YELLOW	Resolution In Progress
GREEN	Completed

OMB A-123 Committee Findings

Convenience Checks

❖ Questionable Transactions Report (QTR), continued...

- The QTR Process
 - The CCSC analyzes reports and lists all questionable transactions in the QTR, detailing the exact reasons the transactions were included in the report.
 - The CCSC enters 'QTR to APC' under the 'Resolution' field and emails it to the APC.
 - Once the APC receives the QTR, he/she is 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  status to  status. With a **GREEN** status, the questionable transaction inquiry and the QTR is closed (as depicted in the sample on the following slide).
 - This communication channel between the CCSC and APCs provides QTR status confirmation via the 'Resolution Status' box. This status box validates the receipt and review of the report by the APCs, satisfying an A-123 Corrective Action Plan (CAP Component).

OMB A-123 Committee Findings

Convenience Checks

❖ Questionable Transactions Report (QTR), continued...

- QTR Process - 'Resolution Status' box in the QTR described on the previous slide is depicted below.

1d		Resolution
	YELLOW	QTR to APC
1e		Comments / Questions / Notes
		Please supply all pre-transaction requisition approval documentation to CCSC. (Departmental Regulation DR 5013-6) Conv Check TIN#, Merchant Info., DCIA Waiver # & Goods Recvd Date - required documentation in AXOL Comments Section. (Departmental Regulation DR 5013-6)



1d		Resolution
	GREEN	APC contacted CH to obtain required doc
1e		Comments / Questions / Notes
		Please supply all pre-transaction requisition approval documentation to CCSC. (Departmental Regulation DR 5013-6) Conv Check TIN#, Merchant Info., DCIA Waiver # & Goods Recvd Date - required documentation in AXOL Comments Section. (Departmental Regulation DR 5013-6)

OMB A-123 Committee Findings

Convenience Checks

❖ Questionable Transactions Report (QTR), continued...

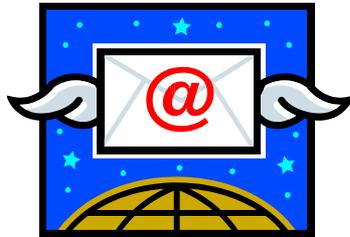
- The CCSC Compliance & Oversight Division analyzes nine (9) subject areas susceptible to fraud, misuse, and abuse. The CCSC selects a category and applies this area of research across the entire agency, generating reports on all cardholder transactions. The nine **Target Analysis and Research Areas** are:
 - 1) Conv. Checks – (All required documentation and required Access Online Comment Fields)
 - 2) Conv. Checks > \$2500 – (All required documentation, including APC prior approval and required Access Online Comment Fields)
 - 3) Blocked Merchant Category Codes (MCCs)
 - 4) Conv. Checks – Written To Visa Merchants (Merchants accepting the Purchase Card)
 - 5) Convenience Checks – Written to Individual's Name versus Company Name
 - 6) Convenience Checks – Illegible
 - 7) Convenience Checks Written to Banks – Cash Advances
 - 8) Split Transactions – (splitting transactions so total amount is below single-purchase limit)
 - 9) Convenience Check & Purchase Card Transactions to Non-Approved Merchants based on USDA Procurement Policy (USDA Strategic Sourcing Initiatives)

OMB A-123 Committee Findings

Convenience Checks

❖ Questionable Transaction Report (QTR), continued...

- **Clean Status Letter:** When the CCSC discovers the agency has a 'Clean' status, a letter is sent to the APC recognizing their high-level of Compliance & Oversight in managing their Charge Card Program. An example of a 'Clean Status Letter' is depicted in the image to the right: 



CCSC Questionable Transaction Report (QTR):

Subj: Your agency is CLEAN – Blocked Merchant Category Code QTR

Dear APC,

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:

5921 - PKG STORES/BEER/WINE/LIQUOR

7273 - DATING & ESCORT SERVICES

7297 - MASSAGE PARLORS

7995 - BETTING/TRACK/CASINO/LOTTO

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 damiensisca@dm.usda.gov.

Thank you,

Damien Sisca
CCSC Compliance and Oversight Lead

OMB A-123 Committee Findings

Convenience Checks

❖ Comment Fields

- USDA uses **AXOL Comment Fields** to record required Purchase Card and convenience check transaction data.

Cardholders (CHs) are responsible for:

- Entering the five (5) AXOL 'Comment Fields' below:

Comment Field Number	Comment Field Name
Comment Field 1	Conv. Checks TIN#
Comment Field 2	Agency Specific Data
Comment Field 3	Conv Ck Mer Inf / Waiver #
Comment Field 4	Goods Recvd Date
Comment Field 5	Item Description

Approving Officials (AOs) are responsible for:

- Checking for the completed information in all Comment Fields.
- Rejecting the transaction approval if the fields are not completed correctly and/or if they are missing information.

OMB A-123 Committee Findings

Convenience Checks

❖ Comment Fields, continued...

1) Conv. Checks TIN# *(Convenience Checks only)*

- Tax Identification Number (TIN) or Employee Identification Number (EIN).

2) Agency Specific Data *(Optional – e.g., Green Purchasing Pilot Program GPPP)*

3) Conv Ck Mer Inf / Waiver # *(Convenience Checks only)*

- Merchant Name, Merchant City, Merchant State, and Merchant Zip-Code/Waiver #
- *For example:*
Green Supply Shop, 1234 Green Avenue, Seattle, Washington, 01234 /Waiver #7

4) Goods Recvd Date *(Convenience Checks & Purchase Card transactions)*

- For over-the-counter purchases, this is the date of purchase.
- For goods or services ordered ahead of time, this is the date you receive the goods or the date that the ordered services are complete.

5) Item Description *(Convenience Checks & Purchase Card transactions)*

- This information should be specific, concise, and clear for reviewers (APC, LAPC, AO, analysts/auditors) to understand what was purchased. General descriptions such as '*miscellaneous*' are not acceptable documentation in the Item Description field.

OMB A-123 Committee Findings

Convenience Checks

Conv. Checks TIN#
043667705

Do not include dashes when inputting the TIN #'s

Agency Specific Data
SOLDIER FIRE

Conv Ck Mer Inf / Waiver# *

Merchant Info (Merchant Name, Address, City, State and Zip Code) /
WAIVER #

Example:

Green Supply Shop, 1234 Green Avenue, Seattle, Washington, 01234 /
Waiver #7

**BOTH THE MERCHANT INFO. & DCIA WAIVER # - REQUIRED PER DR
5013-6**

*(refer to the DCIA Waiver attachment when selecting the actual Waiver #)

Goods Recvd Date
05/15/2011

Item Description

Dipping site for heliattack crew during Soldier Fire

Processes & Procedures

Purchase Card & Hierarchy Requests

New Card & Hierarchy Requests via AXOL

- New card requests setup in AXOL ensures accuracy only of the values entered in the required fields. AXOL does not have functionality to validate information from online submissions across the board, particularly on Cardholders that perform dual roles.
- Because the system does not perform dual role validation for new card requests made online, the number of Cardholders set up in the same hierarchy that they maintain would continually increase, and potentially even double the amount of incorrect hierarchies found as of January 2010, when the CCSC began running the Coordinators-AOs Hierarchy Exception Report.
- AXOL does not have an online functionality for new hierarchy setups.

New Card & Hierarchy Requests via CCSC

- New card requests submitted to the CCSC are automatically rejected if the hierarchy for the card request is the same as the hierarchy that the Cardholder maintains in their role as APC/LAPC/AO.
- New card requests submitted to the CCSC ensures accuracy on all values entered in all fields, including validation of Cardholder name, the DAC, the Cardholder and AO signatures, other roles, and the hierarchy.
- New hierarchy requests submitted to the CCSC are processed for accuracy and rejected if the information on the request does not match the information in TSYS.
- The CCSC ensures tracking of all card and hierarchy requests by date and maintains the record of the requestor and a signed copy of the request form for audit purposes.

Processes & Procedures

Coordinators - AOs Hierarchy Exceptions – FY11

Date	# APCs/LAPCs Set-up in Hierarchies that they maintain	# AOs Set-up in Hierarchies that they maintain	Coordinators/AOs Total Hierarchies that they maintain
10/15/10	5	6	11
11/15/10	1	5	6
12/15/10	0	8	8
1/18/11	1	9	10
2/15/11	3	7	10
3/15/11	3	9	12
4/15/11	2	3	5
5/16/11	0	2	2
6/15/11	1	5	6
7/15/11	1	6	7
% Decrease in Compromised Hierarchies*			From 11 to 7 = 36%

* Total number of open cards as of 7/15/11 = 16,406

* Decrease due to quality check performed by the CCSC on hierarchy setups and maintenance requests.

Processes & Procedures

Coordinators - AOs Hierarchy Exception Report

❖ Coordinators – AOs Hierarchy Exception Report

- This is a custom report that is generated by the CCSC and distributed to the A-123 Committee and the APCs on the 15th of every month.
- The report consist of a compilation of the 'Account List Report' and the 'System User List Report' to determine whether or not APCs, LAPCs or AOs that are also Cardholders have control over/can manage their own card account.
- The image below is an example of the Coordinators - AOs Exception Report.

TBR Level 1	TBR Level 2	TBR Level 3	TBR Level 4	TBR Level 5	TBR Level 6	TBR Level 7	User Name	Account Number	Functional Entitlement Group
00012	01201	00016	00567	17127	00013	00000		*****9820	USDA CH
00012	01201	00016	00567	17127	00013				PAGC_AO4
00012	01201	00016	00567	17121	00010	00000		*****2708	USDA CH
00012	01201	00016	00567	17121					PAGC_AO4
00012	01201	00016	00501	17356	00023	00000		*****6461	USDA CH
00012	01201	00016	00501	17356					PAGC_APC-LAPC
00012	01201	00016	00501	17358	00015	00000		*****2059	USDA CH
00012	01201	00016	00501	17358					PAGC_APC-LAPC
00012	01201	00016	00502	17346	00000	00000		*****7478	USDA CH

Processes & Procedures

Correcting Processing/Reporting Hierarchies

In AXOL, you will be required to either go into:

Option 1 – For User Roles of APC, LAPC and/or AO

- 1) AXOL System Administration
- 2) User Profile
- 3) Access the Processing/Reporting hierarchy links
- 4) Add/change/remove the hierarchy listed

Or

Option 2 – For the Cardholder Role

- 1) Go into Account Administration
- 2) Maintain Cardholder Account
- 3) Access the Account Information and perform a hierarchy transfer on the Cardholder account to change the hierarchy for the card

If the Processing/Reporting hierarchy listed in the User Profile is correct for the user role(s) of APC, LAPC and/or AO, then his/her Purchase Card account must be moved to the appropriate hierarchy of his/her AO.

If the Processing/Reporting hierarchy listed in the User Profile is not correct for the user role(s) of APC, LAPC and/or AO, then changes should be made to the hierarchy listed in AXOL, as well as a POC maintenance form should be submitted to the CCSC to make the change in TSYS.

Processes & Procedures

Correcting Processing/Reporting Hierarchies

The following steps must be followed to obtain a new hierarchy for the Cardholder account:

- 1) **For an AO to be setup in a new hierarchy (level 6 and/or level 7):** The APC/LAPC will submit a Reporting Hierarchy Setup Form for the Cardholder's AO to the CCSC.
- 2) **For an AO to be setup in an existing hierarchy (level 6 and/or level 7):** The APC/LAPC will submit a POC Maintenance Form for the Cardholder's AO to the CCSC.
- 3) The CCSC will process the request to ensure that the AO hierarchy level(s) value(s) are correct and will send an email to the Coordinator confirming that the request was either accepted or rejected.
- 4) If **rejected**, the request will be returned to the Coordinator to make the necessary changes and re-submit to the CCSC.
- 5) If **accepted**, the CCSC will submit the request to U.S. Bank and send a notification of completion back to the Coordinator when the hierarchy is set up.

The APC or LAPC will go into AXOL and perform the hierarchy transfer on the Cardholder account from the old hierarchy to the new hierarchy (in steps 1 or 2 and 3-5).

NOTE: Hierarchy transfers performed in AXOL are not updated until the end of the cycle (i.e., 7th of every month). If the update is required sooner, Coordinators should submit the 'Cardholder Maintenance Form' for the hierarchy change to U.S. Bank via fax.

Processes & Procedures

POC Maintenance Form vs. Reporting Hierarchy Setup Form

POINT OF CONTACT MAINTENANCE FORM
PURCHASE - 3059

usbank GOVERNMENT SERVICES

Instructions

- Complete all fields as they are **REQUIRED** unless noted as (optional)
- Please fax all the pages to 701-461-3466 or 1-866-457-7506

Type of Contact

Please choose one:
 Primary Alternate

Please choose one:
 AO A/OPC

Select Action:

Add new contact Delete contact under levels listed below only Replace contact Delete contact - This person is no longer in this position

Information to be changed

Name of Previous Contact _____ (This person will be changed or deleted)

New Contact Last Name _____ (max. 20 char.)

New Contact First Name _____ (max. 20 char.)

Agency/Organization Name _____ (max. 30 char.)

Address 1 _____ (max. 30 char.)

Address 2 (optional) _____ (max. 30 char.)

City _____ (max. 15 char.) State _____ (2 char.) Zip _____ (max. 9 char.)

Country _____ (max. 10 char.)

Phone Number _____ (max. 22 char.) Fax Number _____ (max. 17 char.)

Email Address _____ (max. 60 char.)

Additional Changes (optional)

Bank hold - Yes, plastic delivery needs to be changed to new contact above
 Managing Account changing to new contact above Managing Account # _____

Processing Levels

Agent Number Company Number

Reporting Levels (Please list the levels this person is authorized to maintain)

Level 1 _____ Level 2 _____ Level 3 _____ Level 4 _____

Level 5 _____ Level 6 _____ Level 7 _____ * If contact changing at multiple levels, please attach a list.

Form Submitted by

Signature _____	Rec'd Date _____ Input Date _____
Print Name _____	Completed by _____
Phone _____	Review Date _____ Reviewed By _____
Fax _____	Reject Date _____
Date Submitted _____	Reject Reason <input type="checkbox"/> Incomplete (missing information circled or highlighted) <input type="checkbox"/> Other _____

FAX REQUEST TO 701-461-3466 or 1-866-457-7506

OR MAIL REQUEST TO:
 U.S. BANK GOVERNMENT SERVICES - PO BOX 8347 - FARGO, ND 58125-8347
 CUSTOMER SERVICE PHONE NUMBER 1-888-994-6722

POCMAIN - 2/10
1 of 1

usbank

VS.

REPORTING HIERARCHY SETUP
Purchasing - 3059

usbank GOVERNMENT SERVICES

Agent Number Company Number

(Leave blank if Point of Contact Setup is sent with Agency Setup) (Leave blank if Point of Contact Setup is sent with Billing Official/Level Setup)

REPORTING LEVELS

Level 1 Level 2 Level 3 Level 4

Level 5 Level 6 Level 7

REPORT RECIPIENT INFORMATION

Agency / Organization Name (max. 30 char.)

Recipient Last Name (max. 20 char.) Recipient First Name (max. 20 char.)

Address 1 (max. 30 char.) Address 2 (optional) (max. 40 char.)

City (max. 15 char.) State Zip (max. 9 char.) Country

Phone Number (max. 22 char.) Fax Number (max. 18 char.)

Email Address (max. 60 char.)

Paper Report Selection Information

If you have questions about your reporting package, please contact your Account Coordinator.

No Reports
 Agency/Organization Standard Reporting Package
 Other (Complete Report Selection Form)

Form Submitted by

Signature Print Name

Phone Fax Date Submitted

FAX REQUEST TO 612-973-3791 or 800-974-0777

OR MAIL REQUEST TO:
 U.S. BANK GOVERNMENT SERVICES
 200 SOUTH SIXTH STREET - EPHRAIM, MN 55402

TBRSET - 1/09

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Processes & Procedures

Purchase Card Request Process

Requests via the CCSC with validation of card set-up accuracy and fraud oversight:

Coordinators complete the Cardholder Request for Purchase Card form.

Both Cardholder and AO review & sign the completed form and send it to the LAPC.

LAPC scans the form and emails it to the CCSC for processing.

CCSC validates the accuracy of data entered on the form (e.g. name, accounting, hierarchy, limits, etc...)

The CCSC confirms accuracy, send a email confirmation to the LAPC & submits the request in a U.S. Bank Transmission file to the bank twice a week (Mondays & Wednesdays) for processing

Processes & Procedures

Purchase Card & Hierarchy Request Processes

- ❖ **Card requests submitted via the CCSC undergo a quality check for accuracy in the default accounting code and hierarchy assignments to prevent risks associated with:**
 - Cardholders performing dual roles (Coordinators and/or AOs) being set up in the hierarchy they maintain, Cardholders being set up in hierarchy that does not exist or hierarchy not associated with their AO
 - Card accounts set up with invalid Default Accounting Codes (DACs)
 - Create a risk of rejected transactions in FFIS/FMMI causing account suspension for all cards under that managing account due to delinquency
 - Create a risk of interest accrual after 30 days



Processes & Procedures

Purchase Card & Hierarchy Request Processes

- ❖ **The quality check performed by the CCSC increases the turn-around of card requests by an average of 5 days**
 - AXOL processing without quality check is 7-10 business days to receive the card
 - CCSC processing with quality check is 12-15 business days to receive the card

(U.S. Bank agreed to USDA submitting card requests twice per week vs. once a week. The extra day reduced the processing days from the previous 18-21 business days time frame to receive the card.)
- ❖ **In the long-term, the short delay in the CCSC card request processing assists in the prevention of larger issues with:**
 - Fraudulent account requests
 - Incorrect hierarchy set-ups
 - Invalid DACs

Processes & Procedures

Purchase Card & Hierarchy Request Processes

Hierarchy Requests faxed directly to U.S. Bank

- There is no cost impact to agencies to submit the card or hierarchy requests to the bank.
- The Coordinator would complete, sign, and fax the Point of Contact (POC) Maintenance form to the bank.
- No notification/confirmation of whether or not the hierarchy form was rejected or accepted and processed.
- If accepted, the bank will process in 3-5 business days.
- If the Coordinator did not find the hierarchy in the system within a week or two, they would have to fax the form again and again or contact the U.S. Bank Account Coordinator to inquire about the request.

Hierarchy Requests via the CCSC

- There is no cost impact to agencies to submit the card or hierarchy requests to the CCSC.
- There is no delay in the hierarchy setup request, as the Coordinator would complete and submit the same POC Maintenance form that is faxed to the bank, to the CCSC.
- The CCSC sends a notification of rejected or accepted. The CCSC processes the accepted requests and submits to the bank. The CCSC sends the rejected notice with a detailed explanation of what needs to be corrected and resubmitted.
- The turnaround is the same 3-5 business days as it is when faxed directly to the bank.
- When the hierarchy set-up is completed by U.S. Bank, the CCSC sends the requestor a second notification informing him/her that the hierarchy is now setup online to link the Cardholder.

Processes & Procedures

Rejected Purchase Card Requests

Transactions will not be sent to FFIS/FMMI for payment unless the accounting is valid. If the Default Accounting Code (DAC) is invalid and the transaction posts to the account, but the Cardholder re-allocates the transaction to a valid accounting code, then the transaction will be forwarded to FFIS/FMMI for payment. However, subsequent transactions will not be forwarded to FFIS/FMMI for payment until the DAC is corrected or the transaction accounting is reallocated. It is imperative that the DAC submitted with new card requests is accurate to prevent the risk and hassle of all accounts under a managing account getting suspended and transactions accruing interest after 30 days.

- **From October 1, 2010 to July 15, 2011, the total number of Purchase Cards submitted to the CCSC was 1882 and the number of rejected by the CCSC was 613.** For FY11, as of July 15th, the CCSC has flagged **33%** of the card requests submitted for errors such as invalid accounting code, invalid hierarchy values, and signatures missing for both the Cardholder and/or the AO.
- The quality check by the CCSC for valid accounting and hierarchy values prevents the risk of new cards being issued by U.S. Bank with invalid accounting which would prevent payments on transactions made on the account leading to suspension of the newly issued account, as well as preventing cards from being setup in the same hierarchy that they maintain as the APC/LAPC/AO.

Period Dates	# Purchase Cards Requested via the CCSC	# Purchase Cards Requests Rejected by CCSC	% of Card Requests Rejected
10/1/10 to 12/30/10	630	268	43%
1/3/11 to 7/15/11	1252	345	28%
Total	1882	613	33%

Processes & Procedures

New Cardholder Request for Purchase Card Form

- ❖ The completed '**Cardholder Request for Purchase Card Form**' must meet the following requirements, to prevent the request from being rejected by the CCSC:
 - The name entered in the 'Name' field must match the applicant's name on record with the USDA's E-Authentication and Personnel Record.
 - The form must be signed by both the Cardholder and the Approving Official (AO) certifying that each of them has completed the training, understands the regulations, and knows the consequences of inappropriate actions. A copy of the training certificates should be attached.
 - The 'Line of Accounting' must be a valid value. To ensure accuracy, it should be copied directly from AXOL and pasted into the 'Accounting Segments' field of the form.
 - The processing and reporting hierarchies must be valid. If the Cardholder is also a Coordinator and/or Approving Official, the hierarchy listed on the 'Cardholder Request for Purchase Card Form' cannot match the hierarchy that they maintain as the APC/LAPC/AO.
- ❖ The CCSC began rejecting 'Cardholder Request for Purchase Card Forms' submitted in the old form as of August 16, 2010. The old form did not require the AO's signature.

Processes & Procedures

New Cardholder Request for Purchase Card Form

CARDHOLDER REQUEST FOR PURCHASE CARD	
Cardholder Information:	<i>*All fields are required information</i>
Name: _____ <i>(Name listed above must match the applicant's name on record with the USDA's HR Department)</i>	
Agency/Division/Office: _____ <i>(21 characters max)</i>	
Third Line Embossing: _____ <i>(The first 8 characters will be embossed on the card)</i>	
Address 1: _____ <i>(36 characters max)</i>	
Address 2: _____ <i>(35 characters max)</i>	
City: _____ State: _____ Zip code: _____	
Telephone No: _____ E-mail Address: _____	
Single Purchase Limit: _____ Monthly Office Limit: _____	
Accounting Segments: _____ <i>(Copy & Paste the Line of Accounting directly from Access Online)</i>	*BOC: 2670
Convenience Checks: <input type="checkbox"/> Yes <input type="checkbox"/> No Copy of Training Certificate Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No	
LAPC: <input type="checkbox"/> Yes <input type="checkbox"/> No AO: <input type="checkbox"/> Yes <input type="checkbox"/> No	
I certify that I have completed all required training, understand the regulations and procedures, and know the consequences of inappropriate actions.	
_____ Signature of Cardholder	_____ Date
<hr/>	
Approving Official Information:	
Name: _____	
Agency/Division/Office: _____	
Address: _____	
City: _____ State: _____ Zip code: _____	
Telephone No: _____ E-mail Address: _____	
Copy of Training Certificate Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No	
I certify that I have completed all required training, understand the regulations and procedures, and know the consequences of inappropriate actions.	
_____ Signature of Approving Official	_____ Date
<hr/>	
For LAPC/APC use only:	
Agent _____ Company _____ Division _____ Department _____	
Level1: _____ Level2: _____ Level3: _____ Level4: _____ Level5: _____ Level6: _____ Level7: _____	
Rec'd Date: _____ Reject Date: _____	
Reject Reason: <input type="checkbox"/> Incomplete (missing information) <input type="checkbox"/> Other _____	

CCSC Custom Report

USDA Database Account Set-up Report

❖ CCSC Custom Report

■ USDA Database Account Set-up Report

This is a custom report produced by the CCSC to directly meet the needs of A-123 reporting and compliance monitoring. It allows the APCs to see the hierarchy position of the Cardholder accounts in comparison to the Approver access and the individuals who have authority over TSYS changes. This report is used:

- To certify that Coordinators and Approving Officials (AOs) have been correctly set up in their own hierarchies and are not managing their own account
- To ensure that Cardholders are set up under their correct AO
- By APCs to take corrective action on the information loaded in TSYS

The USDA Database Account Set-up Report is a compilation of the following reports:

- System User List
- Account List
- TSYS Hierarchy Set-ups (from U.S. Bank)

* This custom report is generated by the CCSC and distributed to APCs monthly via a Microsoft Office Live Workspace on the 20th of every month.

CCSC Custom Report

USDA Database Account Set-up Report Example

LVL 3	Agent	Company	Division	Department	AxOL Coordinators APC_LAPC	AXOL AO	TSYS AO	Cardholder
11	579	16903			Dorothy Lilly			
			1		Dorothy Lilly			
						Hodo, Frank	Hodo, Frank	
			2		Dorothy Lilly	Hodo, Frank	Hodo, Frank	
								Damien Sisca
								Bill Ripken
								Earl Weaver
								Frank Robinson
			3		Dorothy Lilly			
							John Smith	John Smith
						Frank Hodo		
4		Dorothy Lilly						
				Damien Sisca	Damien Sisca			
						John Wall		
5		Dorothy Lilly						
				Frank Hodo	Frank Hodo			
						CHARLES L BARBER		

CORRECT HIERARCHY: This is an example of the hierarchy that was set up correctly at the Access Online (AXOL) AO and the TSYS AO. This also illustrates properly how the hierarchy should look with Cardholders attached. Frank Hodo is the TSYS AO and AXOL AO for all Cardholders listed in this division. The AXOL AO and TSYS AO should always match, as they do in this example.

CCSC Custom Report

USDA Database Account Set-up Report Example

LVL 3	Agent	Company	Division	Department	AxOL Coordinators APC_LAPC	AXOL AO	TSYS AO	Cardholder
11	579	16903			Dorothy Lilly			
			1		Dorothy Lilly	John Smith		
						Hodo, Frank	Hodo, Frank	
			2		Dorothy Lilly	Hodo, Frank	Hodo, Frank	
								Damien Sisca Bill Ripken Earl Weaver Frank Robinson
			3		Dorothy Lilly			
						John Smith	John Smith	
								Frank Hodo
			4		Dorothy Lilly			
						Damien Sisca	TBD	
					John Wall			
			5		Dorothy Lilly			
						Frank Hodo	Frank Hodo	
								CHARLES L BARBER

INCORRECT HIERARCHY: This is an example of the hierarchy being set up incorrectly. The AXOL AO and TSYS AO should always match and in this case, they **do not match**. Both Frank Hodo and John Smith are listed as the AXOL AOs for Division 00001, but Frank Hodo is the only AO listed in TSYS. There should only be one AO setup per Division - therefore, John Smith should be removed from AXOL. Also, for Division 00004, there is no AO setup in TSYS (i.e., TBD), but Damien Sisca is the AXOL AO. If Damien Sisca is the correct AO, then a **POC Maintenance Form** should be submitted to setup Damien Sisca in TSYS.

CCSC Custom Report

USDA Database Account Set-up Report Example

LVL 3	Agent	Company	Division	Department	AxOL Coordinators APC_LAPC	AXOL AO	TSYS AO	Cardholder	
11	579	16903			Dorothy Lilly				
			1		Dorothy Lilly	John McCain			
						Hodo, Frank	Hodo, Frank		
			2		Dorothy Lilly	Hodo, Frank	Hodo, Frank		
									Damien Sisca
									Dorothy Lilly
									Earl Weaver
									Frank Robinson
			3		Dorothy Lilly				
							John Smith	John Smith	
							John Wall		
4		Dorothy Lilly							
				Damien Sisca	TBD				
5		Dorothy Lilly							
				Frank Hodo	Frank Hodo				
							CHARLES L BARBER		

INCORRECT HIERARCHY: This is another example of the hierarchy being set up incorrectly. Dorothy Lilly has dual role as both an LAPC and as a Cardholder. Her card is within the same Company listed here (16903) that she maintains as LAPC and therefore, she is able to maintain her card. If Dorothy Lilly is the only AO in a different Division (e.g., 00001), then she could actually have her card in the Division listed here (i.e., 00002). To correct this hierarchy, Dorothy Lilly must have her card set up in a different 'Company' where she does not have the control permissions as a LAPC.

Questions





Additional information on the **Charge Card Service Center** including News, Notices, POC Lists, Guides & Reference Material, Training Information, etc... can be accessed at <http://www.dm.usda.gov/procurement/ccsc/>.