



# **U. S. Department of Commerce Charge Card Management Plan**

## Version History

Version	Date	Author
1.0	3/31/2006	Dao Vissering
2.0	3/01/2007 3/15/2007	David Carter Fred Fanning
3.0	1/28/2008	David Carter
3.1	6/30/2008	David Carter
3.2	1/30/2009	David Carter
3.3	1/29/2010	David Carter
3.4	1/31/2011	David Carter
3.5	1/31/2012	Ebony Jackson
3.6	1/31/2013	Ebony Jackson
3.7	2/28/2013	Ebony Jackson
3.8	1/31/2014	Ebony Jackson
3.9	1/30/2015	Ebony Jackson

## Table of Contents

<b>1. Introduction .....</b>	<b>3</b>
<b>2. Personnel Management .....</b>	<b>3</b>
2.1 Key management officials .....	3
2.2 Process for appointing cardholders and Approving Officials (AOs) .....	4
2.3 Procedures at employment termination or transfer .....	5
<b>3. Training .....</b>	<b>6</b>
3.1 General .....	6
3.2 Purchase Card Program .....	6
3.3 Travel card program .....	8
3.4 Fleet card program .....	8
3.5 Record Keeping .....	8
3.6 Ensuring effectiveness of training requirements .....	8
<b>4. Risk Management .....</b>	<b>9</b>
4.1 Creditworthiness policies and procedures .....	9
4.2 Controls, practices, and procedures related to CBA delinquencies .....	9
4.3 Controls, practices, and procedures related to IBA delinquencies .....	10
4.4 Controls, practices, and procedures related to charge card misuse and abuse .....	10
4.5 Appropriate authorization controls establishment .....	13
4.6 Ensuring effectiveness of risk management controls .....	13
<b>5. Strategic Sourcing .....</b>	<b>14</b>
5.1 Ensuring effectiveness of strategic sourcing policies .....	14
<b>6. Refunds and Tax Recovery .....</b>	<b>15</b>
6.1 Refund management .....	15
6.2 Tax recovery .....	15
<b>7. Reporting .....</b>	<b>15</b>
7.1 Reports .....	15
<b>8. Section 508 of the Rehabilitation Act .....</b>	<b>18</b>
8.1 Section 508 Compliance .....	18
<b>9. Environmental Requirements .....</b>	<b>19</b>
9.1 Environmental quality of products procured with purchase cards .....	19

## 1. Introduction

As required by **OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs**, this plan outlines the policies and procedures within the Department of Commerce (DOC) that are critical to the management of the charge card program, in order to ensure that a system of internal controls is followed and to mitigate the potential for fraud, misuse, abuse, and delinquency. This document is intended to be a living document and will be updated as changes occur within DOC’s charge card program.

The Department’s SmartPay2® servicing bank is JP Morgan Chase/MasterCard association for all commercial charge card services (purchase, travel and fleet business lines). JP Morgan Chase’s automated solution includes PaymentNet reporting tool and Account Center web-based card application tool. MasterCard association’s automated solution includes Expert Monitoring System (EMS), a comprehensive risk management tool, and their Enhanced Merchant Reporting (EMR) tool. These resulting solutions and business processes continue to enhance the Department’s charge card programs and are reflected in this update to the DOC Charge Card Management Plan.

## 2. Personnel Management

### 2.1 Key management officials

*This section provides a list of the key card program management officials associated with the charge card program within the agency, along with their title and responsibilities. The key officials for each program are listed in the tables below.*

**Charge Card Program**

Name	Title	Responsibilities
Ajayi Akinsola	Contracting Officer	Contracting Officer for DOC SmartPay2 Task Order
Ebony Jackson	Program Manager Purchase Card APC Level 1	Provides policy leadership in acquisition and procurement management.
Jill Thomas Byron Martin Angela McGlathery-Henry	DOC Travel Card Manager Travel Card APC Level 1 Travel Card APC Level 1	Travel card program
Andre Jessup Darrell Stewart Eston Lewis	Fleet Card APC Level 1 Fleet Card APC Level 1 Fleet Card APC Level 2	Fleet card program
Mike McConnell Tracey Cureaux Denise Morrison Shannon Nelson Kendra Webster Lisa Wade Dill Samantha Cosh/Kristee Camilletti Glenera Sisson/Andrew Perry	Director, CBC Purchase Card APC Level 2 Purchase Card APC Level 2	Chief, Commerce Bankcard Center NOAA - AGO, EAD NOAA - CAD, MAD, Boulder NOAA – WAD OSEC USPTO Census Bureau, BEA, ESA NIST, NTIS, NTIA, EDA, BIS, OIG, ITA, MBDA, NTIA

## **2.2 Process for appointing cardholders and Approving Officials (AOs)**

*This section outlines agency policies and procedures, by program, for appointing cardholders and Approving Officials (AOs).*

### **Purchase Card Program**

The Head of Contracting Office (HCO) has the overall responsibility for managing the purchase card program, including convenience checks, within an operating unit. The HCO approves the issuance of individual purchase cards and delegates management responsibilities in writing to the Agency Program Coordinators (APC), approving officials and cardholders.

Employees applying for contractor-issued Government purchase cards are nominated by their operating unit official. All cardholder nominees for purchase card authority and approving officials, must complete the following training: GSA purchase card web-based training, the servicing bank's electronic access system, and DOC customized purchase card training (in-classroom or virtual) prior to issuance of an account or establishment as an approving official. The required training includes information on federal and agency policies and processes relative to use of the purchase card such as: allowable purchases, required sources, card restrictions, Section 508 Rehabilitation Act, green procurement, Federal Strategic Sourcing Office Supply vehicles, and ethics. In addition, all purchase cardholders and approving officials are responsible for certifying that they have read and understood the DOC Purchase Card Program outlined in Commerce Acquisition Manual (CAM) 1313.301. The applicant's nomination package must include proof of successful completion of required training (copies of training certificates). The approving official signs the application prior to submission to their servicing APC for processing. Approving officials cannot be subordinate to cardholders and are generally held to 1:7 ratios of approving officials to cardholders. HCOs delegate acquisition authority to approving officials and cardholders.

The GSA SmartPay2® Government Charge Card Program established convenience checks under the Purchase Card Program. Convenience checks are check-like payment instruments which are an integrated part of the purchase card program and cannot be issued without a purchase card, regardless of business line. The day-to-day management and ownership of convenience checks issued under the purchase card program is delegated to the HCOs. Oversight and surveillance of the convenience checks are the ultimate responsibility of the HCO and is delegated to the APC in the Delegation of Authority Memorandum. APCs are required to conduct a 100% review of all convenience check transactions

Alternatives to use of convenience checks are encouraged. . In SmartPay2®, the Department has enhanced internal controls to manage convenience checks by using the servicing bank's online electronic access system. Electronic images of cancelled convenience checks are made available in the servicing bank's electronic access system and check writers are required to enter level 3 transaction data for goods and service purchased.

### **Travel Card Program**

The use of the servicing bank's Government travel charge card is mandatory for all Departmental employees who travel, unless an exemption has been granted. The use of the card is limited to expenses incurred incidental to officially-authorized Government travel. Use of the card other than in connection with officially ordered travel is strictly forbidden.

Employees applying for a Government travel card must complete the GSA Cardholder Training. Once training is completed, the applicant must provide proof of successful completion of required training (copies of training certificates) to the APC. The cardholder and approving official completes and signs the credit card application, which includes the "Employee/Approving Official Acknowledgement Statement" and the travel card application is submitted to the servicing APC for processing.

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

---

Upon receipt of application packages the APC completes the application process in the servicing bank's electronic access system. The servicing bank performs credit worthiness checks on new applications prior to issuing a travel card. The APC provides the cardholder with information to access the servicing bank's electronic access system, and directs the cardholder to the servicing bank's online training.

### **Fleet Card Program**

GSA Leased Vehicles: DOC uses the GSA Fleet Card for leased vehicles. A local GSA Fleet Management Center assigns a card to a vehicle and that card is used only for the vehicle identified on the card. Purchases for maintenance and repair services are limited to \$100 without prior approval. If repairs on a vehicle exceed \$100, the vendor must contact the GSA maintenance control center for repair authorization. If a vehicle requires after-hours emergency repairs when the maintenance control center is closed, the GSA service provider (Wright Express) can authorize purchases up to \$500. In the event of an emergency that renders the vehicle unsafe to operate, the driver must call the GSA service provider to receive authorization for repairs up to \$500. The driver must call the maintenance control center during the next regular business day to report completed repairs.

Agency Owned Vehicles: DOC Fleet Managers utilize JP Morgan Chase MasterCard charge card management tools and services for agency-owned and commercially-leased vehicles. Fleet cards are assigned to vehicles, not to individuals. The fleet card APC is responsible for card issuance, cancellation and maintenance.

### **2.3 Procedures at employment termination or transfer**

*This section outlines the procedures taken by the agency when an employee terminates employment within the Federal government or transfers to a different agency or transfers within the same agency.*

#### **Purchase Card Program**

When transferring between operating units within DOC or leaving the agency, the cardholder must notify his or her approving official and the APC. When leaving, retiring, or transferring to another Government agency, the cardholder must return the card to the approving official. The approving official is responsible for determining when to close the account based on the outstanding transactions and notifies the APC via email to close the account. The APC closes the account via the servicing bank's online system. The cancellation of the card is done immediately and the card is destroyed by the APC. Failure to comply with these procedures may result in a delay of official employee checkout.

#### **Travel Card Program**

The APC verifies if there is an outstanding balance based on the cardholder's last statement and sends a report to their Human Resource Office. It is the cardholder's responsibility to pay all outstanding balances on individually billed travel cards. If the cardholder fails to pay the account, the serving bank or its collection agency will contact the cardholder. The serving bank or its collection agency may use whatever lawful garnishment and salary offset remedies that may be available in the collection process, including reports to credit bureaus as per the servicing bank's individually billed travel cardholder agreement. When the travel cardholder signs the back of the Government travel card, they agree to the terms and conditions of the servicing bank's individually billed travel cardholder agreement.

#### **Fleet Card Program**

There are no fleet card procedures for employee termination or transfer because fleet cards are assigned to the vehicle, not the driver.

## 3. Training

### 3.1 General

*This section summarizes agency general training requirements that are relevant for all charge card program participants. Explain your agency's procedures for training.*

All charge card program participants receive training prior to appointment or issuance of a card and are required to take refresher training. Specific procedures for training are explained below.

### 3.2 Purchase Card Program

Cardholders, approving officials, and agency program coordinators are required to certify that they have read and understood the policies and procedures outlined in Commerce Acquisition Manual 1313.301.

Cardholders, approving officials, and agency program coordinators shall document satisfactory completion of required training prior to nomination and appointment to the purchase card program.

#### **Cardholders, Approving Officials, and Agency Program Coordinators**

##### Single Purchase Limit up to the Micro-purchase Threshold

The single purchase limit for cardholders who are not in an acquisition position is generally the micro-purchase threshold. Prospective cardholders requesting a single purchase limit up to the micro-purchase threshold must document satisfactory completion of the following training:

- GSA SmartPay® Online Training  
<https://training.smartpay.gsa.gov/>
- FAC-47: Micro-Purchases and Section 508 Compliance  
<https://www.atrs.army.mil/faitas/>
- Servicing Bank Cardholder Training (username: cardholder; password: transaction)  
[www.jpmorgan.com/visit/paymentnetfedcard](http://www.jpmorgan.com/visit/paymentnetfedcard)
- Federal Strategic Sourcing Initiative for Office Supplies (FSSI OS3)  
[www.GSA.gov/os3](http://www.GSA.gov/os3)
- Commerce Procurement Commercial System (CPCS) Training  
[\(Check you're your Agency Program Coordinator \(APC\) for course schedule\)](#)
- DOC Customized Purchase Card Training  
<https://doc.learn.com/login>

##### Single Purchase Limit above the Micro-purchase Threshold

Individuals requesting single purchase limits above the micro-purchase threshold must be warranted contracting officers and shall meet the Federal Acquisition Certification in Contracting (FAC-C) training, education and experience requirements for the applicable warrant level, as outlined in CAM 1301.6. The maximum single purchase limit for cardholders who are not in the General Schedule 1102 contracting series or 1105 purchasing series is \$150,000. Prospective cardholders requesting a single purchase limit above the micro-purchase threshold shall document satisfactory completion of the following training:

**DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN**

<b>Warrant Level</b>	<b>Warrant Threshold Authority</b>	<b>Education</b>	<b>Experience</b>	<b>Training</b>	<b>FAC-C Level</b>
<b>Level I</b>	In accordance with contract terms and conditions or a maximum of \$150,000.	4-year course of study leading to a bachelor's degree  <b>OR</b>  At least 24 semester hours from among the following disciplines: accounting, business, finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management.	At least 1 year of contracting experience.	<b>Core Courses</b> <ul style="list-style-type: none"> <li>• CON 100 or FCN 101</li> <li>• CON 121</li> <li>• CON 124</li> <li>• CON 127</li> <li>• FAC 023</li> <li>• FAC 031</li> <li>• CLC 057</li> <li>• CLC 058</li> <li>• CON 170</li> <li>• Either CON 090 or FCN 190</li> </ul> <b>80 CLPs every 2 years</b>	Level I
<b>Level 2</b>	In accordance with contract terms and conditions or a maximum of \$1,000,000.  Up to the limits established in FAR 12.203 when using commercial item procedures.	4-year course of study leading to a bachelor's degree  <b>OR</b>  At least 24 semester hours from among the following disciplines: accounting, business, finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management.	At least 2 years of contracting experience.	<b>Core Courses</b> All Level I Training <ul style="list-style-type: none"> <li>• CON 200</li> <li>• CON 216</li> <li>• CLC 056</li> <li>• CON 270</li> <li>• CLC 051</li> <li>• HBS 428</li> <li>• CON 280</li> <li>• CON 290</li> </ul> <b>80 CLPs every 2 years</b>	Level II
<b>Level 3</b>	Unlimited	4-year course of study leading to a bachelor's degree that includes or is supplemented with at least 24 semester hours from among the following disciplines: accounting, business, finance, law, contracts, purchasing, economics, industrial management, marketing, quantitative methods, or organization and management.	At least 4 years of contracting experience.	<b>Core Courses</b> All Level I and II Training <ul style="list-style-type: none"> <li>• CON 360</li> <li>• Select 1 Harvard Business School module (other than HBS 428)</li> <li>• Choose one of the following:  <ul style="list-style-type: none"> <li>ACQ 265</li> <li>CON 244</li> <li>CON 252</li> <li>ACQ 315</li> <li>ACQ 370</li> <li>CON 370</li> </ul> </li> <li>• 32 hours of acquisition-related electives (may be 1 course or a series of courses but must be at least 8 hours in length).</li> </ul> <b>80 CLPs every 2 years</b>	Level III

Agency program coordinators and approving officials managing cardholder accounts with single purchase limits above the micro-purchase threshold shall meet all contracting officer training

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

---

requirements outlined in CAM 1301.6, but are not required to obtain a contracting officer's warrant.

### **3.3 Travel card program**

#### **Cardholders**

All travel card applicants must complete the GSA online training course for travel cardholders available at <https://www.smartpay.gsa.gov/cardholders/training/online>, and obtain a completion certificate. The certificate must be forwarded to the cardholder's APC.

#### **Agency/Organization Program Coordinators (APCs)**

All APCs are required to complete the GSA online training course at <https://www.smartpay.gsa.gov/program-coordinators/training/online>. After completion, they must obtain a certificate and forward it to the level 1 APC.

### **3.4 Fleet card program**

TBD

### **3.5 Record Keeping**

*This section summarizes agency procedures for documentation and record retention.*

#### **Purchase Card Program**

As required by FAR 4.805 and GAO Report GAO-08-368R, cardholders are required to keep copies of all documents pertaining to each purchase for 3 years (6 years 3 months for purchases made above the simplified acquisition threshold), including:

- Request for purchase with available funds, signed and dated by the requester;
- Required pre-approvals;
- Copy of online transaction, cash receipt, itemized receipt, or faxed verification of order;
- Delivery receipt or packing slip;
- Copy of appropriate Departmental property forms, if accountable property;
- Memorandum to the file to explain any unique circumstances for the transaction; and
- Independent receipt and acceptance or subsequent review of items obtained with the purchase card.

#### **Travel Card Program**

For the travel card program, the operating unit APC maintains a copy of the charge card application, an acknowledgement statement, and the training certification.

#### **Fleet Card Program**

TBD.

### **3.6 Ensuring effectiveness of training requirements**

*This section outlines agency procedures for ensuring that training policies and procedures remain current and effective.*

DOC purchase, travel, and fleet business lines require all program participants to utilize the GSA web-based online course for basic training, and all cardholders and approving officials must take refresher training. The purchase card program requires more extensive training. Additional training may be required to update cardholders and approving officials on operating unit procedures, relevant regulatory changes and/or internal policies/procedures of the servicing acquisition office. Annual refresher training – a DOC customized online refresher training is required for purchase cardholders, approving officials, and agency program coordinators. Annual reviews are conducted to identify areas of weakness and training needs.

## **4. Risk Management**

### **4.1 Creditworthiness policies and procedures**

*This section summarizes agency policies and procedures regarding creditworthiness and performing credit checks.*

#### **Travel Card Program**

DOC implemented creditworthiness checks for all new applicants to the Department's travel card program under the SmartPay@2 program. All applications receive either a pass or restricted identifier. If notice is received that an employee has been identified for a restricted card, a reduced spending limit will be put into place based upon the operating unit's business needs and Departmental guidelines. If the Department receives an intra-government employee transfer and the employee applies for a travel card, a new credit check will be conducted.

#### **Fleet Card Program**

Creditworthiness policies are not applicable to the DOC Fleet Card Program. The cards are issued to the vehicle, not the employee.

### **4.2 Controls, practices, and procedures related to Centrally Billed Account (CBA) delinquencies**

*This section outlines agency risk management procedures in regard to CBA delinquencies.*

#### **Purchase Card Program**

A Statement of Account is sent to the individual cardholder from the servicing bank and lists all purchases made in the previous 30-day billing cycle. The billing cycle date for DOC cardholders is the 3rd of the month. If a Statement of Account has not been received by the cardholder within 10 working days after the close of the billing cycle, the cardholder must access the statement on the bank's online system. Cardholders and approving officials must ensure that statements are promptly reconciled. Where automated systems are not in place, the statement must reach the servicing finance office within 15 days after receipt. If a cardholder knows in advance that they will be absent and not available to reconcile the Statement of Account, the cardholder must forward all appropriate documentation (sales receipts, credit vouchers, etc.) to the approving official. The approving official will reconcile, sign and forward a copy of the statement to the servicing finance office. When the cardholder returns, they must sign the original statement and forward it to the servicing finance office and retain the original transaction documentation. In most cases, the reconciliation takes place within the DOC system and must be completed by the designated sweep date. Reminders are sent to cardholders and approving officials each month. If the cardholder is not able to reconcile within the allotted time period, the approving official must ensure the reconciliation is completed in a timely manner before the sweep date. Reconciliation reports are available to approving officials in the servicing bank's system.

Cardholder accounts are monitored by APCs for repeated instances of delinquent reconciliations by cardholders and delinquent approvals by approving officials. Appropriate actions are taken (i.e., suspension/cancellation of authority) for repeated instances of delinquent reconciliations/approvals.

#### **Travel Card Program**

A Statement of Centrally Billed Account is posted online in the servicing bank's electronic access system and available to the designated invoice processing personnel. A paper copy is also sent to the designated invoice processing personnel for the previous 30-day billing cycle.

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

---

Adventure Travel (ADTRAV), the Department's Travel Management Center (TMC) has an online booking system called Sabre that connects to the ticket status so that if the refundable ticket status is showing as "open" meaning "unused or not flown on" then the system will capture it and it will be refunded. For those tickets that are "non-refundable" they fall into the unused ticket database and are attached to the person's profile. Therefore, if the traveler requests a booking the agent will be notified that there are available funds on that unused ticket and will notify the traveler instantly. Also, the system sends out emails at the first of each month to inform the traveler of unused tickets (with value) for those non-refundable. The airline automatically refunds all refundable tickets back to the original form of payment, which is the CBA.

ADTRAV provides a monthly report, *DOC Ticket Fees and Exchanges Report* which lists refunds (by bureau) for any tickets that were exchanged and a refund was processed as a result of the exchange.

### **Fleet Card Program**

TBD

### **4.3 Controls, practices, and procedures related to Individually Billed Account (IBA) delinquencies**

*This section outlines agency risk management procedures in regard to IBA delinquencies.*

#### **Travel Card Program**

The servicing bank notifies the Department when cardholder accounts have become delinquent. As necessary, the Department APC notifies the operating units who have delinquent travel cardholders. In appropriate circumstances, the employee's supervisor may take disciplinary action in accordance with Department Administrative Order 202-751, entitled Discipline. The operating units' APCs also have access to the servicing bank's delinquency reports via the servicing bank's reporting system for cardholder account monitoring purposes.

### **4.4 Controls, practices, and procedures related to charge card misuse and abuse**

*This section outlines agency risk management procedures in regard to charge card misuse and abuse.*

Any intentional or unintentional violation of the policies and procedures for use of purchase cards, travel cards, fleet cards, and/or convenience checks is considered misuse. Fraud is a criminal form of misuse involving willful deceit, misrepresentation of facts, or other practices designed to harm or deprive another of his or her rights, usually involving deception for personal gain. The distinction between misuse and fraud is dependent upon the facts of each case. All DOC participants in the DOC purchase card program are responsible for preventing fraud and the conditions that lead to fraud. Employees are required to report all instances of suspected fraud and misuse.

All DOC employees are responsible for reporting cases of suspected fraud or misuse of the purchase card, travel card, fleet card, and/or convenience checks to the Office of Inspector General. Employees may report suspected fraud or misuse using the hotline complaint information in the table below:

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

DOC Office of Inspector General Hotline Complaint Information		
Phone	Mail	Web
Phone: 202-482-2495 Toll Free 800-424-5197 Fax: 202-482-2803 TDD 800-424-5197 TDD 202-482-5923	OIG Complaint Intake Unit, Mail Stop 7089 1401 Constitution Ave., N.W. Washington, DC 20230	E-mail: <a href="mailto:hotline@oig.doc.gov">hotline@oig.doc.gov</a>  Online Hotline Complaint Form: <a href="http://www.oig.doc.gov/oig/hotline/000824.html">http://www.oig.doc.gov/oig/hotline/000824.html</a>

### Purchase Card Program

Specific risks associated with the DOC purchase card program include open Merchant Category Codes (MCCs). The missions of the Commerce operating units are so varied that placing restrictions on MCCs may potentially impact the operating unit's mission.

Examples of policies and procedures to mitigate risks include:

- Use of MasterCard's Enhanced Merchant Reporting Tool (a comprehensive reporting and custom query export tool) to monitor questionable MCCs. The Department electronically monitors 36 questionable MCCs 24 hours per day, 7 days a week. Findings are immediately sent via e-mail to the servicing program coordinator and approving official for further review.
- APCs review monthly MCC reports for the billing cycle transactions. APCs utilize the servicing bank's online system to review statements.
- Each quarter, DOC staff reviews the accounts payable report that shows all payments made to the servicing bank to ensure that duplicate payments are not made.
- APCs are required to perform monthly, quarterly and annual reviews of the cardholders under their purview in order to evaluate the effectiveness and efficiency of the purchase card program policy, procedures, and internal controls.

The Government purchase cards (and convenience checks) are for official use only. Personal purchases and purchases of any unauthorized products or services are not permitted. Violations of DOC purchase card policies and procedures may result in immediate cancellation of the card and disciplinary action against the cardholder and/or approving official. The range of disciplinary actions, which may vary with the severity of the infraction, are applied in accordance with DOC employee relations, legal, and management guidelines. Disciplinary actions may include card suspension or cancellation and/or reimbursement by the cardholder to the agency, as appropriate. Cardholders are subject to disciplinary action under applicable Department Administrative Order (DAO) 202-751, and Government-wide administrative procedures, including suspension and/or removal. Extreme cases may be prosecuted through the court system. Reports of suspected abuse and misuse shall be submitted to the Office of Inspector General in accordance with Department Administrative Order 207-10 "Inspector General Investigation."

Cardholders who intentionally misuse their cards may be held personally liable to the Government for the amount of any unauthorized transactions, plus interest and debt collection fees. Approving officials or others who collude with cardholders to misuse the card or to commit fraud, or who use their position or authority to cause misuse of the card, may also be subject to the disciplinary and criminal actions. Agency program coordinators use the table below as a guide for disciplinary measures, coordinating with the Office of Inspector General, Office of General Counsel, Office of Human Resources Management, and the employee's management chain, as appropriate.

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

### Consequences for Purchase Card Misuse and Abuse

<b>Consequences for Purchase Card Misuse and Abuse</b>	
<b>Infraction</b>	<b>Potential Consequences for Infraction</b>
<p style="text-align: center;"><b>Fraud, Waste, and Abuse</b></p> Intentional use of the purchase card for unauthorized purchases or the approval of unauthorized transactions	<ul style="list-style-type: none"> <li>• Card cancellation</li> <li>• Termination of employment</li> <li>• Fines and/or imprisonment</li> <li>• Salary offset to collect full cost of unauthorized purchases including administrative expenses</li> </ul>
<p style="text-align: center;"><b>False Statements</b></p> False statements on purchase card records by cardholders and AO's	<ul style="list-style-type: none"> <li>• Card cancellation</li> <li>• Reprimand</li> </ul>
<p style="text-align: center;"><b>Personal Misuse</b></p> Unintentional use of the purchase card for unauthorized purchases	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Cardholder payment to DOC required to cover full cost of unauthorized purchases and possible administrative expenses</li> </ul>
<p style="text-align: center;"><b>Card Transfers</b></p> Transfer of purchase card to any person other than the cardholder	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Card suspension</li> <li>• Card cancellation</li> </ul>
<p style="text-align: center;"><b>Failure to Maintain Card Security</b></p> Failure to safeguard physical location of the card and card account information	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Card suspension</li> <li>• Card cancellation</li> </ul>

### Travel Card Program

Operating unit APCs review the travel card activity report of all cardholder accounts monthly to identify potential areas of concern. If appropriate, operating unit APCs notify the cardholder's supervisor of any questionable charges/transactions. If charges are identified as misuse/abuse or outside of Departmental policy, the employee's supervisor is authorized, in appropriate circumstances, to take disciplinary action in accordance with DAO 202-751.

<b>Consequences for Travel Card Misuse and Abuse</b>	
<b>Infraction</b>	<b>Potential Consequences for Infraction</b>
<p style="text-align: center;"><b>Fraud, Waste, and Abuse</b></p> Intentional use of the travel card for unauthorized purchases or the approval of unauthorized transactions	<ul style="list-style-type: none"> <li>• Card cancellation</li> <li>• Termination of employment</li> <li>• Fines and/or imprisonment</li> <li>• Salary offset to collect full cost of unauthorized purchases including administrative expenses</li> </ul>
<p style="text-align: center;"><b>Personal Misuse</b></p> Unintentional use of the travel card for unauthorized purchases	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Cardholder payment to DOC required to cover full cost of unauthorized purchases and possible administrative expenses</li> </ul>
<p style="text-align: center;"><b>Failure to Maintain Card Security</b></p> Failure to safeguard physical location of the card and card account information	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Card suspension</li> <li>• Card cancellation</li> </ul>

### Fleet Card Program

The Government fleet cards are for official use only. Personal purchases and purchases of any unauthorized products or services are not permitted. The operating unit Fleet Manager will review the fleet card monthly activity, for all cards assigned to vehicles under their purview, to identify potential areas of fraud, waste and abuse. Fleet Managers who suspect card misuse,

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

fraud, or abuse must immediately notify the APC. The APCs are required to notify the OIG. In addition, APCs, upon learning of suspected fraud or abuse, shall notify the servicing bank and the DOC Charge Card Program Manager to the circumstances. APCs for fleet cards are responsible for taking immediate action to ensure that all instances of suspected fraud or misuse are promptly reported and investigated. The APC shall report misuse to the IG in accordance to DOC DAO 207-10 "Inspector General Investigation." If charges are identified as misuse/abuse or outside of Departmental policy, the employee's supervisor is authorized in appropriate circumstances to take action in accordance with DAO 202-751, entitled Discipline.

### Consequences for Fleet Card Misuse and Abuse

<b>Consequences for Fleet Card Misuse and Abuse</b>	
<b>Infraction</b>	<b>Potential Consequences for Infraction</b>
<p><b>Fraud, Waste, and Abuse</b> Intentional use of the fleet card for unauthorized purchases or the approval of unauthorized transactions</p>	<ul style="list-style-type: none"> <li>• Card cancellation</li> <li>• Termination of employment</li> <li>• Fines and/or imprisonment</li> <li>• Salary offset to collect full cost of unauthorized purchases including administrative expenses</li> </ul>
<p><b>Personal Misuse</b> Unintentional use of the fleet card for unauthorized purchases</p>	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Cardholder payment to DOC required to cover full cost of unauthorized purchases and possible administrative expenses</li> </ul>
<p><b>Failure to Maintain Card Security</b> Failure to safeguard physical location of the card and card account information</p>	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Card suspension</li> <li>• Card cancellation</li> </ul>

### **4.5 Appropriate authorization controls establishment**

The Department uses MasterCard's Expert Monitoring System (EMS), a comprehensive real-time risk management solution tool, to monitor policy compliance, fraud detection, fraud prevention, and to identify card misuse and abuse. EMS is also a robust data mining tool that automatically monitors spending, merchant category codes, and split purchases; tracks and stores multiple investigations; provides status updates; and builds reports on the most common types of abuse and misuse. Authorization controls are established as "rules based" in the Department's hierarchy levels.

### **4.6 Ensuring effectiveness of risk management controls**

*This section outlines agency procedures for ensuring that risk management policies and procedures remain current and effective.*

The Department uses the results of program reviews – OIG audits, A-123 reviews, acquisition management reviews, and monthly, quarterly, and annual reviews conducted by the Heads of Contracting Office to determine if internal controls are adequate, current and effective.

The DOC purchase card program includes a variety of management controls designed to minimize purchase card misuse. APCs are responsible for ensuring that management controls under their purview are followed and appropriately used to reduce potential card misuse or abuse. Key management controls are as follows:

- The Office of Acquisition Management develops and maintains Department-wide purchase card policies and procedures. The policy is reviewed at least annually for appropriate updates.
- Mandatory training and documentation of successful completion for DOC purchase card program participants is required.

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

---

- Individual cardholder purchase limits, and documentation of cardholder limits and authorities are established through Delegated Procurement Authority.
- Approving officials, within the same organization, cannot be subordinate to cardholders.
- Separation of duties is enforced such that a participant in the DOC purchase card program is not permitted to serve in two or more roles for the same transaction, such as performing the duties of both a cardholder and AO, or having the cardholder certify funds availability for purchases to be made with their card.
- Requiring pre-approvals and independent receipt and acceptance or subsequent review of purchase card activities.
- Purchase card internal controls are extended to convenience checks and require 100% review.
- Use of merchant category codes to restrict card use to appropriate merchants.
- Limiting convenience checks to \$3,000 and requiring APC approval before convenience checks are ordered.
- Cardholders are required to document their transactions and maintain purchase card records for a minimum of three (3) years.
- Cardholders and/or approving officials are required to inventory property obtained with a purchase card in DOC's property management system upon delivery, in accordance with DOC's property management policy.
- APCs are required to review purchase card data and reports from the bank to identify and investigate potential cases of fraud, waste, abuse, or misuse.
- APCs are required to review all approving official accounts and associated cardholder accounts and document reportable cases of suspected fraud, waste, abuse, or misuse of the purchase card. Inactive purchase cards are reviewed every eighteen months.

### **5. Strategic Sourcing**

*This section summarizes Department of Commerce practices related to strategic sourcing.*

The Department of Commerce continues to support the President's Campaign to Cut Waste – identifying and eliminating waste and inefficiency. The Department has focused on initiatives that drive savings and create operating efficiencies. Some of these initiatives include shutting down wireless zero usage lines, improving ground delivery shipping decisions, and consolidating like requirements across the Department, all of which have begun to streamline the agency's operations and have saved the Department over \$60M in the last four years. One of the targeted efforts included the creation of several strategically sourced contract vehicles, which are open to the entire Department. The purchase card is used as the primary method of payment for the agency's strategically sourced vehicles.

#### **5.1 Ensuring effectiveness of strategic sourcing policies**

*This section outlines agency procedures for ensuring that strategic sourcing policies and procedures remain current and effective.*

Requirements and guidance for use of the Department's strategically sourced vehicles is included in Commerce Acquisition Manual 1313.301 (The Department of Commerce Purchase Card Program). Policy and guidance on the Department's strategic sourcing initiatives are routinely communicated to purchase card participants. Quarterly purchase card spending reports are reviewed to analyze spending patterns for agency strategically sourced vehicles. Strategic

sourcing is also an element included in purchase card program management compliance reviews which are conducted on an annual basis (at minimum).

## 6. Refunds and Tax Recovery

### **6.1 Refund management**

*This section outlines agency procedures to promote and ensure the effectiveness of refund management controls.*

Sales refund and productivity refunds are offered for each business line transactions, to each operating unit and the Department. The sales refund is accrued daily and remitted quarterly. Productivity refunds can be earned based on each agency's/organization's payment performance. These refunds are in addition to the sales refund. All refunds are recorded at hierarchy level IV and remitted to each operating unit and the Department as specified in the task order. Refunds are monitored for accuracy and properly recorded as a receipt to the agency that pays the bill. Any deductions for charge card program operating expenses are approved by management and equitably allocated to all operating units and the Department prior to refund distribution. All monies above the charge card program expenses are returned to the operating unit and the Department on a quarterly basis. The Office of Acquisition Management performs an annual audit to determine the effectiveness of refund management controls.

### **6.2 Tax recovery**

*This section outlines agency policies and procedures to promote and ensure the effectiveness of tax recovery.*

DOC cardholders are made aware, through training and policy, that transactions against Government (i.e. centrally billed accounts) purchase, travel, and fleet cards are exempt from state and local sales tax for transactions made within the United States. Tax exemption information is available on the GSA internet site at: <https://smartpay.gsa.gov/about-gsa-smartpay/tax-information/state-response-letter>

If the proposed tax is \$10.00 or less, cardholders are directed to ask if the merchant will grant a tax exemption without requiring a tax exemption certificate. Some States no longer allow tax exemption from State taxes and DOC complies with the Treasury Financial Handbook that permits a cardholder to make the purchase as long as the taxes do not exceed \$10.00.

DOC vehicles are assigned JP Morgan Chase\MasterCard fleet cards, and the taxes are automatically taken off at the pump using MasterCard's tax abatement program and submitted to various states by the Department's Fleet Card Managers.

## 7. Reporting

### **7.1 Reports**

*This section outlines the various charge card reports that Department of Commerce utilizes for monitoring delinquency, misuse, performance metrics, and other transactions and program management issues.*

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

### Purchase Card Program

Examples of standard reports that DOC receives, as well as custom and ad hoc are as follows:

Report Name	Type	Description Of Reports
1099 Merchant	Merchant	The 1099 Merchant report can be used to analyze purchases made from 1099 Merchants. The report lists: MCC Code and Description, Merchant Name and Address, Merchant DBA Name, Taxpayer ID, and Dollar Amount.
45-Day	Accounts	The 45-Day report can be used to monitor delinquencies as it identifies accounts that are between 30 and 60 days past due.
Cardholder with Account and MCC Group Limits	Accounts	The Cardholder with Account and MCC Group Limits report can be used to identify account and Merchant Category Code group authorization limits.
Centrally Billed Reconciliation	Transaction	The Central Bill Reconciliation report can be used to analyze the transactions and accounts that have been charged to Central Bill accounts. The report lists: Central Bill Account Number, Transaction Date, Post Date, Transaction ID, Merchant Name, MCC, Merchant City and Merchant State, Micro-reference, and Amount.
<u>Centrally Billed Reconciliation Summary</u>	Transaction	The Centrally Billed Reconciliation Summary report can be used to analyze the account activity for cardholders that are attached to a centrally billed account.
<u>Charge Off</u>	Accounts	The Charge Off report can be used to monitor bad debts. The report lists: Account Name, Account Number, Charge Off Amount, Charge Off Date, Past Due Amount, and Balance.
<u>Delinquencies with Current Balance</u>	Accounts	The Delinquencies with Current Balance report can be used to monitor past due accounts per cardholder. Subtotals are provided for each hierarchy level, as well as grand totals for the entire report. The report lists: Hierarchy, Account Number, Account Name, Past Due Amounts in each of the following categories: 1-30 Day, 31-60 Day, 61-90 Day, 91-120 Day, 121-150 Day, 151-180 Day, Charge-off Amount, and Current Balance.
<u>MCC with Default Account Codes</u>	Merchant	The Merchant Category Code with Default Account Codes report shows all default Merchant Category Codes and description. It includes individual Merchant Category Codes and shows default account codes where appropriate.
<u>Summary Quarterly MCC</u>	Merchant	The Summary Quarterly MCC report summarizes the total number of transactions, total dollar amounts, and average dollar amounts spent per quarter for each Merchant Category Code.
<u>Transaction Audit</u>	Transaction	The report will provide all transaction changes made over a selected date range. This report contains the transaction ID, change date, a description of the field changed, original data, new data and PaymentNet User ID that made the change.
<u>Centrally Billed Reconciliation</u>	Transaction	The Centrally Billed Reconciliation report can be used to analyze the transactions and accounts that have been charged to Centrally Billed accounts. The report lists: Centrally Billed Account Number, Transaction Date, Post Date, Transaction ID, Merchant Name, MCC, Merchant City and Merchant State, Micro-reference, and Amount.
<u>MasterCard Socio Economic</u>	Merchant	The Vendor Socio-Economic report provides the actual and percentage spend in dollars, transactions and number of vendors segmented by the various socio-economic statuses collected by MasterCard

DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

Report Name	Type	Description Of Reports
<u>MasterCard Vendor Information</u>	Merchant	The MasterCard Vendor Information is used to support 1099-MISC and socio-economic (Form 1057) reporting needs. The report includes merchant name and address information, MCC, Taxpayer Identification Number (TIN), incorporation status, socio-economic status indicators, PaymentNet Preferred Vendor indicators, and both PaymentNet 1099 indicator and the MasterCard 1099able using MCC procedure indicator.
<u>Spending Analysis by Tax ID</u>	Merchant	The Spending Analysis by Tax ID report can be used to analyze the purchases within the following merchant classifications: Sole proprietorship, Partnership, and Unincorporated. Sub-totals for service related and non-service related industries are provided within each merchant classification.

**Travel Card Program**

Report Name	Type	Description Of Reports
<u>Declines</u>	Transaction	The Declines report can be used to monitor the occurrences and reasons why cardholders have been declined. The report lists: Decline Code and Reason, Account Name, Account Number, Amount, MCC, MCC Description, Merchant Name, Merchant City, Merchant State/Province, Merchant Country, Date and Time of Decline.
<u>Delinquencies with Current Balance</u>	Accounts	The Delinquencies with Current Balance report can be used to monitor past due accounts per cardholder. Subtotals are provided for each hierarchy level, as well as grand totals for the entire report. The report lists: Hierarchy, Account Number, Account Name, Past Due Amounts in each of the following categories: 1-30 Day, 31-60 Day, 61-90 Day, 91-120 Day, 121-150 Day, 151-180 Day, Charge-off Amount, and Current Balance.
<u>Delinquency Summary</u>	Accounts	The Delinquency Summary report tracks past due balances, write-offs, recoveries, outstanding, and current balances by hierarchy for an Organization. It includes the Hierarchy levels, descriptions, number of accounts and amounts written-off, recovered amounts, outstanding and current balances, and buckets for accounts that are 1-30, 31-60, 61-90, 91-120, 121-150, 151-180, or 181-210 days past due. When running the report, choose a hierarchy and whether to include its children as well as a hierarchy roll-up level, or range of levels, to be displayed on the report.
<u>ADHOC</u>	Accounts	The report will provide all card changes made over a selected date range. This report contains the account number, change date, a description of the field changed, original data, new data and PaymentNet User ID that made the change.
<u>Transaction Audit</u>	Transaction	The report will provide all transaction changes made over a selected date range. This report contains the transaction ID, change date, a description of the field changed, original data, new data and PaymentNet User ID that made the change.
<u>Unusual Activity Analysis</u>	Administration	The Unusual Activity Analysis can be used to monitor unusual transaction activity and determine if the transactions are business-related. Subtotals are provided for each Merchant Category, as well as Grand Totals for the entire report. The report lists: MCC, MCC Description, Account Name, Merchant Name, City, State, Transactions Date, and Transaction Amount.

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

### Fleet Card Program

Report Name	Type	Description Of Reports
<u>Fuel Purchase Detail Summary</u>	Transaction	The Fuel Purchase Detail Summary can be used to evaluate fuel purchases. The report lists: Account Name, Transaction Date, Merchant Name, Merchant Location, Purchase Amount, Purchase Time, Quantity, Item, Price, and Tax.
<u>Centrally Billed Reconciliation</u>	Transaction	The Centrally Billed Reconciliation report can be used to analyze the transactions and accounts that have been charged to Centrally Billed accounts. Sub-totals are provided for each Centrally Billed account, as well as Grand Totals for the entire report. The report lists: Central Bill Account Number, Transaction Date, Post Date, Transaction ID, Merchant Name, MCC, Merchant City and Merchant State, Micro-reference, and Amount. Please note: Activity diverted to a diversion account is not listed on this report.
<u>Centrally Billed Reconciliation Summary</u>	Transaction	The Centrally Billed Reconciliation Summary report can be used to analyze the account activity for cardholders that are attached to a central bill account. Sub-totals are provided for each individual and/or central bill account that the transactions are billed to, as well as Grand Totals for the entire report. The report lists: Billed To Account, Diverted From Account Number & Name, Centrally Billed Account, Number of Transactions and Total Amount. Please note: Activity diverted to a diversion account is not listed on this report.
<u>Fleet Transaction Detail</u>	Transaction	The Fleet Transaction Detail Report is used to monitor fuel and non-fuel related purchases for each account.

## 8. Section 508 of the Rehabilitation Act

### 8.1 Section 508 Compliance

*This section summarizes agency practices related to ensuring that products procured comply with Section 508 of the Rehabilitation Act.*

Section 508 of the Rehabilitation Act of 1973 requires that when Federal departments or agencies develop, procure, maintain, or use electronic and information technology (E&IT), they must ensure that such E&IT allows Federal employees with disabilities to have access to and use of information and data that is comparable to the access to and use of information and data by other Federal employees.

Section 508 also requires that individuals with disabilities, who are members of the public seeking information or services from a Federal department or agency, have access to and use of information and data that is comparable to that provided to the public without disabilities. All procurements including micro-purchases must comply with the requirements of Section 508, including open market buys and those made through government contract vehicles (e.g. GSA Advantage), unless an exception applies (see part 39.2 of the Federal Acquisition Regulation on <https://www.acquisition.gov/Far/>). All DOC purchase cardholders and approving officials are required to complete Section 508 training. The requirement official has the responsibility for making the required determinations and the cardholder must include documentation in their purchase card records. A sample E&IT Procurement Checklist for Section 508 compliance is provided in Commerce Acquisition Manual 1313.301 Purchase Card Program. Purchase card approving officials are required to ensure cardholder compliance when reviewing and approving cardholder documentation of purchases.

## 9. Environmental Requirements

### **9.1 Environmental quality of products procured with purchase cards**

*This section summarizes agency practices related to the environmental quality of products procured with purchase cards.*

The Resource Conservation and Recovery Act, Executive Order 13423, *Strengthening Federal Environmental, Energy, and Transportation Management*, and the FAR require agencies to purchase environmentally preferable products and services at all thresholds, including purchase and fleet card acquisitions under \$3,000. This includes purchasing bio based, environmentally preferable, energy-efficient, water efficient and recycled-content products.

When purchasing products or services, all must ensure that those purchases are as environmentally friendly as possible. The aim of buying green is to reduce the environmental and human health damages associated with the Department's purchases by increasing the acquisition of recycled and environmentally preferable products and services to the extent feasible, consistent with the following considerations: price, performance, availability, and environmental safety. Cardholders are required to purchase green products and services to the maximum extent practicable, consistent with the requirements of Federal Acquisition Regulation Part 23 and Commerce Acquisition Manual 1323.70 and Federal green procurement preference programs.

There are many strategies that can be used when purchasing products and services with the idea of buying green. Regardless of the types of products, buyers must give preference to products that in the following categories:

- Recycled Content Products - Products/services in this category are made from post-consumer materials. The Environmental Protection Agency (EPA) designates in the EPA's Comprehensive Procurement Guidelines recycled content products that Government agencies must buy. For products that have been designated by EPA, the cardholder must purchase those which contain recycled content as long as they are available, meet performance needs, and are cost-competitive. EPA recommends the required minimum percentage of recycled content that the products should contain (Internet site <http://www.epa.gov/oppt/epp>).
- Paper- All paper purchases must be at least 30 percent post-consumer fiber content.
- Electronic Products - All electronic products purchased must be Electronic Product Environmental Assessment Tool (EPEAT)-registered electronic products, unless there is no EPEAT standard for such a product. Purchasers should strive for a minimum of a silver rating. EPEAT-registered products may be found at [www.epeat.net](http://www.epeat.net).
- Energy Efficient Product - Products/services must be purchased that exhibit the Energy Star logo ([www.energystar.gov](http://www.energystar.gov)) and are designed to conserve energy during their operation. This also includes energy efficient products that use no more than one watt of standby power or otherwise meet the Department of Energy's Federal Energy Management Program (FEMP) specification ([http://www1.eere.energy.gov/femp/technologies/procuring\\_eeproducts.html](http://www1.eere.energy.gov/femp/technologies/procuring_eeproducts.html)).
- Water-efficient products – Products must be purchased that meet EPA's Water Sense Standards. These standards are found at <http://www.epa.gov/watersense/index.htm>.
- Bio-based Products - Products/services in this category must be purchased that are made from renewable, often a biological process by-product, or a domestic

## DEPARTMENT OF COMMERCE CHARGE CARD MANAGEMENT PLAN

---

agricultural material, including plant, animal and marine materials. These products are natural substitutes for products made from manufactured chemicals and non-renewable resources. Bio-based products are designated by the U.S. Department of Agriculture in the BioPreferred program. Information concerning these products can be obtained from <http://www.biopreferred.gov> or <http://www.ofee.gov>, click on Green Purchasing.

- Reduced Toxicity Hazardous Chemicals - Products/services must be purchased that are green products. These products should be made with few or even no chemicals that have been shown to cause human and environmental health problems. Purchasers should strive to reduce the amount of toxic or hazardous chemicals purchased by substituting these products for more hazardous products. More information may be found at <http://www.epa.gov/oppt/epp/>.