

APD PURCHASE CARD ALERT



Changes to LAPC and AAPC Quarterly Reporting Requirements and Written Warnings for Improper Purchases

Changes to Reporting Requirements

Per Departmental Regulation (DR) 5013-6 – Use of the Purchase Card and Related Alternative Payment Methods, REE 213.3M – Research, Education, and Economics (REE) Purchase Card Program Manual, and in combination with the Coordinator’s Purchase Card Guide, Section 7, and Exhibit 11, Local Agency Program Coordinators (LAPCs) are required to run monthly Approved Transaction Reports for both purchase card transactions and convenience checks in US Bank’s Access® Online (AXOL) for the management and oversight review of the cardholder’s transactions, to identify transaction information entered by cardholders, and identify any required fields that have not been entered by the cardholders.

To further assist in the monitoring of the REE Purchase Card Program, and to ensure REE adheres to OMB Circular A-123 standards, LAPCs are now required to submit the monthly Approved Transaction Reports for both purchase card transactions and convenience checks, in MS Excel spreadsheet format, to their Area Agency Program Coordinator (AAPC) with the LAPC Quarterly Review Report (REE 213.3M, Exhibit 12). The new requirement will be effective with the submission of the FY 2012 Third Quarter LAPC Quarterly Review Report, due **August 15, 2012**.

LAPCs are instructed to highlight, note, or otherwise identify on the monthly Approved Transaction Report any transactions they addressed with the cardholder and Approving Official (AO) to improve the proper use of the purchase card, and future transaction reporting in AXOL, in addition to capture review findings on the LAPC Quarterly Review Report as required. As a result of the review, any warning issued to cardholders will also be sent to the AO, AAPC, and Agency Program Coordinator (APC) for documentation. LAPCs should seek guidance and assistance from the AAPC when necessary.

The AAPCs are now required to submit the LAPCs’ monthly Approved Transaction Reports, in MS Excel spreadsheet format, to the APC with the AAPC Quarterly Purchase Card Program Review Report (REE 213.3M, Exhibit 13). The new requirement will be effective with the submission of the FY 2012 Third Quarter AAPC Quarterly Purchase Card Program Review Report, due **August 31, 2012**.

AAPCs are required to review the LAPCs’ monthly Approved Transaction Reports and highlight, note, or otherwise identify on the Monthly Approved Transaction Report any transactions they addressed with

the LAPC, cardholder, and/or AO to improve the proper the use of the purchase card, and future transaction reporting in AXOL, in addition to capture review findings on the AAPC Quarterly Review Report as required. As a result of the review, any warning issued to cardholders will also be sent to the AO, LAPC, and Agency Program Coordinator (APC) for documentation.

The APC will review the monthly Approved Transaction Reports submitted by the AAPCs and highlight, note, or otherwise identify on the Monthly Approved Transaction Report any transactions addressed with the AAPC, LAPC, cardholder, and/or AO to improve the proper the use of the purchase card, and future transaction reporting in AXOL. As a result of the review, any warning issued to cardholders will also be sent to the AO, LAPC, and AAPC for documentation. AAPCs should seek guidance and assistance from the APC when necessary.

This change in LAPC and AAPC reporting requirements will be incorporated in the next update of the REE 213.3M.

Written Warning of Improper Purchase

DR 5013-6 and REE 213-3M recommended administrative action for most first offenses of purchase card regulations and policy for specific inappropriate actions is a verbal warning. However, it is the decision of the REE APC that all warnings for purchase card policy violations or improper purchases identified by the LAPC, AAPC, or APC will be in writing. This will assist the LAPC, AAPC, and APC in identifying repeat offenders.

Minor purchase card policy violations (e.g., first offense, lack of documentation, failing to approve transactions consistently, sharing user name and password, etc.), should be verbally addressed by the AAPC or LAPC with the cardholder, and if necessary the Approving Official. After addressing the issue with the cardholder, AAPC or LAPC must follow up with a simple “per our conversation” e-mail summarizing the transaction reviewed, the infraction found by the reviewer, and the guidance given to the cardholder. A copy of the follow up e-mail must be sent to the AO, LAPC, AAPC, and APC, respectively, when they are issued. Minor violations do not need to be vetted through the APC.

Major purchase card policy violations, infractions of a sensitive or political nature, habitual offenders, or other violations that can result in the loss of cardholder privileges (e.g., writing convenience checks over \$2,500 without prior approval, mandatory source violations, personal use, exceeding authority, purchase without necessary approvals, etc.) transactions and all supporting documentation must be set up to the chain, through the AAPC, to the APC for vetting. Once the APC reviews the transaction, the AAPC or LAPC will be advised on how to proceed. In deemed necessary, the APC will issue any formal warning letters or suspend card privileges.

As a reminder, per DR 5013-6, repeated policy violations after a warning within a 12- month period will result in the loss of purchase card privileges. Reinstatement of purchase card privileges will only be at the request of the AO and approval of the APC.

It is very important that purchase card violations are thoroughly documented, and the proper individuals receive copies of the warnings in order to identify repeat offenders and track trends to address in LAPCs, Cardholder, and Approving Official training. With your assistance the number of purchase card policy violations will be reduced, thus making the Purchase Card Program more manageable for everyone who uses the purchase card.

If you have any questions regarding Purchase Card policy violations or are unsure if a policy violation is minor or major, please contact your AAPC or the REE APC for additional guidance.

This change in documenting administrative actions will be incorporated in the next update of the REE 213.3M.

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