

## AudioForum CreditCards 5-12-10

The Bureau of Land Management National Training Center presents Supervisors audio Forum. Now the host of your program, Precious Parsons.

Good morning. Welcome to the National Training Center's Supervisors Audio Forum. My name is Precious Parsons. I am acting coordinator for the Business administrative Services. Today our topic is the chargecard program. We have Lloyd Fred from the NOC, National Operations Center. He will be presenting for us. He has 12 years of experience with the bureau and is currently the bureau lead for chargecards. Lloyd, you're on.

Okay. Today we're going to cover chargecards. We're going to look at the type of cards, our current provider, access to payment net, which is JP Morgan's online system, statement review, updating the 1512 manual, card reviews, and reporting that we do to the field. We'll start with the types of cards. Our integrated card is composed of two parts, purchase and travel. A cardholder can have travel only on these cards, he can have travel and purchase, or he can have purchase only. Approximately 60% of our cards have travel only, 40% are purchase and travel, and we have very few cards, significantly less than 1% that have purchase only. Purchase only is used by someone who purchases for the office but never travels. For example, the administrative assistant in the office where I work never travels but she does all the purchasing of supplies for the office so she has a purchase only card. Purchase is subject to the micropurchase limits of the far. The limit is \$3000 except for supplies, which is

limited to \$2500, and construction has a limit of \$2000. Warranted contracting officers will have limits that are in line with what their warrant allows. The chargecard is a payment tool. It doesn't give anybody the authorization to make purchases. The authorization to purchase comes from their acquisition authority. Cardholders can receive either a regular or restricted card. The restricted card results in the cardholder either not meeting the required credit score of 660, which is mandated by law, or refusing to have the credit check done.

Cardholders have this option. They can either say yes, I want a credit check, or no, I don't. The restricted card results in lower credit limits for the cardholder. For example, for centrally built travel on a regular card, the cardholder's limit is \$7500. On a restricted card it would be \$4500. Under the integrated card, we also have corporate cards and dispatch cards. These cards are assigned to an office resident, an individual. That one individual will oversee the card and will do the statement preparation. Corporate cards are used to purchase transportation tickets for invitational travelers, new employees who have not received their card, or for volunteers. Dispatch cards are used by offices for fuel and fleet type charges for nonworking capital fund equipment. An example of this would be using a dispatch card to buy fuel for ATVs. The fleet card is used for any bureau-owned equipment that pays a rate charge to the working capital fund. The uniform card is used to purchase uniform components to approved vendors. There is a card for regular uniforms and there is a card for law enforcement because they have different places that they make purchases from. Our current provider is JP Morgan. In 2008, GSA issued the Smart Pay 2 contract, which

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was to be effective November 29, 2008. Bank of America declined to participate in this, so DOI was forced to choose another provider. There were four banks which were participating in the program, that was JP Morgan, US Bank, City Bank, and GE Financial Services. US bank declined us because of the fact that we have an integrated card. GE Financial Services later dropped out. DOI selected JP Morgan as the best option for us. One of the differences between Bank of America and JP Morgan is that with JP Morgan we do more of our maintenance work ourselves rather than sending it into the bank. This places more work on the AOPC or on the NOC here, but what it does save is it saves a lot of E-mailing time because you can go in and just do the transaction directly rather than having to mail it in, wait for the bank to do it, have them respond back to you, and then go in and check it again. Access to their online system has been delayed in rolling it out to the field because we've had some issues with access controls. There are still things the system allows us to do that really we don't want someone to do. For example, transaction transfers are usually handled under the transactions tab, and when you do this it transfers that individual transaction either from central to individual or from individual to central. The system also allows transfers under the accounts tab where all of the cardholder information is carried, but if you do the transfer there it transfers all of the cardholder's transactions. So what we'll do as we're rolling out the access to payment net, we'll put out an IM detailing what the AOPCs are allowed to do and what they shouldn't do. BLM will be the first bureau to roll out payment net access down to the field level. We're doing this because field-level AOPCs need

this level access so they can do their function within the chargecard area. As DOI is the one who will actually go into the system, set up the access for each one of the AOPCs, and once they've completed that, they've completed all the work they need to do in the system, then they'll send out notices to the AOPCs telling them how to access the system, what their codes are, and what the access allows them to do. Cardholder access will be sometime in the future. We're not really sure when this is going to occur. First of all, they want to get the AOPC access rolled out for all the bureaus.

Review of statements is one thing we've had a lot of issues with. It's one of our very significant internal control measures because the approving official is the individual who knows best what that cardholder is really authorized to do, was the travel authorized, should he have been making these purchases. For the last two years, we received a notice of finding and recommendation from KPMG on the chargecard portion of their audit, and this results from statements not being signed or dated or the date is more than 30 days after the statement date, inadequate or missing documentation where the documentation doesn't match the actual transaction, and statements that can't be located because the cardholder has lost them, didn't turn them in, or they just can't find them. The policies are in place for how statements are being reviewed. What we need is the cardholders just to make sure that they are properly documenting, signing their statement, and giving it to the approving official in plenty of time to give the approving official time to review it within a 30-day time period.

Next, we'll talk about the 1512 manual. The 1512 manual hasn't been updated since November 2005. We've gone through the conversion to JP Morgan, we've gone through the FBMS conversion, and we need to integrate all of the IMs that have been issued since the manual was last updated. We're going to do the review of the manual by working through the state center Washington office lead AOPCs as our point of contact, and we'll send out the various sections of the manual to them, ask them to get all of the input from their area including management, and then send the comments back in to us, we'll put the comments into the manual, and then we'll send the manual out again for review, and once we get all the comments in, we've got all of the review work done, then we'll start through the sir naming process. We do a number of reviews during the year. One of the biggest reviews is the asset management review where the chargecard is done as part of the acquisition review. These are all scheduled by the Washington office. We take a look at how the program is being managed in our state, if it's being signed and documented, are people trained, do they know what the policies are, and then our write-up becomes part of the asset management review report that comes out of Washington. On an annual basis, we also review purchase convenience checks, travel, and the crew chief. These are required by OMB Circular A-123. We're required to review cardholder limits annually to determine that they are appropriate. So while we're doing it we take a look at do the cardholders need purchase and convenience checks because sometimes they get them set up, they move to a different office and they no

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longer need them. The rule here is they should have whatever they need in order to accomplish their mission to get their job done. From the travel perspective, we only look at cardholders who have limits above the standard limit. Crew chiefs, we look and see does this individual need to remain on the crew chief. One of the issues with being on the crew chief is the cardholder has \$100,000 per month purchase authority with virtually no limits on what they can purchase because when a crew chief goes out to the field, they have basically no limits on what they can purchase. We also have an annual review of statements, which is performed by the state center, the Washington office AOPCs, and they take a look at are the statements being reviewed and signed, is the documentation adequate, and are procedures being followed. What this really does is it gives them a chance to look at things locally rather than it being done by KPMG and written up. That way they can just make the corrections locally.

From a reporting standpoint, we have about six reports we want to talk about. First is the delinquency report. This report is a listing as of the cycle date, and the cycle date is the 19th of every month, of all the cardholders who are 30 days or more delinquent. It is E-mailed to the state lead, center lead, Washington office lead, and they then further distribute it to the field. Cardholders are also contacted by JP Morgan's collection department if they're over 30 days delinquent. Statements report is prepared as of the cycle date for all cardholders who should receive a statement that month. It's again E-mailed to the lead AOPC for distribution to the field and it's used by the AOPCs to determine have

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all the statements been turned in. We prepare a cardholder list, which is a listing of all cardholders that have active accounts. This is E-mailed to the lead AOPC for each one of the state centers and Washington office for them to distribute onto the field. Along with the cardholder list, we send a list of the accounts that aren't activated, and this is done as of the cycle date, again, the 19th. This is a listing of everybody who has received a new card but hasn't activated it.

Sometimes the report also gives them the date that the card was issued so they know if a cardholder just got his card or if he has had it for a while and hasn't activated it. The reason for being concerned about activation is we want to make sure that the card is in the hands of the cardholder, hasn't been lost in the mail, or hasn't been stolen by somebody. We prepare a transaction list, which is a listing of all the transaction that a cardholder has had during the month. This is prepared at the end of the month and for all transactions occurring within that month. We E-mail this to the procurement analysts for their information, and we usually copy it also to the state lead AOPC. Another part is the transaction review. In this, we look for any potential split procurements where somebody may have made two purchases for \$2000, the same day or within a day or two from the same merchant. We also look for where two people within the same office may have purchased from the same merchant on the same day. In a lot of cases, these aren't really splits, but we want to send those to the procurement analyst and let them take a look at it and make the determination if any further analysis needs to be done on it.

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From a customer service perspective, we have interaction with the AOPCs where we help them with cardholder problems, policy issues, any special situations. For example, we had a cardholder on Monday who checked into a hotel with a card that had been closed in October 2009 and obviously forgot that her card was closed. The hotel checked her in, and then when they tried to run the charge, the charge wouldn't run, so we worked with the AOPC and came up with they basically had two options. One was to have a warranted cardholder make the payment and then prepare a memo to the file explaining what all the circumstances were, attach that to their statement as documentation, or have the cardholder use a personal card and note on the travel voucher why the personal card was used. We also have direct interaction with the field. If someone tries to use their card and it doesn't work, they'll call us and we'll determine what the reason is. Most of the time these are cardholders trying to make a purchase and in some cases they don't realize that their card really doesn't have purchase on it. Are there any questions that I can answer for you?

Alright. So we're at the question portion of the audio forum. Alright Lloyd, I have a question for you. As a supervisor, what is the role? What can they do to help you ensure that you have a successful program?

The key thing the supervisor can do is to review and sign the statement to make sure that the statement is properly documented, that the cardholder was authorized to make these purchases, and by DOI and BLM policy this has to be

done within 30 days of the statement date. The other thing we look to the supervisor for, when we have a new employee come on board, the supervisor signs the chargecard application and tells us what authorities the cardholder needs. Do they need travel only, do they need purchase, what level of authority do they need? For example, purchase can be \$5000, \$10,000, \$25,000, or \$50,000, and depending on what the cardholder's duties are and what level of purchasing they'll have to do, then the supervisor determines what that is. If a cardholder wants purchase added to their authority and they E-mail us, we'll go back to the lead AOPC and say we need you to check with the supervisor should this cardholder have purchase because we won't give purchase authority without getting an E-mail back saying the supervisor has approved it.

Alright. Thanks for that answer, Lloyd. Alright. Another question that we have is as far as record keeping. What's the process of keeping all the chargecards and for how long and things like that?

The question was what? How long do we have to keep records?

Correct.

The record retention period is three years; however, right now from what I understand, because of the Cobell lawsuit, we can't destroy any records, so we haven't received anything that says we can destroy records over three years,

unless somebody has some additional information on that. We haven't received anything that said we can destroy any of our records.

Okay, and that's good information to know. We have a question from Janet in Nevada. Janet?

Hi. Can you hear me?

Yes. I can hear you.

Yes.

I was wondering – my question was is there a checklist out there for when the officers come through and what exactly they would be checking for when they go to the state so we can make sure that we do have that incorporated in our field audit?

Okay. What we look for when we do our reviews?

Yes.

Okay. What we look for is, first of all, does the state have a standard operating procedure of how things are supposed to be done, how your things are going to

be centrally filed. Then we look at are you actually following your procedure. We review statements to see if everything is being properly documented, are they being signed off, are they being reviewed and signed off. We'll look at how the staffing is done. We have a set audit procedure that comes from the Washington office that we have to use. Does that answer your question?

I was wondering if it was okay for us to have a copy of what that set audit procedure is.

Um, that would probably be a good question – that comes from the Washington office, so I think that would probably be a good question to ask them. It did come from Nancy Adrian. I'm not sure – I haven't heard if they've replaced her yet or not. I know other things are going to Cory Grant, so maybe that would be a good question to address to him since that's more of a Washington office decision of whether they will let that out rather than our decision.

Thank you.

Lloyd, is there a place on the chargecard \_\_\_\_\_ or website that has the audit information on there, a checklist or something like that?

Those checklists, no. Those checklists are provided to us by the Washington office, so we don't post them out there because of the fact that it would be up to

them whether or not those can be distributed. So if Washington office said yes, you can do it, then we could post them, but without their approval, we can't.

Right. Okay. Thanks for that information. Now we have Louis from Safford, Arizona.

I got a quick question for you. Is there any way that we can talk with Chase on the statements to break out the personal charges from the centrally billed charges. They all come as supervisors when you're approving, and they all come across as the exact same appearance on the actual statement. It makes it really tough to look for employees to see what they actually owe and what they don't owe and for us as supervisors to see what's personally and/or centrally billed.

This is something DOI has been working with JP Morgan on because Bank of America made it very easy. They split the two apart. Under the centrally billed charge it will say memo transaction. It's not as clearcut as it was under the Bank of America system, but under each transaction that's centrally billed it will say memo transaction, but I will agree, the statements are harder to read.

Alright. So we have another question for you, Lloyd. As far as new employees that come on or employees who don't really travel very much, has the policy been changed where all employees have to have a chargecard?

According to our current policy, everybody has to have a chargecard. At one time they passed a law that said if you travel five or less times in a year you don't have to have a chargecard, but they left it up to the departments to make that decision. Interior made the decision that we would require everybody to have a chargecard because the traveler might travel three times one year, six times the next year, and at what point does he have to get a card and what point does he not need one, so DOI made the policy that everybody who travels has to have a chargecard.

Okay. That's great information. Remember, to talk with us press star 1. We have another question. As far as the access to the payment net on line, do you happen to know when that will happen or maybe estimated date on when we will be able to pay our card on line?

When they can pay – no. We don't have any date on that. Right now we're just in the process of rolling out the access to the AOPCs. Cardholders however can call in to JP Morgan using the number on their card, and there's no charge for the card, so they can pay by phone without a charge. Bank of America had a \$10 charge for pay by phone. JP Morgan does not have a charge for paying by phone. But yeah, until cardholders are given access, there's no way for them to pay on line.

Alright. We have Jeff lee from Boise. Jeff?

You're talking about rolling this – I'm not sure what you call it – out to the supervisors and then the users later. You might have mentioned it, but what will change for the responsibility of the user, the cardholder, and then the supervisor when that gets rolled out? What else will we have to do?

Okay. What we're doing now is we're rolling it out to the AOPCs at the state and field level, which allows them basically to go in and do some online maintenance. Right now everything has to come into Denver except for we have four people that we were doing a test pilot with. For everybody else, everything has to come into Denver. We have to do the maintenance and we E-mail them back. As we get this rolled out, they're gonna be able to do maintenance changes like changing an address. They can do, at the state level, transfer transactions. For the cardholder and supervisor it won't change anything. All the changes will be only with the AOPCs.

Okay.

Okay, Lloyd, will you all be writing any type of training for the supervisors and the people who will be having access?

Yeah. The AOPCs will be given access. We're going to be doing some webinar training. DOI is working on this right now, and we don't have a firm date established, but we want to do it as soon as possible as we can right after we roll it out. Their initial thought was to do it like the first two weeks of June, and again, we'll coordinate this through all the state leads when we actually get ready to do the training, and we'll do the webinars based upon the integrated card, uniform and fleet. We'll do the fleet separately because theirs are quite a bit different. We'll do the uniform as the first part of the integrated, and then those that don't work with the integrated can drop off and we'll go through step by step what they can do, how they can do it, things they shouldn't do, and so they'll be familiar with the system.

Oh, that'd be wonderful.

And they can also obviously call in to the NOC and we'll be glad to walk them through anything they need.

Okay. My question is how quickly are fleet cards supposed to be adjusted and signed, and is there an SOP for that?

I'm not sure what – your question was how soon are fleet cards supposed to be –

Reviewed and adjusted?

They should be done on the same basis as all the other cards.

Okay.

They should be done within the 30-day period.

Okay. And then the other question I had was I've heard that there's going to be a 100% review of all statements by the AOPC. Is this correct?

We haven't required them to do 100% review. It depends on from state to state. For example, here, when our statements come in our AOPC for the NOC reviews every statement as it comes in just to make sure it's correct. If anything's missing, they go back to the cardholder to get the information because it's much easier to get it right at that time. If you wait until the review comes up a year later, it's probably gonna be unable to find it, but there's nothing I've seen in policy that requires it. If there's something coming out, it's something I haven't heard about.

Okay. Thank you.

Okay, Lloyd, we have another question. So is there a percentage that the state has to review? Is it like 50% or 40%, or is it up to the state?

They should obviously all be reviewed. Each of the various reviews has their own limits. FOR EXAMPLE, when the states do their annual review of statements, they do at least 10% of the statements.

Alright. So at least they do 10%.

Maybe what they were referring was to the quarterly statement review, statement certification, where we ask the states to certify that all of their statements have been reviewed. I think that's probably what you were referring to on the 100%. What we're looking at there is we're trying to get away from the NFRs that we've been getting from KPMG, and those have resulted from obviously statements not being reviewed or documentations missing, or when they send in the documentation it doesn't match what the transaction is, or in some cases the statements are just totally missing, and the last two years we've gotten written up on this, so what we're trying to do for that statement review is have all the states certify that yes, we have reviewed all of our statements, they're all on file, all the documentation is there so when we go out with our request we'll be able to get all of the information we need and we won't get another NFR from the KPMG.

That would be good. Alright. We have a question from Janette. Janette?

Hi Precious. My question is – I have a couple of questions. One of them is regarding the uniform card. when we have new law enforcement employees

coming on and the first place that they're gonna go is to the academy, it's the purchase of those uniforms that they need done prior to one, reporting to duty, and because if the first place they're gonna go is to training, they need their uniforms when they go, and so is there an authority for another supervisor to make those uniform purchases for them so that they have their uniforms when they go because they wouldn't have computer access to be able to take the training to even get their card and be able to get their uniforms before they're traveling.

The best one to talk to on that is Shirley Campbell, because that gets into a uniform policy decision, and she's head of the uniform program for BLM.

Okay.

So she would probably be the best one to contact on that because I know that they have some policies set up on how you can do that.

Okay. And then my other question is related to we get a lot of push-back on having the employees do all that documentation on the statement and having all the supporting documentation such as their travel, especially when they are travel orders where they're documenting the \$4.35 charge and the \$13.50 or \$13.60 charge for the travel for GovTrip. Are they actually required to print that

and have that or is that okay that they say they're on travel and you can have that record in your travel system in GovTrip?

They need to document that on their statement like the date's purpose of travel and where they went because GovTrip and the chargecard statement stands by itself, so there needs to be something there to say what that is, so they can either print it or they can note they went to Phoenix for a training meeting on these dates.

So you're saying that they can just note that they went. They don't necessarily have to have a copy of their travel orders and with the charges.

They don't have to have a copy of the travel orders. They would have to note the date, location, and purpose of their travel. That way if somebody comes back you can say okay, we know what the \$13.50 is for and it relates to this trip.

Okay. So they don't actually then have to print out anything and have any supporting documentation. They can just notate it on the face of the statement.

For the \$13.50. We're gonna be rewriting the – when we rewrite the manual we want to look at all of our documentation standards because we used to say all the original centrally billed charges went to the travel voucher, but since that's all

scanned in now, we're gonna probably ask that those be placed with the statement.

Okay.

Since the cardholder is gonna have them, they have to have them to scan them in and they don't have any use for them, it would be better to put them with the statement than to have them thrown away, because the two systems don't talk to each other and probably never will.

Thank you.

Alright. That's good information. Do we have anymore final questions? Alright we have a question from peter in Cedar City. Peter?

If you're just talking about the GovTrip charge or any associated GovTrip charges, I understand not attached to the voucher, but once somebody has restaurant or hotel charges, to verify that they are on official travel they're supposed to attach that travel voucher. Are you reversing that and it's in all the manuals or is it just for the GovTrip charge, because I can understand that one but not the other.

Yeah. The GovTrip charge is more what I was talking about.

Okay, good. I just wanted to clarify that.

Okay. Thank you. Alright, Lloyd, do you have any final comments or anything you'd like to say?

No, just if anybody has any questions we're always here and we're always glad to help you in any way we can.

I'd like to thank everyone for participating in this audio forum. We will have the power point and the audio on the Knowledge Resource Center and the National Training Center website in about 30 days. Thanks again, Lloyd, for presenting for us and sharing a lot of good information. Our upcoming audio forum will be on June 9. We're gonna talk about making the budget work for you, and we have Saber Mathis from the Washington office to present for us. So again, I'd like to thank everyone for participating and have a wonderful day.