

**Requirements and Benchmarks for Reducing Improper, Fraudulent  
and Abusive Use of Government Purchase Cards**

**U.S. Nuclear Regulatory Commission**  
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## **Introduction**

As required by the FY 2006 Treasury, Transportation, and U.S. Department of Housing and Urban Development (HUD) appropriation bill (P.L. 109-115), this plan outlines the requirements, controls, and procedures within the U.S. Nuclear Regulatory Commission (NRC) designed to mitigate the potential for fraud, misuse, and abuse of Government Purchase cards. As required by the FY 2006 Treasury, Transportation, and HUD appropriation bill (P.L. 109-115), a copy of this plan is provided to the House and Senate Committees on Appropriations.

## **Cardholder Training**

To ensure each purchase card program participant is well informed of proper card usage, the designated employee must complete the agency's online training course, "NRC's Procedures for Use of the U.S. Government Purchase Card." This course has been developed in compliance with guidance provided by the U.S. General Services Administration (GSA). The cardholder or approving official completes a series of questions and quiz, located on the NRC internal website. Once the training is successfully completed with a score of 80 percent or better, the employee provides a copy of the training certificate to the Agency Program Coordinator (APC). If the employee scores less than 80 percent, the APC schedules a meeting with the employee to discuss the Purchase Card procedures. After successful completion of the training, the designated employee receives a delegation of authority memorandum and Purchase Card.

The training provided to each cardholder adequately addresses the areas of fraud, misuse, and abuse in its coverage of the following topics: Prohibited Purchases, Funding, Spending Limits, Sources of Supplies and Services, Buying Green, Accountable Property, Placing Orders, Documenting Purchase Card Orders, Payments, and Billing Errors and Disputes. The training also emphasizes the purchase card program participant's responsibilities for protection and safeguarding purchase cards, and provides instruction on what to do if the card is lost or stolen.

Participants are kept abreast and routinely informed of new legislature, policy and procedure changes through various forms of correspondence (i.e., memorandum, e-mail, website postings, and other notices).

## **Appropriate Authorization Controls**

To ensure proper authorization controls are in place for the Purchase Card Program, individuals are designated with specific review and approval responsibilities. An approving official (AO) is designated for each cardholder. The AO ensures each purchase card transaction is/has been properly executed by conducting monthly reviews of the participant's account statements and a Detailed Account Report. This Report includes detailed information on each individual transaction, to include the participant's name, vendor, commodity/service acquired, date of purchase, amount, and authorization code. The monthly account statements include similar information.

The APC conducts file reviews annually and monitors the participant's activity to ensure transactions have been completed by authorized staff and in accordance with Purchase Card Program policy and procedures.

Merchant Category Code (MCC) blocking is used for hotels, motels, resorts, transportation (airlines, air carriers, and car rental purchase card transactions). These types transactions must receive approval by the APC.

To ensure participant's compliance with Federal Laws, Federal and agency regulations, and for monitoring program effectiveness, the on-line Purchase Card Program handbook and training procedures are made accessible at the agency's internal website. These materials are revised to reflect up-to-date changes in applicable laws and regulations. Continual guidance and Refresher Training (every-2-years) is also provided.

**Measures and Benchmarks to Reduce Purchase Charge Card Fraud, Misuse, and Abuse**

To reduce purchase card fraud, misuse, and abuse the agency has established a 3 to 1 ratio for approving officials to participants for most of its offices. This ratio allows approving officials to adequately monitor purchase card transactions. This information is reported quarterly to the Office of Management Budget (OMB). It is consistent with the agency's Management Control Plan, submitted to OMB in compliance with OMB Circular A-123, Appendix B. The average number of monthly purchase card transactions reviewed per approving official is 42.

**Controls, Practices and Procedures Related to Purchase Charge Card Misuse and Abuse**

Two areas have been identified for risk management in regard to Purchase charge card misuse and abuse. These risks are: a) splitting purchase card requirements (i.e., multiple transactions for the same product or service to avoid the micro-purchase limits), and b) patronizing one vendor multiple times during a 30-day billing cycle. The following table provides the agency's policies and procedures for mitigating these risks.

Risk	Risk Management Action	Person Responsible
Description of the risk	Description of the strategy to be used to overcome the risk	Personnel responsible for monitoring the risk and executing the risk management action
Split requirements	File Reviews	APC
Patronizing one vendor multiple time during 30-day billing cycle	File Review and monthly statements	APC

The agency's procedures for reviewing charge card reports involve preparation and submittal of the monthly statement by the bank for the purchase card transactions, a review of the report data/information is conducted by the participant and AO to verify accuracy and proper authorization, and a review of the account statements and other pertinent documents (i.e., purchase card transactions documentation) by the agency's accounting and finance staff

(OCFO) prior to payment of vendor billings.

The participants and approving officials review and reconcile the invoice, record the appropriate accounting data, sign the statement of account, and forward the package to the Division Financial Service's Payment Team.

The APC uses various charge card reports (i.e., CD 200 Card Delinquency Report, CD 900 Statistical Summary Report) for monitoring delinquency, misuse and abusive activity. Random selections of various data elements and review of each participant's spending limits for purchase card transactions are conducted by the APC. Spending limits are based on budget considerations and anticipated usage as established by senior officials. Approving officials conduct a monthly review of the Detailed Account Report.

In accordance with NRC Management Directive 4.2, Volume 4, Financial Management Administrative Control of Funds, Part IV entitled "Separation of Duties for Certifying the Availability of Funds" individuals who have been delegated the authority to enter the agency into obligations and to certify funds availability are not eligible to sign both as an obligating official and Funds Certifying Official for the same spending action. The participant makes the purchase and the approving official authorize payment.

The APC conducts an annual audit of purchase card transactions. Disciplinary actions imposed on participants for a misuse or abuse result in cancellation of the cardholder(s) account. A meeting is conducted with the cardholder, approving official or supervisor, to discuss misuse of the card.

### **Purchase Card Program Point(s) of Contact**

Individuals interested in additional information or having questions regarding the agency's purchase card program should contact Vicki Gladhill at (301) 415-6519 or e-mail [VJG@NRC.gov](mailto:VJG@NRC.gov).