



EMAIL TRANSMITTAL TO NRC PURCHASE CARDHOLDERS AND APPROVING OFFICIALS

SUBJECT: NRC PURCHASE CARD PROGRAM -- PERIODIC REMINDER NO. 1

RESPONSE TO OIG AUDIT RECOMMENDATION 1 (W201100194) (EDO G20110397/ADM 11-0134)

The Office of the Inspector General performed an internal audit of the Nuclear Regulatory Commission's (NRC) Purchase Card Program. In an overall effort to improve oversight of the NRC's Purchase Card Program written guidance in the form of a reminder will be issued periodically to purchase cardholder's and approving officials to raise awareness of our agency's policies and procedures that must be followed. The attached PowerPoint presentation includes areas of improvement as identified by the OIG.

For additional guidance refer to the NRC Purchase Card Handbook at web site <http://www.internal.nrc.gov/ADM/contracts/purchasecard.html>.

Should you have questions, please contact the agency Purchase Card Coordinator.

PERIODIC REMINDER NO. 1

The Office of the Inspector General performed an internal audit of the Nuclear Regulatory Commission's (NRC) Purchase Card Program. In an overall effort to improve oversight of the NRC's Purchase Card Program, written guidance in the form of a reminder will be issued periodically to purchase cardholder's and approving officials, in order to raise awareness that policies and procedures should be properly followed. The OIG found the following areas for improvement:

Closing Accounts

- Upon a change in cardholder status such as transfer, resignation or termination, the cardholders shall stop using the card far enough in advance of their separation date.
- The Cardholder shall destroy the purchase card in a secured container and notify the Agency Program Coordinator (APC) via email.
- The cardholder shall advise the Approving Official of any unreconciled transactions.
- The Approving Official shall determine when to notify the APC to close the account based on outstanding transactions. The Approving Official is also responsible to complete unreconciled transactions in FAIMIS.

Tagging Property

- When accountable property is acquired using the purchase card, the cardholder has a responsibility to ensure that the information regarding that property is reported to the designated Office Property Custodian.
- The Property Custodian will complete a tagging data sheet (NRC Form 747), attach the purchase documentation and forward to the Property & Labor Services Branch (PLSB) located at mail stop OWF-4D15.
- A copy of the tagging sheet must be retained in the purchase card file. A list of Property Custodians can be found on the ADM internal website at <http://www.internal.nrc.gov/ADM/spaceplanning/propmgmt.html>.
- The purchase card Approving Officials are responsible for ensuring that property is reported to PLSB before they approve the reconciliation of transactions.

Increasing Spending Limits

- Requests to raise or lower the cardholder's assigned 30-day spending limit shall be submitted by the Approving Official via email to the APC.
- Temporary increases are reset to the original amount at the end of the billing cycle.
- Permanent increases, the APC will issue modified delegation of authority.

Split Transactions

- Transactions should not be split into separate requirements to circumvent a cardholder's single purchase limit
 - Example: A cardholder has received one request to purchase 2 computer monitors at \$2,000 each. In order to have the charges go through, the cardholder tells the vendor to charge for each monitor separately. This is a split transaction!

Convenience Checks

- Use of convenience checks
 - Convenience checks should be used as a payment method of last resort, only when no reasonable alternative vendor that accepts the card is available
- Do not use convenience checks for:
 - Vendors who accept the purchase card
 - Vendor transactions already under another method of acquisition (purchase orders, contracts, etc)
 - Employee reimbursements
 - Cash advances
 - Salary payments, cash awards or any payments processed through the payroll system
 - Travel-related transportation tickets
 - Meals or lodging related to employee travel

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