



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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April 11, 2002

In Reply Refer To:
1510 (N)
CA-944

EMS TRANSMISSION: 4/11/02
Instruction Memorandum No. CA-2002-043
Expires: 09/30/03

To: DSDs, CDD District Manager and all Field Managers

From: State Director

Subject: Lessons Learned from Reviews of the Master Card
Integrated Charge Card Program

DD: April 25, 2002

We have recently conducted significant reviews of the Master Card Program in some California offices. As a result of these reviews, a number of consistent problems have been discovered in the management of the charge card program.

These findings are presented to both increase the visibility of this important area and to require your positive action to effectively manage this program and avoid such problems. The Government charge card program will continue to be one of high concern, visibility, and scrutiny. We are nearing completion of negotiation with the Unions over a state-wide policy. Your positive actions to establish and maintain control now, will minimize future deficiencies. Our fiscal stewardship responsibilities to the public demand our full attention to these problem areas.

Findings: Review of the charge card statements revealed the following commonly occurring deficiencies:

- < Card holders not submitting statements for review (*this review is required for both purchase cards and travel cards*)
- < Statements with no receipts or inadequate receipts
- < Statements with no brief descriptions for items purchased
- < Most statements with no fund codes listed for the items purchased
- < Most statements not having the proper fund codes adjusted in the Federal Financial System
- < Purchase of sensitive or controlled property items without the proper clearance through Property Management
- < Purchase of Information Technology equipment without the required IRM approval
- < Statements not being reviewed and/or signed by the reviewing official

Please review the requirements of the following documents and ensure that the requirements for processing and review of statements are being met:

1. IM. 2000-048 "Interim Manual Section 1512 - Charge Cards and Convenience Checks for Travel, Purchase, Fleet and Uniforms"
2. IB BC 2001-075 "Charge Card Reviewing Official's Roles and Responsibilities"
3. IM 2000-174 "Information Resources Management Review and Approval Prior to the Purchase of Information Technology Assets"

The following staff are available to assist you in implementing these requirements.

Property:

Your local property manager or Dona Maxcy, CA-944, Tel: (916) 978-4314.

Procurement :

Your local procurement personnel or Dave Peeples, CA-944, Tel: (916) 978-4525.

Charge Card program:

Julie Lang, CA-944, Tel: (916) 978-4527

Dave Peeples, CA-944, Tel: (916) 978-4525

Rosalind Davis, CA-944, Tel: (916) 978-4523

Your local Master Card Agency Program Coordinator (APC)

Information Technology:

Rob Cervantes, CA-946, Tel: (916) 978-4541

Ralph Bunn, CA-946, Tel: (916) 978-4546

Finally, WOIM 2002-127 dated March 29, 2002 (attached below) requires your reevaluation of the need for your respective cardholders to access the charge card purchase line. Offices are also required to review credit limits assigned to purchase accounts (see your respective employee listing at the URL in the below attachment) and to reduce credit limits where appropriate. Not later than **April 25, 2002**, you are to provide a written summary of your review to Karen Barnette, Deputy State Director Support Services (940). I encourage you to make the necessary changes where substantial justification of need for the cards/authorities does not exist. Additionally, you must ensure that charge cards are physically collected from your seasonal/intermittent employees at the end of their season, reissuing the cards as needed when they return to duty.

Please address any concerns, comments or questions to the appropriate technical experts. Karen is also available to discuss these matters. It is critical that we attend to our responsibilities in this highly visible and critical area.

Signed by:
James Wesley Abbott
Associate State Director

Authenticated by:
Richard A. Erickson
Records Management

Attachment:

1. WO-IM No. 2002-127 (6 pgs, incl. attachments)

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
WASHINGTON, D.C. 20240

March 29, 2002

In Reply Refer To:
1510/1385(850) P

EMS TRANSMISSION 03/29/2002
Instruction Memorandum No. 2002-127
Expires: 09/30/2003

To: All Washington Office and Field Officials
Attn: Agency/Organization Program Coordinators (A/OPCs) and State/Center
Procurement Analysts

From: Assistant Director, Business and Fiscal Resources

Subject: Reevaluation of Cardholders' Access to the Purchase Business Line/Convenience
Checks and Review of Credit Limits **DD: Various**

Program Area: Charge Card Management

Purpose: This Instruction Memorandum (IM) requires all offices within the Bureau of Land Management (BLM) States, the National Centers, and the Washington Office to reevaluate the need for their cardholders to access the charge card purchase business line and convenience checks. Offices are also required to review credit limits assigned to purchase accounts and to reduce credit limits where appropriate.

Policy/Action: The BLM National Business Center, Division of Accounting Operations (BC-620), will provide the following information by email in electronic format to all State, Center, and Washington Office integrated charge card A/OPCs on the approximate schedule shown in Attachment 1:

- ! Integrated cardholder listing as of December 31, 2001;
- ! Transaction activity (purchase and travel) by cardholder for calendar year 2001;
- ! Total number of transactions for each cardholder for calendar year 2001;
- ! Total dollar amount of transactions for each cardholder for each statement cycle of calendar year 2001;
- ! A list of cardholders with convenience check writing authority as of November 21, 2001;
- ! Convenience check transaction activity by cardholder for calendar year 2001; and
- ! Total number of convenience checks written for each cardholder for calendar year 2001.

Supervisors must review this information to determine if:

1. cardholders with access to the purchase business line still need this access;

2. cardholders with access to convenience checks still need this access; and
3. cardholders who need to purchase from the business line can be moved to an option set with lower credit limits.

Supervisors should base their review on the criteria outlined in Attachment 2.

Supervisors in all offices within each State or Center should send their report to the State or Center A/OPCs (see attachment 2). The State or Center A/OPCs should send a consolidated report to Larry Keller, BC-620, within 30 calendar days after the date that they receive the charge card transaction information package.

Timeframe: Please complete your review and submit your consolidated responses within 30 calendar days of receipt of the transaction activity data from the BLM National Business Center, Division of Accounting Operations (BC-620).

Budget Impact: No budget impacts are anticipated.

Background: The Department of the Interior (DOI), Office of Property and Acquisition Management (PAM), requires all bureaus to conduct annual acquisition reviews of 25 percent of their offices. PAM assigns targeted review requirements that are to be accomplished by each bureau as part of the annual reviews. The FY 2002 targeted review requirements direct each bureau to assess the number of cardholders who have access to the purchase business line and convenience checks and to make adjustments to ensure that these authorities contribute to the efficient operation of the bureau. Bureaus are also required to review the credit limits assigned to purchase business line accounts to ensure that these credit limits accurately reflect the purchasing needs of the cardholder.

This review requirement was based on recommendations contained in a recent DOI, Office of the Inspector General (OIG), report of its review of the DOI's Integrated Charge Card purchase business line. The OIG found that there are many cardholders in all bureaus with access to the purchase business line and convenience checks who had very few or no purchase transactions during the transaction period reviewed. The OIG also observed that many cardholders had monthly credit limits that far exceeded their maximum monthly transaction amounts.

In their report, the OIG recommended that the DOI PAM require bureaus annually to:

1. evaluate and adjust the number of cardholders with purchase authority to the minimum number needed for efficient operations.
2. evaluate and adjust credit limits for charge cardholders.

Manual/Handbook Sections Affected: No Manual/Handbook sections are affected.

Coordination: This IM was coordinated with the Bureau's Procurement Chief and the Washington Office Property, Acquisition, and Headquarter Services Group Manager.

Contact: If you have any questions regarding this IM, please call your local A/OPC or Larry Keller, BC-620, at 303-236-9455.

Signed by:
Robert E. Doyle, Jr.
Assistant Director
Business and Fiscal Resources

Authenticated by:
Barbara J. Brown
Policy & Records Group, WO-560

2 Attachments

- 1 - Estimated Schedule for Distribution of Cardholder Transaction Information by BC-620 (1 p)
- 2 - Criteria for Reviewing Access to the Purchase Business Line, Reviewing Access to Convenience Checks, and Reporting Changes to BC-620 (2 pp)

**Estimated Schedule for Distribution
of
Cardholder Transaction Information by BC-620**

State/Center/Office	Estimated Date Pkg. to be Sent to Lead A/OPC	Estimated Date Response is Due back to BC-620
Alaska	4/1/2002	5/1/2002
Denver National Centers	4/1/2002	5/1/2002
National Training Center	4/1/2002	5/1/2002
Washington Office	4/1/2002	5/1/2002
National Interagency Fire Ctr.	4/1/2002	5/1/2002
California	4/1/2002*	5/1/2002
Oregon	4/1/2002	5/1/2002
Colorado	4/1/2002	5/1/2002
Idaho	4/8/2002	5/8/2002
Montana	4/15/2002	5/15/2002
Wyoming	4/18/2002	5/20/2002
Utah	4/29/2002	5/29/2002
Nevada	5/13/2002	6/12/2002
New Mexico	5/17/2002	6/17/2002
Eastern States	5/23/2002	6/24/2002
Arizona	5/31/2002	7/1/2002

* Note: You may now retrieve the list of your purchase card holders at the following URL:

<http://web.blm.gov/natacq/CACards.htm>

Criteria for Reviewing Access to the Purchase Business Line, Reviewing Access to Convenience Checks, and Reporting Changes to BC-620

1. Access to the Purchase Business Line

A. What do I need to review?

Supervisors must review all cardholder accounts that have access to the purchase business line to identify those accounts that no longer need access to the purchase business line or that should have their credit limits reduced. Charge card accounts assigned to the following option sets should be reviewed: 3710, 3711, 3712, 3713, 3714, 3716, 3720, 3721, and 3722.

B. What criteria should I use to determine if a cardholder should have access to the purchase business line or have their credit limits reduced?

Any charge card account that has access to the purchase business line should be looked at as a possible candidate for being moved to a non-purchase option set or having the credit limit reduced. When making this determination, you should consider the possibility of having another cardholder make purchases currently being made by a cardholder who infrequently uses the purchase business line to make purchases. You should strive to have the fewest possible cardholders with access to the purchase business line and the lowest possible credit limit possible while still being able to maintain an efficiently operating organization and allowing employees to accomplish their job responsibilities. *Retaining purchase authority for cardholders with 12 or fewer purchase transactions in calendar year 2001 should be rare.*

C. What do I need to report to BC-620?

Consolidated State responses and the responses from the National Centers and the Washington Office should be in Microsoft Excel format. The file should identify the accounts that need to be moved from a Purchase/Travel/Fleet option set to a Travel/Fleet only option set, accounts with the Purchase/Fleet only option sets that should be cancelled, and accounts with access to the purchase business line that should be moved to an option set with a smaller credit limit. Please provide the following information for each account being changed:

- Cardholder name
- Account number
- Old option set number
- New option set number, or annotation that the account should be closed

2. Access to Convenience Checks

A. What do I need to review?

Supervisors must review all cardholder accounts that have access to convenience checks to

identify those accounts that should not have access to them.

B. What criteria should I use to determine if a cardholder should have access to the purchase business line?

Any cardholder with access to convenience checks should be looked at as a possible candidate for having convenience check authority cancelled. When making this determination, you should consider the possibility of having another cardholder with convenience check authority make purchases currently being made by a cardholder who infrequently uses convenience checks. You should strive to have the fewest possible cardholders with access to convenience checks while still being able to maintain an efficiently operating organization and allowing employees to accomplish their job responsibilities. *Retaining convenience checks for cardholders with four or fewer convenience checks written in calendar year 2001 should be rare.*

C. What do I need to report to BC-620?

Consolidated State responses and the responses from the National Centers and the Washington Office should be in Microsoft Excel format. The file should identify the accounts that need convenience check authority cancelled and include the following information:

- Cardholder name
- Account number