



Charge Card Management Plan and Annual Narrative Statement

**United States
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1. Introduction

As required by **OMB Circular A-123, Appendix B – Improving the Management of Government Charge Card Programs**, this plan outlines the policies and procedures within the Department of the Interior (DOI) that are critical to the management of the integrated charge card program, in order to ensure that a system of internal controls are followed and to mitigate the potential risk of fraud, waste, abuse, misuse, and delinquency.

On October 5, 2012, the President signed into law the Government Charge Card Abuse Prevention Act of 2012 (Charge Card Act), Public Law 112-194, which reinforced Administration efforts to prevent waste, fraud, and abuse of Government-wide charge card programs. Consistent with existing guidance in OMB Circular A-123, Appendix B (Improving the Management of Government Charge Card Programs) and OMB Memorandum M-12-12 (Promoting Efficient Spending to Support Agency Operations), the Charge Card Act requires all Executive Branch agencies to establish and maintain safeguards and internal controls for purchase cards, travel cards, integrated cards, and centrally billed accounts.

To ensure compliance with the Charge Card Act, each agency head is required to provide an annual certification that the appropriate policies and controls are in place and that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices. DOI's annual certification is included as part of its annual assurance statement under the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(d)(2)).

This document is intended to be a living document and will be updated as changes occur within the DOI integrated charge card program. The primary purpose of the plan is for the DOI's benefit and reference, but as requested by OMB, a copy is posted on the OMB MAX website annually for the Controller, Office of Federal Financial Management.

DOI maintains policies and procedures that supplement this document in the management and oversight of the integrated charge card program. Additionally, the DOI implementation of JP Morgan's PaymentNet charge card management tool and MasterCard's EMS data mining tool strengthens internal controls and ensures transparency and accountability.

2. Personnel Management

2.1 Key management officials

Key management officials are comprised of the Senior Procurement Executive, Integrated Charge Card Program Manager (ICCPM), task order contracting officer, finance specialist, acquisition specialist and a technical/operation support group. The ICCPM reports to the PAM Deputy Director. The ICCPM provides leadership to the Integrated Charge Card Partnership (ICCP) and collaborates with the Charge Card Support Center (CCSC) to further the Department's goals and objectives. The ICCPM collaborates closely with Bureau Agency/Organization Points of Contact (A/OPCs) to develop and implement policies, procedures, charge card alternatives, and other guidance in support of DOI's strategic goals and government-wide initiatives. The ICCPM is also responsible for developing and updating the DOI ICCP charge card management plan, policies, procedures, and guidance; and is the primary point of contact for clarification of policy issues regarding the ICCP. Key officials are listed in the table below.

Integrated Charge Card Program Partnership

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Name	Title	Responsibilities
Debra Sonderman	Director, Office of Acquisition and Property Management and Senior Procurement Executive	Senior Leadership
David Carter	DOI Integrated Charge Card Program Manager	Charge Card Program Management; Providing leadership
Lisa Womack	Task Order Contracting Officer	Acquisition Support
Robert Smith	Office of Financial Management	Travel Policy Manager
Dawn Schaffer	Charge Card Support Center	Oversight and Operational Support
Cheryl Battle	Bureau of Indian Affairs	Bureau Lead A/OPC
Willie Williams	Bureau of Land Management	Bureau Lead A/OPC
Karen Selleck	Bureau of Reclamation	Bureau Lead A/OPC
Janet Rogers	Fish and Wildlife Service	Bureau Lead A/OPC
Lisa Womack	U.S. Geological Survey	Bureau Lead A/OPC
Nathalie Edwards	Bureau of Ocean and Energy Management	Bureau Lead A/OPC
Nathalie Edwards	Bureau of Safety and Environmental Enforcement	Bureau Lead A/OPC
Nicole Woody	National Park Service	Bureau Lead A/OPC
Charles Washington	Office of the Secretary	Bureau Lead A/OPC
Scott Berens	Office of Surface Mining	Bureau Lead A/OPC
Lorie Curtis	Office of Special Trustee	Bureau Lead A/OPC
Joseph Gregory	Office of Inspector General	Bureau Lead A/OPC

2.2 Process for appointing A/OPCs, AOs and cardholders

A/OPCs must complete prerequisite training and receive a Memorandum of Appointment from the Office of Acquisition and Property Management. The Bureau Lead A/OPC, in concert with the CCSC and ICCPM, is the primary liaison with JP Morgan regarding bureau specific technical and policy matters relating to the ICCP. Bureau Lead A/OPCs are responsible for overseeing application processing for new card accounts; charge card management, including maintaining hierarchies, cardholder and supervisor profile data, managing integrated card accounts; performing oversight functions; providing user access to PaymentNet; providing guidance to Approving Officials (AOs) and cardholders; maintaining records on completed training; assisting with development of bureau specific charge card training; conducting annual program reviews; reporting suspected fraud to the Office of Inspector General (OIG) and ICCPM; termination and suspension of accounts as applicable; and recommending terminations of purchase business line delegations of authority. In addition to the roles and responsibilities outlined in the A/OPC Appointment/Reappointment Memorandum, A/OPCs must use PaymentNet and EMS.

AOs must complete prerequisite training and receive a Memorandum of Appointment from the Office of Acquisition and Property Management. The AO is generally the cardholder's supervisor. AOs have review and approval responsibilities for all assigned accounts. AOs are responsible for ensuring that purchases made by cardholders under their purview are appropriate, charges are accurate, and purchases are for official Government business by: (1) reviewing and approving their transactions; reconciling and certifying statements in the absence of the cardholder; (2) ensuring cardholders are current with all mandatory program training requirements; (3) ensuring funds are available; (4) resolving questionable transactions with the cardholder; (5) ensuring cardholders reconcile transactions and statements within the reconciliation timeframe and within bureau guidelines; (6) reviewing transactions for appropriate documentation; (7) reporting suspected fraud to the OIG and A/OPC; (8) reporting changes in a cardholder's status and

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administrative changes to a cardholder's account to the A/OPC; and (9) ensuring compliance with Departmental and bureau record retention requirements. AOs are required to use PaymentNet to review and approve charge card transactions.

Cardholders must complete prerequisite training and receive a Delegation of Purchase Business Line Authority from the Office of Acquisition and Property Management. Cardholders are responsible for: (1) ensuring that purchases are made only for official Government business; (2) obtaining proper approvals for the transactions; (3) complying with Federal laws and regulations, as well as Departmental and bureau policies and procedures; (4) complying with spending limitations; (5) complying with internal control procedures; (6) reconciling accounts and disputing unresolved or invalid transactions within the prescribed time limits; (7) safeguarding the integrated charge card and account information; (8) reporting unauthorized use or lost, stolen, or compromised cards; and (9) complying with accountable property procedures.

Fleet Managers are responsible for: (1) ensuring that purchases are made only for official Government business; (2) ensuring that proper justifications and approvals exist for all transactions; (3) complying with Federal laws and regulations and Departmental and bureau policies and guidance; (4) complying with spending limitations (5) adhering to applicable property management policies and procedures; (6) reconciling accounts and disputing unresolved or invalid transactions within the prescribed time limits; (7) safeguarding the Fleet charge card and account information; and (8) reporting unauthorized use or lost, stolen, or compromised cards. When a bureau has implemented the Online Review and Approve (see Section 3.13), Fleet Managers are required to use PaymentNet to review and approve their charge card transactions.

Fleet charge cards that are assigned to a vehicle, major piece of equipment, aircraft, or boat will have the license plate or property number embossed on the card and may be used only for that specific vehicle, equipment, or boat. Corporate fleet purchase cards may be used to obtain fuel, lubrications, and other supplies for individual items of small motorized equipment, e.g., lawn mowers, chain saws, etc.

2.3 Procedures at employment termination or transfer

When a cardholder resigns, transfers, or is terminated, the DOI employee exit clearance process includes the surrender and destruction of charge cards and convenience checks, closing of the cardholder's account, and cancellation of PaymentNet access. Any records in the cardholder's possession must be submitted to the supervisor for central filing, unless otherwise specified in bureau policy.

3. Training

3.1 General Program Orientation and Training

In accordance with OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs, all Cardholders, AOs, and A/OPCs are required to document satisfactory completion of required training prior to appointment. At completion of training, cardholders, AOs, and A/OPCs certify that they understand and will comply with integrated charge card policies and procedures.

3.2 Integrated Charge Card Program Refresher Training

Cardholders, AOs, and A/OPCs are required to complete mandatory annual refresher training. DOI Learn is the document repository for ICCP training certificates, A/OPC and AO appointment memorandums, and cardholder delegations of purchase business line authority.

All cardholders, AOs, and A/OPCs must review and become familiar with:

- Departmental and bureau/office charge card program policy, procedures, and guidelines.
- J.P. Morgan Chase Bank, N.A. GSA SmartPay 2 Integrated Cardholder Agreement.

Integrated (travel, purchase, and fleet business lines) cardholders are responsible for completing their assigned learning plans in DOI Learn.

3.3 JP Morgan MasterCard Electronic Access System Training

Cardholders, AOs, and A/OPCs are required to complete JP Morgan PaymentNet training to improve the management and accountability of their charge card programs. A/OPCs are required to complete MasterCard Enhanced Merchant Reporting, and MasterCard's Expert Monitoring System training.

3.4 Record keeping

DOI Learn is the document repository ICCP training certificates, A/OPC and AO appointment memorandums, and cardholder delegation of purchase business line authority.

3.5 Ensuring effectiveness of training requirements

DOI's integrated charge card program training provides specific information to cardholders, A/OPCs, AOs, and Financial Managers. DOI University's online training provides management with the enhanced ability to monitor training compliance and delinquency. Training courses are available for all business lines. Refresher training for the integrated charge card program is required annually. DOI University will provide a test out option for all program participants. DOI determines the effectiveness of its training efforts by monitoring program performance.

4. Risk Management

4.1 Creditworthiness policies and procedures

DOI's integrated charge card accounts are centrally billed accounts and are not subject to the credit worthiness requirement. In 1998, DOI stopped issuing individually billed travel card accounts. Centrally-billed travel accounts, purchase card accounts and integrated accounts share common characteristics in terms of structure, purpose and risk and are treated in the same manner as purchase card accounts.

4.2 Controls, practices, and procedures related to Centrally Billed Account (CBA) delinquencies

DOI pays CBA accounts daily; therefore, DOI does not have CBA delinquencies. DOI has established policy, procedures, and internal controls for managing CBA transactions.

4.3 Controls, practices, and procedures related to Individually Billed Transactions (IBT) delinquencies

DOI policy defines the timeframe in which travel vouchers must be processed in the EDTS2 Travel Management System. When authorized travel is completed, employees are required to voucher claims for reimbursement within five working days. Payments are processed after AO approval through the DOI accounts payable process. The centrally billed integrated charge card automatically disburses payment for transportation charges (e.g., air, rail, or bus), lodging, and car rental directly to JP Morgan. This process has significantly reduced delinquent payments to the contracted bank.

Delinquency reports are monitored by the A/OPCs at all levels. Delinquent cardholders are notified by PaymentNet email alerts when an account reaches 45 days past-due. At 61 days past-due, the account is automatically suspended. JP Morgan continues to send past-due letters at 61, 90, and 120 days. If the employee does not resolve the delinquency, salary offset and/or disciplinary actions are taken. Once a salary offset has been established, up to 15% of the

employee's disposable pay is diverted to JP Morgan until the debt has been satisfied. JP Morgan also enters the account into a charged-off status at 120 days past due.

4.4 Controls, practices, and procedures related to charge card misuse and abuse

When using the integrated charge card, cardholders are required to comply with Federal laws, regulations, Departmental and bureau/office policies and guidance. Intentional misuse of the charge card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate suspension of the charge card. All cardholders are subject to disciplinary actions under applicable Departmental and bureau/office guidelines. The Departmental Manual (370 DM 572) specifically addresses charge card penalties. In cases of suspected fraud, the A/OPC is required to refer incidents to the OIG, SPE and ICCPM for action and/or investigation.

4.5 Appropriate authorization controls establishment

The ICCP includes a variety of internal controls designed to minimize integrated charge card misuse. Merchant Category Code spending limits are assigned to all accounts. Each account is established with monthly billing cycle limits by business line. Cardholder purchases will be declined at the point of sale if the Merchant Category Code is not authorized or the amount of the transaction exceeds the established spending authorization controls. A/OPCs ensure that management controls under their purview are followed and appropriately used to reduce potential card misuse and abuse. Cardholders and AOs are responsible for monthly statement reconciliation and approval. The Department's implementation of PaymentNet's on line statement review and approval function, strengthens authorizations controls, and facilitates automated email notifications to cardholders, AOs, and A/OPCs.

4.6 Ensuring effectiveness of risk management controls

Charge card data and statistics are important tools for managing the program and monitoring performance. PaymentNet and EMS provides the capability to monitor and review cardholder transaction details electronically on a daily basis. A/OPCs are required to use PaymentNet and EMS to ensure and maintain the highest level of oversight visibility over the Department's charge card program. These tools utilize email as a mechanism for delivering event-based notifications, assignments, and alerts to program participants. The ICCPM leads national partnership meetings and DOI's EMS user group meetings to ensure the effectiveness of management controls. In addition, ICCPM participates in interagency meetings sponsored by GSA and/or JP Morgan PaymentNet user group. Audit findings are an additional source used to identify program risk.

5. Refunds and Tax Recovery

5.1 Refund management

The competition for DOI's business ensures that banks offer the largest possible refund percentage when presenting contracts to the agency. DOI continuously looks for avenues to expand the use of the card to increase rebates. DOI has a current agreement with the contracted bank on a card optimization program. This program is used to analyze vendor data and identify areas where charge card use can be expanded. Non-charge card transactions are reviewed to see if they could, or should, be migrated to the charge card payment option.

5.2 Tax recovery

Integrated Charge Cards are CBAs, in which the Federal government is responsible for making the payment. As a result, consistent with the Supremacy Clause and legal precedent, the Integrated Charge Card is exempt from State sales tax in all 50 States and the U.S. territories.

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Although DOI policy is developed at the national level, tax recovery is pursued at the bureau and level. Since this is typically a transaction-specific issue, local A/OPCs, AOs, and the cardholder are best equipped to resolve these issues directly with the vendors and the contracted bank. With their knowledge of the vendors and daily interaction, tax recovery issues can be resolved quickly.

The JP Morgan MasterCard fuel tax recovery program, supported by a third-party tax specialist, allows DOI to recover eligible fuel taxes through a refund claim filing process. A refund claim is exercised when State tax law permits the exempt entity to file for the refund. A/OPCs are required to validate, file, and pursue tax claims for recovery of transaction tax overpayments.

6. Reporting

6.1 Reports

Report Name	Travel Business Line Charge Card Management Report Description
Airline Exception Report	This report is used to identify airline purchases made where the air traveler is different from the cardholder who purchased the ticket.
Past Due Report	Account Past Due Report
Travel Activity Report	This custom report will display travel related transactions (i.e. cash, fuel, ground transportation) where there is no associated airline or hotel transaction within 7 days before or after the transaction date.

Report Name	Purchase Business Line Charge Card Management Report Description
Convenience Check Report	Identifies Convenience Check transactions where the payee name on the convenience check is similar to, or equal to, the convenience check holder's name, or where the payee is "Cash"
Potential Split Purchase Report	This report will allow A/OPCs to monitor any instances where a cardholder, or group of cardholders within the same hierarchy node, split payments to a particular vendor in order to bypass the Government's single purchase limits.
Annual Purchase Cardholders Report	The custom report will be used to show DOI employees with purchase authority who have activity over a given time frame. The intent of the report is to identify those employees who have infrequent or no purchase activity to reduce purchase card access or credit limits.

Report Name	Fleet Business Line Charge Card Management Report Description
Fleet Transaction Detail	The Fleet Transaction Detail Report can be used to monitor fuel and nonfuel related purchases for each account.
Pending Review and Approve Report	The Pending Review/Approval Report details transactions and their review/approval status. The report displays hierarchy, account, merchant, and transaction detail information, approvers to which the transaction are assigned, and the dates assigned, reviewed and approved by the approver.

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Report Name	Fleet Business Line Charge Card Management Report Description
Unusual Activity Analysis Report	The Unusual Activity Analysis Report can be used to monitor unusual transaction activity and determine if the transactions are business related. The report lists: Merchant Category Codes with description, account name, merchant name, city, state, transaction date and amount.

Report Name	Integrated Charge Card Management Report Description
Weekend/Holiday Activity Report	This report will display transactions where rental car return and/or lodging check-out is on a Sunday, Monday, or Federal Holiday.
Current Hierarchies Report	This custom report will provide details of all current active DOI hierarchies, including the hierarchy name, hierarchy description, telephone, fax, address (street, city, state, zip) etc.
Hierarchy Based Roles Report	This report will provide a listing of all cardholders - their user ID, role, status and where their authority is within a hierarchy.
Cardholder Profile	The Cardholder Profile Report can be used by administrators to manage cardholder information. – One of the most valuable reports for Accounts.
Declines	The Declines report can be used to monitor the occurrences and reasons why cardholders have been declined. The report lists: Decline Code and Reason, Account Name, Account Number, Amount, MCC, MCC Description, Date and Time of Decline.
Transaction Detail with Level 3 Addendum	The Transaction Detail with Level 3 Addendum Report lists transactions with enhanced addendum. Only Airline, Rental Car, Hotel, Travel, Fleet, Purchasing, and Shipping Addendum data is provided. If postdate criterion is not selected, the report will default to activity within the last 30 calendar days.
Transaction Disputes by Hierarchy	The Transaction Disputes by Hierarchy report can be used to monitor the status of disputed transactions. The report lists: Account Name, Account #, Merchant Name, Transaction Date, Transaction Amount, Date Disputed, and Date Resolved.
Pending Review and Approve Report	The Pending Review/Approval Report details transactions and their review/approval status. The report displays hierarchy, account, merchant, and transaction detail information, approvers to which the transaction are assigned, and the dates assigned, reviewed and approved by the approver.
Unusual Activity Analysis Report	The Unusual Activity Analysis Report can be used to monitor unusual transaction activity and determine if the transactions are business related. The report lists: Merchant Category Codes with description, account name, merchant name, city, state, transaction date and amount.

7. Annual Narrative Statement

7.1 Methods Used to Detect Card Misuse

The GSA SmartPay Master Contract and DOI Tailored Task Order provide external fraud monitoring and detection through the JP Morgan Commercial Fraud Detection and Prevention Services. External fraud monitoring includes reviewing individual transactions as requests for charge card authorizations are received. Data mining software programs are used to aid in detecting and minimizing fraud by monitoring high risk merchant category codes and geographical areas.

The Department's implementation of the cardholder and AO online review and approve function will strengthen internal controls and reduces risk of fraud, waste, abuse, and misuse of the charge card. PaymentNet electronic access system provides the capability to schedule reports to run automatically and to send email alerts to cardholders, A/OPCs and AOs.

The Department's implementation of MasterCard's EMS data mining tool ensures the highest level of oversight visibility over the Department's ICCP. The automated data mining tool serves an essential internal control function that improves surveillance by highlighting selected transactions for review. A/OPCs are required to use EMS to review and document suspected abuse, misuse, or fraudulent use of the charge card.

7.2 List of Integrated Charge Card Program Best Practices

- DOI Integrated Charge Card Program Manager
 - Leadership and coordination
-
- DOI University
 - DOI Learn on line training system
 - Document repository
- Quarterly charge card reviews
- JP Morgan PaymentNet's electronic access system
 - On line cardholder statement of account review and supervisor approval
 - E-mail notifications for transaction declines and inactive accounts
 - Document repository
- MasterCard's EMS data mining tool
 - Monitors policy compliance
 - Monitors questionable transactions
 - Reduces risk of fraud, waste, abuse and misuse
 - E-mail notifications to A/OPCs
 - On line A/OPC oversight review
- ETS2 Travel Management System
 - Travel authorization and vouchering
- Integrated Charge Card Program Partnership
 - Ongoing collaboration
 - JP Morgan PaymentNet User Group
 - DOI EMS User Group