

The background of the slide is a stylized, wavy American flag. The stars and stripes are rendered in a dark blue, white, and red color scheme, creating a sense of movement and depth. The flag is positioned on the left side of the slide, with the stripes flowing towards the right.

**OMB Memorandum  
M-13-21**

**Implementation of the  
Government Charge Card  
Abuse Prevention Act of 2012  
(Charge Card Act)**

September 2013

# Purpose and Objectives

- The purpose of this brief is to:
  - Provide notification of updates needed for agency implementation of the M-13-21.
  - Further develop Frequently Asked Questions (FAQs).
- At the end of this brief agencies should:
  - Understand the steps needed for implementation.
  - Know the General Services Administration (GSA) will update and manage FAQs on the SmartPay website as a tool to help respond to questions.

## Public Law 112-194

- 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.
- On September 6, 2013, OMB issued Memorandum-M-13-21 with implementation guidance for the Charge Card Act.
- On September 9, 2013, GSA issued Smart Bulletin No. 21 with a summary compliance checklist and sample reports.

# Updated Guidance

- 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 consistent with existing guidance:
  - OMB Circular No. A-123, Appendix B (Improving the Management of Government Charge Card Programs)
  - OMB Memorandum M-12-12 (Promoting Efficient Spending to Support Agency Operations)

# Overview of Implementation

M-13-21 provides guidance from OMB to agencies on implementation for compliance with the Charge Card Act in three areas:

- Required Safeguards and Internal Controls;
- Reports of Purchase Card Violations; and
- Inspector General Risk Assessments and Audits.

## Required Safeguards and Internal Controls

- As part of the existing annual assurance statement under the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(d)(2)) each agency shall provide an annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices.
- This means the existing Annual Certification review process for the Agency PAR/AFR, will be updated to include a review of these controls. **This will not create a separate assurance statement.** The existing language will be maintained.

## Updates to Charge Card Management Plans

- Agency Charge Card Management Plans shall be reviewed and updated, as necessary, to reflect the following internal control activities:
  - To prevent an individual from being reimbursed for a bill already paid by the Government.
  - To prevent the Government from spending money on unused tickets, by verifying the agency (travel management center or service or commercial travel office) submits requests to servicing common carriers for refunds of fully or partially unused tickets, and tracks the status of these tickets to ensure resolution.
  - To deter employee misuse of Government cards, by implementing penalties for charge card violations that are jointly developed by agency charge card management and human resources components.
- Charge Card Management Plans should be submitted no later than January 31, as required by OMB Circular No. A-123, Appendix B.

# Implementation Tools

- GSA has developed a compliance assessment tool posted on the GSA SmartPay website ([www.smartpay.gsa.gov](http://www.smartpay.gsa.gov)) under “[Smart Bulletins](#).”
  - Compliance tool
  - Sample report templates
- An agency should summarize the overall results in the completed compliance summaries and internal control assurance assessments in the annual Charge Card Management Plans, beginning with the [January 31, 2014 submission to OMB](#).



## Semi-Annual Joint Purchase and Integrated Card Violation Report

- Each agency with more than \$10 million in purchase card spending the prior FY is required to submit semi-annual reports of employee purchase or integrated card violations and actions taken.
- Reports shall not disclose personally-identifying information protected from disclosure under the Privacy Act of 1974 (5 U.S.C. 552a).

## Semi-Annual Joint Purchase and Integrated Card Violation Report

- The report shall provide the following:
  - A summary description of confirmed violations involving misuse of a purchase card or integrated card, following the completion of agency or IG review.
  - Summary description of all adverse personnel actions, punishment, or other actions taken in response to each reportable violation involving misuse of a purchase or integrated card.
  - A draft summary report template will be posted on the GSA SmartPay website to aid agencies.
- The report shall be submitted twice per year:
  - April 1 to September 30 will be submitted NLT January 31, 2014
  - October 1 to March 30 will be submitted NLT July 31, 2014

## IG Risk Assessments and Audits

- IGs will conduct periodic risk assessments (at least annually) of agency purchase cards (including convenience checks), combined integrated card programs and travel card programs to analyze the risks of illegal, improper, or erroneous purchases.
- IGs will use these risk assessments to determine the necessary scope, frequency, and number of IG audits or reviews of these programs.
- Agencies should be aware of charge-card-related audit findings and ensure they are promptly resolved after completion of the audit, in accordance with OMB Circular No. A-50 (Audit Follow-up).
- IGs will report to the Director of OMB 120 days after the end of each fiscal year on agency progress in implementing audit recommendations, beginning with fiscal year 2013 submission due by January 31, 2014.

## FAQ Development

- Questions fielded from this call will be captured and developed into a FAQ document to be posted within the GSA SmartPay website.
- Additional questions from agencies should be sent by September 30, 2013 to Erin VanDagna in the GSA/Federal Acquisition Service Office of Charge Card Management at [erin.vandagna@gsa.gov](mailto:erin.vandagna@gsa.gov) or Dan Keenaghan with the OMB, Office of Federal Financial Management at [dkeenaghan@omb.eop.gov](mailto:dkeenaghan@omb.eop.gov).
- Those questions will be integrated into the FAQ document.

# Timeline

- 9/6/13 - OMB Published M-13-21.
- 9/9/13 - GSA issued Smart Bulletin No. 21.
- 9/17/13 - OMB and GSA present at AGA Conference.
- 9/17-19/13 - OMB and GSA host Town Hall events with Agencies.
- 9/30/13 - GSA publishes updated FAQs and the draft 'Semi-annual Joint Purchase and Integrated Card Violation Report.'
- 11/15/13 – (45 days after the end of the Fiscal Year) – Agencies submit assurance statement within the Agency PAR or AFR, as of September 30, 2013. No new statement is needed.
- 1/31/14 - Updated Agency Charge Card Management Plans are due to OMB.
- 1/31/14 - Semi-annual Joint Purchase and Integrated Card Violation Report is due.
- 1/31/14 - IG report due to the Director of OMB (120 days after the end of the fiscal year) on agency progress in implementing audit recommendations, beginning with a fiscal year 2013 submission.
- 7/31/14 - Second semiannual report on purchase card violations is due.

Questions?