



November 18, 2013

## GSA SMARTPAY® SMART BULLETIN

**U.S. GENERAL SERVICES ADMINISTRATION  
FEDERAL ACQUISITION SERVICE  
SMART BULLETIN NO. 021**

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### **OMB Memorandum M-13-21 and Charge Card Compliance Summary**

**EFFECTIVE DATE:** This Smart Bulletin becomes effective upon issuance and shall remain in force until modified or rescinded.

**BUSINESS LINE(S) AFFECTED:**

Purchase, Travel, Integrated

**INTRODUCTION:**

The purpose of this Smart Bulletin is to provide a summary of the requirements contained in OMB Memorandum M-13-21 and to provide agency/organization program coordinators with a copy of the compliance summary document addressed in the memorandum.

**SUMMARY:**

On October 5, 2012, Public Law (P.L.) 112-194 entitled the Government Charge Card Abuse Prevention Act of 2012 was signed into law. The Act reinforces Administration efforts to improve the management of government charge card programs. The Act also requires that the Office of Management and Budget (OMB) review existing guidance and, as necessary, prescribe additional guidance governing the implementation of requirements contained in the Act.

On September 6, 2013, OMB issued Memorandum M-13-21 which provides supplemental guidance to OMB Circular A-123, Appendix B in the following areas: required safeguards and internal controls; reports on purchase card<sup>1</sup> and integrated card violations (purchase transactions only); and Inspector General (IG) risk assessments and audits. The chart below outlines the reporting requirements reflected in P.L. 112-194 and in OMB Circular A-123, Appendix B:

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1 The Department of Defense is excluded from requirements contained in Sec. 2. "Management of Purchase Cards" of P.L. 112-194. The Department of Defense shall follow the requirements for purchase card management contained in Section 2784 of Title 10, United States Code, as amended by P.L. 112-194. The Department of Defense shall comply with all other Sections contained in P.L. 112-194, to include Sec. 3. "Management of Travel Cards" and Sec.4. "Management of Centrally Billed Accounts."

Implementation of the Charge Card Abuse Prevention Act of 2012 PL 112-194 and OMB M-13-21							
Date Due	Report	Authority	Completed By	Sent To	Sent Via	Refer to	See
12/16/2013 *Adjusted for FY 2013 reporting. Future Fys will be 15 NOV	Agency Assurance Statement on Internal Controls	PL 112-194; OMB A-123; OMB M-13-22	Agency Management and CFO	OMB	Agency PAR/ AFR	OMB A-123; M-13-21; Smart Bulletin No. 21	<a href="http://www.whitehouse.gov/omb/circulars_a123_revi">http://www.whitehouse.gov/omb/circulars_a123_revi</a> ; <a href="http://smartpay.gsa.gov/about-gsa-smartpay/policies/OMB-M-13-21/Compliance-Summary-Matrix">http://smartpay.gsa.gov/about-gsa-smartpay/policies/OMB-M-13-21/Compliance-Summary-Matrix</a>
12/31/2013	Statistical Reporting	OMB Circular A-123 Appendix B Section 5.3.1	Agency Management; AOPC, and GSA	OMB	Report Submission and Public posting	OMB A-123, App B	<a href="http://www.whitehouse.gov/sites/default/files/omb/assets/agencyinformation/circulars_pdf/a123_appendix_b.pdf">http://www.whitehouse.gov/sites/default/files/omb/assets/agencyinformation/circulars_pdf/a123_appendix_b.pdf</a>
1/31/2014	Charge Card Management Plans	OMB A-123 Appendix B Chapter 2 – Charge Card Management Plan; OMB M-13-21	Agency Management and A/OPC	OMB	Report Submission to OMB MAX	OMB A-123, App B; M-13-21; Smart Bulletin No. 21	<a href="http://www.whitehouse.gov/sites/default/files/omb/assets/agencyinformation/circulars_pdf/a123_appendix_b.pdf">http://www.whitehouse.gov/sites/default/files/omb/assets/agencyinformation/circulars_pdf/a123_appendix_b.pdf</a>
1/31/2014 7/31/2014	Semi-annual Joint Purchase and Integrated Card Violation Report	PL 112-194; OMB M-13-21	Each executive agency with more than \$10,000,000 in purchase card spending	OMB	Report Submission to OMB MAX	PL 112-194; M-13-21; Draft Violation Reports	<a href="http://smartpay.gsa.gov/about-gsa-smartpay/policies/OMB-M-13-21/Violations-Report">http://smartpay.gsa.gov/about-gsa-smartpay/policies/OMB-M-13-21/Violations-Report</a>
1/31/2014	IG Report on agency implementing audit recommendations for travel and purchase cards	PL 112-194; OMB M-13-21	OIG	OMB	Report Submission to OMB MAX	PL 112-194; OMB M-13-21	<a href="http://www.whitehouse.gov/omb/circulars_a050">http://www.whitehouse.gov/omb/circulars_a050</a>
Annually	IG Risk Assessment on purchase cards	PL 112-194; OMB M-13-21	Each executive agency OIG	Agency Head	OIG	PL 112-194; OMB M-13-21	<a href="http://www.gpo.gov/fdsys/pkg/PLAW-112publ194/pdf/PLAW-112publ194.pdf">http://www.gpo.gov/fdsys/pkg/PLAW-112publ194/pdf/PLAW-112publ194.pdf</a>

The memorandum directs agencies to use the attached “Compliance Summary Matrix” to help ensure the required safeguards and internal controls are in place. The matrix details the internal control requirements stated in P.L. 112-194. Agencies are not required to submit the matrix to OMB.

Agencies/organizations should review these requirements and compare them to existing internal controls within their implementation charge card program in order to document the operational effectiveness of current control activities. Instances of non-compliance should be documented as well as a summary of corrective actions to be taken to address shortcomings.

Executive agencies should maintain this compliance summary on-file along with related supporting documentation, as evidence of adequate control assurances. This compliance summary should also be available for IG reviews. Agencies should summarize the overall results in their completed compliance summary and internal control assurance assessments in their annual charge card management plans, beginning with their January 31, 2014 submission to OMB.

Note that the compliance matrix is designed to assist agencies in employing an effective charge card internal control program which is in balance with the need to maintain card flexibility and ease of use in support of agency mission activities. As a result, compliance with individual matrix criteria in and of itself is not as important as the effectiveness of an agency's charge card internal control program overall.

**ACTION:**

Agencies shall review OMB Memorandum M-13-21 and the attached "Compliance Summary Matrix" in order to assess and document compliance with P.L. 112-194 mandated internal controls as well as gaps and corrective actions.

David J. Shea  
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Office of Charge Card Management

If you have any questions or comments regarding this Smart Bulletin, please contact OCCM at 703-605-2808 or via email at: [gsa\\_smartpay@gsa.gov](mailto:gsa_smartpay@gsa.gov)

Attachment – Compliance Summary Matrix

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