



June 10, 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-XX 6/X/13** 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**EFFECTIVE DATE:** This Smart Bulletin becomes effective upon issuance and shall remain in force until modified or rescinded.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-XX 6/X/13** and to provide agency/organization program coordinators with a copy of the compliance summary document addressed in the memorandum.

**SUMMARY:**

On October 5, 2012, Congress enacted Public Law 112-194 (P.L. 112-194) entitled the Government Charge Card Abuse Prevention Act of 2012. 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 **June X, 2013**, OMB issued Memorandum **M-13-XX 6/X/13** which provides supplemental guidance to OMB Circular A-123, Appendix B in the following areas: Required Safeguards and Internal Controls; Additional Internal Controls; Reports on Purchase Card and Integrated Card Violations (purchase transactions only); and Inspector General (IG) Risk Assessments and Audits. The chart below outlines the updated reporting requirements and deletions contained in the OMB Memorandum:

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<b>Report</b>	<b>Status</b>	<b>Frequency/Date</b>
<b>Statistical Reporting (OMB Circular A-123 Appendix B Section 5.3.1)</b>	Deleted	N/A
<b>Narrative Reporting (OMB Circular A-123 Appendix B Section 5.3.1)</b>	Deleted	N/A
<b>Semi-Annual Joint Purchase and Integrated Card Violations Report</b>	Current	Semiannual (120 days after end of reporting periods) NOTE: First submission due on January 31, 2014
<b>Charge Card Management Plans</b>	Current	Annual (beginning January 31, 2014)
<b>Travel Card Delinquency Rates (IBAs)</b>	Current	Monthly
<b>Travel Card Delinquency Rates (CBAs)</b>	Current	Monthly
<b>Purchase Card Delinquency Rates</b>	Current	Monthly

In addition to the above, the memorandum discusses an Agency Internal Use Compliance Summary Matrix that details the internal control requirements stated in P.L. 112-194 along with the OMB Circular A-123, Appendix B Related Guidance Reference. Agencies/organizations should review these requirements in detail and compare them to existing internal controls within the charge card program in order to document operational effectiveness of control activities that are currently in place as well as instances of noncompliance and a summary of the corrective action to be taken in that area.

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.

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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 should review OMB Memorandum **M-13-XX 6/X/13** and Agency Internal Use Compliance Summary Matrix in order to understand the requirements outlined in P.L. 112-194 and to adequately document existing internal controls processes as well as gaps in processes and potential corrective actions to be taken within the charge card program.

David J. Shea  
Director  
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 – Agency Internal-Use Compliance Summary Matrix

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**Government Charge Card Abuse Prevention Act of 2012 (Pub.L.112-194)  
Agency Internal-Use Compliance Summary**

Date:

Agency:

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

Agencies should complete this compliance summary as provisions of the Government Charge Card Abuse Prevention Act are applicable.

<b><u>Pub.L.112-194 Provisions Description and OMB Appendix B Related Guidance Reference</u></b>	<b><u>Operational Effectiveness of Control Activities</u></b>	<b><u>Instances of Noncompliance</u></b>
<p><b>Pub.L.112-194; S 2.1909; "Management of purchase cards."</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194; S 2.1909.a.2</b> Each cardholder and individual issued a convenience check is assigned an approving official other than the cardholder with the authority to approve or disapprove transactions.</p> <p><b>Circular A-123, Appendix B, Chapter 2, “Charge Card Management Plan.”</b></p> <p>[Requires agencies to identify key management officials, including approving officials and outline a formal appointment process in the agency’s charge card management plan. Chapter 4 of the Circular requires charge card managers to ensure</p>		

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<p>separation of duties among key functions such as making purchases, authorizing purchases and payments, certifying funding, and reviewing and auditing. Therefore, cardholders are not authorized to be their own approving officials. In addition, the Circular requires that agencies report the span of control to ensure that there are not too many cardholders assigned to each approving official.]</p>		

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<p><b>Pub.L.112-194; S 2.1909.a.3</b></p> <p>The holder of a government charge card and each official with authority to authorize expenditures charged to the government charge card are responsible for:</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194; S 2.1909.a.3.A</b>  Reconciling the charges appearing on each statement of account for that government charge card with receipts and other supporting documentation.</p>		

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<p><b>Pub.L.112-194; S 2.1909.a.3.B</b>  Forwarding a summary report to the certifying official in a timely manner of information necessary to enable the certifying official to ensure that the Federal Government ultimately pays only for valid charges that are consistent with the terms of the applicable Government-wide purchase card contract entered into by the Administrator of General Services.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b></p> <p>[Requires cardholders and charge card management officials to reconcile</p>		

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<p>charge card transactions and statements in a timely manner. In the case of the Circular, the term certifying official is interchangeable with approving official.]</p>		
<p><b>Pub.L.112-194; S 2.1909.a.4</b>  Any disputed purchase card charge and any discrepancy between a receipt and other supporting documentation and the purchase card statement of account is resolved in the manner prescribed in the applicable Government-wide purchase card contract entered into by the Administrator of General Services.</p> <p><b>Circular A-123 Appendix B,</b>  <b>Chapter 2, entitled “Charge Card Management Plan”.</b></p>		

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>[Requires agencies to develop a charge card management plan, which includes a requirement for management controls, policies, and practices for ensuring appropriate charge card and convenience check usage. This includes ensuring that cardholders are aware of dispute processes and procedures.]</p>		
<p><b>Pub.L.112-194; S 2.1909.a.5</b> Payments on purchase card accounts are made promptly within prescribed deadlines to avoid interest penalties.</p> <p><b>Circular A-123, Appendix B,</b> <b>Chapter 4 “Risk Management”.</b></p>		

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<p>[Outlines risk management controls. More specifically, section 4.4 states that charge card managers are responsible for ensuring that payment obligations are paid on time and that all relevant Prompt Payment Act requirements are met. This includes: establishing a process, with strict internal controls, to ensure that charges and payments are timely, accurate, and appropriate; closely monitoring delinquency reports from charge card vendors; contacting appropriate personnel to ensure that delinquent payments are addressed and corrective actions are taken to prevent further occurrence; and incorporating all of these practices and procedures</p>		

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<p>into a charge card management plan.]</p>		
<p><b>Pub.L.112-194; S 2.1909.a.6</b> Rebates and refunds based on prompt payment sales volume or other actions by the agency on purchase card accounts are reviewed for accuracy and properly recorded as a receipt to the agency that pays the monthly bill.</p> <p><b>Circular A-123, Appendix B, Chapter 7, “Refund Management“.</b></p>		

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<p>[Addresses refund management requirements for agencies. Section 7.4 requires agencies to review refund agreements with contractor banks prior to the rebid of a task order, quarterly, to ensure proper amounts are refunded, and annually, to benchmark against other agreements throughout the government.]</p>		

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<p><b>Pub.L.112-194; S 2.1909.a.7</b>  Records of each purchase card transaction (including records on associated contracts, reports, accounts, and invoices) are retained in accordance with standard government policies on the disposition of records.</p> <p><b>Circular A-123, Appendix B, Chapter 2, “Charge Card Management Plan”.</b></p> <p>[Requires agencies to include record retention requirements in their charge card management plans. Record retention requirements for the charge card program are in accordance with</p>		

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<p>the National Archives and Records Administration (NARA) retention requirements and agency specific record retention requirements.]</p>		

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<p><b>Pub.L.112-194; S 2.1909.a.8</b> Periodic reviews are performed to determine whether each purchase cardholder has a need for the purchase card.</p>		
<p><b>Circular A-123, Appendix B, Attachment 5, “Best Practices in Managing Government Charge Card Programs”.</b></p> <p>[States that when mitigating risks of misuse and/or delinquency, charge card managers should perform periodic reviews of the number of charge card accounts in use for appropriateness of</p>		

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<p>number as well as evaluating the span of control for approving officials. In addition, Chapter 5 of the Circular requires agencies to report the percentage of employees that are cardholders, number of cards, number of active accounts, net new number of accounts on a quarterly basis.]</p>		
<p><b>Pub.L.112-194; S 2.1909.a.9</b>  Appropriate training is provided to each purchase cardholder and each official with responsibility for overseeing the use of purchase cards issued by the executive agency.</p> <p><b>Circular A-123, Appendix B,</b></p>		

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<p><b>Pub.L.112-194; S 2.1909; “Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Chapter 3, “Training”.</b></p> <p>[Requires that all program participants including cardholders and card managers (Agency/Organization Program Coordinators, Approving Officials, and other accountable/billing officials) be trained in card managements. All participants must be trained prior to appointment and must take refresher training, at a minimum, every 3 years. Copies of training certificates must be retained in accordance with NARA guidelines be each agency. In addition, many agencies have more stringent training requirements, including requiring training more frequently and requiring</p>		

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<p>cardholders and card managers to take supplemental agency-specific training.]</p>		
<p><b>Pub.L.112-194; S 2.1909.a.10</b> The executive agency has specific policies regarding the number of purchase cards issued by various component organizations and categories of component organizations, the credit limits authorized for various categories of cardholders, and categories of employees eligible to be issued purchase cards and that those policies are designed to minimize the financial risk to the Federal Government of the issuance of the purchase cards and to ensure the integrity of purchase cardholders.</p>		

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<p><b>Circular A-123, Chapter 2, “Charge Card Management Plan”</b></p> <p>[Provides agency charge card management plans requirements including: management controls, policies, and practices for charge card and convenience check usage such as establishment of credit limits, card issuance and cardholder eligibility, establishment of authorization controls, identification of key management officials and their responsibilities, and establishment of a formal appointment process for cardholders and approving officials.]</p>		

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<p><b>Pub.L.112-194; S 2.1909.a.11</b>  The executive agency uses effective systems, techniques, and technologies to prevent or identify illegal, improper, or erroneous purchases.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b></p> <p>[Requires card manager to implement risk management controls, policies, and procedures, including reviewing available data (including the use of data mining if available), to detect instances of delinquency, fraud, and misuse and identify trends and outliers in relevant indicators of charge card program performance. The GSA</p>		

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<p>SmartPay 2 Master Contract contains several product and service offerings that are available to assist agencies with preventing or identifying cardholder misuse, including reporting tools and capabilities and data mining tools that are available through the contractor banks.]</p>		
<p><b>Pub.L.112-194; S 1.1909.a.12</b> The executive agency invalidates the purchase card of each employee who:</p> <p><b>Pub.L.112-194; S 2.1909.a.12.A</b> Ceases to be employed by the agency, immediately upon termination of the employment of the employee; or</p>		

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<p><b>Pub.L.112-194; S 2.1909.a.12.B</b>  Transfers to another unit of the agency, immediately upon the transfer of the employee unless the units are covered by the same purchase card authority.</p> <p><b>Circular A-123, Appendix B, Chapter 2, “Charge Card Management Plan”.</b></p> <p>Requires agencies to address the recovery of charge cards and other documentation when employees terminate employment, and if applicable, when an employee moves to a different organization.</p>		

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<p><b>Pub.L.112-194; S 2.1909; “Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194; S 2.1909.a.13</b>  The executive agency takes steps to recover the cost of any illegal, improper, or erroneous purchase made with a purchase card, or convenience check by an employee, including as necessary, through salary offsets.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management.”</b></p> <p>[Part 4.9, includes guidance for actions to be taken for purchase card misuse including employee reimbursement to the government for the cost of the purchase.</p> <p>Note: Although salary offset is discussed in 4.5.2, 4.5.3, and 4.5.4 it is</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>in the context of travel cards, specifically, and this new provision in law provides additional legislative cover for agencies pursuing salary offset under other authorities, such as to cure potential ADA violations, with regard to purchase cards or convenience checks.]</p>		
<p><b>Pub.L.112-194; S 2.1909.c "Penalties for Violation".</b></p> <p><b>Pub. L.112-194; S 2.1909.c.1</b> In General. The head of each executive agency shall provide for appropriate adverse personnel actions or other punishment to be imposed in cases in which employees of the agency violate agency policies under</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>the guidance required by subsection (b) or make illegal, improper, or erroneous purchases with purchase cards or convenience checks.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b></p> <p>[Discusses disciplinary actions that may be taken against purchase cardholders, including, but not limited to: verbally counsel and issue a letter of counseling/reprimand to the employee, deactivate, suspend, or cancel employee accounts, and impose additional disciplinary action deemed appropriate by the agency. These additional actions may include reporting the cardholder to the</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>agency’s Inspector General, termination of employment, and criminal prosecution.]</p>		
<p><b>Pub.L.112-194; S 2.1909.c.2</b> Dismissal. Penalties prescribed for employee misuse of purchase cards or convenience checks that include dismissal of the employee, as appropriate.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b></p> <p>[Discusses disciplinary actions that may be taken against purchase cardholders. The section states that agencies may “impose additional</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>disciplinary action deemed appropriate by the agency”. Attachment 5 of the Circular entitled Best Practices in Managing Government Charge Card Programs outlines “suspend(ing) or terminat(ing) employment” as an example of one best practice for initiative administrative or disciplinary actions.]</p>		
<p><b>Pub.L.112-194; S 2.1909.c.3</b></p>		

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>Reports on Violations. The guidance prescribed under subsection (b) shall direct each head of an executive agency with more than \$10,000,000 in purchase card expending annually, and each Inspector General of such an executive agency, on a semi-annual basis to submit to the Director of OMB, a joint report on violations or other actions covered by paragraph (c)(1) by employees of such executive agency. At a minimum, the report shall set forth the following:</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194; S 2.1909.c.3.A</b>  A summary description of confirmed violations involving misuse of a purchase card following completion of a review by the agency or by the Inspector General of the agency.</p> <p><b>Circular A-123, Appendix B, Chapter 5, “Statistical Reporting”.</b></p> <p>[Part 5.3.1 requires all CFO agencies to report the number of cases of possible purchase card misuse reported to the agency’s Inspector General.</p> <p>Note: The statute requires descriptions and not just numbers of cases of misuse to be reported to the IG. Also, co-signing this agency report by IG and</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>management for submission to OMB is a new requirement.</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194; S 2.1909.c.3.B</b>  A summary description of all adverse personnel action, punishment, or other action taken based on each violation.</p> <p><b>Circular A-123, Appendix B,</b>  <b>Chapter 5, “Statistical Reporting”.</b></p> <p>[Part 5.3.1 requires all CFO agencies to report the number of administrative/ disciplinary actions taken for card and convenience check misuse.</p> <p>Note: The statute however, requires descriptions and not just numbers of cases of administrative/ disciplinary actions taken for mis-use, to be reported to the IG. Also, co-signing this agency report by IG and</p>		

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<u>Pub.L.112-194 Provisions Description and OMB Appendix B Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909; “Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>management for submission to OMB is a new requirement.]</p>		
<p><b>Pub.L.112-194 S 2.1909.2.d.4</b></p> <p>Report to the Director of OMB on the implementation of recommendations made to the head of the executive agency to address findings of any analysis or audit of purchase card and convenience check transactions or programs for compilation and transmission by the Director to Congress and the Comptroller General.</p> <p><b>Circular A-123, Appendix B,</b></p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Chapter 4, “Risk Management”.</b></p> <p>[Chapter 4.4 of the Circular covers requirements for Inspectors General independent periodic assessments, analysis and audits.</p> <p>Note: The statute however requires that the IG report to OMB regarding the agency implementation of corrective actions to address IG findings from purchase card or convenience check programs and requires OMB subsequently such reports to Congress and the Comptroller General.]</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 3.1909</b> <b>“Management of Travel Cards”</b> <b>[Amends Section 2 of the Travel and Transportation Reform Act (TTRA) of 1998 (P105-264; 5 U.S.C. 5701 note) by adding the following new subsection: (h) Management of Travel Cards to include the following 112-194 provisions:</b></p>		
<p><b>Pub.L.112-194 S 3.1909. 3(1)</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that has employees that use travel charge cards shall establish and maintain the following internal control activities to ensure the proper, efficient, and</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>effective use of such travel charge cards:</p>		
<p><b>Pub.L.112-194 S 3.1909.3(1)(A)</b>  There is a record in each executive agency of each holder of a travel charge card issued on behalf of the agency for official use, annotated with the limitations on amounts that are applicable to the use of each such card by that travel charge cardholder.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b>  [Requires card managers to oversee the</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>establishment and maintenance of a master file/official cardholder records, including training, appointment, single and monthly purchase limits, and related records.]</p>		
<p><b>Pub.L.112-194 S 3.1909.3(1)(B)</b> Rebates and refunds based on prompt payment, sales volume, or other actions by the agency on travel charge card accounts are monitored for accuracy and properly recorded as a receipt of the agency that employs the cardholder.</p> <p><b>Circular A-123, Appendix B, Chapter 7, “Refund Management”.</b></p> <p>[Addresses refund management</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>requirements for agencies. Section 7.4 requires agencies to review refund agreements with contractor banks prior to the rebid of a task order, quarterly, to ensure proper amounts are refunded, and annually, to benchmark against other agreements throughout the government.]</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.3(1)(C)</b> Appropriate training is provided to each travel charge cardholder and each official with responsibility for overseeing the use of travel charge cards issued by an executive agency.</p> <p><b>Circular A-123, Appendix B, Chapter 2, “Training”.</b></p> <p>[Requires that all program participants including cardholders and card managers (Agency/Organization Program Coordinators, Approving Officials, and other accountable/billing officials) be trained in card managements. All participants must be trained prior to appointment and must</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>take refresher training, at a minimum, every 3 years. Copies of training certificates must be retained in accordance with NARA guidelines be each agency. In addition, many agencies have more stringent requirements, including more frequent training and requiring supplemental agency-specific training.]</p>		
<p><b>Pub.L.112-194 S 1909. 3(1)(D)</b>  Each executive agency has specific policies regarding travel charge cards issued for various component organizations and categories of component organizations, the credit limits authorized for various categories of card holders, and categories of employees eligible to be issued travel</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>charge cards, and designs those policies to minimize the financial risk to the Federal Government of the issuance of the travel charge cards and to ensure the integrity of travel charge card holders.</p> <p><b>Circular A-123, Appendix B, Chapter 2, “Charge Card Management Plan”.</b>  [Discusses the requirements for agency charge card management plans. These requirements include management controls, policies, and practices for ensuring appropriate charge card and convenience check usage, establishment of appropriate authorization controls, identification of</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>key management officials and their responsibilities, and establishment of a formal appointment process for cardholders and approving officials. Chapter 6 covers restricted cards issuance based on credit worthiness to minimize financial risk to the Federal government.]</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.3(1)(E)</b>  Each executive agency has policies to ensure its contractual arrangement with each travel charge card issuing contractor contains a requirement that the creditworthiness of an individual be evaluated before the individual is issued a travel charge card, and that no individual be issued a travel charge card if that individual is found not creditworthy as a result of the evaluation (except that this paragraph shall not preclude issuance of a restricted use, prepaid, declining balance, controlled-spend, or stored value card when the individual lacks a credit history or has a credit score below the minimum credit score</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>established by the Director of the Office of Management and Budget.)</p> <p><b>OMB Circular A-123, Appendix B, Chapter 6, “Credit Worthiness”.</b></p> <p>[Requires agencies to assess the credit worthiness of all new travel charge card applicants prior to issuing a card pursuant to Section 846 of the Consolidated Appropriations Act 2008, (P.L. 110-161, Title VII, Section 743). In addition, the Circular states that a potential cardholder must have a credit score of 660 or higher in order to be assigned a travel charge card. If an applicant receives a credit score of less than 660, agencies may issue a restricted travel charge card to that</p>		

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<p>applicant. The restricted card may have one or more of the limitations stated Chapter 5 of the Circular.]</p>		

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.3(1)(E)</b>  Each executive agency utilizes effective systems, techniques, and technologies to prevent or identify improper purchases.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b>  [Requires card manager to implement risk management controls, policies, and procedures, including reviewing available data (including the use of data mining if available), to detect instances of delinquency, fraud, and misuse and identify trends and outliers in relevant indicators of charge card program performance. The GSA SmartPay 2 Master Contract contains several product and service offerings</p>		

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<p><b>Pub.L.112-194; S 2.1909; “Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>that are available to assist agencies with preventing or identifying cardholder misuse, including reporting tools and capabilities and data mining tools that are available through the contractor banks.]</p>		

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.3(1)(F)</b>  Each executive agency ensures that the travel charge card of each employee who ceases to be employed by the agency is invalidated immediately upon termination of the employment of the employee (or, in the case of a member of the uniformed services, upon separation or release from active duty or full-time National Guard duty).</p> <p><b>Circular A-123, Appendix B, Chapter 2, “Charge Card Management Plan”.</b>  [Requires agencies to address the recovery of charge cards and other documentation when employees terminate employment, and if applicable, when an employee moves</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>to a different organization.]</p>		

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.3(1)(G)</b>  Each executive agency shall ensure that, where appropriate, travel card payments are issued directly to the travel card-issuing bank for credit to the employee’s individual travel card account.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b>  [Requires agencies to implement split disbursement procedures, which divides a travel reimbursement and directs respective balances owed between the charge card vendor and traveler.]</p>		
<p><b>Pub.L.112-194 S 1909. 3.b</b>  <b>"Inspector General Audit".</b></p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>The Inspector General of each executive agency with more than \$10,000,000 in travel card spending shall conduct periodic audits or reviews of travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments. The findings of such audits or reviews along with recommendations to prevent improper use of travel cards shall be reported to the Director of the Office of Management and Budget and Congress.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b> [Part 4.4 requires IGs of agencies with</p>		

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>more than \$10,000,000 in travel card spending to conduct periodic audits or reviews or travel card programs to analyze risks of illegal, improper, or erroneous purchases and payments and to report the findings along with recommendations to prevent the improper use of the travel card to the OMB and Congress.</p>		

<u>Pub.L.112-194 Provisions Description and OMB Appendix B Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909; "Management of purchase cards."</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909. 3.c "Penalties for Violations".</b></p> <p>Consistent with the guidance prescribed under paragraph (2), each executive agency shall provide for appropriate adverse personnel actions to be imposed in cases in which employees of the executive agency fail</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>to comply with applicable travel charge card terms and conditions or applicable agency regulations or commit fraud with respect to a travel charge card, including removal in appropriate cases.</p> <p><b>Circular A-123, Appendix B, Chapter 4, “Risk Management”.</b>  [Discusses disciplinary actions that may be taken against travel cardholders, including, but not limited to: verbally counsel and issue a letter of counseling/reprimand to the employee, deactivate, suspend, or cancel employee accounts, and impose additional disciplinary action deemed appropriate by the agency. These additional actions may include reporting the cardholder to the</p>		

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<u>Pub.L.112-194 Provisions Description and OMB Appendix B Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909; “Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p> <p>agency’s Inspector General, termination of employment, and criminal prosecution.]</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.4 "Management of Centrally Billed Accounts".</b></p>		
<p><b>Pub.L. 112-194 S 1909. 4.a "Required Internal Controls For Centrally Billed Accounts".</b> The head of an executive agency that has employees who use a travel charge card that is billed directly to the United States Government shall establish and maintain the following internal control</p>		

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<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>activities:</p>		
<p><b>Pub.L.112-194 S 1909.4.a.1</b>  The executive agency shall ensure that officials with the authority to approve official travel verify that centrally billed account charges are not reimbursed to an employee.</p> <p><b>Circular A-123, Appendix B, Chapter 4, ‘Risk Management’.</b></p> <p>[Note: That the statute specifically requires that travel officials verify that centrally billed account charges are not reimbursed to an employee, is a new requirement, which may have been in place at many agencies as a sound internal control and risk management practice.]</p>		

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<u>Pub.L.112-194 Provisions Description and OMB Appendix B Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909; “Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a "Required Safeguards and Internal Controls".</b></p> <p>The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub.L.112-194 S 1909.4.a.2</b></p> <p>The executive agency shall dispute unallowable and erroneous charges and track the status of the disputed transactions to ensure appropriate resolution.</p>		
<p><b>Circular A-123, Appendix B, Chapter 2 “Charge Card Management Plan”.</b> [Requires agencies to develop a charge card management plan, which includes a</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>requirement for management controls, policies, and practices for ensuring appropriate charge card and convenience check usage. This includes ensuring that cardholders are aware of dispute processes and procedures. In addition, disputes are handled in accordance with Section C.1.18.1.11 Billing Discrepancies in the GSA SmartPay 2, Master Contract.]</p>		

<u>Pub.L.112-194 Provisions</u> <u>Description and OMB Appendix B</u> <u>Related Guidance Reference</u>	<u>Operational Effectiveness of Control Activities</u>	<u>Instances of Noncompliance</u>
<p><b>Pub.L.112-194; S 2.1909;</b> <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b> <b>"Required Safeguards and Internal Controls".</b> The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p><b>Pub. L.112-194 S 1909. 4.a.3</b> The executive agency shall submit requests to servicing airlines for refunds of fully or partially unused tickets, when entitled to such refunds, and track the status of unused tickets to ensure appropriate resolution.</p> <p><b>Circular A-123, Appendix B,</b> <b>Chapter 4, “Risk Management”.</b></p> <p>[Note: Requiring that travelers submit requests for servicing airlines for refunds of fully or partially unused tickets and track the status of unused tickets to ensure resolution is a new requirement, however may have been in place in many agencies as a sound</p>		

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<p><b>Pub.L.112-194; S 2.1909;</b>  <b>“Management of purchase cards.”</b></p> <p><b>Pub.L.112-194; S 2.1909.a</b>  <b>"Required Safeguards and Internal Controls".</b>  The head of each executive agency that issues and uses purchase cards and convenience checks shall establish and maintain safeguards and internal controls to ensure the following:</p>	<p>Document the operational effectiveness of control activities used by the agency to address the risk and objectives of the Government Charge Card Abuse Prevention Act.</p>	<p>Document instances of noncompliance and a summary of corrective actions to be taken.</p>
<p>internal control and risk management practice.]</p>		

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