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## **PURCHASE CARD OVERSIGHT PROGRAM**

The following is a means to effect purchase card oversight of activities within the Navy Field Contracting System (NFCS) whose contracting authority is limited to purchase card and related methods and whose authority is derived from Naval Supply Systems Command. Desk reviews will be conducted through mail/e-mail and via telephone using a two-step procedure described below.

This process adds a questionnaire (enclosure (1) ) to be completed by the command and returned as part of their Agency Program Coordinator (APC) report. Additionally, it incorporates a telephone interview to be conducted with the command APC.

### **TWO STEP PROCEDURE:**

#### **A. APC REPORT**

The APC shall submit an initial APC report to the cognizant Procurement Management Review (PMR) staff within 30 calendar days of the anniversary date as determined by the PMR implementation or other such date as determined by the PMR staff. A review will be conducted based on this initial report. Thereafter, the APC report shall be submitted annually on the anniversary date of the initial report.

The APC report shall provide total number of cardholders and approving officials, a copy of the command's internal operating procedures (IOPs); copies of all semiannual internal reviews (including the number and dollar value of transactions processed during the reporting period); identification of specific problem areas and corrective action taken; any administrative or disciplinary actions taken due to non-compliance with GSA contracts, NASUPINST 4200.94 or IOPs; and the completed questionnaire.

Letters will be issued to APCs informing them of the report due date. Non-receipt of a report shall generate a second letter, signed by the FISC commanding officer with copies to NAVSUP Code 02 and to major claimant or parent command, stating the report is overdue and establishing a new date. In this letter, reference any phone calls or other follow-up actions taken. Non-receipt of a report following the passing of the established second due date shall cause the PMR staff to notify NAVSUP 22 via e-mail of a late report. NAVSUP will take the necessary steps to notify the major claimant of non-receipt of the report and request the major claimant provide a line of accounting to support an on-site visit by the PMR staff.

Enclosure (1)

## **B. Telephone Interview**

After initial review of the APC report, the PMR staff shall conduct a telephone interview with the cognizant APC. This contact affords the analyst an opportunity to clarify information provided in the APC report. It may be used to acknowledge commendable practices or processes and to make recommendations and/or suggestions to improve the program. APCs should also be encouraged to voice concerns and questions they may have regarding their purchase card program.

Based on the results of the APC report/telephone interview, the PMR staff shall provide the command a written report within 30 days of the review. The report shall identify specific problem areas and include recommendations and/or suggestions to improve the program. The report shall assign a rating of "ACCEPTABLE" or "MARGINAL". A "marginal" rating will automatically generate an on-site review.

### **ON-SITE VISITS:**

On-site visits will be performed in cases where the PMR staff is unable to make an assessment of the program based on the desk review or as a result of investigations into criminal acts or hotline complaints or upon an assignment of a "marginal" rating. When an on-site review is conducted, the PMR staff performing the review will provide a written report within 30 days of the review to the commander of the activity. Based on the review, the PMR staff shall assign a rating of "ACCEPTABLE" or "UNACCEPTABLE".

### **UNACCEPTABLE RATING:**

If the review results in a determination that the activity is performing in an "UNACCEPTABLE" manner, the activity must demonstrate, not later than 60 days from the date of the unacceptable report, corrective action has been taken. Failure to effectively demonstrate sufficient improvement may result in revocation of authority. NAVSUP Code 02 must approve any revocations of authority.

### **ASSIST VISITS:**

Activities charged with reviewing purchase card actions will provide, at an activity's request or at the request of their command, an in-depth review of the activity's purchase card program, IOPs and all related processes. Funding (travel and per diem) for this service must be provided by the requesting activity or their command in advance of the visit.