

CHAPTER 5. MANAGEMENT CONTROL AND EVALUATION

5-1. Objective

To prescribe internal control and evaluation procedures for the HUD Governmentwide Commercial Credit Card Program

5-2. Lost and Stolen Credit Cards

- A. Primary responsibility for the use and security of an individual Credit Card rests with the Cardholder. The Cardholder must safeguard the Credit Card at all times, as if it were his or her personal Credit Card.
- B. Should the card be lost or stolen, it is important that the Cardholder notify RMBCS immediately upon discovery of the loss at the following number:

1-800-227-6736

- C. The Cardholder must also notify the Approving Official of the lost or stolen credit card within one work day after discovery of the loss.

The Approving Official must notify the COTR/GTR at Headquarters or in the Field, the Field Coordinator, immediately upon being informed of the loss or theft.

- D. The Approving Official will require from the Cardholder information to complete a written report:
 - 1. At Headquarters, the report is filed directly with the COTR/GTR;
 - 2. In the Field, the report is filed through the Field Coordinator to the COTR/GTR; and
 - 3. The report should be filed within three days of the discovery of the loss or theft and should include the following:
 - a. card number;
 - b. complete name of Cardholder;
 - c. date, location and circumstances of the loss;
 - d. date reported to police, if stolen;

5-1

- e. copy of the police report, when available;
 - f. date RMBCS notified;
 - g. purchases made on the day the card was lost/stolen; and
 - h. any other pertinent information.
- E. A new card will be issued within ten days after the

reported loss or theft. The Federal Government may be responsible to the RMBCS for the charges against this card should RMBCS not be notified at once of the loss of the card. The Cardholder may be responsible to the Federal Government for charges on a lost or stolen card not reported at once.

5-3. Cancellation of Credit Cards

- A. When an individual is transferred within an organization or duties are reassigned, a determination should be made by the Approving Official whether the individual should retain the card.
- B. The Cardholder must notify the Approving Official when change in duties or circumstances eliminate the need to make individual small purchases and, therefore, negate the need for a Credit Card.
- C. If a Cardholder is transferred, resigns, retires or for any reason should not retain a card, he/she shall cut the card in half and return the card with the completed I.M.P.A.C. Card Destruct Notice, (Appendix 15), to the Approving Official.
- D. When a card is canceled and the Cardholder returns the cut card and the Destruct Notice to the Approving Official, the Approving Official will dispose of the card. The Approving Official will send the Destruct Notice:
 - 1. at Headquarters, to the COTR/GTR; and
 - 2. in the Field, through the Field Coordinator to the COTR/GTR.
- E. An employee shall not be cleared until the card is forfeited and received by the Approving Official. The HUD 58 (See Appendix 16) or 58-A (See Appendix 17), Clearance for Separation of Employee Form, must be

5-2

annotated accordingly by the COTR/GTR in Headquarters, the Field Coordinators, or the appropriate official designated by the DOA in the Field Office.

5-4. Procurement Coordination

While the Governmentwide Commercial Credit Card Program is an alternate payment method, its use is also governed by the procurement regulations applicable to small purchases. Therefore, OPC shall meet with the Program Administrator whenever new small purchase policies and procedures are established to assess their impact on the Credit Card Program. OPC shall recommend appropriate changes to the purchasing procedures in this Handbook to assure that the program complies with procurement policy changes.

5-5. Accounting Internal Controls

The Office of Accounting is the Finance Office at Headquarters. The Field Accounting Division is the Finance Office in the Field. The Finance Office maintains internal control over all accounting aspects of the program. This includes:

- A. Cross checking the Statement of Account with receipts to verify that the Individual Statement of Account and the Approving Official's Statement of Account are accurate and properly completed;
- B. Reviewing for duplicate or inaccurate billings;
- C. Notifying the Program Administrator immediately when any accounting/finance procedural violation, or program abuse or mismanagement has been identified. The Finance Office and the Program Administrator will jointly resolve the situation; and
- D. Meeting with the Program Administrator as necessary to review the Credit Card Program when new accounting procedures or programs are initiated that will impact the Credit Card Program.

5-3

5-6. Program Evaluation

- A. In accordance with Handbook 1840.1, REV-2, Departmental Management Control Program, OAMS will include the Department's Governmentwide Commercial Credit Card Program as an assessable unit in its 5-year Management Control Plan and complete a risk assessment. After the initial program evaluation, future evaluations will be scheduled as part of OAMS Management Control Program.
- B. Evaluations of the Department's Governmentwide Commercial Credit Card Program will be conducted by the Branch Chief, Policy and Management Reports Branch (ARSMP) in the Office of Administrative and Management Services (OAMS) in Headquarters and by the Administrative Service Center Directors (ASCDs) in the Field. The Branch Chief, ARSMP, will be assisted by the Office of Procurement and Contracts and the Office of Accounting when conducting Headquarters review of the Program. The "Commercial Credit Card Evaluation Guide," (Appendix 1) will be the review guide utilized to evaluate the Program. The results of all evaluations conducted, including findings and recommendations will be submitted in reports to the Program Administrator.
- C. The report will consist of:
 - 1. an evaluation of management/control of credit card,

proper procurement procedures, accounting aspects of the program, and value of the program;

2. findings; and
 3. recommendations, including who is responsible for implementing the recommendations and completion dates for implementing the recommendations.
- D. The COTR/GTR is responsible for monitoring findings and will keep the Program Administrator informed of the status of recommendations. Upon request from the COTR/GTR, the Branch Chief, ARSMP, and the ASCDs will submit the status of recommendations. The Program Administrator determines if a finding is closed based on information provided by the Branch Chief, ARSMP, or the ASCDs.

5-4

5-7. Reports and Retention of Records

- A. The Servicing Bank provides a series of standard reports to the Program Administrator, Finance Office, Approving Official and Cardholder. Copies of the reports are available from the Program Administrator.

B. Records Retention

1. Accounting Office

In accordance with the Department's General Records Schedule 6, HUD Handbook 2228.2 REV-2 CHG-3, Appendix 10, original or ribbon copy of accountable officers' accounts are retained for a period of 6 years and 3 months and are authorized to be destroyed after that time. The Finance Office is the accountable office for all records supporting payment of credit card invoices.

2. COTR

The COTR is the accountable officer for all administrative and management reports used to implement and monitor the program. These records are authorized for disposal after 3 years [General Records Schedule 6, item 5b].

3. Procurement Office

Copies of program documents and reports retained by the Procurement Office are authorized for disposal after one (1) year, unless such documents are incorporated into procurement records that have their own specific disposition schedules [General

Records Schedule 6, item 1b].

4. Approving Official/Cardholder

Copies of accountable officers' records retained by the Cardholder and Approving Official, including statements of transactions and accountability, all supporting invoices, and related documents not otherwise referenced, are authorized for disposal after one (1) year [General Records Schedule 6, item 1b].