

Commercial Credit Card Evaluation Guide

The evaluation shall be based on a judgmentally selected sample of cardholders and/or approving officials and purchases.

I. MANAGEMENT/CONTROL OF CREDIT CARDS

1. Are written Agency (HUD) credit card policy and procedures, (Handbook 2212.1 Governmentwide Commercial Credit Card Program), provided to cardholders and approving officials?

Evaluation Methodology: Check to see if cardholders and approving officials, who are interviewed, have a copy of HUD Handbook 2212.1 "Governmentwide Commercial Credit Card Program", on file.

2. Does the Contracting Officer's Technical Representative (OAMS Administrative Officer) or the Regional Program Coordinator for the Department's credit card program maintain on file procurement authority delegation letters from the Director, OPC (HQ) or DOA (Region) for each cardholder?

Evaluation Methodology: Cross-check credit card files of procurement authority delegation letters vs. listing of current cardholders.

3. Are approving officials doing an adequate review of monthly statements?

Evaluation Methodology: Selectively review accounting files (Business Accounts Summary) for a one year period, and interview accounting personnel to detect discrepancies and oversights resulting from lack of review by approving officials.

4. Are monthly statements processed in a timely manner (five working days for cardholders and ten working days for approving officials)?

Evaluation Methodology: Selectively review monthly statements and interview approving officials and accounting personnel for one year period.

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5. Do approving officials assure that cardholders do not purchase prohibited items as defined in 3-5 of the Credit Card Handbook?

Evaluation Methodology: Selectively review monthly statements and interview approving officials for one year period.

6. Have cardholders been informed of their personal responsibility to maintain the security of the credit cards and not let others use them?

Evaluation Methodology: Interview selected cardholders.

7. Have all approving officials and cardholders received credit card program orientation training?

Evaluation Methodology: Compare selected cardholders and approving officials with the COTR/GTR or the Regional Program Administrator's listing of orientation training attendees.

8. Do cardholders only order what a vendor can provide at that time and avoid or cancel back orders?

Evaluation Methodology: Review monthly statements and invoices and interview cardholders.

II. PROPER PROCUREMENT PROCEDURES

1. Are purchases being split to circumvent dollar limitations?

Evaluation Methodology: Request and review random issues of the past year's IMPAC Report R061, Cardholder Activity Report, to determine if orders have been issued to the same vendor/same SIC code on the same day for amounts which, if added together, exceed the cardholder's single purchase limit.

2. Are purchases being rotated among eligible businesses?

Evaluation Methodology: Request and review random issues of the past year's IMPAC Report R061, Cardholder Activity Report, to determine if a cardholder's purchases for similar items, i.e., those purchases having the same SIC Code, have been awarded to different vendors.

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3. Are awards being made to small and small disadvantaged businesses?

Evaluation Methodology: Interview selected cardholders and review a sample of his/her written records, if any, to determine if small and small disadvantaged businesses are being sought and orders are being placed with them. Note: The use of a large business must be justified, e.g., there are no known small business providers; small business prices are determined to be unreasonable or significantly higher than those of large businesses, no small businesses can provide the supply/service in the quantity needed; or no small businesses can comply with the delivery schedule requirements.

Review Report R900, Year to Date Merchant Activity to ascertain actual vendors used.

4. Do credit card purchases reflect fair and reasonable prices?

Evaluation Methodology: Interview selected cardholders and review a sample of his/her written records, if any, to determine if purchase prices have been determined to be fair and reasonable based upon: a comparison (competition) with other vendor's prices; comparability with a recent, prior purchase price; an established

catalog or current list price; or the cardholder's personal knowledge of prices for that supply/service.

5. Are cardholders verifying that the supply cannot be obtained through the GSA Customer Supply Catalog?

Evaluation Methodology: Interview selected cardholders and review a sample of his/her written records, if any, to determine if the GSA Customer Supply Catalog was reviewed prior to placement of the credit card order. Note: If the supply is available from GSA, it must be obtained from GSA unless: GSA cannot meet the delivery schedule; GSA cannot supply the quantity needed; GSA cannot comply with HUD's specifications; or GSA's price for the item(s) is higher than that on the open market.

III. ACCOUNTING ASPECTS OF THE PROGRAM

1. Is accurate accounting information placed on approval statements?

Evaluation Methodology: Review selected approving officials' files and interview accounting personnel.

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2. Are transactions involving billing errors or disputed items maintained in a separate (suspense/clearing) account?

Evaluation Methodology: Interview accounting officials and review the suspense/clearing account which is required to be maintained by the Finance Office.

3. Do disputed items from cardholder's statement result in credit on subsequent RMBCS/HUD bills?

Evaluation Methodology: Review accounting files and interview accounting personnel, cardholders, and approving officials.

IV. VALUE OF PROGRAM

1. Has the Program helped or hindered job performance?

Evaluation Methodology: Interview program administrator, selected procurement and accounting personnel, cardholders, and approving officials.

2. Are any changes desirable to enhance control over or effectiveness of the Program?

Evaluation Methodology: Interview program administrator, selected procurement and accounting personnel, cardholders, and approving officials.

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