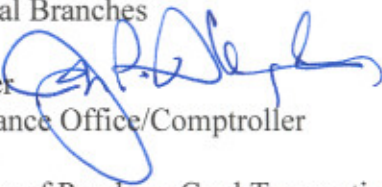




MAR 5 2007

MEMORANDUM FOR: Field Financial Branches

FROM: Jon Alexander 
Director, Finance Office/Comptroller

SUBJECT: Reconciliation of Purchase Card Transactions
Policy Memorandum 07-02

Background: In the conduct of the DOC's Fiscal Year (FY) 2006 Audit of the Financial Statements, a Management Letter Comment was received by NOAA concerning the adequacy of controls over disbursements. The recommendation received was, "We recommend NOAA strengthen its internal control process and ensure that all bank card purchases are properly reviewed and authorized by an approving official, timely."

In addressing this recommendation, as well as to address the General Accountability Office's recommendation (to strengthen oversight of the delegated procurement authorities in NOAA) included in their audit of the NOAA acquisition function in FY 2006, the Acquisition and Grants Office is implementing a formal oversight program, part of which includes ensuring timely reconciliation and approval of purchase card transactions.

Purpose: The purpose of this policy memorandum is to establish policy concerning reconciling and approving transactions on behalf of cardholders and/or approving officials.

Policy: It is recognized that the utilization of the government-wide purchase card is an extremely useful tool for Line and Staff Offices in acquiring small dollar value goods and services in an expedited fashion. However, prompt reconciliation and approval of purchase card transactions is a primary responsibility of the cardholder and Approving Official and is essential for the effective management of the purchase card program.

In the past, some of the Field Finance Branches (FFB) provided reconciliation services, as well as, approving transactions on behalf of cardholders and/or approving officials. Given that the responsibility for reconciling and approving purchase card transactions rests with the cardholder and their approving official, a decision has been made that FFB's will no longer provide reconciliation and approval services to cardholders and approving officials. As a result of this decision, all FFB staff will have their Commerce Purchase Card System access adjusted to remove the reconciliation and approve capabilities.

