



National Aeronautics and
Space Administration

NASA Shared Services Center
Stennis Space Center, MS
39529-6000
www.nssc.nasa.gov

NASA Shared Services Center Process Work Instruction

NSPWI-5100-0007 Revision 6.0

Effective Date: September 28, 2021
Expiration Date: September 27, 2022

NASA Purchase Card Internal Review Guide

- FOR NSSC INTERNAL USE ONLY -

Responsible Office: Office of Procurement

Approved by

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NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 3 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

DOCUMENT HISTORY LOG

Status (Basic/Revision / Cancelled)	Document Version	Effective Date	Description of Change
Basic	1.0	02/25/2019	Basic release
Revision	2.0	03/13/2020	<ol style="list-style-type: none"> 1. Changed all instances of: "Procurement Officer" to "Chief, Procurement Services"; "Purchase Card Administrators" to "NSSC Purchase Card Team (Service Providers (SP))"; "NASA Internal Review Guide" to "NASA Purchase Card Internal Review Guide"; "Purchase Card" to "NSSC PCard"; "Desk Audit" to "Virtual Cardholder Desk Audit" 2. Section 1.0: Changed "identify the minimum ..." to "define how the NSSC PCard Team (Service Providers (SP)) will conduct oversight" 3. Section 1.0, 2nd paragraph: Changed "Green Procurements and CIO" to add SEMOs. 4. Section 2.0: Updated language to include adding information about special approvals. 5. Section 2.1: Updated to state that SPs will use Appendix C to document Transaction Audits, as well as CS' role. 6. Section 2.2: SPs will use Appendix B to conduct virtual Cardholder desk audits with a review by CS as well. 7. Section 3.0: Documented that the audit findings will be posted to the PCard webpage. 8. Appendix A: Updated reporting and frequency timeframes. 9. Appendix A: Removed "Green Purchases", as it is not being reported to anyone. 10. Updated Appendices B, C & D

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 4 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

Status (Basic/Revision/ Cancelled)	Document Version	Effective Date	Description of Change
Revision	3.0	06/22/2020	1. Updated Appendix A to read "Electronic" 2. Updated Appendix C, Transaction Audit Checklist
Revision	4.0	10/27/2020	1. Updated Appendix C, Transaction Audit Checklist by adding rows for Section 889 vendor representation form & Center Approval (AD level) 2. Appendices A and D: Changed "P-Card Web Solutions" to "P-Card Application"
Revision	5.0	01/27/2021	1. Updated Appendix C to remove the requirement for Center AD approval. 2. Appendix D: Renamed to "OMB Quarterly Data" and updated the Appendix to account for what the NSSC P-Card Service Provider provide to the APC and Alt APC on a quarterly basis. (Additional information is in Appendix A) 3. Add Appendix E: Convenience Check Audit Checklist
Revision	6.0	9/28/2021	Updated Appendix C's comments/notes, as well as added information regarding controlled equipment.

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 5 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

TABLE OF CONTENTS

1.0	Purpose.....	6
2.0	Reviews and Analyses	6
3.0	Audit Findings	7
4.0	NASA Purchase Card Escalation Process	7
	APPENDIX A – Electronic Auditing Reports & Schedules	8
	APPENDIX B – Virtual Cardholder Desk Audit Checklist.....	9
	APPENDIX C – Transaction Audit Checklist	11
	APPENDIX D – OMB Quarterly Data	12
	APPENDIX E – Convenience Check Audit Checklist	13

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

1.0 Purpose

The purpose of the NASA Purchase Card (PCard) Internal Review Guide is to define how the NSSC PCard Team (Service Providers (SP)) will conduct oversight reviews of Centers' purchase card activity (and convenience check activity, if applicable). Adhering to this guide will ensure compliance with the NASA Purchase Card Procedures and Instructions (PCPI), the Federal Acquisition Regulation (FAR), the NASA FAR Supplement (NFS), and other associated NASA procedures and directives. Additionally, this guide will ensure the requirements of the Office of Management and Budget (OMB) Circular A-123, Appendix B: Improving the Management of Government Charge Card Programs, are met.

NSSC PCard SPs are accountable for conducting reviews and documenting the results; however, they will be assisted by various Center Subject Matter Experts (SMEs) who are involved in the purchase card process, e.g. Property, Shipping and Receiving, Center Supply and Equipment Management Officers (SEMO), etc.

2.0 Reviews and Analyses

NSSC PCard SPs shall conduct regularly scheduled reviews of the electronic reports found in Appendix A and thoroughly document any findings, annotate corrective actions taken, and provide recommendations to prevent future discrepancies when notified by the Center SME. NSSC PCard SPs shall maintain documentation of the reviews and submit copies to their management and NSSC PCard Civil Servants (CS).

2.1 Purchase Card and Convenience Check Transactions

NSSC PCard SPs shall audit a minimum of 5% of purchase card and convenience check transactions on a monthly basis. This also includes sending out a detailed listing of all transactions that were made within the month requiring special approvals to all Center-level SMEs. If the SMEs have audit findings, these shall be reported to the NSSC PCard SPs. Audits will be documented on the Appendix C checklist. These reviews are due by the end of each month.

The purpose of these reviews is to ensure an individual transaction was processed in accordance with the PCPI and applicable NASA and Federal requirements. For example, no prohibited items should be purchased, appropriate approvals should be obtained for items requiring special approval (example: Hazardous Materials), purchases should not be split, items need to be properly tagged, etc.

NSSC PCard SPs shall then report all monthly internal review findings to the NSSC PCard CS, and document this as part of the OMB Quarterly Data, as shown in Appendix D.

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

NSSC PCard CSs shall then document their findings as a result of reviewing the SP's audits. NSSC PCard CS should follow-up with CHs and AOs regarding any questions or concerns they may have. This is documented on Appendix B and an overall monthly status is provided to the Agency Program Coordinator (APC).

2.2 Virtual Cardholder Desk Audits

NSSC PCard SPs shall conduct virtual Cardholder desk audits of a minimum of 20% sample at each NASA Center at least once a year. Appendix B will be utilized by the NSSC PCard SPs to conduct these audits. NSSC PCard CSs will also use Appendix B to conduct their review and capture any audit findings.

3.0 Audit Findings

The top five Agency-wide recurring audit findings will be included in the NSSC PCard Quarterly newsletter, which is distributed to cardholders and approving officials as well as posted on the NSSC PCard webpage.

The audit trend analysis data is shared with the NSSC PCard community to prevent future repetitive infractions and identify any corrective actions which may be needed. Additionally, results of these various reviews and audits will be used to fulfill the requirements of NASA's Self-Assessment Guide.

4.0 NASA Purchase Card Escalation Process

The APC and the NSSC PCard CSs will follow the NASA Purchase Card Escalation Process for instances of Card Misuse, Abuse or Fraud and the NASA Desk Guide for Table of Disciplinary Offenses and Penalties.

Reviewers shall promptly report suspected cases of fraud or abuse to the NSSC PCard CSs and the Office of Inspector General.

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 8 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

APPENDIX A – ELECTRONIC AUDITING REPORTS & SCHEDULES

System of Record: P-Card Application

Report Name	Frequency	Purpose
Basic LI Report	Monthly	Identifies split purchases, restricted purchases, items requiring special approvals, orders requiring forms to be completed, items needing property tags, etc. Run this report using the billing date, after reconciliation each month. <u>Place data in Excel and send to SMEs.</u>
Unapproved Transaction Report	Monthly	Identifies any transactions that are waiting to be reconciled and/or approved. Serves as a tool during reconciliation to assist the NSSC PCard Team in monitoring which cardholders still need to reconcile and which approving officials need to approve transactions.
Custom Order Report – ‘NSSC WBS Report’	Monthly	Identifies PCard orders created over the micro-purchase threshold that must be entered into the Federal Data Procurement System (FPDS).
Custom Transaction Report – FPDS-NG	Monthly	Identifies P-Card transactions over \$10,000 after reconciliation that need to be entered into FPDS-NG.
Custom Transaction Report – SEMO	Monthly	Identifies P-Card all transactions for all cardholders at each respective Center to be provided to that Center’s Supply and Equipment Management Officer (SEMO)
Multiple transactions by a Single Cardholder to a Single Vendor	Monthly	Identifies repetitive transactions by a single cardholder to a single vendor during extraction.

US Bank’s Electronic Access System (AxOL)

Cardholder Profile Report (Cards not used in 6 months)	Quarterly	Identifies accounts with no activity for 6 months. These accounts need to be reviewed to ensure they are still needed, or if they need to be closed or placed in an “inactive” or “suspended” status. This report also shows “new”, “renewal” or “replacement” (due to lost/stolen) cards that were sent to cardholders but have not be activated. This review ensures the card is not lost; reminds the cardholder to activate the card; and verifies that the account is still needed.
Convenience Checks (Cash Advance Report)	Quarterly	Identifies all convenience check transactions in the bank’s online access system. <i>Note: Will still have to check the P-Card Application for check numbers/details.</i>
Declines Report	Monthly	Identifies purchases that were declined by the bank. Declined transactions may indicate attempted fraudulent activity, an attempt to exceed single purchase limit set on an account, or an attempt to procure from a merchant with a blocked MCC.
CFO Delinquency Report	Monthly	PCard payment delinquencies for each center -provided to HQ OCFO & NSSC FM

VISA’s IntelliLink Data Mining System (Create Rules to Run Automatically)

High Risk MCCs	Monthly	Audit of purchases made to merchants with MCCs of “wire transfer money order”, “furriers/fur shop”, “jewelry store”, “dating/escort service”, “watch/clock/jewelry repair”, “betting/track/casino/lotto”, “bars/taverns/lounges/discos”.
Restaurant MCCs (5812-5814)	Monthly	Audit of purchases made to restaurants and fast food chains.

SAP Core Financial (Internal Financial Management System)

ZMM_PR_Analysis Report	Monthly	Identifies order logs that were created AFTER the transaction was received by NASA from the Bank.
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Note: There are other reports the NSSC PCard SPs can run on an “as needed” basis, such as: Green Purchases, PayPal transactions, Amazon Prime transactions, Weekend or Holiday activity.

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 9 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

APPENDIX B – VIRTUAL CARDHOLDER DESK AUDIT CHECKLIST

Cardholder Name: CH's Approving Official: Date of Review:		Service Provider (SP) Reviewer:	Civil Servant (CS) Reviewer:
Delegation and Training	Yes/No	SP Notes:	CS Notes:
Do you have your "NASA Purchase Card Program" training certificate?		Dated:	
Did you take the "P-Card for Purchase Cardholders, Cardholder Delegates, and Approving Officials" training course? Can you provide me with the certificate?		Dated:	
Is your Refresher training up-to-date?		Dated:	
Do you have your <u>signed</u> Letter of Delegation (LOD)?		Dated:	
Is the LOD for purchases and COOP? If so, does it specify that OR are two LODs on file?			
NSSC check: Do the system limits match the LOD \$ thresholds?			
Are the purchases you make compliant with your LOD-specific single purchase and monthly purchase limits?			
Do you have a continuing need for this card?			
Knowledge Currency			
Are you aware of the requirement to report all indications of fraud or criminal activities to the OIG?			
Are you aware of the Special Approvals required in Attachment A of the PCPI? Do you obtain these, as needed?			
Do you know that the order log serves as your electronic file? This can be viewed by auditors and the PCard Team.			
Do you know that you have to maintain your records for 6 years? Have you?			
Security			
Do you always secure your card (or checks, if applicable), as well as card number?			

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

Recordkeeping / Documentation	Yes/ No	SP Notes:	CS Notes:
Do you have a CH Delegate? If so, what role does this person perform?			
Do you maintain well-documented order logs? Do you utilize the "Comment" feature?			
Do you utilize the "Attachment" feature in PCard to add required supporting documentation (i.e. receipts, emails, required special approvals obtained (<i>such as for: Software requirements, Flight hardware, critical ground support equipment and hazardous materials, etc.</i>))?			
Can you tell me the required sources in Section 10 of the PCPI? Are you utilizing these? (<i>Examples: Equipment from Agency inventory or excess from other Agencies, Strategic Sourcing, etc.</i>)			
Property Tracking			
Did you procure personal property meeting NASA's definition of controlled equipment? (<i>NPR 4200.1</i>)			
If so, did you coordinate with your Center's SEMO? Was it properly received, tagged and recorded?			
Procedures			
Are you paying tax?			
Are you rotating orders amongst vendors?			
Did you split any of your purchases?			
Convenience Checks			
Do you have the SATERN Convenience Check course certificate?		Dated:	
Were checks used when the PCard could have been used?			
Are the checks secured when not in use? Are they used sequentially?			
Did you collect the Tax ID No. and vendor's mailing address for the IRS Form 1099?			
Payment			
Reconciliation completed within 5 working days?			
Have you requested a vendor credit or disputed an item? If so, how often?			
Feedback & Comments			
Do you have any questions? Can share any best practices you've identified with the PCard?			

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 11 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

APPENDIX C – TRANSACTION AUDIT CHECKLIST

NSSC Transaction Audit – Cardholder Checklist			
Cardholder (CH) Name	Click or tap here to enter CH's Name.		
CH's AO's Name	CH click or tap here to enter your AO's Name.	Date	CH Pick date.
CH Center	Choose a Center	PC # Audited	Click or tap here to enter PC #.
Item(s) and/or Service(s) Purchased		Comments/Notes	
What was/were the Item(s) and/or Service(s) purchased?		(If large number of transaction line items - list as many as possible)	
Were supporting documents included (<i>i.e. Proof of Item Cost, Invoice, Receipt, Email Correspondence, Shipping Document, etc.</i>)?		(Review Order Log Attachments for Required Documentation)	
Was Special Approval required in accordance with PCPI Attachment A? (<i>Examples: Software, Moderate or High Impact IT Systems, Hazardous Material, etc.</i>) If yes, was the authority received prior to purchase?		(Review Order Log Special Approval and/or Attachments for Approvals)	
Was the Section 889 Vendor Representation form included and appropriately filled out? Is it current?			
Were the required sources in Section 10 of the PCPI followed? (<i>Examples: Equipment from Agency inventory, Ability One, Strategic Sourcing, etc.</i>)		(If yes, then please provide source)	
Was a GSA or FSSI vendor used before a commercial source? Were the vendors Rotated? Was the Order Log noted?		(If yes, then please provide response)	
If controlled equipment(s), was/were the item(s) properly tagged? (This may require reaching out to the CH to ensure proper tagging was done) (IAW NPR 4200.1)		(If yes, then please provide response)	

NSSC Transaction Audit Checklist – NSSC Use Only	
Activity	Comments/Notes
NSSC Reviewer's Name	Click or tap here to enter text.
Date Received from CH	Click or tap to enter a date.
Date of Review	Click or tap to enter a date.
Any Concerns or Follow-up?	Click or tap here to enter text.
If follow-up, Date(s) Requested	Click or tap here to enter date(s).
Date(s) follow-up received from CH	Click or tap here to enter date(s).
NSSC CO Comments	Click or tap here to enter text.

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 12 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

APPENDIX D – OMB Quarterly Data

POPULATE FY AND QUARTER HERE	ARC	AFRC	GRC	GSFC	HQ	JSC	KSC	LaRC	MSFC	NSSC	SSC	WFF	Totals
Number of purchase cards:													
# of CHs													
Approving Officials													
Number of Approving Officials													
Ratio of AOs to CHs													
Transaction limits vs monthly limits													
Provide total number of cardholders with limits as shown													
Cardholders with Transaction Limits:													
<or = \$10,000													
\$10,001 - \$25,000													
\$25,001 - \$100,000													
>\$100,001													
Cardholders with Monthly Limits:													
<or = \$10,000													
\$10,001 - \$25,000													
\$25,001 - \$100,000													
>\$100,000													
Spending Limits													
Number of PROC CHs with spending limits greater than \$10,000													
Number of NON-PROC CHs with spending limits greater than \$10,000													
Convenience Checks													
Total # of Convenience Checkwriters													
Total # of Convenience Checks Written													
# of Checks Written Over \$5,000													
# of Checks Written Under \$5,000													
Total \$ amount of checks written													

OMB Data Summary										
Number of Cards	Dollars Spent	Refunds Earned	Ratio of AOs to Purchase Cardholders	Number of Procurement (PROC) Purchase Cardholders with Single Purchase Limits (SPL) over \$10,000	Number of Non-PROC Purchase Cardholders with SPLs over \$10,000	Total # of Individuals Authorized to write Convenience Checks	Total # of Convenience Checks Written	Number of Checks Written Over \$5,000	Number of Checks Written Under \$5,000	Total \$ Amount of Check Written

Convenience Check Data										
Name of Check Writer	Reason for Check	Date of Check	Merchant Name	Merchant Tax ID	Merchant Address	Merchant Phone #	PC Order Log #	Amount of Check	CK Fee Amount	Total

NSSC Process Work Instruction	NSPWI-5100-0007	Revision 6.0
	Number	
	Effective Date:	09/28/2021
	Expiration Date:	09/27/2022
Page 13 of 13		
Responsible Office: Office of Procurement		
SUBJECT: NASA Purchase Card Internal Review Guide		

APPENDIX E – CONVENIENCE CHECK AUDIT CHECKLIST

NSSC Convenience Check Audit – Cardholder Checklist			
Cardholder (CH) Name	Click or tap here to enter CH's Name.		
CH's AO's Name	CH click or tap here to enter your AO's Name.	Date	CH Pick date.
CH Center	Choose a Center	PC # Audited	Click or tap here to enter PC #.
Delegation and Training	Yes/ No	Comments/Notes	
Do you have your "NASA Convenience Check Letter of Delegation? (Please Provide LOD)		Dated:	
Did you take the SATERN Purchase Card Convenience Check Training? (Please Provide Certificate)		Dated:	
Record Keeping/Documentation/Procedures			
What is the Check Number? Was the Check Number provided in the Order Log?		Number:	
What were the associated Check fees?			
What is the name of the Vendor/Merchant?			
Did you collect the Tax ID No. & vendor's mailing address for the IRS Form 1099?			
Why was a Convenience Check used instead of the Purchase Card?			
Confirm this was a Valid Government purchase and that services were received, reconciled & paid? (Provide Documentation – i.e. receipt/invoice, etc.)			
Are your Convenience Checks used sequentially?			
Are your Convenience Checks secured when not in use? Please explain.			

NSSC Convenience Check Audit Checklist – NSSC Use Only	
Activity	Comments/Notes
NSSC Reviewer's Name	Click or tap here to enter text.
Date Received from CH	Click or tap to enter a date.
Date of Review	Click or tap to enter a date.
Any Concerns or Follow-up?	Click or tap here to enter text.
If follow-up, Date(s) Requested	Click or tap here to enter date(s).
Date(s) follow-up received from CH	Click or tap here to enter date(s).
NSSC CO Comments	Click or tap here to enter text.