

Purchase & Travel Card Programs


Current Status and Future
Trends

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Current “Hot” Topics

- Internal Controls
- Fraud
- Audit
- Industry Information





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Internal Controls

Key Items

- Understanding the role of Card Management
 - Statewide Program Management
 - Agency level oversight
 - Department level oversight

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Internal Controls

Key Items

- Program Administrator (PA) are the ones who needs to develop and massage the program
 - Utilize counterparts in Public Sector for best practices
 - Utilize data from the card industry for best practices

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Internal Controls

Key Items

- Card Controls
 - Utilize appropriate limits
 - Utilize Merchant Category Code (MCC) Restrictions
 - Fraud Table

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Fraud

Key Items

- On the rise
 - Outside Fraud – High!
 - Phishing Scams
 - Vendor created Fraud
 - Internal Fraud – Low!
 - Occurrences by employees are very low
 - » Card program which is managed

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Fraud

Outside Fraud

- Ways to control
 - Card Providers
 - Internal Systems/Review before charges are posted
 - Program Management
 - Card Controls
 - Alert Program staff of new Scams
 - » Open communication

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Fraud

Card Controls

- Merchant Category Codes (MCC)
 - Fraud Table
 - High Risk MCC's Blocked
 - » Examples:
 - » Cash Access
 - » Bars and Nightclubs
 - » Pawn Shops
 - » Dating and Escort Services
 - » Massage Parlors
 - » Betting Establishments
 - » Food Stamps
 - » Fines
 - » Bail and Bond Payments


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Audit

6 Key Items to Audit a Program

1. Documentation
2. Card Controls
3. Audit Transactions
4. Monitor “Eye Ball”
5. Communicate
6. Training



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Industry Information

Hot Topics

- Qualified Purchasing Card Agent (QPCA)
- Purchase Card Industry (PCI) Standards

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Industry Information

Industry Information - QPCA

- IRS should be issuing more information in 2008
 - MasterCard, VISA and American Express has to validate annually with all merchants their information (i.e. Tax Identification Number)

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Industry Information

Industry Information – PCI Standards

- The PCI is a multifaceted security standard that includes requirements for security management, policies, procedures, network architecture, software design and other critical protective measures in regards to all types of charge/credit cards.

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Industry Information

Industry Information – PCI Standards

- Not required by Public Sector Card Programs
- If your entity accepts cards as a form of payment you **MUST** comply – Penalties!
- Providers are taking a pro-active step to ensure all data is as secure as possible

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Industry Information

Resources

QPCA:
http://www.irs.gov/irb/2004-31_IRB/ar16.html

PCI Standards:
<https://www.pcisecuritystandards.org/>


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Future

Hot Topics

- QPCA
- PCI Standards
- Internal Controls
- Fraud



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Conclusion

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