

Department of Defense Purchase Card Program Management Office

17 SEP 1999

REPLY TO
ATTN OF PC-PMO

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Purchase Card Delinquency Policies

As you know, I am committed to senior Department leaders to the elimination of aging delinquencies within the purchase card program. The actions we recently took to eliminate seriously delinquent purchase card accounts resulted in identification and correction of systemic deficiencies within our payment processes. We have virtually wiped out these aged accounts, however, we must continue to improve and instill proper delinquency management at all levels.

Current Department policy requires US Bank and Citibank, to suspend any billing account that goes 60 days delinquent. If any of those accounts go 180 days delinquent, the entire activity (level 4 for US Bank, level 5 for Citibank) will be suspended. The banks will automatically suspend the accounts when they go delinquent and will automatically lift the suspension once they are paid. US Bank implemented this suspension policy on August 31, 1999; Citibank will implement the policy effective January 1, 2000.

Essential to continued improvement is the establishment and monitoring of viable system metrics. Therefore, I am announcing new delinquency standards across the Department. A Department or Agency may not have more than 0.75% of their total receivables at the bank over 60 days past due. A zero tolerance will be maintained for any percentage of receivables over 180 days past due. My intent is to move towards even greater delinquency self-monitoring with standards that are fair and equitable to all parties. The issuing banks agree that these standards are acceptable and I will not impose any additional delinquency reporting if you are meeting these standards. You are encouraged to implement more stringent metrics within your respective Department or Agency, as you deem appropriate.

I thank you for the support and cooperation you have continuously provided me. The above actions should ensure we do not return to the high delinquency figures we experienced in early 1999. Early detection and corrective actions to resolve any delinquencies are essential for the avoidance of loss of card privileges. My staff will continue to provide any assistance you may need and I urge you to take advantage of their expertise. As always, you will find the most current delinquency information on our web page at <http://purchasecard.saalt.army.mil>.

Please feel free to contact me at (703) 681-7564 or Capt. Shawn Caldwell at (703) 681-0372, DSN 761, or email: shawn.caldwell@saalt.army.mil, for any additional information.

//signed//

Bruce E. Sullivan
Program Manager
Purchase Card Program
Management Office

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