

July 11, 2014

<b>DIRECTIVE:</b>	<b>JOB CORPS PROGRAM INSTRUCTION NOTICE NO. 14-02</b>
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**TO:** ALL JOB CORPS NATIONAL OFFICE STAFF  
ALL JOB CORPS REGIONAL OFFICE STAFF  
ALL JOB CORPS CENTER DIRECTORS  
ALL JOB CORPS CENTER OPERATORS  
ALL NATIONAL TRAINING AND SUPPORT CONTRACTORS  
ALL OUTREACH, ADMISSIONS, AND CTS CONTRACTORS

**FROM:** LENITA JACOBS-SIMMONS  
Acting National Director  
Office of Job Corps

**SUBJECT:** Mandatory Student Travel Change: Discontinued Issuance and Usage of Center-Issued Prepaid Debit Cards; Improved Management of Purchase Card Transactions

1. Purpose. To direct the Job Corps community to discontinue issuance and usage of prepaid debit cards, and remind centers they are required to ensure student travel expenses are allowable, necessary, prudent, and that mass transit is competitively procured.
2. Background. In May 2012, the Assistant Secretary for Employment and Training requested that the Office of the Inspector General (OIG) initiate an audit of Job Corps' "Student Travel Funds." The OIG issued its final report No. 26-14-001-03-370, "Job Corps Needs to Improve Controls over Student Travel Funds" on April 29, 2014.

### **Prepaid Debit Cards**

The OIG found that staff and students at 98 centers had "significantly misused" prepaid debit cards that had been purchased to pay checked baggage fees. Specific issues identified by the OIG included staff and students using the cards for personal gain, wasteful spending on unnecessary merchant fees and unused card balances.

The Office of Job Corps (OJC) originally implemented the use of prepaid debit cards when airlines began charging fees for checked baggage. Prepaid debit cards were a substitution for cash. In 2012, OJC identified concerns about the use of prepaid debit cards. OJC took action to implement strict controls over prepaid debit card use and inventories addressed in Job Corps Information Notice 12-45. In May 2014, OJC questioned centers on their usage of prepaid debit cards and determined that 75 percent of its centers no longer use prepaid debit cards. Many

centers now work with airlines that will accept on-line check-in and centers schedule travel where prepaid debit cards are not needed.

In order to eliminate misuse associated with prepaid debit cards, and due to the changes with on-line check-in at many airlines, OJC is hereby discontinuing permission for centers to use prepaid debit cards.

### **Government Purchase Cards**

The OIG also found that student travel procured with government purchase cards lacked internal controls to ensure center student travel expenses are allowable, necessary, prudent and that mass transit is competitively procured. In an OIG review of a sample of purchase card transactions, centers were able to show that 93.6 percent of the purchases reviewed were allowable. However, many centers needed detailed instructions on what constituted adequate support for expenses, and needed several months to locate the evidence when it should have been available for immediate examination. For example, the OIG found that centers provided incorrect student profiles, invoices and receipts to support claimed costs and needed assistance to locate the correct corresponding documentation. Therefore, OJC is reminding centers of their obligation to ensure that all claimed costs are reasonable, allowable, and comply with applicable policy requirements and Federal guidance.

### **3. Action.**

#### **Prepaid Debit Cards**

Contractors shall immediately discontinue the issuance and usage of center-issued debit cards. Alternatively, contractors shall incur costs associated with student baggage and will be reimbursed for these costs through their invoicing procedures as defined in Appendix 502 and 503 of the Policy and Requirements Handbook.

Contractors may invoice and report these costs in their monthly 2110 report under the student-travel line item. Contractors may submit a request for equitable adjustment resulting from this change to their Contracting Officers.

If a center has students who are presently in possession of debit cards, and the students are in a travel status and require using the debit cards to facilitate their return to the centers, the centers shall permit usage of the debit card, but shall immediately discontinue use of the debit card upon the students' return to the center by July 31, 2014.

Contractors shall provide their designated Regional Project Manager/Contracting Officer Representative (COR) with a list of all returned debit cards. All debit cards must be returned to the travel agent who obtained the card, and a credit back to Citibank Travel Account should be issued.

To ensure centers are reimbursed for travel costs incurred, Citibank statements must reflect separate charges for each student: cost of airline ticket purchased with the name of airline

and airline identifier code; ticket number; name of student; date of departure and routing by airport code; and proof of luggage fee. (This information is automatically supplied by the airline at the time of the charge to Citibank.) The ticket agency service fee must appear as a separate charge from all other ticket charges.

For air travel, use online check-in whenever it is available for paying authorized luggage fees. For student breaks, only one piece of luggage shall be permitted. Students traveling home after graduation are permitted two pieces of luggage. Most airlines provide online check-in within 24 hours of scheduled travel which allows baggage fees to be charged to the same account as the ticket (Citibank account.)

### **Government Purchase Cards**

As a reminder, centers are required to have internal controls to ensure student travel expenses are allowable, necessary, prudent, and that mass transit is competitively procured. Specifically, centers should:

1. Require signed supervisory approval of estimated costs before trips begin (i.e., travel approvals) and of actual claimed costs (i.e., travel vouchers.)
2. Always maintain documentation to support claimed costs (e.g., receipts, invoices, bid documentation.)

Additional information about these requirements is available in the Federal Travel Regulation, Department of Labor Manual Series, and OMB Circular A-123.

Addressees are to ensure this Program Instruction Notice is distributed to all appropriate staff.

4. Expiration Date. Until superseded.
5. Inquiries. Inquiries should be directed to your designated COR.