



Lexington-Fayette Urban County Government
OFFICE OF INTERNAL AUDIT

MANAGEMENT ACTION PLAN PROGRESS REPORT

DATE: November 10, 2015

TO: Jim Gray, Mayor

CC: Sally Hamilton, Chief Administrative Officer
Glenn Brown, Deputy Chief Administrative Officer
Aldona Valicenti, Chief Information Officer
William O'Mara, Commissioner of Finance & Administration
Todd Slatin, Director of Purchasing
Phyllis Cooper, Director of Accounting
Susan Straub, Communications Director
Urban County Council Members
Internal Audit Board Members

FROM: Bruce Sahli, CIA, CFE, Director of Internal Audit
Jasie Curtis, CFE, Internal Auditor

RE: Procurement Card Audit Management Action Plan Progress Review

EXECUTIVE SUMMARY

On September 2, 2014 the Office of Internal Audit issued the Procurement Card Audit. The 2014 report contained eleven findings related to the management and use of the LFUCG Procurement Card program (P-Card).

This review is provided for management information only. It is not an audit and no opinion is given regarding internal controls or procedures. The period of review included P-Card processes put into place since the September 2014 audit, including the sampling of various transactions as necessary to verify the effectiveness of management action plans.

A summary of the findings from the original September 2014 audit report and a summary of the results of our follow-up are provided in the table below. The original findings, management's original responses, and details of the results of this follow-up are contained in the **ORIGINAL AUDIT RESULTS AND FOLLOW-UP DETAILS** section of this report.

Finding	Summary of Original Finding	Follow-up Results
Finding #1 High Priority	Additional Merchant Control Codes Should be Blocked	All MCCs recommended for blocking remain open and available for P-Card users.
Finding #2 High Priority	P-Card Transaction File Should be Automatically Loaded	The daily downloads automatically occur Tuesday through Friday based on software code written by Enterprise Solutions. It appears that the automatic transmission of data is functioning properly. This finding has been resolved.
Finding #3 High Priority	P-Card Transactions Not Approved in a Timely Manner	Purchasing has begun the process of warning users about continual late approvals, and has suspended one P-Card for continued violation of the approval/reconciliation requirement. P-Card manuals are not all updated to reflect the timely approval requirements.
Finding #4 High Priority	Merchant Control Codes Are Not Being Transmitted by JPM Chase	Purchasing personnel made a request to JPM Chase bank to transmit MCC information, but MCCs are still not being transmitted.

Finding #5 High Priority	P-Card Manual Needs Updating	Only one of the three P-Card manuals has been updated, and the Intranet contained only outdated manuals.
Finding #6 High Priority	P-Cards Underutilization Represents an Unnecessary Cost to LFUCG	Division of Police is now using P-Cards. Purchasing management indicated that virtually all LFUCG Divisions are now using P-Cards. This finding has been resolved.
Finding #7 High Priority	Split Transactions Occurring to Circumvent Single Purchase Limit	Purchasing has begun the process to increase the P-Card limit from \$1,000 to \$2,500, with the proposed increase expected to be submitted to the Council for approval in late calendar 2015. If approved, this increase should aid in reducing split transaction violations. This finding has been resolved.
Finding #8 High Priority	Software Modification Needed	Software code was written and implemented by Enterprise Solutions that will display an error message if there is an accidental assignment of a P-Card to an inactive employee ID number. Other controls are also in place to detect incorrect employee ID's. This finding has been resolved.

Finding #9 High Priority	Cardholder Agreement Not Signed	The P-Card Administrator's Master Control Cardholder Log includes the dates in which P-Card reconcilers and P-Card approvers are trained, and that the training dates occurred prior to or on the same day the P-Cards were issued. A sample of Cardholder Agreements we examined were all properly signed. This finding has been resolved.
Finding #10 High Priority	P-Card Reconciliations Not Being Performed at the Cardholder Level	Purchasing management informed us that supplemental reconciliation training has been provided, but there is no record of training attendance. A random sample of ten cardholders' recons noted all were properly completed. Not all of the P-Card manuals have been updated to reflect the responsibilities associated with physically reconciling the P-Card statements, and none of the intranet versions were updated.
Finding #11 Moderate Priority	One Cardholder's P-Card Limit Was Not Adjusted	Purchasing did not implement the formal checklist process as stated in their original response to ensure all modifications are processed correctly. There still does not appear to be any type of review process in place to verify P-Card changes are accurately made in a timely manner.

ORIGINAL AUDIT RESULTS AND FOLLOW-UP DETAILS

Original Finding #1: Additional Merchant Control Codes Should be Blocked

Priority Rating: High

Condition:

Merchant Control Codes (MCCs) exist to block P-Card transactions with vendors that are not on LFUCG's approved industry code list (e.g., adult entertainment). We noted numerous MCC's that were not blocked, but should be blocked because there is not a legitimate business purpose for these types of vendors. See Attachment I. We did not find any cardholders who acquired goods or services from vendors that had these Merchant Control Codes.

Effect:

The current list of questionable unblocked merchant codes could result in purchases from inappropriate vendors.

Recommendation:

The excluded merchant control group is a preventative control that could be strengthened by excluding more MCCs. The codes in Attachment I are questionable and should be blocked for the control groups.

Director of Purchasing Response:

The Division of Central Purchasing believes that some of the merchant codes in Attachment I are acceptable and are used by various Divisions for legitimate purchases, i.e. Veterinary Services is used by Fire and Parks Equestrian for service animals, Florists are used by Parks for performances and Mayor's Office receptions. The Division will review the list and block the majority of the codes recommended by Internal Audit. Estimated completion date November 1st, 2014.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Auditor's Note: Leaving the merchant code unblocked allows its potential inappropriate use by Divisions that do not have a need for it. If the Division of Purchasing deems it necessary to allow the Division of Fire to purchase Veterinary Services and Drugs, Fire should be set up as a separate Merchant Code group. As noted in Attachment I, under the current setup there are several Divisions that have access to Veterinary Services and Drugs that do not have a business need for them.

Follow-Up Detail Results:

We noted that no blocking of MCC codes has occurred. All MCCs recommended for blockage remained opened and available to P-card users. The excluded merchant control group is a preventative control that could be strengthened by excluding more MCCs. We again recommend that the codes in Attachment I remain questionable and should be blocked for the control groups.

Director of Purchasing Response:

Purchasing has requested that the recommended MCC codes be blocked by December 1st, 2015.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Original Finding #2: P-Card Transaction File Should be Automatically Loaded
Priority Rating: High

Condition:

We examined a random sample of 50 P-Card transactions. It took a range of 0-5 business days for the P-Card administrator to load the P-Card transaction file, with an average of 1.9 business days to load. Loading the P-Card transaction file is a manual process currently performed by the P-Card administrator.

Effect:

Delays in loading P-Card transactions to be available for the approval process causes budget information to be non-current and could possibly allow the cardholder to overspend in an account. By loading files manually, there is a risk the file may not get loaded.

Recommendation:

Enterprise Solutions should develop a script to automatically load the P-Card transaction file as soon as it is received by LFUCG from JPM Chase.

Director of Purchasing:

The Division of Central Purchasing will work with Enterprise Solutions where needed to assist in developing the automatic script loading process. Estimated completion date October 1st, 2014.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Director of Enterprise Solutions:

This has been completed and is now in Production. It automatically loads all procard files that are awaiting load in the staging folder, and then another process stages all procard transactions that are available. The P-Card Administrator has set up a recurring notification in her calendar to be sure to review for any load errors on a regular basis.

Chief Information Officer Response:

Concur.

Follow-Up Detail Results:

The daily downloads automatically occur Tuesday through Friday based on software code written by Enterprise Solutions. A Buyer in Purchasing performs a daily review to ensure the transactions were loaded properly, and logs the amount of items downloaded for quick detection if the transactions did not load on a given day. A random sample of daily P-Card file loads found no exceptions. It appears that the automatic transmission of data is functioning properly.

This finding has been resolved. No management response required.

Original Finding #3: P-Card Transactions Not Approved in a Timely Manner

Priority Rating: High

Condition:

We examined a random sample of 50 P-Card transactions. It took 0-17 business days for the approval process to be completed. The average number of business days to complete the approval process was 4.6 days. Purchasing's standard is to approve P-Card transactions in two business days (i.e. reconciliation and approval).

Effect:

Delays in approving P-Card transactions causes budget information to be non-current and could possibly allow the cardholder to overspend in an account.

Recommendation:

Reconcilers and Approvers should be instructed to approve transactions within two business days from the date the billing file is loaded.

Director of Purchasing Response:

The Division of Central Purchasing will begin suspending cards for persistent offenders who fail to approve/reconcile transactions in a timely manner. Effective immediately.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Auditor's Note: The P-Card Users' Manual should be updated to define "persistent offender" and define "timely manner".

Follow-Up Detail Results:

Purchasing has begun the process of warning users about continual late approvals, and has suspended one P-Card for continued violation of the approval/reconciliation requirement.

P-Card activity is governed by three different manuals, referred to individually as the Procurement Card Program Cardholder Policies and Procedures Manual, the Procurement Cards Approver Users Guide, and the Procurement Cards Reconciler User Manual. We reviewed these P-Card manuals and noted that only one of the three manuals addressed the requirement for the timely approval/reconciliation of P-Card transactions. None of the manual versions contained on the LFUCG intranet were updated. Although Purchasing sent an email to all relevant employees with an updated manual (the Procurement Card Program Cardholder Policies and Procedures Manual), it is recommended that all three manuals, including all versions on the intranet, be updated with the latest P-Card processes and requirements.

We also noted that the three manuals are largely repetitive, and recommend that Purchasing management consider consolidating the three manuals into one Procurement Card Program Cardholder Policies and Procedures Manual for ease of use and posting updates.

Director of Purchasing Response:

Purchasing will update and consolidate the manuals then upload the latest version to the intranet by December 1st, 2015.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Original Finding #4: Merchant Control Codes Are Not Being Transmitted by JPM Chase

Priority Rating: High

Condition:

Merchant Control Codes (MCC/SIC) are not in the data transmitted to LFUCG from JPM Chase. MCC/SICs are transaction blocking controls designed to keep certain merchant types from being charged on the P-Card at the point of sale.

Effect:

Control is weakened by not having the MCC in the P-Card transaction file. If this information is provided, audit analytics can be run that will automatically identify unapproved merchants and transactions.

Recommendation:

LFUCG should request that JPM Chase provide LFUCG with the MCC (also known as the SIC Code) for each transaction. The P-Card administrator and Enterprise Solutions should work with JPM Chase to have the MCC included in the P-Card transaction file. A detective control report should then be developed by Enterprise Solutions that identifies all transactions with vendors that should have blocked MCC's. This report should be monitored by the P-Card administrator.

Director of Purchasing Response:

Although we don't believe it's possible to make a purchase from a vendor with a blocked MCC, the Division of Central Purchasing will request that MCC codes be included in our transaction report. Estimated completion date October 1st, 2014.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Director of Enterprise Solutions:

DES will develop a report or query to address this finding. The P-card administrator will need to work with the bank to get the MCCs. Once this has been delivered to DES, we will implement a report within 30 days.

Chief Information Officer Response:

Concur.

Follow-Up Detail Results:

Purchasing personnel informed us that a request was made to the JPM Chase bank to transmit MCC information, but MCCs are still not being transmitted. Enterprise Solutions personnel stated that a program is in place to automatically acquire the MCC information for the detective control report if the data is transmitted from the bank.

We recommend the Purchasing Department make another attempt to obtain the MCC codes from JPM Chase so that the detective control report can be created.

Director of Purchasing Response:

JPM Chase is unable to provide the MCC code in the transaction file.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Original Finding #5: P-Card Manual Needs Updating
Priority Rating: High

Condition:

The P-Card Manual, which as of June 18, 2014 is available on the LFUCG intranet, has a revision date of August 2012. We noted some discrepancies between actual P-Card practices and the current Manual. For example, the MCC 5122 Drugs, Druggist Sundries is not a blocked MCC Code even though Prescription Drugs & Controlled Substances are listed as Restricted Commodities in the LFUCG Cardholder Policies and Procedures Manual (pg. 10). In addition, a potentially necessary exception may need to be included in the P-Card Manual for the business-need use of prescription drugs carried on an EMS vehicle. Page 6 of the P-Card Manual states former Purchasing Director Brian Marcum approves changes to the monthly purchase limit of cardholders, and PNC Bank is still referred to in the Manual although our cards are now with JPM Chase. We also noted the Manual does not state that the approval process should be completed with two business days, which is the practice that Purchasing emphasizes that arose out of a previous internal audit recommendation.

Effect:

Outdated written procedures could result in LFUCG personnel being inconsistent in the proper use of P-Cards, and in complying with management's performance expectations. Outdated procedures also make it more difficult to train employees and hold them accountable for proper implementation of training.

Recommendation:

The P-Card Manual should be updated whenever modifications occur, with an up-to-date electronic version provided on the LFUCG intranet. The P-Card Manual should be consistent with CAO Policies and should specify any exceptions to rules governing the use of P-Cards. All cardholders and approvers should be emailed when there is change in the procedures or policies. Titles should be used in place of names if possible to avoid updates when an employee leaves the LFUCG.

Director of Purchasing Response:

The Division of Central Purchasing will revise the P-Card Manual by September 30th, 2014.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Follow-Up Detail Results:

Our review of the three P-Card manuals determined that only one of the three manuals was updated, and the Intranet contained only outdated manuals. The P-Card Manuals should be updated whenever modifications occur, with an up-to-date electronic version provided on the LFUCG intranet. The P-Card Manuals should be consistent with CAO Policies and should specify any exceptions to rules governing the use of P-Cards. All cardholders and approvers should be emailed when there is change in the procedures or policies. Titles should be used in place of names if possible to avoid the need for updates when an employee leaves the LFUCG.

We also noted that the three manuals are largely repetitive, and recommend that Purchasing management consider consolidating the three manuals into one Procurement Card Program Cardholder Policies and Procedures Manual for ease of use and posting updates.

Director of Purchasing Response:

Purchasing will update and consolidate the manuals then upload the latest version to the intranet by December 1st, 2015.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Original Finding #6: P-Cards Underutilization Represents an Unnecessary Cost to LFUCG

Priority Rating: High

Condition:

From July 1, 2013 through June 30, 2014, there were 4,650 purchase orders issued by LFUCG that were under \$1,000. The 2012 edition of the Purchasing Card Benchmark Survey conducted by RPMG Research Corporation noted that the average administrative cost of procuring and paying for goods or services via a purchase order process was about \$91 per transaction (included paperwork associated with requisitions, sourcing, approvals, purchase orders, invoices, and checks). The Survey also noted that the cost per P-Card was only about \$17 per transaction. Based on the results of that Survey, the LFUCG could have saved approximately \$344,100 in processing costs had P-Cards been used for all purchases under \$1,000. We were also informed by Division of Purchasing management that the Division of Police has declined to use P-Cards.

Effect:

Based on the results of our audit and the information contained in the Purchasing Card Benchmark Survey, the opportunity exists to significantly enhance the cost savings associated with the LFUCG P-Card program.

Recommendation:

Senior management should evaluate the justification for creating purchase orders under \$1,000 and weigh such justifications against the considerable processing cost savings that could be achieved by requiring the use of P-Cards for most transactions under \$1,000. If it is senior management's decision to use P-Cards in this manner, senior management should consider mandating their use in all LFUCG Divisions.

Chief Administrative Officer Response:

I agree that P-Cards can afford the city great savings if used appropriately. I will review the issue to determine where P-Cards are underutilized and understand the reasons for their limited use. After I review the individual areas, I will be in a better position to address the question of mandatory use.

Follow-Up Detail Results:

Purchasing management indicated that the Division of Police is now using P-Cards. We reviewed the transaction history for the three P-Cards assigned to Police and noted the cards are actively being used. Purchasing management indicated that virtually all LFUCG Divisions are now using P-Cards.

This finding has been resolved. No management response required.

Original Finding #7: Split Transactions Occurring to Circumvent Single Purchase Limit

Priority Rating: High

Condition:

We identified 78 instances where two or more transactions with a particular merchant occurring on the same day (split transactions) resulted in their exceeding the maximum single purchase limit of \$1,000 per day per merchant. This represents a violation of current P-Card procedures.

Effect:

As noted in Finding #6, the 2012 edition of the Purchasing Card Benchmark Survey conducted by RPMG Research Corporation noted that the average administrative cost of procuring and paying for goods or services via a purchase order process was about \$91 per transaction (included paperwork associated with requisitions, sourcing, approvals, purchase orders, invoices, and checks), while for P-Cards the cost was only about \$17 per transaction.

LFUCG P-Cardholders have been encouraged by the Division of Purchasing to use the P-Card for small transactions instead of purchase orders in order to reduce purchase processing costs. In the United States General Accounting Office (GAO) Audit Guide-Auditing and Investigating the Internal Control of Government Purchase Card Programs exposure draft issued in May 2003, the GAO recognized a \$2,500 single purchase limit (which GAO referred to as a micropurchase threshold) as a method for containing the administrative costs of purchasing. The University of Kentucky's single purchase limit is \$5,000. LFUCG's \$1,000 individual purchase limit may be unnecessarily restrictive for effective P-Card use and purchasing cost containment.

Recommendation:

LFUCG senior management should consider the benefit of raising the P-Card single purchase limit to increase the costs efficiency opportunities of the P-Card program, while taking into account the increased purchasing risk this increase might create. Policies should be modified as necessary to reflect this change if implemented. If senior management decides to keep the \$1,000 limit in place, the Division of Purchasing should issue a reminder to all P-Card users that split purchases to circumvent the single purchase limit are a violation of current P-Card procedures and that continued violations may lead to removal of the P-Card.

Chief Administrative Officer Response:

I will discuss the issue with the Commissioner of Finance and the Director of Purchasing. I will also inquire as to the state's limit on P-Cards.

Follow-Up Detail Results:

Purchasing has begun the process to increase the P-Card limit from \$1,000 to \$2,500, with the proposed increase expected to be submitted to the Council for approval in late calendar 2015. If approved, this increase should aid in reducing split transaction violations.

This finding has been resolved. No management response required.

Original Finding #8: Software Modification Needed**Priority Rating: High****Condition:**

A terminated employee's ID was erroneously used to set up a new P-Cardholder in PeopleSoft. The error occurred because the new employee has the same name as the terminated employee, and the new employee's ID included on the P-Card Application was not used.

Effect:

This allowed the wrong employee ID to be used on all the transactions. This was an error and no fraud was committed in this circumstance.

Recommendation:

Enterprise Solutions should make a PeopleSoft programming modification which generates a warning if a non-active employee ID is used when setting up a new cardholder.

Director of Enterprise Solutions Response:

Current LFUCG business processes necessitate that ProCards be setup with an EMPLID from the HCM system. DES can program the requested warning message. This will be a customization and may take 60 – 90 days to implement.

Chief Information Officer Response:

Concur.

Follow-Up Detail Results:

Software code was written and implemented by Enterprise Solutions that will display an error message if there is an accidental assignment of a P-Card to an inactive employee ID number. A Purchasing Buyer also performs a manual matching of the employee number listed on the P-Card application to the employee number listed in PeopleSoft for the prospective P-Card holder. If any difference exists, the discrepancy is resolved before processing the P-Card application.

This finding has been resolved. No management response required.

Original Finding #9: Cardholder Agreement Not Signed

Priority Rating: High

Condition:

We could not find documentation showing that an employee was trained to perform his duty as a reconciler, and his cardholder user agreement was not on file.

Effect:

Without documented evidence of training and in the absence of a cardholder agreement, it would be problematic to enforce disciplinary action if an employee were to misuse their P-Card.

Recommendation:

Cardholder User Agreements should be signed & dated before the first transaction is made. The P-Card Administrator's Master Control Cardholder Log should accurately indicate the date on which all training occurs.

Director of Purchasing Response:

The Division of Central Purchasing will implement a check list process to ensure that all forms are appropriately completed and signed. Effective immediately.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Follow-Up Detail Results:

We examined the P-Card Administrator's Master Control Cardholder Log and noted it includes the dates in which P-Card reconcilers and P-Card approvers are trained, and that the training dates occurred prior to or on the same day the P-

Cards were issued. We also examined a sample of Cardholder Agreements and noted all of them were properly signed.

Although Purchasing did not implement the formal checklist process as stated in their original response to ensure all P-Card Agreements are signed, it was not a specific recommendation in the prior audit. The training dates listed in the Cardholder Log and the absence of any exceptions in our testing indicate the finding has been sufficiently addressed.

This finding has been resolved. No management response required.

Original Finding #10: P-Card Reconciliations Not Being Performed at the Cardholder Level
Priority Rating: High

Condition:

The P-Card Manual states that all P-Card users must reconcile their transactions to their related bank statements on a monthly basis. A random selection of 12 P-Card users noted that only three P-Card users had checked off the recons to indicate this process had occurred, and none of the reconciliations we examined were dated and initialed by the person performing the reconciliation (to indicate successful completion of the reconciliation).

Effect:

Timely reconciliations should be performed each month to assure all charges billed to the LFUCG are legitimate.

Recommendation:

Reconciliations should be consistently performed as instructed in the P-Card Manual. To indicate the reconciliation has occurred, P-card users should check off the items on the statement, initial, and date to demonstrate that the reconciliation has been completed. It is recommended that the P-Card Manual be updated to include these documentation steps.

Director of Purchasing Response:

The Division of Central Purchasing will update the P-Card Manual accordingly and retrain users. Estimated completion date November 1st, 2014.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Follow-Up Detail Results:

Purchasing management informed us that supplemental reconciliation training has been provided, but there is no record of attendance to demonstrate the extent to which P-Card holders have been retrained. We tested a random sample of ten cardholders to verify that the reconciliations were being completed and noted all were properly completed.

We also noted that all three of the P-Card manuals have not been updated to reflect the responsibilities associated with physically reconciling the P-Card statements.

We recommend that all manuals be updated and agree with each other on the information provided, and the intranet versions should also be updated to ensure employees access current instruction and requirements.

Director of Purchasing Response:

Purchasing will update and consolidate the manuals then upload the latest version to the intranet by December 1st, 2015.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Original Finding #11: One Cardholder's P-Card Limit Was Not Adjusted
Priority Rating: Moderate

Condition:

One monthly limit was raised but not lowered as it should have been for a cardholder. The monthly limit was appropriately raised to \$10,000 in June 2013, but not lowered back to \$5,000 in August 2013 as the modification form stated.

Effect:

This could have allowed the cardholder to charge more than the approved monthly card limit. The cardholder did not go over the \$5,000 monthly limit when it was not reset to \$5,000 as the modification form stated. The P-Card Administrator was informed of this error and corrected it during the audit fieldwork.

Recommendation:

P-Card changes should be made in a timely manner whenever cardholder modification forms are received.

Director of Purchasing Response:

The Division of Central Purchasing will implement a check list system with multiple approvers to ensure that modifications are processed correctly. Effective immediately.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Follow-Up Detail Results:

Purchasing did not implement the formal checklist process as stated in their original response to ensure all modifications are processed correctly. Although the checklist system was not a specific recommendation in the prior audit, the concern remains that there still does not appear to be any type of review process in place to verify P-Card changes are accurately made in a timely manner. The checklist system included in the prior audit's management action plan would address this concern.

We recommend Purchasing create the check list system with multiple approvers to ensure that modifications are processed correctly.

Director of Purchasing Response:

Purchasing has added an end date field to the P-Card modification form for temporary credit limit changes and will begin using the newly added end date field for credit limits in the JP Morgan online management tool.

Commissioner of Finance & Administration Response:

The Commissioner of Finance & Administration concurs with the response of Central Purchasing.

Attachment I Merchant Control Codes Management Should Consider Blocking

LEXINGTON1 Group

0742 Veterinary Services
 9223 Bail and Bond Payments
 9311 Tax Payments
 5995 Pet Stores/Food & Supply
 5697 Tailor/Seamstress/Alterations
 9216 Dry Cleaners
 5122 Drugs, Druggist Sundries
 5172 Petroleum Products

LEXGARAGE Group

0742 Veterinary Services
 9223 Bail and Bond Payments
 9311 Tax Payments
 5995 Pet Stores/Food & Supply
 7216 Dry Cleaners
 5122 Drugs, Druggist Sundries

LEXPARKENT Group

0742 Veterinary Services
 9223 Bail and Bond Payments
 9311 Tax Payments
 8049 Chiropractors Podiatrists
 5995 Pet Stores/Food & Supply
 7216 Dry Cleaners
 5122 Drugs, Druggist Sundries

LEXFOOD Group

0742 Veterinary Services
 4468 Marinas, Service & Supply
 7829 Motion Picture & Video Distrib
 7832 Motion Picture Theatres
 7841 Video Tape Rental Stores
 7911 Dance Halls/Studios/Schools
 7922 Theatrical Producers
 7929 Bands/Orchestras/Entertain
 7932 Billiard/Pool Establishment
 7933 Bowling Alleys
 7941 Commercial/Pro Sports

Attachment I (Continued)
Merchant Control Codes Management Should Consider Blocking

7991 Tourist Attractions and Xhb
 7992 Public Golf Courses
 7993 Video Amusement Game Supply
 7994 Video Game Arcades/Establis
 7996 Amusement Parks/Circus
 7998 Aquarium/Rec Serv
 7999 Amusement/Rec Serv
 8999 Professional Services
 5193 Florist & Nursery Supplies
 5992 Florists
 9223 Bail and Bond Payments
 9311 Tax Payments
 5995 Pet Stores/Food & Supply
 7032 Sport/Recreational Camps
 7033 Trailer Park/Camp Sites
 5697 Tailor/Seamstress/Alterations
 7216 Dry Cleaners
 5122 Drugs, Druggist Sundries
 7172 Petroleum Products

LEXMAYOR Group

0742 Veterinary Services
 5912 Drug Stores & Pharmacies
 9211 Court Costs/Alimony/Support
 9222 Fines
 9223 Bail and Bond Payments
 9311 Tax Payments
 5921 Pkg Stores/Beer/Wine/Liquor
 5932 Antique Shops
 5933 Pawn Shops
 8011 Doctors
 8021 Dentists/Orthodontist
 8031 Osteopaths
 8041 Chiropractors
 8042 Optometrists/Ophthalmologist
 8043 Opticians
 8044 Optical Goods & Glasses
 8049 Chiropodists Podiatrists
 8050 Nursing/Personal Care Fac
 8062 hospitals

Attachment I (Continued)
Merchant Control Codes Management Should Consider Blocking

- 8071 Medical/Dental Labs
 - 8099 Med/Health Services
 - 5094 Precious Stones & Metals
 - 7631 Watch/Clock/Jewelry Repair
 - 7997 Member Clubs/Sport/Rec/Golf
 - 5973 Religious Goods Stores
 - 5975 Hearing Aid/Sales/Service
 - 5976 Orthopedic Goods
 - 5993 Cigar Stores/Stands
 - 5995 Pet Stores/Food & Supply
 - 5996 Swimming Pools/Sales/Serv
 - 5997 Elec Razor Stores/Sale/Serv
 - 7322 Debt Collection Agency
 - 7393 Detective/Protective Agen
 - 6211 Securities Broker/Deals
 - 6300 Insurance Sales, Underwriting, and Premiums
 - 6381 Insurance Premiums
 - 6399 Insurance Carriers Not Elsewhere Classified
 - 5977 Cosmetic Stores
 - 7012 Timeshares
 - 7032 Sport/Recreational Camps
 - 7033 Trailer Park/Camp Sites
 - 7261 Funeral Service/Crematories
 - 7276 Tax Preparation Service
 - 7277 Counseling Service - All
 - 7279 Buying/Shopping Services
 - 8351 Child Day Care Services
 - 5697 Tailor/Seamstress/Alterations
 - 5697 Wig and Toupee Stores
 - 7230 Barber/Beauty Shops
 - 7251 Shoe Repair/Shine/Hat Clean
 - 7296 Clothing/Rent/Costume/Unifo
 - 5813 Bars/Taverns/Lounges/Discos
 - 5122 Drugs, Druggist Sundries

LEXWASTEMG Group

- 0742 Veterinary Services
- 9223 Bail and Bond Payments
- 9311 Tax Payments
- 8271 Mobile Home Dealers
- 5995 Pet Stores/Food & Supply

Attachment I (Continued)
Merchant Control Codes Management Should Consider Blocking

7339 Stenographic Services
5697 Tailor/Seamstress/Alterations
7216 Dry Cleaners
5122 Drugs, Druggist Sundries
5172 Petroleum Products