

4 FAM 450 SPECIAL VOUCHER PROCESSES

*(CT:FIN-388; 03-18-2008)
(Office of Origin: RM/FPRA/FP)*

4 FAM 451 SCOPE AND PURPOSE

(CT:FIN-388; 03-18-2008)

This subchapter contains vouchering requirements for petty cash expenditures and usage and oversight of the U.S. Government-wide purchase card.

4 FAM 452 PETTY CASH EXPENDITURE (IMPREST FUND)

4 FAM 452.1 Vouchering Requirements

(CT:FIN-388; 03-18-2008)

- a. This section provides vouchering requirements for processing petty cash expenditures. See 4 FAH-3 H-465 for submitting travel vouchers. See 4 FAH-3 H-390 for Cashier Operations.
- b. Each petty cash expenditure must be supported by a receipt that may be in the form of an original bill, sales slip, cash register ticket, invoice, or other evidence of payment to the vendor, or by Form DS-4097, Receipt for Cash-Subvoucher, or equivalent receipt form itemizing articles or services purchased and amount. Such receipts must comply with the following:
 - (1) Receipts should be signed by the vendor whenever possible and must itemize all articles purchased or services received. If itemization cannot be noted on the receipt, the information must be placed on a subvoucher attached to the receipt;
 - (2) The officer receiving the goods and services approves each vendor receipt and acknowledges that goods have been received and accepted. The approving officer must write the amount of the

receipt/acceptance in long-hand to preclude adjustments to receipts after the fact. Fiscal data must be inserted on the receipts;

- (3) Settle all funds advances made to occasional money holders for petty cash purchases promptly. Advances should normally be held for 1 working day only or as authorized for overseas activities under 4 FAH-3 H-394.4;
 - (4) Attach subvouchers (Form DS-4097, Receipt for Cash) containing pertinent details, such as subvoucher number, description of goods purchased, and amount, to Form DS-7635, Cashier Reimbursement Voucher and/or Accountability Report (formerly OF-1129), to facilitate the review of purchases by the certifying officer. An adding machine tape must also be attached to the subvouchers. All invoices in local languages are translated for key words into English. Foreign currency payments must be shown in the monetary unit of the transaction; and
 - (5) When an additional certificate of the certifying officer is required, attach the annotated certification to the related receipted subvoucher.
- c. Subvouchers must be numbered consecutively beginning with the number "1." Record the subvoucher numbers on the covering Form DS-7635 (e.g., "Nos. 1-135, inclusive"). Financial management officers should batch and attach the subvouchers in numerical order to the first copy of Form DS-7635. For each subvoucher, prepare a list that includes the number, date of payment, vendor's name, amount, and goods or services purchased with type, period, rate, etc. Attach this list to the original and each copy of Form DS-7635.
- d. A separate Form DS-7635 for petty cash expenditures must be prepared at least once every month during which payments are made, or more often, if required, by the FMO at posts. Form DS-7635 must be certified by the certifying officer and included in the USDO's accounts.
- e. Each receipt, invoice, or subvoucher must indicate the appropriate accounting classification.

4 FAM 452.2 Replenishing Imprest Funds

(CT:FIN-388; 03-18-2008)

Cash funds may either be “revolving-type” funds or “stationary or change-making” funds. A revolving type fund must be replenished at least once at the end of each month, although it can be replenished more often if necessary. The recommended frequency is no less than once a week. Form DS-7635, Cashier Reimbursement Voucher and/or Accountability Report (formerly OF-1129), is used to request replenishment. Number and attach subvouchers in numerical sequence, to Form DS-7635. Cashiers in domestic offices should send the vouchers to RM/GFS/F/C for payment. Posts are to follow the instructions provided by the appropriate financial service center. Also see 4 FAH-3 H-394.2-11.

4 FAM 453 VOUCHERING OTHER U.S. GOVERNMENT AGENCIES' EXPENSES

(CT:FIN-388; 03-18-2008)

When vouchering expenses for other U.S. Government agencies, overseas financial management officers should do the following:

- (1) Prepare vouchers covering disbursements for other U.S. Government agencies in accordance with the requirements of those U.S. Government agencies. The vouchers should be sufficiently detailed to permit the agency to readily identify the expenditure;
- (2) Each authorizing document or instruction received from another U.S. Government agency must show the appropriation chargeable and any necessary accounting data that the U.S. Government agency wishes shown on the vouchers. Vouchers must cite the authority (office memo, purchase order, telegram, contract, letter of credit, etc.) for the disbursement and include details and accounting data cited on the authority;
- (3) Whenever possible, an official representative of the relevant vouchered U.S. Government agency should validate receipt/acceptance and approve and sign the voucher prior to payment;
- (4) Department of State forms must be used when vouchering disbursements for other U.S. Government agencies; and

- (5) Disbursement vouchers, voucher copies, and supporting documents must be submitted in accordance with the procedures provided by the appropriate financial service center.

4 FAM 454 VOUCHERING REFUNDS

(CT:FIN-388; 03-18-2008)

- a. Form DS-7622, Public Voucher for Refunds, is the appropriate form for the authorizing official to use for vouchering refunds.
- b. The voucher should show the reason for the refund, authorization and request for the refund, as well as:
 - (1) The number under which the collection was made;
 - (2) The name of the USDO in whose account the collection was shown; and
 - (3) The time period of the account in which the collection was shown.
- c. Payment of a refund must be made in the same currency and amount originally collected for the fee. The same rate of exchange of the collection will apply to the refund.
- d. Charge the refund against the appropriation to which the fee was collected. For consular fees being charged to 190830, report the refund to Treasury as a negative collection.
- e. As prescribed by 22 U.S.C. 1189, whenever any consular officer collects, or knowingly allows to be collected, any fee, other or greater than allowed by law, the consular officer is liable to pay, as a penalty, three times the amount of the unlawful charge collected. Necessary action will be determined in accordance with the provisions of 3 FAM 4000.

4 FAM 455 U.S. GOVERNMENT-WIDE PURCHASE CARD USAGE AND OVERSIGHT

4 FAM 455.1 Authorities

(CT:FIN-388; 03-18-2008)

The following policies and regulations provide guidance on the worldwide purchase card program, including unauthorized or improper use of the card,

lost or stolen cards, card setup, account maintenance, and account cancellation procedures:

- (1) The Federal Acquisition Regulation;
- (2) The Department of State Acquisition Regulation (DOSAR) 613.601-70;
- (3) Worldwide Purchase Card Program Manual; and
- (4) On-Line Purchase Card Training Guide.

4 FAM 455.2 Definitions

(CT:FIN-388; 03-18-2008)

Approving official (AO)—An individual who must be officially established in the purchase card program through a written delegation memorandum and who has daily oversight responsibility for each cardholder under his or her purview.

Billing cycle—A specific recurring time period during which transactions may occur and between when statements of account and invoices are processed.

Billing cycle date—The closing or cut-off date for all transactions that occurred during that month. The Department's purchase card billing cycle date is the **28th of each month**.

Cardholder (CH)—A Federal employee responsible for using the Government-wide purchase card in accordance with established policies and procurement regulations, maintaining a purchase card buying log, and reconciling the monthly statement of account. The CH must be established through a written delegation memorandum from the program coordinator.

Cardholder statement of account—A monthly listing made available on-line by the financial institutional contractor (bank provider) of:

- (1) Purchases made by a cardholder for which the contractor has been billed by merchants;
- (2) Any credits; and
- (3) Interest penalties for late payments.

Designated billing office (DBO)—An office that is established through a

written delegation memorandum, responsible for paying and reconciling the monthly bureau or post invoice. RM/GFS is the DBO for domestic operations, and the post FMO serves as the DBO for overseas operations.

Dispute—A disagreement between the cardholder and the supplier and the bank regarding items appearing on the cardholder's monthly statement of account. Disputes must be filed within 60 days from the date that the dispute first appeared on the statement of account. All disputes must be filed using the card provider's dispute form.

Key program administrator (KPA)—The individual responsible for managing the purchase card program in a specific geographic region and who is the Department's day-to-day liaison with the bank provider. The KPA is authorized to make direct changes to account information on behalf of the individual program participant. Other responsibilities of the KPA include processing applications, fielding questions, processing toolkit requests from the bureaus and posts, monitoring bureau and post transactions, and providing overall program quality control.

Operations manager—An individual located in A/LM/PMP who is responsible for the day-to-day administration of the purchase card program. The operations manager works closely with the program manager in A/OPE. Key program administrators (KPAs) report to the operations manager in A/LM/PMP.

Program coordinator (PC)—An individual appointed in the purchase card program through a written delegation memorandum who has responsibility for oversight of the bureau or post purchase card program including all activity of his or her cardholders, approving officials and designated billing officials. Domestically, the PC is established at the bureau executive-director level. Overseas, the PC is established at the post management officer level or equivalent.

Program manager—An individual in the Office of the Procurement Executive (A/OPE) who has overall management responsibility for the worldwide purchase card program, including strategic planning, development and implementation of purchase card policies and procedures, and training.

4 FAM 455.3 Roles and Responsibilities of Purchase Card Participants

(CT:FIN-388; 03-18-2008)

- a. Program coordinator (PC) responsibilities include but are not limited to the following:
 - (1) Designating and delegating procurement authority to cardholders, approving officials, and designated billing officials; and approving all changes to their accounts;
 - (2) Ensuring that cardholders, approving officials, and designated billing officials receive appropriate initial and refresher training;
 - (3) Ensuring that cardholder disputes are resolved; and
 - (4) Performing an annual in-house review of the bureau or post purchase card program (annual review process) with assistance from the bureau or post approving officials.

- b. Approving official (AO) responsibilities include but are not limited to the following:
 - (1) Ensuring adequate funding has been obtained prior to each purchase;
 - (2) Reviewing, approving, signing, and dating cardholder monthly statements of account;
 - (3) Ensuring cardholders comply with all procurement requirements in accordance with the Federal Acquisition Regulation (FAR) and the Department of State Acquisition Regulation (DOSAR);
 - (4) Reviewing all cardholder monthly purchases and supporting documentation;
 - (5) Assisting cardholders in resolving ordering and billing disputes; and
 - (6) Assisting the program coordinator in oversight functions, including performing the annual review of bureau or post activities.

- c. Cardholder (CH) responsibilities include but are not limited to the following:
 - (1) Reviewing all procurement requests for completeness, accuracy and

- compliance with all DOSAR, FAR, and purchase-card policies and procedures;
- (2) Maintaining accurate and complete records of all purchase card transactions, including accurate balance of funds;
 - (3) Reconciling monthly cardholder statement of account with supporting documentation. The cardholder must reconcile, sign, and forward the reconciled statement, along with the buying log and any supporting documentation, to the approving official (AO) within 5 business days from availability on-line; and
 - (4) Resolving all potential transaction disputes.
- d. Designated billing official (DBO) responsibilities include but are not limited to the following:
- (1) Validating receipt and acceptance of the goods/services and payment of the Citibank monthly invoice within the Prompt Payment Act timeframes. Under the DOS purchase card program, the DBO for domestic operations is the Bureau of Resource Management (RM/GFS). Overseas, the DBO is normally the financial management office (FMO), or, in some cases, the management section at post; and
 - (2) Paying the invoice independently from the reconciliation of the cardholder's monthly statement of account. DBOs are authorized to pay first and reconcile later in accordance with the Treasury Financial Manual, Volume I, Part 4, Chapter 4500, Transmittal Letter No. 538, dated July 22, 1994.

4 FAM 455.4 Reconciliation and Approval of Cardholder Statement of Account

(CT:FIN-388; 03-18-2008)

- a. Two days after the close of the billing cycle, the cardholder must download the monthly statement of account (28th of each month). During this same time period, the DBO (FMO) must download the summary invoice. The cardholder is responsible for reconciling the monthly statement of account with his or her buying log and all supporting documentation within 5 business days from availability of the cardholder statement on line.
- b. The seven steps in the cardholder reconciliation process include:

- (1) Cardholder (CH) downloading statement of account;
 - (2) CH pulling all supporting documentation;
 - (3) CH reconciling supporting documentation with buying log and statement;
 - (4) CH resolving any questionable charges with vendor (if unresolved, files dispute and annotates statement);
 - (5) CH signing and dating statement and forwarding to approving official (AO) within 5 business days once reconciled;
 - (6) AO reviewing, approving, and signing CH statement within 3 business days; and
 - (7) CH forwarding reconciled statement to designated billing office DBO (RM for domestic operations and post FMO for overseas operations).
- c. No payment is due on the cardholder statement. Payment is due only on the monthly summary official invoice that is sent to the DBO.

4 FAM 455.5 Statement Approval and Certification

(CT:FIN-388; 03-18-2008)

The approving official, upon receipt of the reconciled statement from the cardholder, promptly reviews the statement by:

- (1) Verifying that the purchases listed on the statement were authorized, obligated, and made in compliance with procurement policies and procedures, including best-value determination;
- (2) Confirming that the statement was properly reconciled with the cardholder's purchases and that the cardholder's documentation supports each purchase;
- (3) Assuring that proper fiscal data was obligated for each purchase;
- (4) Signing and dating the cardholder statement to indicate approval; and
- (5) Ensuring that the cardholder forwards the reconciled statement to the DBO no later than 10 business days from the availability of the statement on-line.

4 FAM 455.6 Prompt Payment Requirement

4 FAM 455.6-1 Payment of Official Bureau or Post Invoice by the DBO

(CT:FIN-388; 03-18-2008)

Two days after the close of each billing cycle, the designated billing office (DBO) is responsible for:

- (1) Downloading the official invoice;
- (2) Reconciling the invoice with cardholder statements and supporting documentation, as necessary; and
- (3) Paying the invoice in full.

The Department is authorized to pay the contractor (bank provider) the monthly invoice upon receipt but no later than the timeframes identified in the Prompt Payment Act. For payment purposes under the Department of State (DOS) purchase card program, RM/GFS Charleston is the DBO for domestic operations, and the post FMO is the DBO for overseas operations.

4 FAM 455.6-2 Penalties and Interest (Domestic Operations)

(CT:FIN-388; 03-18-2008)

For domestic purchase cards, any Prompt Pay penalties and interest incurred will be charged to the approving official's accounting code when:

- (1) A cardholder statement is not forwarded to RM/GFS/F/C for timely payment to the contractor; or
- (2) The obligated funds are not sufficient for payment, thus delaying timely payment by RM/GFS/F/C.

4 FAM 455.6-3 Payment Method

(CT:FIN-388; 03-18-2008)

- a. RM/GFS/F/C certifies payment to the contractor for domestic purchase card activity according to the payment method specified in the contract. Payment by electronic funds transfer is mandated.
- b. The post FMO must certify the monthly invoice for overseas purchase

card activity. Payment is made by the RM Global Financial Services Center in either Charleston or Bangkok.

4 FAM 455.6-4 Payment Address

(CT:FIN-388; 03-18-2008)

All payments must be made directly to the contractor's financial institution, as provided by the contractor.

4 FAM 455.7 Other DBO Responsibilities

4 FAM 455.7-1 Domestic Liquidation of Obligation

(CT:FIN-388; 03-18-2008)

For domestic purchase cards, RM/GFS/F/C enters the statement transactions into the accounting system. The payment data entered from the bank provider's monthly invoice should liquidate the previously recorded obligations by allotment number and object class.

4 FAM 455.7-2 Monthly Reports

(CT:FIN-388; 03-18-2008)

The Department's bank card provider will make monthly bank reports available either on-line or by mail to program participants detailing charge-card activity and other related purchase card program information. It is the responsibility of the DBO to review any bank-provider information as part of the reconciliation process to verify its accuracy against internal reports and supporting documentation.

4 FAM 455.8 Dispute Resolution Process

(CT:FIN-388; 03-18-2008)

- a. Reasons for disputing a transaction may vary from dissatisfaction with the supplies or services provided, to nonrecognition of the reported merchant or charge. In all cases, the first course of action is for the cardholder to attempt to resolve the dispute directly with the vendor. If attempts to resolve the dispute with the vendor have not been successful, or if attempts to contact the vendor are not possible (vendor is not recognized, contact information is not available, etc.), a specific dispute process must be followed.

- b. Address questions related to the dispute process to Citibank Customer Service (see World Wide Purchase Card Manual, paragraph 1.3(g)).

4 FAM 455.9 Missed Deadlines for Financial Accounting

4 FAM 455.9-1 Late Monthly Reconciliation by the Cardholder or Approving Official

(CT:FIN-388; 03-18-2008)

Use of a card without the proper obligation of funds in advance or repeated occurrences of not reconciling monthly statements for payment within the procedures or established timeframes set forth in purchase card policies guidance will constitute justification for withdrawal of the card, loss of authorization of an approving official, or loss of delegation of authority to purchase using such cards by a bureau or post.

4 FAM 455.9-2 Reporting Improper Use of Card

(CT:FIN-388; 03-18-2008)

Improper use of a card must be reported, preferably in writing, to the cardholder's approving official, the bureau or post program coordinator, and to the DOS operations manager in A/LM/PMP and program manager in A/OPE, as soon as identified. For domestic operations, RM/GFS/F/C will notify the bureau or post program coordinator of repeated missed deadlines for funds obligation or late submission of reconciled statements. For overseas operations, the post FMO must notify the program coordinator of repeated late submission of reconciled statements by post cardholders.

4 FAM 455.9-3 IRS Reporting for Form 1099-MISC (Miscellaneous Income) Eligible Vendors

(CT:FIN-388; 03-18-2008)

- a. The purchase card program contractor will track all payments made to merchants participating in the purchase card program and receiving payments during the tax year and provides a list of Merchant-by-Merchant Category Code (MCC), mailing addresses, Taxpayer's Identification Number (TIN), and amount paid. The merchant payment data is available on the contractor's Web site for downloading and review for reporting to the Internal Revenue Service.

- b. RM/GFS/F/C reviews, consolidates, and provides Form 1099-MISC to eligible merchants not later than the January 31 reporting deadline. RM/GFS/F/C forwards all requests to change payment data to the contractor to validate the payment amount before preparing a corrected Form 1099-MISC. Based on the contractor-validated payment data, RM/GFS/F/C prepares and issues a corrected Form 1099-MISC for the merchant.

4 FAM 456 THROUGH 459 UNASSIGNED