

# 731 Procedures

## Peace Corps Purchase Card Program

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**Date:** June 29, 2011

**Responsible Office:** Office of Acquisition and Contract Management  
[Steps to Becoming a Purchase Cardholder or an Approving Official](#)

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## **Attachments**

[Attachment A Government Purchase Card Setup Form](#)

[Attachment B Government AO Setup Maintenance Form](#)

[Attachment C Purchase Cardholder Acknowledgement Form](#)

[Attachment D AO Acknowledgement Form](#)

[Attachment E Required Source List \(FAR 8.002\)](#)

[Attachment F Do Not Buy List Domestic](#)

[Attachment G Do Not Buy List Overseas](#)

[Attachment H Purchase Card Log Template Domestic](#)

[Attachment H Purchase Card Log Template Overseas](#)

[Attachment I Procedures Reallocating Transactions](#)

[Attachment J Procedures Disputing Transactions](#)

[Attachment K Government Cardholder Dispute Form](#)

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## **1.0 Background**

The Purchase Card is the most flexible purchasing tool available to the U.S. Government. The Purchase Card is designed for government use only and provides a streamlined procurement method that saves government agencies time and administrative costs. The FAR states that the Purchase Card is the preferred method to make purchases of goods or services at or below the micro-purchase threshold.

## **2.0 Key Participants and Responsibilities**

### **2.1 Approving Official**

Specific responsibilities of the Approving Official include, but are not limited to, the following:

- (a) Ensures that purchases made by the Cardholder are for official Government use and in accordance with established policies and procedures;
- (b) Ensures adequate funding has been obtained prior to purchase;
- (c) Reviews, approves, and signs Cardholder monthly statement of account to include all supporting documentation;
- (d) Certifies and submits the monthly statement in the Electronic Card Management System within eight business days after the close of the monthly billing cycle;
- (e) Reconciles the monthly statement for the Cardholder in the event of the Cardholder's absence;
- (f) Assists the Cardholder in resolving disputes;
- (g) Ensures that the Purchase Card Contractor and Agency Program Coordinator are notified in the event of a lost or stolen card;

- (h) Notifies the Agency Program Coordinator when a Cardholder is leaving the agency, when a Cardholder's duties have changed, or when the Cardholder is no longer a Cardholder;
- (i) Completes initial Purchase Card Training; and
- (j) Reports all Purchase Card misuse and abuse to the Agency Program Coordinator.

## **2.2 Review of Cardholder Monthly Statement and Purchase Card Log**

Approving Officials are responsible for reviewing and approving Cardholder monthly statements of account and all related supporting documents such as funding documentation, Purchase Card logs, sales receipts, dispute forms, receiving reports, etc. Cardholder files must be retained by the individual Cardholder for a minimum period of 3 years.

## **2.3 Review for Misuse and Abuse**

Approving Officials should carefully review each Cardholder's monthly statement of account to ensure that proper procedures are being followed and that adequate supporting documentation has been attached (Purchase Card log, funding documentation, sales receipts, etc). Approving Officials should verify that purchases were for official Government use only and have not been split in order to circumvent the Cardholder's single purchase limit or avoid competition.

## **2.4 Budget Approving Official**

A Budget Approving Official must have budget authority and is responsible for the following:

- (a) Ensures that purchases made by the Cardholder are for official Government use and in accordance with established policies and procedures;
- (b) Ensures adequate funding has been obtained prior to purchase; and
- (c) Reviews, approves, and signs Cardholder monthly statement of account to include all supporting documentation.

## **2.5 Cardholder**

Specific responsibilities of the Cardholder include, but are not limited to, the following:

- (a) Ensures proper and adequate funding is available prior to making a purchase;
- (b) Purchases only authorized items using authorized sources;
- (c) Informs merchants that purchases are tax-exempt;
- (d) Maintains accurate and complete records of all Purchase Card transactions to include a Purchase Card log;

- (e) Reconciles the monthly statement of account against the Purchase Card log to ensure that all charges are proper and accurate;
- (f) Submits the monthly statement of account in the Electronic Card Management System within eight business days after the close of the monthly billing cycle;
- (g) Resolves potential disputes with merchants;
- (h) Signs and forwards the monthly statement of account with supporting documents to the Approving Official for review;
- (i) Maintains and retains Purchase Card files for a minimum period of 3 years;
- (j) Makes arrangements for the Approving Official to reconcile his/her monthly statement during periods of absence from the office;
- (k) Provides Purchase Card statements and supporting documentation to the Agency Program Coordinator, upon request, for review;
- (l) Completes initial Purchase Card Training;
- (m) Immediately notifies the Agency Program Coordinator if there is a change to his/her Approving Official; and
- (n) Immediately reports lost or stolen cards to the Purchase Card Contractor, Approving Official and Agency Program Coordinator.

### **3.0 Account Set-Up and Maintenance**

#### **3.1 New Account Set-Up Procedures**

The request to establish a new Cardholder and/or Approving Official account is made to the APC. The set-up procedures for first time Cardholders and Approving Officials are described below. All Peace Corps forms, Purchase Card Contractor forms, on-line training, and the set-up procedures are available from the OACM's Intranet site.

Set-Up Procedures. In order to acquire a Purchase Card, an eligible individual must:

- (a) Complete the appropriate Purchase Card Contractor Setup Form. See Attachment A, Government Purchase Card Setup Form and Attachment B, Government Approving Official Setup/Maintenance Form;
- (b) Complete on-line Purchase Card Training and print certificate of completion;
- (c) Complete the appropriate Peace Corps Acknowledgement Form. See Attachment C, Purchase Cardholder Acknowledgement Form or Attachment D, Approving Official Acknowledgement Form; and
- (d) Submit completed forms and training certificate to the Agency Program Coordinator for processing.

A card will be issued to the Cardholder within 7 to 10 days of the APC receiving the completed forms and training certificate.

### **3.2 Account Maintenance**

Account maintenance is the process of making changes to existing Cardholder or Approving Official profile information. Profile information includes any information on the face of the Purchase Card and any information that was used to set-up the account. Examples of profile information include the Cardholder's name, single purchase limit, and the monthly cycle limit.

The Cardholder must notify the APC of any changes to his/her name. The Approving Official must make a request to the APC to modify the single purchase limit or monthly cycle limit.

### **3.3 Separation or Transfer**

When departing from the Peace Corps, Cardholders and Approving Officials must notify the APC immediately. The APC is responsible for canceling the account and/or notifying the Purchase Card Contractor. The Cardholder is responsible for destroying his/her Purchase Card and providing to the Approving Official all files including unreconciled transactions, sales receipts, and Purchase Card logs. The Approving Official is responsible for reconciling the departed Cardholder account and retaining the file documentation for a period of three years. If an Approving Official is replaced, any previous Cardholder records being retained must be transferred to the new Approving Official for the remainder of the 3-year retention period.

It is strongly recommended that the Cardholder separating from the Peace Corps discontinue using his or her Purchase Card 30 days prior to departing the agency to ensure his/her account has a zero balance.

If a Cardholder transfers to another program office, his/her Purchase Card will be canceled and a new Purchase Card issued. The Cardholder is responsible for destroying the old Purchase Card and providing all the files to the Approving Official for the three-year retention period.

### **3.4 Lost or Stolen Cards**

Cardholders must promptly report lost or stolen account numbers and cards to the Purchase Card Contractor, the Approving Official and the Agency Program Coordinator. The immediate notification of a lost or stolen Purchase Card will relieve the Cardholder and/or Peace Corps of any financial liability resulting from its unauthorized use.

Upon notification, the Purchase Card Contractor will send out a replacement card within 2 to 3 days with a new account number. Cards reported lost or stolen are immediately blocked from accepting additional charges. If unauthorized charges have occurred, they must be disputed.

If the reported lost card is located, the Cardholder is responsible for destroying it.

## **4.0 Operational Guidance and Procedures**

### **4.1 Reviewing Required Sources**

Cardholders are subject to the requirements contained in FAR Part 8, Required Sources of Supplies and Services. This means the Cardholder must determine if the supplies or services being sought are available through sources identified in the FAR. For further information on required sources, see Attachment E.

### **4.2 Reviewing the Do Not Buy List**

The Purchase Card may be used (unless otherwise noted in exceptions) to buy a variety of commercially available supplies and services needed for official Government use. Certain supplies and services however fall into the category of unauthorized purchases based on Peace Corps policies or the FAR. The Cardholder must review the Do Not Buy List (See Attachment F for Domestic purchases or Attachment G for Overseas purchases) before making any purchases using the Purchase Card. These lists are for information and are not meant to cover all possible items. Care should be exercised by Peace Corps personnel when purchasing supplies or services and if questions arise, request assistance from the Agency Program Coordinator.

### **4.3 Authorized Use of the Purchase Card**

The Purchase Card may be used (unless otherwise noted in exceptions) for the following purposes:

- (a) Office Supplies;
- (b) Copier Supplies;
- (c) Books;
- (d) Magazine Subscriptions;
- (e) Carrier Services (UPS, FedEx, DHL);
- (f) Training;
- (g) Furniture;
- (h) Conference Facilities to include meeting rooms and conference rooms;
- (i) IT Hardware (requires prior approval from the Office of the CIO);
- (j) Utility Services (authorized for overseas use ONLY);
- (k) Motor Vehicle Insurance (authorized for overseas use ONLY); and
- (l) Medical Supplies.

The list above is not intended to be all inclusive but provides examples of common authorized supplies and services. The Cardholder should contact the Agency Program Coordinator with any questions regarding authorized purchases.

#### **4.4 Establishing Funding**

A Cardholder must create an obligation before making any purchases. Obligations are created in Odyssey for domestic purchases and FORPost for overseas purchases.

#### **4.5 Making a Purchase with the Purchase Card**

##### **4.5.1 Methods of Purchase**

Cardholders can use any of the following methods to make a purchase with the Purchase Card:

- (a) Over the Counter Purchases;
- (b) Telephone or Fax Purchases;
- (c) Mail or Catalog Purchases; or
- (d) Email or Internet Purchases.

In addition, Cardholders must rotate micro-purchase requirements among qualified merchants to the maximum extent practicable.

##### **4.5.2 Merchant Return Policies**

The Cardholder should always check the merchant's return policies when ordering. Be careful when dealing with merchants who only give store credits for returned merchandise. Generally, when you return merchandise, issuance of a credit against your Purchase Card account is required. Merchants are not authorized to charge for back-ordered items until they are shipped.

##### **4.5.3 Tax Exemption**

For purchase within the United States, the Cardholder must inform the merchant that the purchase is for official Government use and, therefore, is not subject to federal, state or local sales tax. The Purchase Card is embossed with the statement U.S. GOV'T TAX EXEMPT and the Peace Corps tax exempt number. The Cardholder will point this information out to any merchant that attempts to apply taxes to a purchase. Further, overseas purchases are not exempt from foreign taxes unless foreign tax agreements so specify.

##### **4.5.4 Forced Authorization Requests**

Periodically, a Cardholder may need access to an unauthorized Merchant Category Code (MCC) or the Cardholder may need to make a purchase that exceeds his or her monthly purchase limit. In these cases, the Cardholder must contact the APC prior to making the purchase to receive



authorization. The Cardholder must forward an email request to the APC with the following information:

- (a) Merchant's Name;
- (b) Description of Goods and/or Services;
- (c) Total Dollar Amount (including shipping and handling fees);
- (d) Cardholder's Name Making the Purchase; and
- (e) Reason for Purchase.

The APC will review the request to determine if the goods and/or services are an authorized buy PRIOR to authorization. If approved, the APC will email the Cardholder an authorization. This email must be filed as supporting documentation along with the Cardholder's Purchase Card log.

#### **4.5.6 Purchase Card Log**

All Cardholders must maintain a Purchase Card log (Attachment H). Cardholders are encouraged to maintain the log electronically. Cardholders must have a separate log for each monthly billing cycle. When the monthly statement of account is reconciled, Cardholders must carry forward, to the new log, any items that were not received or are in dispute. Purchase card logs must be signed by the Cardholder, Approving Official, and Budget Approving Official (as applicable).

#### **4.5.7 Property Management**

The Cardholder is required to document and inventory expendable and non-expendable U.S. Government property. All purchases for Government property valued at \$500 or more must be inventoried and reported to the Office of Management on an annual basis. All items with an estimated value of \$500 or more must be assigned a Peace Corps Property Identification Number. The Cardholder must refer to the Peace Corps Manual Section 511 Property Management for guidance.

#### **4.5.8 Convenience Checks Policy & Procedures**

Prior to requesting a Convenience Check, the Purchase Cardholder must follow this procedure:

1. Receive a request to purchase a product or service, which is approved by his/her manager.
2. Receive a description of the product or service.
3. Ensure that the purchase costs less than \$3,000 for supplies, \$2,500 or less for services, and \$2,000 or less for construction. These limits include any shipping and handling charges.
4. Obtain a price quotation from the proposed vendor.

5. Create an obligation in Odyssey for domestic purchases and FORPost for overseas purchases. The obligation must be funded for the total price including any shipping and handling charges.
6. The Cardholder should contact the vendor to confirm the items and prices and to ensure that the vendor accepts the Purchase Card as a form of payment.
7. If the vendor does not accept the Purchase Card, the cardholder must find another vendor who does accept the Purchase Card and confirm all items and prices.
8. If no vendors who accept the Purchase Card can be found, the Cardholder must then inquire with the vendor to see if he/she will accept a convenience check. If yes, then the Cardholder must contact a Convenience Check Writer (OACM at Headquarters or the designated Cardholder at the Regional Recruiting Offices) to complete the purchase. The Cardholder must not order the items, only Cardholders with the ability to write Convenience Checks (Convenience Check Writers) can obligate and order the items/services required.

When contacting a Convenience Check Writer, the Cardholder must provide the items #1 - 4 above, plus:

- Funded Odyssey purchase order number (with line item numbers specified) with enough funding to cover:
  - o the price of the supplies/services, plus
  - o any additional shipping and handling charges, plus
  - o the Citibank 2.25% surcharge, and
  - o \$1.00 fee for Convenience Checks.
- The Vendor's name and point of contact information to include an address, telephone number, email address, and TAX ID number.
- The name of the person who will receive the product or service.
- Copy of the proposed vendor's quotation.

Once the Convenience Check Writer receives all of the required documentation, the Convenience Check Writer will purchase the items/services from the vendor using a convenience check and officially obligate the funding.

Allow 5-7 business days for the Convenience Check Writer to process the requirement once he/she receives all of the required documentation.

If a vendor does not accept a purchase card or convenience checks; please contact OACM as a contract would have to be issued in order to procure the items.

## **4.6 Using the Purchase Card to Place Orders Against Existing Contract Vehicles**

An authorized Cardholder may use the Purchase Card to order goods and services above the micro-purchase threshold when used in conjunction with existing contract vehicles (i.e. Peace Corps blanket purchase agreements, Peace Corps Indefinite Delivery/Indefinite Quantity contracts). The contract vehicles must expressly allow Cardholders to place orders and pay with the Purchase Card. Also, the Cardholder must receive a special delegation of authority from personnel in the Office of Acquisitions and Contract Management. Cardholders must comply with the requirements for establishing funding, reconciling and reallocating the monthly statement of account, and maintaining records when the Purchase Card is used to place orders against existing contract vehicles.

## **4.7 Reconciling and Reallocating the Monthly Statement of Account**

The Cardholder is responsible for reconciling and reallocating his/her monthly statement of account to ensure transactions are accurate and funded appropriately. The monthly statement of account is provided electronically through the Electronic Card Management System. In order to perform the monthly reconciliation and reallocation process, the Cardholder will need the statement of account, the Purchase Card log, supporting documentation, and CitiDirect username and password.

The steps in the reconciliation and reallocation process are as follows:

### **Step 1**

Cardholder electronically reallocates the monthly statement of account using the Electronic Card Management System. The Cardholder can reallocate transactions on the monthly statement of account as soon as they appear on the statement. (See Attachment I);

### **Step 2**

Cardholder prints a copy of the monthly statement of account;

### **Step 3**

Cardholder pulls Purchase Card log and all supporting documentation to include approved funding documentation, sales receipts, invoices, approvals, justifications, Purchase Card Contractor Dispute Forms (as applicable), etc.;

### **Step 4**

Cardholder reviews and verifies the statement of account against the Purchase Card log for accuracy;

### **Step 5**

Cardholder signs the statement of account and forwards it with Purchase Card log and supporting documentation to Approving Official within eight business days after the close of the monthly billing cycle;

### **Step 6**

Approving Official reviews, approves and signs Cardholder monthly statement of account within eight business days after the close of the monthly billing cycle; and

### **Step 7**

Approving Official certifies and submits the monthly statement of account using the Electronic Card Management System.

If the monthly statement of account is not electronically submitted through the Electronic Card Management System within eight business days after the close of the monthly billing cycle, it is automatically closed (Auto-Closed) by the system. Any transactions that were NOT electronically reallocated will have to be processed by the Designated Billing Office.

The APC will track offenses on Cardholder's accounts that are automatically closed by the Electronic Card Management System. If a Cardholder's statement of account is Auto-Closed twice within a fiscal year, the APC must issue a memo noting this fact to the Cardholder and Approving Official. If a Cardholder's statement of account is Auto-Closed three times within the fiscal year, the delegation of authority may be rescinded and the card revoked.

## **4.8 Disputing Transactions**

A Cardholder may disagree with a charge that appears on his/her statement of account for several reasons. Reasons for disputing a transaction may include:

- (a) Unauthorized or incorrect charges;
- (b) Duplicate charges;
- (c) Merchandise never received;
- (d) Services never rendered;
- (e) Canceled or returned merchandise; or
- (f) Credit not received.

Sales tax or shipping and handling charges can NOT be disputed. The Cardholder must make every effort to obtain a credit for the amount from the merchant.

In all cases for disputing a transaction, the first course of action is for the Cardholder to contact the merchant and attempt to resolve the dispute directly. If attempts to resolve the dispute with the merchant have been unsuccessful, or if attempts to contact the merchant are not possible (supplier is not recognized, contact information is not available, etc.), the Cardholder should initiate the dispute process through the Electronic Card Management System. (See Attachment J) The Cardholder must complete the following steps:

### **Step 1**

Print the Government Cardholder Dispute Form (Attachment K) generated by the Electronic Card Management System;

### **Step 2**

Sign and date the printed Dispute Form;

### **Step 3**

Fax the signed Dispute Form to the Purchase Card Contractor.

The Cardholder must complete and forward a Dispute Form to the Purchase Card Contractor within 60 calendar days of receipt of the monthly statement of account on which the transaction appears. After 60 days, the Cardholder may lose his/her right to dispute a charge. If requested by the Purchase Card Contractor, Cardholders must complete an affidavit for the disputed charge and send it to the Purchase Card Contractor. Failure to complete the affidavit may waive the Cardholder's right to dispute.

The Purchase Card Contractor will investigate the disputed charge by contacting the merchant and requesting a response. A merchant is required to respond to a disputed charge within 21 to 45 days after receipt of the request. If the merchant does not respond within 45 days, the disputed charge will be resolved in favor of the Cardholder and the merchant will be charged back for the particular goods or services. If the disputed charge is resolved in favor of the merchant, a letter will be sent to the Cardholder explaining that the charge will appear on the next statement of account. The Cardholder should retain the dispute resolution letter and attach it with the next statement of account as supporting documentation per the reconciliation process.

## **4.9 Maintaining Purchase Card Records**

The Cardholder must maintain Purchase Card records (copies of statements of account, Purchase Card logs, receipts, dispute forms, and other supporting documentation) for three years from the payment date. After that time, the records may be destroyed according to the record retention procedures. The payment date is considered to be 30 days after the statement of account date.

The Cardholder is responsible for maintaining his or her records. If the Cardholder separates from the Peace Corps or is reassigned, the Approving Official is responsible for ensuring the records are maintained for three years.

## **5.0 Purchase Card Review Process**

### **5.1 Transactional Reviews**

The reviews will target the following areas:

- (a) Purchases exceeding the micro-purchase threshold of \$3,000;
- (b) Split purchases;
- (c) Suspected improper or fraudulent transactions;
- (d) Purchases listed on the Do Not Buy List; and
- (e) Domestic purchases charged sales tax.

Cardholders will be required to provide an explanation for any questionable transactions. The Agency Program Coordinator will use the review as an opportunity to train and educate; however, serious violations will be tracked and reported as appropriate.

### **5.2 Documentation Reviews**

The Agency Program Coordinator will randomly select a certain number of Cardholder accounts per month for review. The selected Cardholders will be required to provide copies of the monthly electronic statement of account, Purchase Card log and back-up documentation associated with a particular billing cycle to the APC within five business days of request. In addition, documentation will be required for purchases that appear to be unusual. Failure to submit documents may result in card suspension.

A written summary will be prepared indicating areas of improvements and those areas that exceed expectations. The summary will be forwarded to the Cardholder and his/her Approving Official within two weeks after the review.

The review will ensure that Cardholders are complying with Peace Corps Purchase Card Policies and Procedures and to identify any misuse, fraud, or any unusual purchases.

When instances of improper purchases are found, an explanation from the Approving Official will be requested. If the explanation does not change the initial determination and depending on the severity, the Purchase Card may be revoked or suspended. Depending on the circumstances, the Approving Official's letter of delegation may also be rescinded. Whenever such action is taken, a written notification to the Peace Corps Purchase Card Manager will be provided. Any findings of fraud or serious misuse will be reported to the Office of Inspector General.

