



PURCHASE CARD PROGRAM

WASHINGTON HEADQUARTERS SERVICES
ACQUISITION AND PROCUREMENT
OFFICE



DEFINITIONS

- A/OPC: Agency/Organization Program Coordinator
Tracy Nelson
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- SPL: Single Purchase Limit
- MCC: Merchant Category Codes – A code that identifies a vendors' principal trade or profession



PROGRAM HISTORY

- Congress created a new micro purchase class of procurement actions valued at less than \$3000 (\$2000 for construction) and empowered non-procurement personnel to buy items and services through the simplified acquisition procedures.
- The Federal Acquisition Streamlining Act of 1994 simplified micro purchases by allowing buys without regard to “Buy American Act”; without competitive quotes; and without regard to size of vendor.
- Prices must be reasonable and distributed equitably among vendors.
- In 1998, GSA awarded contracts to multiple banks under the GSA SMARTPAY Contracts to provide fleet, travel, and purchase card services.
- DoD issued a task order to US Bank for purchase card services, sometimes referred to as I.M.P.A.C.



PROGRAM SUPPORT

- CUSTOMER SERVICE 1-888-994-6722
 - ACTIVATE ACCOUNT
 - ACCOUNT INFORMATION

- AGENCY PROGRAM COORDINATOR
Tracy Nelson: 703-695-8921
 - ACCOUNT SETUP AND MAINTENANCE
 - COMMUNICATIONS AND PROBLEM RESOLUTION
 - PURCHASE CARD ALERTS

- **NEW** ADMINISTRATIVE INSTRUCTION (AI) 105

<http://www.whs.mil/APO/PurchaseCard/index.cfm>

PROGRAM STRUCTURE

- Single Purchase Limit
 - This is a per purchase limit delegated to the cardholder
 - No single purchase will exceed this limit
 - Purchases will not be split to stay within this limit
- 30 Day Limit
 - This is the monthly cycle limit delegated to the cardholder
 - The total amount of purchases for any single cycle
- 30 Day Office Limit
 - This is the monthly cycle limit delegated to the approving official
 - Must equal the sum of all cardholder 30 day limits attached to an approving official
- Annual Limit
 - Established by FMD based on fund availability
 - NOT 12 x your 30 day office limit





STATEMENTS

- A Cardholder Statement of Account is sent on your cycle date.
(19th of the Month)
 - Statement prints at the close of business on the 19th of every month. Charges posted to the account for billing from the 20th of the previous month to the 19th of the current month will be reflected on the Cardholder Statement of Account.
 - **Approving official MUST sign card holder statement on the "Reviewed By" line**



CARDHOLDER RESPONSIBILITIES

Maintain card security to prevent unauthorized charges against the account

- Use the card only for purchasing items in accordance with AI 105 and procurement regulations
- Tax exempt status
- Obtain a receipt at point of sale and verify accuracy
- Retain receipts, VISA sales slips, and other purchase card documentation and records for 3 years
- Maintain a transaction log of all purchases and reconcile the log with the statement of account
- Call customer service immediately regarding lost or stolen cards
- Notify Approving official or APC immediately of any billing discrepancies that cannot be resolved with the merchant
- Forward reconciled statement and receipts to your Approving official for review
- Notify APC of any account changes, i.e. name, telephone, address
- No member of your staff, your family, your supervisor, or anyone except you may use this card
- No 3rd Party Merchant Payments, i.e. PayPal



GHOST ACCOUNTS

- Established in Self Service Supply Stores in Pentagon ONLY
- No Plastic
 - 16 Digit Account Number and Expiration Date
 - Multiple Employees Authorized to Make Purchases
- Account Custodian = Card holder
 - Maintains Transaction Log of **ALL** Purchases
 - Reconciles Monthly Cardholder Statement
- Approving Official



PRIORITY SOURCES OF SUPPLY

- In accordance with FAR 8.002, Card holders shall satisfy requirements for supplies and services from or through the sources listed below in descending order of priority:
 - Agency inventories
 - Excess from other agencies:
http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=11073&contentType=GSA_BASIC
 - Products and services available from the Committee for Purchase From People Who Are Blind or Severely Disabled. The following web sites are sources for these products:
 - Javits Wagner O'Day Program (JWOD) (www.jwod.com)
 - National Industries for the Blind (NIB) (www.nib.org/)
 - National Institute for Severely Handicapped (NISH) (www.nish.org/)
 - GSA Federal Supply Schedule JWOD items. (www.gsaadvantage.gov) *
 - *JWOD items take priority over non-JWOD items.
 - GSA Federal Supply Schedule non-JWOD items (www.gsaadvantage.gov)
 - NOTE: Green Procurement Program: green products or services have characteristics that promote environmental health or resource conservation and must be considered and used when cost effective.



DECLINES

- Occasionally a transaction may be declined at the point of sale. Consider the following:
 - Is the transaction amount within your single purchase limit?
 - Will the transaction amount exceed your 30 day limit?
 - Are you authorized to make a purchase with this merchant?
 - Is this merchandise required to be purchased from a preferred vendor?
 - If this is a phone order or mail transaction, has the merchant used the correct expiration date?
 - Did you give a complete billing address?



DISPUTES

- A dispute is a questionable transaction that is posted on the statement of account. An attempt should be made to resolve the issue with the merchant directly. If resolution is not reached, complete a Cardholder Statement of Questioned Item (CSQI)
- Some charges cannot be disputed:
 - Foreign exchange rates
 - Taxes
 - Shipping and handling
- DoD pays all invoices up front, in full. Transactions can be disputed after payment is made. If a disputed transaction is resolved in the cardholder's favor, a credit is issued on the next invoice.
- VISA Rule that CSQI must be submitted within 60 days of statement date



APPROVING OFFICIAL RESPONSIBILITIES

- No more than 6 card holders
- Card holders' immediate supervisor, in chain of command or have input into card holders' performance standards – see Purchase Card Alert 10
- Certifies invoice as “Authorized Certifying Officer Signature”
- Forwards invoice to WHS/A&PO, Room 3D267, for payment within 5 business days
 - Prompt payment results in rebates
- Insure cardholders adhere to all acquisition regulations, policies, and procedures
- Review cardholder transactions monthly
- Identify billing discrepancies
- Maintain records 6 years 3 months
- Pecuniary Liability



SUSPENSION PROCEDURES

- When a billing account becomes delinquent US Bank will follow suspension guidelines established in the GSA Contract
 - An account is considered past due if payment is not received 45 days from the billing date
 - If payment is not received at 45 days from the billing date, a late notice is sent to the billing official
 - A pre-suspension notice is sent to the APC 5 days prior to suspension
 - Suspension of billing account will suspend all cardholders attached
 - 2 Suspensions in a 12 month period and US Bank has the right to revoke privileges



OVERSIGHT

- Approving Official
- Agency Program Coordinator
- Management Control Program DoDD 5010.38
- Procurement Management Review
- DoD Program Management Office
- DoD IG
- GAO
- Congress



ETHICS

- DoD employees hold a public trust, your conduct must meet the highest ethical standards. All employees shall use this card only to purchase items and services within the guidelines of this program.
- Violation of this trust will result in the card being withdrawn, disciplinary action, and financial liability
- Wrong doers may be punished by fine, imprisonment or both, as stated in Section 1001, Title 18 USC
- Ethics training will be required annually
- Refresher training – 2 years