USAID
WORLDWIDE PURCHASE CARD PROGRAM MANUAL

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A Mandatory Reference for ADS Chapter 331

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Welcome to the Worldwide Purchase Card Program. Program participants at all levels— Cardholders, Approving Officials, Organization Program Coordinators, and billing financial offices — will find the information in this manual helpful for the successful management of their program. Two of the primary goals of this Federal procurement program are

1) To streamline the Federal procurement process by empowering Federal employees to do their own purchasing of goods and services, and
2) To ensure that efficient payment procedures have a clear path of accountability.

Specific objectives include the following:

- Simplifying the purchasing process;
- Reducing the paperwork and administrative costs of official government purchases;
- Streamlining payment procedures and improving cash management practices; and
- Improving management controls, reporting and decision-making activities.

We hope that this manual encourages all Purchase Card Program participants to use the Purchase Card to the maximum extent possible.

Office of Acquisition and Assistance
U.S. Agency for International Development

Worldwide Purchase Card Program Manual

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SECTION I - INTRODUCTION

1.1 General Overview of the Purchase Card Manual

This manual contains the policies and procedures for the U.S. Agency for International Development (USAID) Worldwide Purchase Card Program. These guidelines apply to all USAID employees using the Purchase Card for acquiring goods and services.

1.2 Background

Through the years, the Federal government has used many methods to purchase supplies and services needed to accomplish its mission. Some of these methods – especially those used for simplified acquisitions – have not been cost effective nor widely accepted by vendors.

Recognizing these problems, the Office of Management and Budget (OMB) in 1986 introduced a credit card program as a means for acquiring goods and services. The OMB initiated the program on a pilot basis with the Department of Commerce. The pilot program was a tremendous success. As a result, OMB established the program on a permanent basis in 1989 with the General Services Administration (GSA) having program oversight.

Initially, GSA awarded a contract to Rocky Mountain Bankcard Systems (RMBS) to provide Purchase Card services to the Government. GSA referred to the first Purchase Card as the International Merchant Purchase Authorization Card (IMPAC). Following a successful showing domestically and an overseas pilot, GSA expanded the Purchase Card program worldwide in December 1995.

In early 1998, GSA awarded contracts to six major banks to provide card services to the Government when the RMBS contract ended in November of that year. GSA issues Government Purchase Cards under the umbrella of its SmartPay Program.

The USAID Worldwide Purchase Card Program became effective throughout USAID on November 30, 1998. Under the SmartPay Program, USAID selected Citibank for the Purchase and Travel Card services. This manual addresses only Purchase Card Services.

1.3 Purchase Card Program Overview

*The Purchase Card is a streamlined procurement method that saves time and administrative costs. It empowers non-procurement employees with the authority to make official purchases within their limited delegated authority. The Federal Acquisition Regulation (FAR) states that the use of the Purchase Card is the preferred method to purchase and pay for micro-purchases. A micro-purchase is limited to $2,000 for construction, to $2,500 for services subject to the Service Contract Act, and to $3,000 for any other type of buy. You normally use the Purchase Card for micro-purchases instead of Standard Form 44, Blanket Purchase Agreement (BPA) Orders, and Purchase Orders.

*GSA specifically designed the Purchase Card Program for Government use. You may use the card for over-the-counter, Internet, or telephone purchases. You may also use the Purchase Card as a stand-alone procurement instrument, or use it to place orders against established contracts and agreements (such as Federal Supply Schedules, blanket purchase agreements, and indefinite delivery type contracts), if the terms in the contract or delivery order authorize the use of the card for payment. The FAR encourages agencies to use the Purchase Card to the maximum extent practicable. Purchases made with the card are subject to the FAR. Use of the card in no way relieves the Cardholder from any requirements of Federal Appropriations Law, Federal Acquisition Regulations, or USAID policies and procedures. Within USAID, you must use the Office or Mission Purchase Card for all purchases under $3,000. The only exception is when the vendor does not accept the USAID government Purchase Card as a method of payment.

1.4 Significant Changes in the Worldwide Purchase Card Program

a. Card Provider – Citibank. The first major change is that USAID has changed the card provider. As of November 30, 1998, Citibank is the card provider for all USAID Travel and Purchase Card Services, replacing American Express for Travel, U.S. Bank for Purchase (formerly Rocky Mountain Bank).

b. The USAID Government Purchase Card is a Citibank "Visa" card. An embossed U.S. Government logo and the specified "Tax Exempt Status" are on Citibank Purchase Cards issued for domestic and overseas use.

1.5 Warning—Misuse of the Purchase Card/Penalties

When using the Purchase Card, the Cardholder must comply with all applicable Federal and USAID agency prohibitions, controls, limitations, and approval requirements. Intentional misuse of the Purchase Card by a Cardholder for other than official Government business will be considered an attempt to commit defraud against the U.S. Government and will result in the immediate cancellation of the employee's Purchase Card. Furthermore, the Cardholder will be subject to disciplinary action, in accordance with ADS 485, Disciplinary Action - Foreign Service, or ADS 487, Disciplinary and Adverse Actions Based on Misconduct - Civil Service. An employee will be personally liable to the Government for the amount of any unauthorized transaction, and may be subject to a fine of not more than $10,000 or imprisonment for not more than five years, or both, under 18 U.S.C. 287.

SECTION II - DEFINITIONS

Account Setup Information: Specific information (e.g., name, address, office symbols, limits, MCCs and hierarchy level) is required for each card so that the issuing bank can establish an account. Each ordering Agency or Organization must supply this information to the issuing bank.

Agency or Organization Level: The Agency or Organization may establish a hierarchy level with the purpose of maintaining the structure used to organize and report on all issued cards.

Agency Program Coordinator (APC): The designated individual in Acquisition and Assistance who manages the Agency's Purchase Card Program. Multiple levels of program coordinators are anticipated within different hierarchies or at different hierarchical levels within the program for each Agency or Organization.

Organization Program Coordinator (OPC) or Approving Official (AO): This individual may have one or more Cardholders under his or her purview. The OPC or Approving Official must review the Cardholder's monthly E-Statements and verify that all transactions made were reasonable and allowable to the government. You can find a more detailed description of this function in Section VI.2. In USAID/W the OPC must be a USDH employee.

Authorization: This is the process of verifying that a transaction is within the authorization controls at the point of sale.

Billing Cycle Date: This is the cut-off date for which charges are processed for the billing cycle. The APC determines the cut-off date in the contract negotiation process. It is also known as the closing date. For USAID, it is the 25th of the month.

Billing Cycle Office Limit: The APC sets a billing cycle office dollar limit, which each Organization Program Coordinator or Approving Official may use to assign purchase limits to its Cardholders.

Billing Cycle Purchase Limit: This is the spending limit for a Cardholder's cumulative purchases in a given billing cycle. Purchase limits may be assigned in increments of $100 up to $999,900.

Billing Date: The billing date is the date the Agency or Organization Designated Billing Office receives the invoice, in accordance with the Prompt Payment Act.

Blanket Purchase Agreement (BPA): Is an existing agreement (negotiated by contracting activity or other government entity) that Cardholders can sometimes order against using their Purchase Card.

Bulk or **Reoccurring Obligation:** At the beginning of each month, USAID records this obligation using an advanced reservation of funds. USAID calls this a "reoccurring obligation."

Cardholder: Any Federal employee (designated by the Organization Program Coordinator, Executive Officer, Mission Director, or Regional Contracting Officer) legally possessing a Purchase Card.

Cardholder Dispute Form: This document, in reconciling the monthly E-Statement of Account, informs the issuing bank and the Billing Office of a disputed transaction. The Cardholder completes this form whenever he or she questions a transaction on the monthly E-Statement of Account and is unable to first resolve the discrepancy with the vendor.

***Committee for Purchases From People who are Blind or Severely Handicapped:** This is a required source for specific types of purchases made with the Purchase Card. In 2006, the Committee changed the umbrella name for the program administered under Javits-Wagner-O-Day to AbilityOne, per FAR Part 8.

Contractor: An organization providing goods and services purchased with the Purchase Card.

***Declined Transaction:** A transaction where the issuing bank has disapproved authorization for a charge being made with the purchase card.

***Delegation of Authority:** USAID's Office of Acquisition and Assistance, Evaluation Division (OAA/E) issues this document to establish the individual as an authorized Cardholder, detailing any specific spending limits or contracts authorizations.

Designated Billing Office (DBO): M/CFO/CMP is the DBO for the domestic and for overseas missions, the Controller or any other designated person**.**

Dispute Billing Office (DBO): The APC handles this function to track disputes (pending and resolved) and to assist in resolving disputes between the Cardholder and the vendor. If unable to resolve the dispute, the APC forwards it to the GSA Contracting Officer for resolution.

Dollar Limit: The Organization Program Coordinator **or Approving Official** at the Mission or Bureau level establishes this spending limit. This official must determine the single purchase and monthly limits at the time the account is established.

Domestic: All 50 states of the United States, the District of Columbia, and U.S. Territories and Possessions.

Exception: Permission to proceed with a purchase outside of required sources, when certain conditions apply.

Federal Acquisition Regulation (FAR): The FAR implements uniform policies and procedures for supplies and services by Federal agencies.

Federal Prison Industries (FPI): FPI is a required source for the Purchase Card Program. Congress created UNICOR as a wholly-owned government corporation in 1938. UNICOR provides training and employment opportunities for prisoners in Federal penal and correctional institutions through the sale of supplies and services to the government. By law, UNICOR produces items only for Federal penal institutions and government use.

Fraud: Any felonious act of corruption or attempt to cheat the government or corrupt the government's agents.

GSA ADVANTAGE!: An on-line ordering system offering a streamlined approach to ordering from GSA catalogs and Federal Supply Schedules, available at **https://www.gsaadvantage.gov**

Merchant: Usually referred to as a vendor, a merchant supplies the products and services Cardholder may purchase using the Purchase Card. A merchant may be a government agency or organization, a required source, or a commercial supplier.

Merchant Category Code (MCC): An issuing bank classifies merchants by the type of business the merchant conducts and the kinds of goods and services provided. These codes, applied to a card when the account is established, identify the types of businesses from which the Cardholder is authorized to obtain goods and/or services.

Micro-Purchase: An acquisition of supplies or services, the aggregated amount of which does not exceed $3,000 ($2,000 for construction, $2,500 for services subject to the Service Contract Act).

Monthly Purchase Limit: The dollar amount a Cardholder may spend in any given month. Purchases charged in a monthly billing cycle cannot exceed the Cardholder's monthly limit. The vendor will not receive an electronic authorization approval if the charges exceed the monthly purchase limit.

E-Statement of Account: At the close of each billing cycle, the Cardholder will receive a monthly E-Statement of Account from the issuing bank. The E-Statement itemizes each transaction posted to the Cardholder's account during the past billing cycle. The E-Statement also reflects any credits received from a vendor for disputed transactions.

***Official Invoice (Corporate Invoice):** The Corporate Invoice summarizes all Purchase Cards under your organization detailing transactions (by Cardholder, merchant's name, dollar amount, and office reflecting a total amount due) and is directed to the Designated Billing Office. All charges on the individual purchase card account are rolled up to the Corporate Account Number. All payments to the issuing bank must reference the 16 digit Corporate Account Number.

Official On-Line: Direct access to computer-based data files and operations systems via computer terminals.

Required Source: You must check the government-established source of supplies and services before going to the commercial sector. See Section VI, Seven Steps in the Buying Process.

Single Purchase Limit: Each Cardholder has an assigned dollar limitation for a single purchase, which is based on his/her purchasing authority.

***Splitting:** This is an illegal tactic to manipulate or avoid the single purchase limits or the monthly purchase limit. For example, if a Cardholder has a single purchase limit of $3,000 and wants to purchase a computer valued at $3,100, it would be illegal to split the purchase into two transactions, one for $100 and another for $3,000. This is not permitted.

Suspension: This process prohibits, due to non-payment of invoices from the issuing bank, an account individual or corporate from making purchases with the card.

Task/Delivery Order: A document that specifies and orders required products and services and the negotiated price at which they will be provided. It must comply with the terms and conditions in the Master Contract.

Tax Exempt: Not subject to Federal, state, or local tax.

Transaction Dispute: A disagreement between the Cardholder and the vendor regarding a specific transaction.

Transaction Dispute Office (TDO): The APC who works with the vendor on behalf of the Cardholder to resolve disputed transactions handles this function.

Transaction Type: The method by which an order is placed with the Purchase Card. Purchase Card buys may be made in person (over the counter), or by telephone, fax, or the Internet.

Vendor: A vendor is the source for the products and services Cardholders use to make purchases with their Purchase Card. The vendor may be a government agency or organization, a required source, a contractor, or a merchant.

Waiver: A waiver must be written by the Cardholder to justify making an open market purchase when a required source offers the product or service.

SECTION III - SET-UP, MAINTENANCE AND CANCELLATION PROCEDURES

3.1 General

The APC handles USAID Set-up, Maintenance, and Cancellation procedures.

This section addresses the procedures and forms used to establish new accounts (account set-up) and how to make changes to existing accounts (account maintenance).

This section also provides additional information on "Merchant Activity Codes." These codes, imbedded into each Purchase Card, determine what a Cardholder is authorized to purchase with his or her card.

3.2 Purchase Card Forms and the "Application Package"

You must submit an appropriate, completed, and issuing-bank form to the APC in order to establish a new Organization Program Coordinator, Approving Official, or new Cardholder account, make a change to existing account profile information, or cancel an account. You can find these forms at **http://www.citigroup.com/transactionservices/homepage/cash/cc/**

*3.3 To Establish a New Cardholder

Use the "Government Purchase Card Setup Form" (CB001). The prospective Cardholder should complete Section IV, items 4-12, and must sign and date the form at Section VI. Forward the completed form to the APC for completion and processing. The original application must be mailed to the APC via the least-expensive mode of mail available. The verification information is the last four digits of the employee's Social Security Number if he/she has one and his/her service compensation date.

*3.4 To Establish an Approving Official

Use the "Government Approving Official Setup/Maintenance Form" (CB007). Approving officials must complete Section II, items 1-6, and the AO must sign and date at Section IV as Approving Official. This form must be completed by the Head of the Contracting Activity (HCA) in missions where there is not a Direct Hire EXO. Forward the completed form to the APC for completion and processing. The original application must be mailed to the APC via the least-expensive mode of mail available.

*3.5 To Establish a New Organization Program Coordinator

Use the "Government Agency/Organization Program Coordinator Setup/Maintenance Form" (CB006). The OPC must complete Section II, items 1-5, and sign and date at Section IV, #1. Forward this form to the APC for completion and processing. The original application must be mailed to the APC via the least expensive mode of mail available.

3.6 Account Maintenance

You must send all changes to the APC via e-mail. The APC will make the change to the account information. Examples of changes are when Cardholders change their name (due to marriage or divorce), move from one office to another, or the Organization Program Coordinator requests the account to be closed. The Cardholder must not contact the issuing bank directly to make changes. The APC must submit the changes.

***3.7 Account Cancellation**

Account cancellation is the process of closing or canceling an existing account. Only the APC can cancel card accounts with the issuing bank. The Cardholder is not authorized to close the account. Before the account can be officially closed, all charges must be reconciled and paid to the issuing bank. Once this has been confirmed to the APC, the Cardholder/OPC is directed to cut the card in half and destroy it. The OPC/AO should forward all account cancellation requests to the APC via e-mail as soon as they are aware that the employee is leaving the Agency/Mission.

***3.8 Disposition of Files Upon Account Cancellation**

Upon the cancellation of a Cardholder account, you must provide the OPC or Approving Official with all files, including unreconciled requisitions, sales drafts, and the Purchase Card Buying Logs. The OPC or AO must designate someone in their organization to reconcile the departing Cardholders' final charges. The APC is responsible for ensuring that the Cardholder is granted the Phoenix role to perform this task. All documentation must be retained for three years. (EXHIBIT 11)

3.9 OPC/Approving Official Separation or Transfer

*When an OPC/AO relinquishes his/her role, the OPC/AO must:

*- Ensure that the APC is informed when the current OPC is departing post and the anticipated arrival date of the new OPC. If there is not an overlap between departure and arrival, the OPC should designate someone to cover this role until the new OPC arrives at post. The designee must take all required training to perform this role and follow the guidance below:

- Complete an A/OPC Set-Up/Maintenance Form (CB006) and forward it to the APC for processing.

- Notify, in writing, each affected Cardholder of the name and address of the new OPC/AO.

When replacing an OPC, the APC must complete the Agency/Organization Program Coordinator Set-Up and Maintenance Form (CB006) to reflect only a change of name and address (if required) from the former OPC to the new OPC.

SECTION IV- PARTICIPANTS OF USAID PURCHASE CARD PROGRAM

4.1 USAID Participant Roles

The participants under the USAID Purchase Card program include the Chief Acquisition Officer, the Agency/Organization Program Coordinators or Approving Officials (OPCs or AOs), Designated Billing Officials (DBOs), and Cardholders (CH).

***A. (APC).** This individual, located within M/OAA, manages the domestic and international Purchase Card Program. This individual is the focal point for analyzing, researching, resolving, and providing responses to incoming questions and issues, completing contract administration activities, developing Agency program procedures and policies, coordinating and implementing required training, issuing and destroying cards, establishing and reviewing reports, monitoring program performance, developing long-term program goals, monitoring fraud and abuse/misuse within the program, and serving as the overall point of contact between the Cardholders, the issuing bank, and GSA.

Examples of higher-level administration duties performed by the APC include the following:

- Directing changes to individual account information;
- Establishing a new Purchase Card Program, adding new Program Coordinators, Approving Officials, and Cardholders;
- Canceling existing accounts;
- Coordinating/implementing training for all participants;
- Monitoring charges on Purchase Card accounts;
- Following up with the Billing Office on delinquent payments for corporate invoices;
- Performing temporary account changes (forced authorizations);
- Clarifying policy guidance; and
- *Submitting quarterly/annual reports to GSA and OMB per OMB Circular A-123, Appendix B.

***B. The Approving Official (AO) is responsible for:** nominating responsible and trust worthy employees in his/her organization to be a Cardholder, determining the single purchase/monthly limits, and identifying the type of merchants from whom a Cardholder may purchase goods and services. The AO usually approves the funding document for Cardholders who are not U.S. direct-hire (USDH) employees and have been delegated purchasing authority from the HCA (Head of the Contracting Activity). This role is most frequently exercised overseas where the number of USDH employees is limited and there is no USDH Executive Officer. The Mission Director is usually the AO when there are Cardholders who are not USDH employees. The AO does not have to be the Cardholder's immediate supervisor or an official at a higher level than the Cardholder. An AO may be a Cardholder, other than the actual card user.

(The role applies to the Overseas Purchase Card Program.)

C. <u>The Organization Program Coordinator</u> <u>(OPC).</u> The OPC position is normally held by the Executive Officer or the immediate supervisor of the Cardholder. This individual is responsible for:

- *Nominating trustworthy employees in his/her organization to be a Cardholder, determining the single purchase/monthly limits, and the type of merchants from whom the Cardholder can purchase goods and services.
- Providing any prospective Cardholder with the necessary forms needed by the APC in order to issue that individual a Purchase Card, and forwarding all new Cardholders' applications to the APC for processing.
- Ensuring that each Cardholder has a commitment and obligation number (for OE-funded items) or MAARD fund cite (for program-funded items) established in the finance system prior to making a purchase.
- Complying with the requirement that an AID 530-3 or other funding document is presented by the Cardholder for signature for each purchase requirement, unless the Organization Program Coordinator or Billing Officer has created a recurring obligation in the finance system.
- *Submitting to the APC all changes relating to a Cardholder's profile via e-mail or phone timely when updating the information is required or when a Cardholder leaves the organization or the agency.
- *Approving the cardholder's E-Statement under his/her supervision by ensuring that the sufficient funding is available to pay for all charges on the E-Statement and ensuring that any disputed transactions are submitted to the issuing bank on the Government Cardholder Dispute Form (CB003) within 60 days of when the charge appeared on the E-Statement. A copy of this form should be included as supporting documentation in the purchase card file. Once the E-Statement is approved, it is forwarded to Finance for comparison against the Corporate Invoice and subsequently payment to the issuing bank. (Overseas only)
- *Approving the cardholder's E-Statement in Phoenix within 5 days of the notification from your cardholder that all charges have been reconciled. Ensure that your Cardholder is disputing any discrepancies in Phoenix and waiting until the credit is received from the vendor. Any disputed transactions must be submitted to the issuing bank on the Government Cardholder Dispute Form (CB003) within 60 days of when the charge appeared on the E-Statement and disputed in Phoenix. A copy of the dispute form should be included in the purchase card file. (AID/W Users Only)
- *Assisting the Cardholder in solving ordering and billing disputes and ensuring that the Cardholder disputes any charges not recognized as legitimate by submitting a Government Cardholder Dispute Form (CB003) form to the issuing bank within 60 days of when the charge appeared on the E-Statement.
- Reporting any misuse of the Purchase Card to the APC in a timely manner.
- *Ensuring that your Cardholders are not splitting a requirement to stay within the micro-purchase threshold, rather than use another procurement tool. <u>*New Requirement 10/1/07</u>
- *Retaining copies of all supporting documentation for three years. After that time, the files must be shredded by the A/OPC.
- *Completing the bi-annual recertification training requirement.
- *Ensuring that you have taken and passed the 40 hrs of Simplified Acquisition Training if you have Cardholders with the $25K single purchase limit under your supervision.
- *Ensuring that your organization has at least one cardholder with authority above $3,000.

- Performing the Purchase Card Annual Review (**overseas OPC only**).
- *Ensuring that a Delegation of Authority is prepared for each Cardholder and forwarded to the Mission Director for signature and included in the package submitted to the APC. The Contracting Officer should maintain a list of Individuals and the Ad hoc Number issued at the respective Mission. (Exhibit 6).
- Reviewing all Cardholder Purchase Card Applications to ensure that all pertinent information is provided so that the APC can process the application in a timely manner. The OPC/AO must determine the amount that each Cardholder is expected to spend during the month which is based upon your budget.
- Establishing specific procedures for maintaining security of the card.
- Coordinating all procurement requests and ensuring that the proper funding is reserved before the Cardholder uses the card.

*Each Mission's OPC/AO is responsible for the day-to-day operations and oversight of their individual Purchase Card program. The OPC/AO ensures that a Standardized Operating Procedure (SOP) is in place prior to using the card. You may find a boilerplate SOP in Exhibit 7. The OPC/AO and the Cardholder play a critical part in all aspects of the buying process, beginning with the actual purchase and ending with the final review and approval of the Cardholder Monthly E-Statement of Account. Once this process has been completed, the Organization Program Coordinator must forward the approved E-Statement to Finance for reconciliation against the Corporate Invoice before payment is made. This section highlights the roles and responsibilities of each of these key players and their importance to the overall effectiveness and success of a Bureau or Mission Purchase Card Program.

***D. <u>Cardholder</u>.** The Cardholder in USAID/W must be a USDH employee or a U.S. PSC working in a Bureau where there are no USDH employees on staff. Any request to have a Purchase Card issued to a U.S. PSC must be submitted to M/OAA from the Head of the Bureau and is handled on a case-by-case basis. The Bureau Head must state the relevant clauses of the AIDAR. For overseas offices, this individual may be a United States Direct Hire (USDH), Foreign Service National (FSN), Third Country National (TCN) or United States Personal Service Contractor (U.S. PSC) who has been delegated purchasing authority by the Head of the Contracting Activity (Mission Director). The Cardholder is responsible for

- Using the card in accordance with established policies and procurement regulations, ensuring that funds are available before making a purchase.
- Seeking the best value for all goods and services by comparing or gathering price quotes and by shopping using the GSA Advantage, a convenient in-line shopping service for the purchasing of government-wide goods and services.
- Distributing repetitive commercial purchases among qualified vendors.

- Filing a timely dispute form by faxing copy of the form to the issuing bank.
- *Informing the APC via e-mail or phone as soon as you become aware that you are moving from one office to another, transferring post, or leaving the agency.
- *Reporting a lost or stolen Purchase Card as soon as possible to the issuing bank, supervisor, and to the APC.
- Securing the Purchase Card at all times by keeping it in a locked drawer, cabinet, or desk.
- Not permitting anyone else to use the Purchase Card.
- Completing the bi-annual recertification training course.
- Submitting a purchase request to the AO/OPC, on an AID 530-3 or other funding document, and obtaining a signature, ensuring that funds are available and committed before making a purchase.
- Maintaining a Purchase Buying Log by documenting each transaction**.**
- Reviewing all procurement documentation for completeness, accuracy and compliance with all Federal regulations, policies, and procedures.
- Observing personal dollar limits on purchases.
- Not splitting a requirement in order to stay under the single purchase threshold.
- *Reconciling the Purchase Card E-Statement of Account within five days, as mandated by policy, and ensuring that sufficient funding is available to pay all charges on the E-Statement, unless specific transactions are being disputed.
- *Disputing all discrepancies in Phoenix during reconciliation process and not reconciling against an obligation. Reconciling all credits received from a vendor back to the disputed transaction.

E. **Designated Billing/Finance Office (DBO).** The DBO is responsible for

- *Making payment in full at the corporate level for all AID/W accounts.
- *Downloading the Corporate Invoice for your respective Mission from the electronic issuing bank reporting systems and making payment at the corporate account level. (Overseas DBO or designated finance staff member)
- Identifying billing discrepancies to the APC.
- Providing feedback to the APC on the issuing bank's performance.

(This role applies to USAID/W and the Overseas Purchase Card Program.)

SECTION V- ESTABLISHING BUREAU AND MISSION PROGRAMS

5.1 General

To establish a new account under the Purchase Card program, each prospective participant must attend the Purchase Card Training offered by USAID, take the GSA SmartPay Web-based Training Course, successfully pass the quiz at the end of this Training, print out the Certificate of Completion, and submit a completed Purchase Card application package to the APC. All AID/W Cardholders must complete the Phoenix Purchase Card Training before obtaining a Phoenix user id and password in order to reconcile your charges electronically in Phoenix. In addition to the steps involved in establishing an account, this section addresses the "Delegation of Authority" required for all participants and specific card controls available, such as "merchant category codes."

5.2 Steps Involved in Establishing Purchase Card Accounts

Three Steps in Establishing Purchase Card Accounts		
Step Number	**Description**	**Applicability**
Step 1	Complete Mandatory Training and Pass	CHs & AOs/OPCs
Step 2	Submit Completed Application Package to APC	CHs & AOs/OPCs
Step 3	Activate Card	CHs only
Step 4	Obtain Phoenix User Id and Password	CHs only

Step 1: Complete Purchase Card Training and Pass Test

***Purchase Card Training for Cardholders.** Before receiving a Purchase Card, each prospective Cardholder must attend the in-house Purchase Card Training conducted by the APC, or via the CD-ROM (PowerPoint) Training for all overseas prospective participants. Each prospective Cardholder must also pass the GSA Web-based Purchase Card Program Test.

On-Line Training for OPCs/AOs. Effective, October 15, 2007, this Training is mandatory for all AOs/OPCs managing the Purchase Card Program. This training is found at: **http://apps.fss.gsa.gov/webtraining/trainingdocs/aopctraining/index.cfm**.
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Purchase Card Spending Threshold Categories and Requisite Training. There are three categories of spending thresholds available under the USAID Purchase Card Program. Each of these categories has specific training requirements that must be met to obtain the desired spending threshold. Unless an exception is granted, first-time Cardholders are only eligible for a single purchase limit of $3,000. A description of each spending category along with requisite training follows.

Description of Purchase Card Spending Categories

***Category 1 - Single Purchase Limit is up to $3,000.** The Category 1 spending threshold is the Purchase Card limit granted to employees who are non-procurement personnel. The single purchase limit of $3,000 per purchase falls within the "micro-purchase" threshold identified in the Federal Acquisition Regulation (FAR). The specific training requirements include:

- Completion of Purchase Card Training using the following USAID-approved tools: 1) Interactive Purchase Card CD-ROM (PowerPoint) In-house Training conducted by the APC and 2) GSA Web-Based Purchase Card Training, found at: **http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm**. The prospective Cardholder must successfully pass the GSA Web-based Training prior to receiving his/her Purchase Card and Delegation of Authority.

Category 2 - Single Purchase Limit of $3,001 to $25,000: This spending threshold is granted to non-procurement personnel and exceeds the "micro-purchase" threshold identified in the FAR and therefore requires the Cardholder to follow all requirements for competition as well as all other FAR requirements. In order for a Cardholder to obtain a Purchase Card with a Category 2 spending threshold, the Cardholder must

- Meet the training requirements under Category 1 above; and

- Complete 40 hours of Simplified Acquisition training from a commercial source identified by M/OAA/E. The APC must receive a copy of the training certificate and a written request for the increase.

The needs of the organization and the discretion of the APC form the basis for the decision to issue a card for the higher threshold to a Cardholder.

How To Request a Threshold of $3,001 to $25,000

- *The Organization Program Coordinator must submit a written justification to the Chief, M/OAA/E, showing how the Cardholder will use the higher authority. When and if the request is approved, the OPC and Cardholder will receive the Original Ad hoc Delegation of Authority for their files.

Category 3 - Single Purchase Limit of $25,001 up to $100,000: Category 3 is reserved exclusively for Contracting Officers and Executive Officers and is the highest spending level category available under the Purchase Card program. The requirements for this category include

- Minimum training requirements under Category 1 above; and

- The individual must possess a Warrant (Contracting Officer or Executive Officer) that accommodates the limit requested.

Category	*Single Purchase Limit*	*Monthly Purchase Limit*	*Training Requirements*
***1**	$3,000	Determined by your Budget	Three hours of Purchase Card in-house training via the Interactive CD-ROM and the GSA Web-Based Purchase Card Training.
***2**	$3,001 - $25,000	Determined by OPC/Approving Official	40 hours of Simplified Acquisition Training. Request for increase must be in writing from Program Manager or Organization Program Coordinator. You must provide copy of Completion of Training Certificate.
3	$25,001 - $100,000	$100,000 or higher	Only applies to Warranted Contracting Officers with appropriate demonstration of requisite need and internal controls in writing. Must meet Category 1 requirement above.

Step 2: Submit Completed Application Package to the APC

After completing training and successfully passing the Purchase Card Test or Exam, the second step in establishing an account is to submit a completed application package to the APC. See Section III, Set-up, Maintenance, and Cancellation Procedures, for additional information.

A. Delegation of Procurement Authority (DOA)

The APC prepares a Delegation of Authority (DOA) for each prospective Cardholder as part of the Purchase Card process. The Cardholder receives the Purchase Card and the DOA when he/she presents a certificate of completion of the GSA Training Web-Based Training to the APC. This Delegation recognizes the recipient as a "procurement official" and, in the case of the Cardholder, grants authorization to expend government funds via the government purchase card. This limited purchasing authority is a delegation originating from the Chief Acquisition Officer to the Chief, Evaluation Division in M/OAA for the Purchase Card Program. You may find a sample Delegation Document at Exhibit 6 of this manual.

B. Authorized Controls of Purchase Card

Spending and authorization controls provide the Purchase Card OPC/AO the ability to control how and where a Cardholder uses his or her card. Each card is coded with specific spending and authorization controls as identified below. The OPC/AO may further restrict the Cardholder from certain types of merchant establishments and to specific dollar limits. This process should be done when the card account is initially created, but Organization Program Coordinators can request that it be change it at any time.

- ***Per Transaction Dollar Limit:** This is the amount that each Cardholder is authorized to spend in a single purchase. A purchase may consist of a single item or a variety of items that, when totaled, do not exceed $3,000 from the same vendor for the same requirement.

- **Monthly Dollar Limit:** This is the amount that a Cardholder is authorized to spend in a single billing cycle. The OPC/AO establishes this limit for each Cardholder. This limit is based on the overall budget of the organization that wishes to use the Purchase Card.

- **Daily Transaction Limit:** The OPC or Manager may request this limit for a specific Cardholder, but it is not a standard control on USAID's Purchase Cards.

- **Card Usage by Merchant Category Code (MCC):** A group of merchants offering similar products or services receive this code. You will receive a Purchase Card based upon the needs of your organization. The OPC/AO will determine the types of merchants you may deal with. Please contact the APC if you have specific questions regarding these restrictions.

C. Request for Forced Authorization

*In order for a Cardholder to procure goods or services from a vendor whose MCC has not been authorized for the Purchase Card**,** the Approving Official/Organization Program Coordinator must submit a Request for a Forced Authorization to the APC. See Exhibit 2. Once approved by the APC, the APC contacts the issuing bank and the MCC becomes part of the Cardholder's information. You can e-mail or fax this form to the APC, who will inform the AO and Cardholder when this change has been completed.

D. Request for Threshold Increase

The decision of whether or not to issue a card increase is based on the needs of the organization and the discretion of the APC, after careful consideration. See Exhibit 3.

Step 3: Activating your Purchase Card (Cardholders Only)

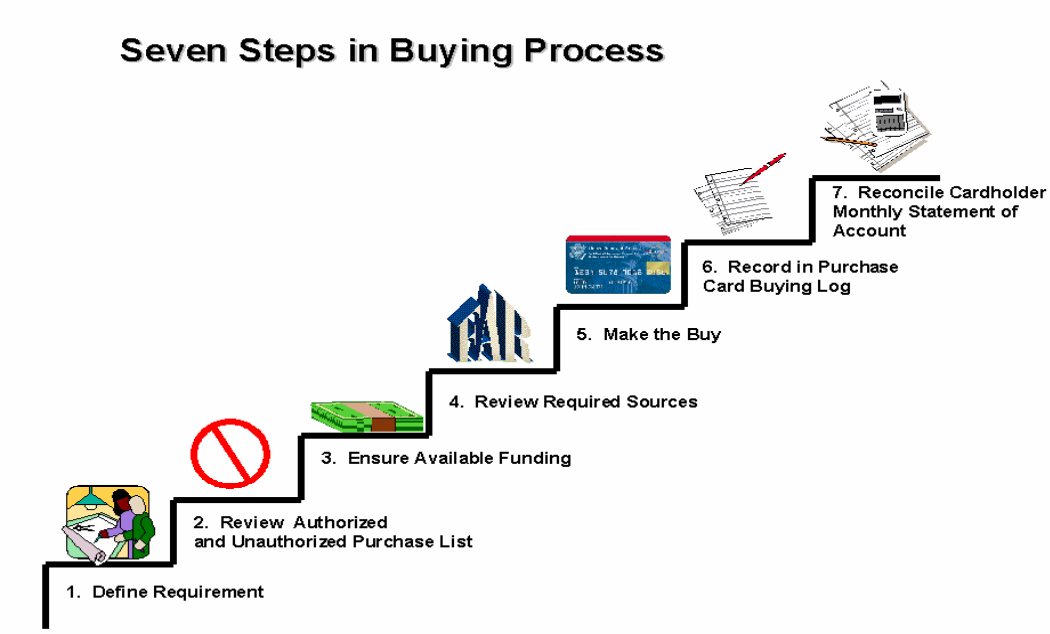
Activating Your Card

The final step in establishing a Cardholder account is, upon receipt of the Purchase Card, to call the credit card company to activate it. All cards have inactive status on issuance to reduce opportunities for fraud. Before calling to activate your card, please verify all information, including the spelling of your name, and then sign the signature strip on the back of the card. To activate the card account, call the telephone number on the sticker adhered to the front of your card. Call toll-free within the United States and call collect if outside the United States.

*During activation, you will have to provide the last four digits of your social security number or your service computation date, as submitted in your Government Purchase Card Setup Form CB001. The Cardholder should follow the voice instructions. When the call is completed, your card will be active and ready for use.

SECTION VI – SEVEN STEPS IN THE BUYING PROCESS

There are seven easy steps to follow when using your Purchase Card for either over-the-counter, phone, mail or Internet purchases below the micro-purchase threshold. This section will discuss each of the individual steps involved in the buying process. The chart below identifies these seven steps.



The above graphic details the seven steps in the buying process. They are as follows:
Define the requirement, review authorized and unauthorized purchase list, ensure available funding, review required sources, make the buy, record in purchase log, and reconcile Cardholder E-Statement of account. For a more in-depth description, see the steps below.

Step 1. Define the Requirement

*The first step in the buying process is for the Cardholder to ensure that the requirement has been clearly defined. Requesting offices must always give Cardholders their requirements in writing. Requirements are normally submitted to the Cardholder in the form of the AID 530-3, Credit Card Transaction Form, or other type of Request Form. Cardholders using the Global Acquisition System (GLAS) no longer use this form.

AID 530-3, Credit Card Transaction Form: The Credit Card Transaction Form is an internal document that conveys to the buyer or Cardholder the request for goods or services. Missions may choose to create their own procurement request document. This form should describe what the Cardholder is to buy and provides other pertinent information useful for the Cardholder in the procurement process. The Cardholder must ensure that this document reflects the commitment and obligation numbers and it must be signed by the AO/OPC. When signing this form, the AO/OPC is confirming that the items on the list are for official use only and that adequate funding is available. You can find AID 530-3, Credit Card Transaction Form, at
http://inside.usaid.gov/forms/forms.html

. A checklist of items normally addressed in the Purchase Process follows.

Purchase Request (PR) Checklist

- Purchase description
- Desired quantity
- Validation of available funds
- Delivery date(s) and shipping point(s) or period of performance
- Shipping instructions
- Required justifications, approvals, or clearances (pre-acquisition clearances)
- Signature of authorized individual(s)

Examples of instances when pre-acquisition clearances are required include

- When using the Purchase Card to obtain the services of contractor personnel to perform onsite work at any USAID location, Cardholders may need to obtain a pre-security clearance from the Office of Security. Contact the Office of Security for detailed instructions, once the requirement has been defined.

- *The Cardholder must obtain a pre-acquisition clearance from Bureau for Management, Chief Information Officer, Business Consulting and Client Services Division (M/CIO/BCCS) for any IT procurements. Send an e-mail providing all of the specifications to the CIO-RequestWindow-USAID address prior to purchase to ensure that the equipment meets the Agency's specifications. Attach a copy of the approval to the request and maintain a file copy. In Missions, coordinate with the OPC (Executive Officer).

Step 2. Determine Whether the Desired Goods/Services Are Authorized

The Government Purchase Card may be used to buy a variety of commercially available goods and services needed for official use. Certain supplies and services, however, fall into the category of "Unauthorized Purchases" based on Agency policies or the FAR. Reviewing the list of authorized and unauthorized purchases is the second step in the buying process. You will find examples of authorized and unauthorized purchases on the pages that follow. The list is not intended to be all-inclusive, but illustrates common authorized and unauthorized supplies and services. Contact the APC with any questions regarding authorized and unauthorized purchases.

Authorized Use of the Government Purchase Card. You may use the Purchase Card, unless otherwise noted, in exceptions for the following types of purchases within established Cardholder limits:

- Office supplies and personal computers
- Internet service providers
- Chartering buses (this requires Bureau for Management, Office of Administrative Services (M/AS) clearance)
- Conference room facilities and related costs
- Fax machines, supplies and maintenance, books, and subscriptions
- Mail transportation services (UPS, FEDEX, DHL) if the mailroom cannot accommodate your request

- Recurring services not exceeding $3,000/year Internet Service Providers
- Printing/copying services (the Government Printing Office (GPO) accepts Purchase Cards and is a mandatory source for most domestic services)
- Utility bills (authorized only overseas)
- Repair, maintenance, or purchase of vehicles or vehicle spare parts (authorized overseas only)
- Training, conferences, seminars, and registration fees
- Caterers and restaurants for official functions
- Professional services for legal, investigative, and language interpreters
- Disaster assistance supplies, (tents, plastic sheeting, etc.)
- Telecommunications services systems: You may use the Purchase Card to purchase cell phones and cell phone service provided the yearly amount for these services does not exceed $3,000
- Design/engineering or consulting services
- Construction below $2,000: This includes all types of work done on a particular building or on-site work, including altering, remodeling, installation of fabricated items, off-site painting and decorating, transporting materials and supplies to or from the building, etc. You must have advance clearance from M/AS for minor renovation work for any USAID facility.

Recurring versus Non-Recurring Services

You may use the Purchase Card as a purchase mechanism up to the micro-purchase threshold of $3,000 per purchase. Normally, if the requirement is for on-going repetitive services or "recurring services," the best solution is to obtain contractual coverage from the Bureau or Mission Contracting Office. You are not permitted to split a requirement into individual transactions in order to use the Purchase Card. However, in those cases where monthly services do not exceed $3,000 per year, you should consider the flexibility afforded by the Purchase Card. Examples of recurring services include Internet service providers, subscriptions, and courier services. When you project the cost of recurring services to exceed $3,000 per year, you should use a contractual vehicle rather than the Purchase Card.

Non-recurring services involve one-time or irregular services (e.g., foreign language translation services not needed regularly). You may purchase such "ad hoc" services up to the $3,000 single purchase limit using the Purchase Card, whenever a requirement occurs.

***Printing or Copying Services:** The Government Printing Office (GPO) accepts Purchase Cards and is a mandatory source for most domestic printing and copying services. Submit printing jobs to M/AS on AID 5-18 prior to forwarding to GPO. If you cannot obtain a printing or copying requirement in a timely manner through the Bureau for Management, Office of Administrative Services, Facilities Management Division (M/AS/FMD), you may request a waiver from M/AS/FMD to use an outside printing or copying service.

Photocopy Machines: Only M/AS staff may procure copiers, supplies, and maintenance for these machines. Cardholders are prohibited from making these types of transactions with their Purchase Card.

Use of the Purchase Card for Training

General: You should purchase training on the Purchase Card when the cost is within the micro-purchase threshold. If the cost exceeds $3,000, you may not split the requirement to stay within the micro-purchase limit.

Use of the Purchase Card under Delivery Orders or Other USAID Contracts

You may use the Purchase Card to pay for delivery orders placed against established USAID contracts or agreements. However, the contract or agreement must specifically permit use of the Purchase Card as a payment mechanism.

Unauthorized Use of the Government Purchase Card

Do not use the Purchase Card (unless otherwise noted in exceptions) for the following goods and services:

- **Travel advance payments**
- **Rental or lease of land or buildings**
- ***Individual travel expenses (airfare, lodging, etc.)**
- **Medical treatments**
- **Vehicle rental or lease**
- **Recurring services exceeding $3,000/year/requirement**
- **Supplies that contain hazardous substances or hazardous waste clean-up and disposal**
- **Rental and maintenance agreements exceeding $3,000/year**
- **Fuel, fuel dealers (Authorized for overseas only)**
- **Personal services (as defined in FAR 37)**
- ***Firearms (authorized for Security Office and OIG only)**
- **Pesticide purchase or application**
- **Construction in excess of $2,000**

Step 3. Ensure that funding is available

Once you have received approval for a request, the next step in the buying process is for you, the Cardholder, to ensure that adequate funding is available for the purchase. As discussed above, the AID 530-3 Form normally reflects the buying process, the description of the requirement and funding. The Cardholder must always verify the availability of funding before making any purchase.

***Bulk Funding/Recurring obligation:** A recurring obligation is a method of advance funding that, when authorized, greatly simplifies the use of the Purchase Card. With this procedure, the Finance office sets aside a specific amount of funding and the Cardholder will drawdown on these funds. As the funds are depleted, the Cardholder should ask the Organization Program Coordinator/Budget office for additional funding in sufficient time to prevent them from being completely exhausted.

Funding must include all shipping and materials handling charges.

Step 4. Review Required Sources

FAR Part 8 requires both domestic and overseas Cardholders to satisfy requirements for supplies and services from the sources listed below, in descending order of priority, before making any open market purchase. For example, before buying supplies commercially, a Cardholder must first check to see if the supplies are available from excess property (i.e., Agency Inventories or Excess from other Agencies). If not available from these sources, the Cardholder must continue down the list of required sources before buying commercially. This is a required step in the buying process.

FAR Part 8, Required Sources of Supplies (Order of Priority)	
1.	Agency Inventories
2.	Excess from other Agencies
3.	Federal Prison Industries, Inc. (Trade name is UNICOR)
4.	AbilityOne, formerly JWOD (Javits-Wagner-O'Day Act) - Committee for Purchases from People who are Blind or Severely Disabled (NISH –National Institute for Severely Handicapped & National Industries for the Blind –NIB)
5.	Wholesale Supply Sources (General Services Administration (GSA) Stock Program, GSA Advantage!)
6.	Federal Supply Schedules (FSS)
7.	Commercial Sources

FAR Part 8, Required Sources of Services (Order of Priority)	
1.	AbilityOne – formerly JWOD - Committee for Purchase from People who are Blind or Severely Disabled (NISH/NIB)
2.	Federal Supply Schedules
3.	Federal Prison Industries, Inc. (UNICOR)
4.	Commercial Sources (Including educational and nonprofit institutions)

Exceptions and Waivers to Required Sources. Review of the "Required Sources of Supply and Services" applies to purchases made both domestically and overseas. You can receive an exception to the use of the Required Sources of Supply and Services if the source cannot meet the delivery requirement, the item requires local servicing, or the item must meet local standards. Price alone does not eliminate a required source. You must document justifications for exceptions to the Required Sources of Supply and Services on the AID 530-3 Form or other funding document. Lack of proper planning does not justify using the required sources of supply or services. Overseas Cardholders are exempted from using UNICOR to meet residential furniture requirements. Cardholders must obtain a clearance from M/AS/FMD before procuring any furnishings.

In accordance with procurement regulations, you must use Federal Supply Schedules in preference to open market commercial sources whenever feasible. Because of their variety and favorable prices, you should consider GSA schedules an important source in the ordering process. Required sources of

supply are often the least costly and most efficient means of obtaining the desired requirement, and they promote socioeconomic programs.

Step 5. ***Make the Purchase***

A. Methods of Purchasing Using the Purchase Card

There are four specific methods for making purchases using the Purchase Card:

- Over-the-counter purchases
- Telephone or fax purchases
- Mail or catalog purchases
- E-mail or Internet purchases

1. Over-the-counter purchases. Inform the merchant of your government tax-exempt status. Once charged, you cannot dispute sales tax at a later date.

***2. Telephone or fax purchases.** First, ensure that the merchant accepts the government Purchase Card. Confirm all the charges, especially those above and beyond the cost of the item. These usually include shipping and handling costs, foreign exchange rates, or processing fees that will affect the amount billed to your account. Be sure to inform the merchant of your government tax-exempt status. Ask the vendor to fax you a copy of the request with the total amount to be charged to your card. This fax will ensure that you know the exact amount that is being charged to your card.

***3. Mail or Catalog Purchases.** Mail or catalog purchases usually require that you provide the same information as a telephone transaction. If there is an order form, complete all the necessary information. Be sure to provide your shipping address, a contact name and telephone number, tax-exempt status, and other pertinent information to ensure that your goods will be delivered on time and that your account will be billed accurately. Keep in mind that prices in catalogs may not be accurate, since it takes so long for companies to get this copied and distributed. Use catalogs only to see what an item may look like.

4. E-mail or Internet Purchases. When making Internet purchases, you can avoid disputes by giving your account information only to merchants with a good reputation and who offer the security of secure socket layers (SSL); SSL provides for greater protection for sensitive account information. A picture of a lock will appear in the bottom right-hand corner of the screen (next to the word "Internet"). Many Internet sites also have security software, which prevents theft of your account information. Whenever possible, print copies of screens confirming pricing and other related information for your records.

B. Shipping and Handling. When you use telephonic and mail order methods of buying, ask the merchant for the charge total, including any shipping or handling charges at freight on board (FOB) destination (this means the merchant is responsible for loss of, or damage to, the shipment during transit to the delivery point). Also, request that a copy of the charge be delivered with the merchandise. If the goods are to be shipped through a Dispatch Office, you need to advise the vendor to clearly mark the box as a Purchase Card order and identify the contents. Instruct the vendor to ensure that the proper "ship to" address appears on the outside label.

1. Domestic Shipments (USAID/Washington). You should ship items to either the Cardholder or another designated location. The Cardholder must ensure that a Freight Delivery Request Form is completed and forwarded to M/AS/FMD 72 hours prior to order delivery to the Ronald Reagan Building, Loading Dock. Therefore, it is very important that the merchant have the Cardholder's complete mailing address to ensure proper delivery. When you receive the delivery, you must retrieve and retain sales drafts and delivery tickets from shipping containers for record purposes.

Cardholders should instruct the vendor to include the following on the shipping document or packing slip:

(a) The building number, room number, street address, city, and state for delivery;
(b) The Cardholder's name, office symbol, and telephone number; and
(c) The term "Purchase Card Order" (**do not write the Purchase Card Account Number on any shipping document**).

Special Shipping/Inventory Instructions for All USAID/W Information Technology Purchases

*Bureaus and Offices must work with M/CIO to maintain current IT inventory records. Each Bureau or Office must prepare the required purchase documents, including an indication as to whether the purchase is Operating Expense (OE) or Program Funded. You must fax a copy of the final purchasing documents to the attention of the M/CIO/O&M Inventory/Asset Manager at (301) 490-8661 to enable M/CIO/O&M to coordinate delivery, receipt, and installation. Without exception, ship all incidental (hardware and software) IT procurements to the following central receiving address:

USAID c/o
GlobalSat
9898 Brewers Court
Laurel, MD 20723
Phone: (301) 490-6414 and Reference Ordering USAID/W Bureau or Independence Office and Contact Person, Phone Number, and Funding Source, OE/Program
Fax: (301) 490-8661

*If the vendor requires a name on the attention line at the shipping location, please direct your orders to Craig Miller and Alan Thompson.

2. Overseas Shipments. The Cardholder must coordinate with the Executive Officer and General Services Officer at the respective Mission.

C. Miscellaneous

1. **Return Policies.** Cardholders should always check the merchant's return policies when ordering. The merchant should issue a credit back to your Purchase Card account for returned goods or services. Vendors are not authorized to charge your Purchase Card account until the merchandise is actually shipped or mailed.

2. **Taxes.** The Cardholder is responsible for informing the vendor that the purchase is for official U.S. Government purposes and therefore not subject to state or local tax. Purchases made overseas are not exempt from foreign taxes. Nonetheless, Missions should follow established internal procedures for recording and reclaiming Value Added Tax (VAT). Sales tax charged erroneously by the vendor cannot be disputed through VISA Chargeback Regulations. Cardholders should make every effort to obtain a credit from the vendor for the amount of tax. If the Cardholder cannot obtain a credit, the ordering Bureau or Office must pay the tax.

The Cardholder should always inform the vendor that the purchase is U.S. government tax-exempt.

If the merchant does not recognize the credit card number as being a tax-exempt government agency, the Cardholder can provide a copy of the tax-exemption letter for the state in which the purchase is procured. You can find tax exemption letter on the GSA web site:
http://apps.fss.gsa.gov/services/gsa-smartpay/taxletter/

3. **Sales Receipt**. Always obtain a sales receipt or make a record of a purchase made by telephone, etc. for use in maintaining your Buying Log and reconciling your E-Statement of Account.

Step 6. Record in Buying Log

- Download Buying Log, Form AID 331-1 from (**http://inside.usaid.gov/forms/a331-1.xls**) as needed. (You may find a copy of the Buying Log form in Exhibit 4, where it is illustrated for readers who are outside the USAID firewall and who are unable to download it and utilize its computational functions.)

- You must record each purchase in your Buying Log, Form AID 331-1.

- You must review charges as they are made to ensure that the amount of the charge to the card is correct; if more or less than the correct amount is charged, you must ensure that the amount is adjusted before reconciliation takes place. Exceeding the available funding may result in either a statutory or administrative Anti-Deficiency Violation. Such violations have serious penalties, up to and including suspension or termination of employment. All procurements must be fully funded and the funding MUST be tracked to prevent such Anti-Deficiency Violations. If additional funds are needed they must be obtained from the Commitment Processor in your Bureau.

Step 7. ***Reconcile Monthly Statement of Account***

*Reconciling the monthly E-Statement of Account is one of the most important steps in both the buying process and the payment of the issuing bank Corporate Invoice by the Designated Billing Office (DBO). Only by reconciling your E-statement each month will you know if all charges appearing on your E-Statement of Account are accurate. In order to perform the monthly reconciliation process, the Cardholder will need the E-Statement of Account, the Buying Log, and supporting documentation (copies of credit card drafts and AID 530-3s). The Cardholder can reconcile his/her E-Statement of Account on a daily, weekly, or monthly basis by viewing the electronic statement on the card management system. The issuing bank Web site is: **http://www.citigroup.com/transactionservices/homepage/cash/cc/**. The Citidirect Card Management System (CCMS) is located to the far right-hand corner, under the heading Web-Based Tools. You must have a user ID and password to access this site. The Citidirect System Client Code is USAID. If you prefer to access the site for the Purchase Card Program Forms, look down in the left hand corner of the page and click on: **www.citimanager.com**. You do not need a user ID and password to access this site. You may find the Quick Reference Guide for the Cardholder at Exhibit 10.

*The reconciliation process begins with the Cardholder downloading the Monthly E-Statement of Account. The Designated Billing Office or other designated personnel in the Finance Office must download the Corporate Invoice (CD-400), or they can receive the On-Line Statement message from the issuing bank, informing them that there is a statement available. Each of these documents serves a different purpose and each is explained below. Both of these steps are critical in the proper management of each Bureau and Mission's Purchase Card program. To Register for the On-Line Statement, please follow the instructions at Exhibit 12. Reference one of your recent corporate invoices for the information required to register the account. This tool should be used mainly by the Finance office.

***Reconciliation of the Cardholder E-Statement of Account.** Each month, the issuing bank sends an electronic E- Statement of Account (Citidirect) to each Cardholder at the close of the billing cycle. The Cardholder is responsible for downloading and reconciling the E-Statement of Account with his or her Buying Log and all supporting documentation within five days of receipt. The Cardholder's E-Statement of Account will reflect "$0" due. No payment is due on the Cardholder Statement, as all charges roll up to the corporate level. The five steps in the Cardholder reconciliation process are discussed below:

The Five Key Steps in the Cardholder E-Statement Reconciliation Process

Step 1: Gather supporting documentation.

***Step 2:** Compare supporting documentation with the Buying Log. GLAS users do not use this log.

***Step 3:** Cardholder signs E-Statement and forwards it to the OPC/AO for approval. USAID/W users must reconcile their charges in Phoenix.

Overseas users must download their E-Statement and reconcile their charges, then forward to OPC/AO for approval. E-Statement is then forwarded to Finance for reconciliation against the Corporate Invoice, Certification, and Payment (five business days).

***Step 4:** OPC receives notification from the Cardholder that the E-Statement has been reconciled and ready for approval. AID/W Users (five business days)

***Step 5:** E-Statement of Account is forwarded to Finance for payment in full, with payment referencing the 16-digit corporate account number from CD-400.
USAID/W corporate invoices are paid in full at the beginning of the month by M/CFO.

A. Pull all Supporting Documentation. Supporting documentation comprises any information related to a purchase or transaction. Examples include

- **Procurement Request (PR)**
- **Approve Funding Document – AID 530-3 (Forms)**
- **Completed Purchase Card Buying Log (AID Form 331-1)**
- **Sales Drafts**
- **Receiving and Inspection Reports**
- **Issuing Bank Dispute Forms (if applicable)**
- **Pre-Acquisition Clearances (if applicable)**
- **Waivers to Required Sources of Supply or Services**
- ***Quotes and other solicitation documents (purchases above $3,000-$25,000) (Exhibit 9)**

B. Reconcile Supporting Documentation with Buying Log. Each month you will need to reconcile the monthly E-Statement of Account with all supporting documentation. As Cardholder you will need to:

- Review the E-Statement of Account from Citidirect for accuracy.

- Verify that all entries on your E-Statement of Account are properly reflected in your Buying Log.

- *Contact the vendor concerning any inaccurate charges or discrepancies. If credits do not appear in a timely fashion (usually within 45 days), or if there are any other inconsistencies in the E-Statement of Account, you must dispute the purchase (see Section IX, Disputes). You must file all disputes within 60 days of the date in which the charge appeared on the E-Statement of Account.

- *Dispute with the issuing bank any charges that cannot be resolved with the vendor. If you dispute a charge, you need to explain the discrepancy on the E-Statement of Account. If an item has been returned and a credit voucher received, you should verify that the E-Statement reflects the credit. If the purchase cannot be resolved with the vendor, complete an issuing bank Cardholder Dispute Form. Attach a copy to your E-Statement of Account for any disputed charges and the original supporting Purchase Card Buying Log and sales receipts.

Users who reconcile their charges in Phoenix must log the disputed transaction in Phoenix so that the charge does not need to be reconciled against an obligation. When the credit is received from the vendor, the credit is put back to the disputed transaction. Every disputed charge must be matched to a credit within 60 days.

- *Credits received from the vendor as rebates do not have to be reconciled but must be directed back to the fund accounting information from which the cardholder typically obligates.

- *Sign your E-Statement and forward it and any supporting documentation to your OPC/AO for approval either in writing for Overseas Purchase Card Users or in Phoenix for AID/W Users. Overseas Missions are currently not using Momentum for electronic reconciliation and approval of Purchase Card E-Statements of Accounts.

C. Approving Official Review Process

*The Cardholder must provide the E-Statement of Account to the AO/OPC within five days of receipt or system notification. The AO reviews each Cardholder E-Statement of Account as follows:

- Reviews the Cardholders Buying Log and the E-Statement(s) of Account to verify that all purchases had proper approval (AO's signature on Buying Log) and that goods or services arrived in a timely manner and in the quantity and quality ordered.

- Verifies that all purchases made were in the interest of the government and that all purchases complied with FAR provisions and mandatory sources of supply requirements (i.e., within Cardholder's purchase limitations—for monthly and single purchase limits). Cardholders are required to seek the best value for all goods and services by comparing and gathering price quotes and by shopping using the GSA Advantage. GSA Advantage is a convenient on-line shopping service for the purchase of government-wide goods and services.

- *If the Cardholder has a dispute, verifies that the Government Cardholder Dispute Form was completed and faxed to the issuing bank, Government Card Services, at (605) 357-2019. A copy should be placed in the working file.

- *The OPC/AO must approve the charges on the E-Statement of Account or charges in Phoenix.

Points to Remember

- Purchase for official use only.

- Verify that adequate funding is available for the total charge, which may include shipping and handling charges.

- Check Required Sources of Supply prior to buying on the open market.

- Review the list of "Unauthorized Purchases" for supplies and services that should not be purchased with the Purchase Card.

- Do not split your requirements into two or more buys to stay within your single purchase limit.
- Ascertain that the purchase is reasonable, in light of the circumstances of the purchase.
- Check vendor return policies. Verify that the vendor will issue a credit to your account and not a store credit.
- The Cardholder should ensure that merchandise is in stock and available for immediate shipment, prior to the charge being placed on the card. Advise the vendor to make delivery when the vendor can ship the complete order.
- Obtain credits back to your Purchase Card account for returns or undelivered items.
- Submit a "Government Cardholder Dispute" form for an unauthorized order, merchandise not received, duplicate order, or merchandise returned.
- Follow Bureau or Mission procedures for receiving and inspection reports.
- Report lost or stolen Purchase Cards to Citibank Customer Service immediately. Phone 1-800-790-7206 or collect at (904) 954-7850, if calling from overseas.

SECTION VII - FINANCIAL MANAGEMENT

7.1 General

This section is intended to assist Cardholders in reconciling the Cardholder E-Statement and those involved in the financial management of the Purchase Card program.

Reconciliation of Issuing Bank Cardholder Statement of Account

The reconciliation, review, and approval of the Cardholder E-Statement of Account should be performed independently from the review, certification, and payment of the Corporate Invoice, and involves the following steps for both domestic and overseas Cardholders.

***Step 1: Cardholder Review and Reconciliation**
Each Cardholder must call the Citidirect Card Management Support Help Desk at 1-800-790-7206 to obtain a user id and password to access their E-Statement of Account in Citidirect. The E-Statement of Account is available electronically for each Cardholder within two business days of the billing cycle detailing all posted activity for the monthly cycle. The Cardholder has five days from receipt of the system notification for Phoenix Users and five days for users who download the E-Statement of Account to review and verify that all transactions on the Statement of Account are appropriate. The Cardholder should compare the E-Statement of Account to his or her Purchase Card Buying Log and other supporting documentation for each transaction. If the Cardholder has a returned item and a credit voucher for it, the Cardholder should verify that the statement reflects the credit. If credits do not appear in a timely fashion (usually within 45 days), or if there are any other inconsistencies within the E-Statement of Account, the Cardholder must follow the dispute process established by Citibank. All disputed transactions must be disputed in Phoenix by the Cardholder.

If the Cardholder does not have supporting documentation for a transaction, he or she should make an appropriate notation in the account records or file. If the Cardholder is not available to review the E-Statement of Account, the OPC/AO, where applicable, is responsible for ensuring that someone in that organization is designated to perform this role within the allotted timeframe. The Cardholder must retain a copy of the statement and all supporting documentation for a minimum of three years.

Step 2: OPC/Approving Official Review and Approval
Subsequent to the Cardholder reconciliation, the OPC/AO must review and approve the Cardholder E-Statement detailing all of the Cardholder's activities. This is to ensure the appropriateness of all goods and services procured and to discern whether all disputes have been resolved and are properly reflected on the Cardholder E-Statement of Account. To assist with this review, the issuing bank provides the OPC/AO with electronic access to the records of all Cardholders who report to this individual.

Step 3: E-Statement of Account forwarded to DBO
Upon completion of the reconciliations by the Cardholder and the approval by the OPC/AO, the E-Statement is forwarded to the DBO for reconciliation against the Corporate Invoice, which is downloaded from the electronic system. Payment in full is made from the corporate account to the issuing bank.

Domestic Corporate Invoices paid by M/CFO/CMP, Bureau for Management, Office of Chief Financial Officer, Cash Management and Payment Division at the beginning of the month. All AID/W Users will receive an electronic e-mail notification once the Statement file has been loaded into Phoenix and the E-Statement of Account is ready to be reconciled. This system is not used by Overeas Missions.

Payment Process
The DBO is the Office of the Chief Financial Officer (M/CFO) in USAID/W. Overseas, the Designated Billing Office (DBO) is the Mission Controller.

Each month, the DBO must process the issuing bank Corporate Invoice for payment in full via Electronic Funds Transfer (EFT). This process is performed independently from the reconciliation of the Cardholder E-Statement of Account. The Department of Treasury has waived the requirement for the goods or services to have been received and accepted prior to making payment (Treasury Financial Manual, Volume I, Part 4, Chapter 4500, Transmittal Letter No. 538, dated July 22, 1994).

Financial Responsibility for Payment of Corporate Invoices.

There are three methods of payments that the Designated Billing Officer can use to pay corporate accounts:

Check Payments:

Remit Address:
Citibank Nevada
P.O. Box 6575
Ref: 16-digit Government account number
The Lakes, NV 88901-6575

Express Mail: Citibank Government Card Services
Zone 1223
8725 W. Sahara Avenue
Ref: 16-digit Government account number
Las Vegas, NV 89163

Electronic Payment:
Bank Name: Citibank, South Dakota, N.A.
Address: 701 East 60th Street North
Sioux Falls, SD 57117
TIN: 46-0358360
Routing No: 091409571
Acct No: 16-digit Government account number

7.2 Issuing Bank Monthly Billing Cycle

The issuing bank invoices each DBO for Purchase Card accounts on a monthly billing cycle (the 25th of the month) via the Corporate Invoice. The DBO is responsible for payment within Prompt Payment Act timeframes.

7.3 Delinquent Accounts

Delinquent Purchase Card accounts will be suspended on the 61st calendar day past the billing cycle date.

The Prompt Payment Act deems an invoice received on the date that it becomes available on the electronic system. If the Agency or organization fails to annotate the invoice with the date of receipt, then the date placed on the invoice by the contractor is deemed the receipt date.

Citibank Government Card Services, Customer Service Center
Telephone: 1-800-790-7206 or (904) 954-7850
FAX: (904) 954-7700

SECTION VIII- DISPUTES

8.1 General

Reasons for disputing a transaction may vary from dissatisfaction with the goods or services provided to non-recognition of the reported merchant or charge. In all cases, the first course of action for the Cardholder is to attempt to resolve the dispute directly with the vendor. If attempts to resolve the dispute with the vendor are not successful, or if attempts to contact the vendor are unsuccessful (vendor is not recognized, contact information is not available, etc.), the Cardholder must initiate the following dispute process.

Step 1
The Cardholder, or the OPC/AO, must contact the issuing bank Customer Service. The OPC/AO must submit all disputes unresolved at the vendor-Cardholder level to the issuing bank within 60 days of receipt of the invoice on which the charge(s) first appeared. After 60 days, you relinquish the right to dispute a charge. (Sales tax, if incurred, is not considered a disputable charge.)

Step 2
The issuing bank advises the individual making contact about the next steps in disputing a charge. The Cardholder needs to complete an issuing bank Dispute form and send the completed form to the issuing bank. The issuing bank may also require the Cardholder to complete an affidavit, depending on the nature of the dispute. If requested, the Cardholder must complete the affidavit in order for the dispute to be considered valid. The Cardholder must also provide a copy of the Dispute form and the affidavit, if required, to his or her Designated Billing Office. The Cardholder should retain a copy of the completed Dispute form and the affidavit, if applicable, as part of his or her supporting documentation.

Address any questions related to the dispute process to the Citibank Customer Service at 1-800-790-7206 or (904) 954-7850. Fax completed Dispute forms and affidavits (if applicable) to Citibank at the fax number below.

Fax Completed Dispute Forms and Affidavits to: (605) 357-2019

***Step 3**
The issuing bank issues a temporary credit or suspends the disputed charge from the outstanding balance due. The issuing bank acknowledges the initiation of a dispute to the Cardholder, confirming that the Cardholder does not have to pay the amount in question, pending the outcome of the dispute process. For Phoenix Users, all credits must be disputed in Phoenix and not reconciled to an obligation. The Cardholder must wait until the credit is received from the vendor and reconcile the dispute to the transaction.

If a vendor has not responded within 45 days, the dispute is automatically resolved in favor of the Cardholder. While this process is taking place, the Cardholder is not expected to take any further action, unless the issuing bank requests additional information.

Step 4
Based on the vendor's response, the charge is resolved in favor of either the Cardholder or the supplier. If the resolution favors the Cardholder, the charge is removed from the account and all related reports will reflect the status. If the resolution favors the vendor, the Cardholder receives a letter explaining the decision. The charge will appear in the balance due on the next E-Statement of Account, along with a dispute resolution message and applicable interest. The Cardholder should retain the dispute resolution letter and attach it with the next E-Statement of Account as supporting documentation, per the reconciliation process.

SECTION IX - LOST OR STOLEN CARDS

9.1 General

Cardholders must promptly report lost or stolen account numbers and cards to the issuing bank and to their OPC/AO. The Customer Service Center is staffed 24 hours a day, seven days a week, every day of the year to accept calls from Cardholders reporting lost or stolen cards. The telephone number for reporting lost or stolen cards to Citibank is

Citibank Customer Service at 1-800-790-7206 or (904) 954-7850

The importance of immediate notification of a lost or stolen Purchase Card cannot be over-emphasized, since this action will relieve the Cardholder and USAID of any financial liability resulting from its unauthorized use.

Upon notification, Citibank mails a replacement card with a new account number within two to three days to the Cardholder. Citibank immediately blocks cards reported lost or stolen from accepting additional charges. If unauthorized charges have occurred, they must be disputed.

Cardholders must also notify their OPC/AO within one work day after discovering the card missing. Within five working days, the Cardholder must submit a written statement (e-mail) to the OPC/AO regarding the lost or stolen card, and provide a copy to the APC. The report must include

- The Purchase Card account number
- The Cardholder's complete name as reflected on the card
- Date and location of the loss or when the card was last seen
- Date and time Citibank Customer Service was notified
- Any purchases made immediately prior to or on the day the card was lost or stolen
- Any other pertinent information

If you locate the card after it has been reported lost or stolen, you must cut it in half and destroy it.

9.2 Liability

If the Purchase Card is lost or stolen, the Cardholder is not personally liable for any resulting charges if the Cardholder has notified Citibank Customer Service and the AO or OPC. USAID is not liable for any unauthorized use of a Purchase Card. Unauthorized use of a Purchase Card means the use of the card by a person other than the Cardholder.

SECTION X - PURCHASE CARD ANNUAL REVIEW

Purchase Card Annual Review

I. Background

Under the Government-wide Purchase Card program, an APC or staff member in the Office of Acquisition and Assistance, Evaluation Division (M/OAA/E) must conduct an annual review of Cardholder and AO or OPC records at the end of each fiscal year. The purpose of the annual review is to continually improve program operations while ensuring that Cardholders and OAs/OPCs comply with established policies, regulations, and operating procedures. This policy provides an overview of the annual review process and provides a standardized approach for performing the annual review.

II. Overview of Annual Review Process

*M/OAA/E will conduct the domestic annual reviews and reports at the end of each fiscal year. Each Mission AO/OPC must conduct and complete reviews of the previous fiscal year Purchase Card activity in the first quarter of each new fiscal year. The APC or other staff member of M/OAA/CAS participate in the annual review process as needed. The process consists of a review of a random sampling of Cardholder records, the documentation of any findings, and the certification of completion of the annual review process. See Part IV below for a discussion of individual steps in the process.

III. Annual Review Formats

Standardized formats have been developed to facilitate the annual review process. The annual review forms are available from M/OAA's intranet site at **http://inside.usaid.gov/M/OAA/SolutionsCenter/egov/purchasecard.html**.

The Annual Review Policy Guidance consists of three parts

- Purchase Card Annual Review Checklist
- Summary of Findings
- Certification of Completion of Purchase Card Annual Review

***Purchase Card Annual Review Checklist (Attachment 1):** The Purchase Card Annual Review Checklist is part of the initial review of each Cardholder's records to determine compliance with procurement buying regulations and procedures. M/OAA/E must complete one checklist for each Cardholder record reviewed in the random sample selected.

Summary of Findings (Attachment 2): This form summarizes findings, including areas of non-compliance and recommendations for improvement identified in the checklist, Cardholder records, or interviews with Purchase Card participants. Best practices and recommendations for improving the Purchase Card program are addressed at the end of the Summary of Findings form.

Certification of Completion of Purchase Card Annual Review (Attachment 3): This form consists of a certification that the Head of the Contracting Activity (HCA) must date and sign upon completion of the annual review. The annual review package, including the certification of completion, must be retained in the Bureau or Mission files for a minimum of three years.

The Purchase Card Annual Review Checklist consists of the following parts:

***A. Part I - Purchase Card Annual Review Checklist (Attachment 1):** M/OAA/E must complete one checklist per each individual Cardholder record reviewed in the random sample selected. In the initial review of each Cardholder's records, the Purchase Card Annual Review Checklist determines compliance with policies, regulations, and procedures. Examples of items on the checklist include the following:

- Purchase Cards were used for authorized purchases only;
- Requirements were not split to circumvent authorized spending thresholds;
- Cardholder files contain adequate supporting documentation, copy of AID 530-3 (Credit Card Transaction Form);
- Cardholders routinely review "Required Sources of Supply and Services";
- State or local sales tax is not being incurred in the United States;
- Cardholder reconciliation and review and approvals are taking place in a timely manner (five business days for Cardholder and five business days for AO/OPC); and
- Adequate funding is obtained in advance of each purchase**,** including shipping and handling charges.

B. Part II - Summary of Findings (Attachment 2): This form summarizes findings, including areas of non-compliance and recommendations for improvement, as identified in completion of the checklist, review of Cardholder records, or interviews with Purchase Card participants. Best practices and recommendations for improving the Purchase Card program are addressed at the end of the Summary of Findings form.

C. Part III - Certification of Completion of Purchase Card Annual Review (Attachment 3): This form consists of a certification that the AO/OPC must date and sign upon completion of the Annual Review. The Bureau or Mission must retain the Annual Review package, including the certification of completion, in its files for a minimum period of three years.

D. Steps in Annual Review Process

In order to conduct a successful Annual Review, M/OAA/E must select a random sampling of Cardholder records and document findings. The policy guidance provides a standardized approach to conducting the review. The APC can assist M/OAA/E in summarizing findings and proposing solutions to enhance operations and ensure proper compliance. There are several steps in conducting the annual review.

1. **Select Random Sample:** M/OAA/E selects 50% of the OPCs and the Cardholders falling under their purview and reviews their records and files. The number selected must be large

enough to provide an adequate sampling of Purchase Card operations within your Bureau or Mission. You must document pertinent information related to the random sample selected in the space provided on the Annual Review Checklist and the Summary of Findings (i.e., the number of accounts selected, the names and individual account numbers of the OPCs and the Cardholders, the individual Cardholder's single and monthly purchase limits, total number of Cardholder records reviewed, etc.).

2. *Conduct Interviews: M/OAA/E will conduct short interviews with the OPC, Cardholder, and budget or finance officer to discuss how the Purchase Card program and related procedures are working. The interviews can be a valuable source of information regarding Bureau or Mission operational procedures and individual concerns or recommendations about the program. You should solicit both positive and negative comments.

3. Complete the Purchase Card Annual Review Checklist: The Chief, M/OAA/E completes an "Annual Review Checklist" (Attachment 1) for each Cardholder record selected in the random sample. Address each specific review criteria contained in the Annual Review Checklist, provided in Attachment 1 of the Annual Review policy for each Cardholder record reviewed and document their findings during the evaluation. You must complete a separate checklist for each Cardholder record reviewed.

4. Complete Summary of Findings: The Chief, M/OAA/E documents areas of non-compliance and recommendations for improvement of Purchase Card Program on the Summary of Findings (Attachment 2). The Chief, M/OAA/E must summarize any areas of concern or problems found during any aspect of the review and discuss the steps taken to correct areas of non-compliance. Cite specific examples whenever possible. The Chief, M/OAA/E must summarize only findings related to areas of non-compliance, unless addressing recommendations or comments. The Chief, M/OAA/E must also address in the Summary of Findings, general or miscellaneous areas not addressed on the checklists, such as whether the issuing bank and the merchants are providing acceptable customer service. The Chief, M/OAA/E, must document areas of best practices on the last page of the Summary of Findings.

5. Complete Certification of Completion: Complete the Certification of Completion contained in (Attachment 3) upon completion of the Annual Review.

6. Retain files for three years: Retain copies of the Annual Review package and any supporting information in the files for a minimum three years. Do not submit copies of completed reviews to the APC, unless requested.

Section XI
EXHIBITS

EXHIBIT 1

MEMORANDUM

TO: Bureau and Mission Organization Program Coordinators

FROM: M/OAA/OD

SUBJECT: Purchase Card Annual Review

In accordance with your Delegation of Procurement Authority, you are required to perform an annual review of your Mission or Bureau's Purchase Card activity and implement program improvements where non-compliant issues have been identified. The purpose of the annual review is to ensure that Cardholders and Approving Officials are complying with established procurement management practices, operating procedures, and established Purchase Card controls. To facilitate the annual review process, the following documents are attached for your use: (1) Purchase Card Annual Review Checklist (Attachment 1); (2) Summary of Findings (Attachment 2) and; (3) Certification of Completion of Purchase Card Annual Review (Attachment 3). These documents are available from M/OAA's website on http://inside.usaid.gov/M/OAA (Intranet).

Annual reviews and reports must be performed and completed by each Bureau or Mission on a fiscal year basis. Reviews of the previous fiscal year Purchase Card activity must be conducted and completed in the first quarter of each new fiscal year. During the second and third quarter of each fiscal year, the Chief, M/OAA/E will conduct random reviews of Bureau and Mission findings. If your Bureau or Mission is selected, you will be required to submit a copy of your findings, along with any supporting documentation.

We encourage Missions and Bureaus to share annual review best practices with the APC. Your continued cooperation and support will help us to make future improvements to the program and standardize Purchase Card processes, wherever possible. Should you have any questions regarding the annual review process, please contact Velma Jones on my staff at (202) 712-0117.

Thank you very much.

Attachments: As stated.

ATTACHMENT 1
ANNUAL REVIEW CHECKLIST

Cardholder Name _____ Date of Review _____

CH Account No. last 4 digits _____

Period Covered _____

AO Name _____
AO/OPC Corp. Account No. _____

No.	Specific Review Criteria	Yes	No	N/A
A. Card Usage Requirements: (Used to determine proper use of Card by Cardholder)				
1	Has any other individual other than the Cardholder used this card?			
2	Have any purchases exceeded the Cardholder's single purchase limit (SPL)? The Cardholder's SPL is _____.			
3	Has the Cardholder split requirements to stay under his/her single purchase limit (SPL)? (Look for repeated orders during a short time period for the same goods or services).			
4	Were all goods and services ordered available for immediate delivery? Back orders are not permitted.			
5	Did the Cardholder check Required Sources of Supplies or Services prior to ordering on the open market (i.e. Agency Inventories or Excess Property, UNICOR, AbilityOne (NIB/NISH) or JWOD, GSA Supply Programs, Federal Supply Schedules)?			
6	Did the Cardholder make all purchases for official government business only?			
7	Did the Cardholder use the Purchase Card purchase any of the following without a specific written authorization from the Organization Program Coordinator/Approving Official?			
	a. Cash Advances			
	b. Advance Payments except for subscriptions, publications, or utilities (payments for utilities are applicable overseas only)			
	c. Rental or Lease of Land or Buildings			
	d. Individual Travel Expenses			
	e. Professional services for medical, legal, design/engineering, or consulting services.			
	f. Vehicle Rental or Lease			
	g. Telephone Services (excludes cell phones and service)			

No.	Specific Review Criteria			
		Yes	No	N/A
	h. Construction above $2,000/year or Service Contract services above $2,500			
	i. Services other than construction, above that exceed $3,000/year			
	j. Supplies that contain hazardous substances or hazardous Waste Clean-Up and Disposal			
	k. Rental and Maintenance Agreements above $3,000/yr			
	l. Membership in Organizations, including charitable and Social Organizations			
	m. Personal Services			
	n. Entertainment, amusement, and recreational services			
	o. Firearms			
	p. Pesticide purchase or application			
	q. Copying jobs that exceed 5,000 copies of one page (single sided) or 25,000 copies total of multiple pages			
	r. Print jobs that exceed $1,000			
8	Did the Cardholder pay any U.S. State taxes and if so, how much? (Examine receipts to verify if any taxes are included).			
9	Did the Cardholder use the card for repetitive purchases to the same vendor for the same product or service? (If the total of the repetitive buys exceeded $3,000 per year, alternative procurement vehicles should be sought for more competitive pricing).			
10	Are non-expendable, non-serialized, personal property items with an acquisition cost of $5,000 or more per item and serialized property items with an acquisition cost of $500 or more per item, purchased by the Cardholder, properly tracked in the inventory property records?			

B. Level of Card Activity: (Used to determine extent of card usage by Cardholder)

1	What level of activity has the Cardholder had on his/her card over past six months? Cards with no activity for a six month period should be considered for cancellation.	No Usage	Low Usage	Med Usage	High Usage
2	What level of activity has the Cardholder had on their card over past 12 months? Cards with no activity during a 12 month period should be cancelled, unless otherwise needed.	No Usage	Low Usage	Med Usage	High Usage

C. Security Requirements: (Used to determine if cards and related information are being properly safeguarded)

1	Is the Cardholder's Purchase Card kept adequately secured? For example, is the card kept locked up in the office when not in use?			

No.	Specific Review Criteria	Yes	No	N/A
D. Cardholder Documentation Requirements: (Used to determine if purchases are supported by proper fiscal and purchase documentation)				
1	Are purchases supported by proper fiscal documentation, including:			
	a. A valid written authorization that describes what is to be purchased and signed by someone with authorized contracting authority (i.e., a procurement request)?			
2	Is the Cardholder's monthly E-Statement of Account supported by proper purchase documentation including:			
	a. A valid receipt or cash register tape supporting the purchase. If these are not available, a statement indicating why a receipt or cash register tape are not available i.e., telephone orders.			
	b. Proof of delivery or completion of performance.			
	c. A corresponding description on each statement and supporting documentation.			
	d. The appropriate commitment/obligation number shown on the E-Statement for each transaction for Non-Phoenix Users.			
	***e.** Are disputed purchases properly documented on the Cardholder E-Statement and a copy of the Cardholder Dispute Form placed in the files?			
	***f.** Are credit vouchers placed in the working file?			
	***g.** Are E-Statements of Accounts signed by the Cardholder and Approving Official/Organization Program Coordinator and dated for users not using the Phoenix Electronic system?			
3.	Did the Cardholder enter the purchases in the Purchase Card Buying Log each time the card was used (ensure that the Cardholder is not constructing the log from the monthly Purchase Card E-Statement (i.e. note if purchases on the log and on the statement are in identical order).			
4	Does the Cardholder have a copy of his or her delegation of Procurement Authority on file?			

No.	Specific Review Criteria	Yes	No	N/A
E. Statement Review and Approval Requirements: (Used to determine if statements are being reviewed and approved in a timely manner)				
***1**	Does the Cardholder consistently reconcile his/her statement within the five days as mandated by Policy?			
***2**	Does the Cardholder consistently send his/her statement to the AO/OPC within five working days of receipt?			
3	Are Cardholder records being retained for a minimum of three years from date of final payment?			
F. Financial Compliance Requirements: (Used to determine compliance with financial requirements regarding invoice payment/reconciliation and 1099 tax form)				
***1**	Is the AO/OPC approving the Cardholder's within five business days from receipt? Determine how many days elapsed between the date the Cardholder received the e-statement notification and when the AO/OPC signed the e-statement (should not exceed eight business days).			
***2**	Is the Cardholder referencing the correct obligation number when reconciling the e-statement?			
G. Requirements for Purchases over $3,000: (Used to determine proper use of card for transactions exceeding $3,000 per purchase)				
1	Is there evidence of competition, and supporting documentation for transactions exceeding $3,000? Did you find a copy of the Documentation for Orders Over $3,000 Form in the files? If competition was not obtained, is there a valid sole source justification in the file?			
2	Have domestic purchases exceeding $3,000 per transaction been set-aside for small businesses? If not set-aside, is there a valid justification in the file (domestic only)?			
3	Did the Cardholder attempt to purchase from minority or women-owned businesses (domestic only)?			
4	In the absence of competition, did the Cardholder determine prices to be fair and reasonable (if applicable)?			
5	Does the Cardholder's file contain appropriate FAR and AIDAR clauses and were appropriate representations and certifications provided to the vendor?			
6	Do individual procurements over $25,000 comply with all applicable FAR and AIDAR requirements?			

ATTACHMENT 2
SUMMARY OF FINDINGS

Bureau/Mission	_____	Date of Review	_____
Program Coordinator Name	_____	Period Covered	_____
Program Coordinator Title	_____	Total No. of Cardholder Records Reviewed	_____
Total No. of Cardholders	_____	Percentage of Total Records reviewed	_____

Summary of Findings
A. Findings Related to Card Usage Requirements

Summary of Findings
B. Findings Related to Actual Card Activity
C. Findings Related to Security Requirements

Summary of Findings
D. Findings Related to Cardholder Documentation Requirements
E. Findings related to Statement Review and Approval Requirements

Summary of Findings
F. Findings related to Financial Compliance Requirements
G. Findings related to Requirements for Purchases Exceeding $3,000

Summary of Findings

Additional Findings, Comments, Recommendations or Best Practices (Continued)

ATTACHMENT 3

CERTIFICATION OF COMPLETION OF PURCHASE CARD ANNUAL REVIEW

The Organization Program Coordinator must complete the certification below and retain it in the file with the Purchase Card Annual Review Checklist (Attachment 1) and the Summary of Findings (Attachment 2) for a minimum of three years.

_____

Reviewer (Organization Program Coordinator, Print Name)

_____

Reviewer (Signature)

_____

Reviewer Title

_____

Reviewer Bureau or Mission

_____

Date Review Completed

EXHIBIT 2

PURCHASE CARD TOOL KIT **BUREAU/MISSION REQUEST FOR FORCED AUTHORIZATION**
Use this template for one time forced authorization requests. Incomplete requests will be returned.
TO: Agency Program Coordinator - FROM: [Insert Name of Requesting Mission or Bureau Organization Program Coordinator] DATE: [Insert Date of Request]
A. For Forced Authorizations up to and including $3,000:
Name of Cardholder:
Last four digits of Cardholder's account number:
Name of Vendor:
Date of anticipated processing of charge by Vendor:
Dollar Amount of Forced Authorization Request:
Full explanation of the request:
B. Forced Authorizations above $3,000 but not exceeding $25,000 (in addition to A above):
Date of review of required sources completed:
Explanation of price reasonableness determination (if non-competitive, explain):
C. Forced Authorizations above $25,000 (in addition to A & B above):
Name of Contracting Officer:
Describe competition obtained. If not competed, attach copy of non-competitive justification.
D. Certification (Applicable to all Forced Authorizations above $3,000):
By submitting this request, I certify that the Cardholder for whom this forced authorization is being requested will adhere to all FAR and AIDAR requirements.

PURCHASE CARD TOOL KIT

BUREAU/MISSION REQUEST FOR FORCED AUTHORIZATION

(Continued from previous page)

EXHIBIT 3

PURCHASE CARD TOOL KIT

BUREAU/MISSION REQUEST FOR THRESHOLD INCREASE

TO: Agency Program Coordinator

FROM: [Insert Name of Requesting Mission or Bureau Organization Program Coordinator]

DATE: [Insert Date of Request]

A. Card Profile Information

Name of Cardholder:

Date Purchase Card Training Completed:

Date Simplified Acquisition Training Completed:

Attachments Required:
1) Proof of Purchase Card Training (training must be within past two years)
2) Simplified Acquisition Training (if threshold above $3,000)

B. Annual Review Information

Date most recent Annual Review Completed:

Attachments Required:
1) Summary of Findings (Attachment 2 to Annual Review)
2) Signed Certification of Completion of Annual Review (Attachment 3)

***Note:** Summary of Findings must address findings from all Cardholders in the random sample reviewed. The certification must be signed by M/OAA/E, Chief.

C. Additional Requirements for Threshold Requests above $25,000

Name of Contracting Officer:

D. Certification

By submitting this request, I certify that the Cardholders for whom this threshold increase is being requested will adhere to all FAR and AIDAR requirements.

E. Explanation and Justification of Need (Continue on attached page)

[Describe request in detail below and on attached sheet and explain why the increase is necessary]

PURCHASE CARD TOOL KIT

BUREAU/MISSION REQUEST FOR PURCHASE CARD THRESHOLD INCREASE

E. Explanation and Justification of Need (Continued from previous page)

EXHIBIT 4

You can download this form at **http://inside.usaid.gov/forms/a331-1.xls**)

U.S. Agency of International Development

Purchase Card Buying Log

Cardholder:			Office:	Telephone Number:			Starting Balance:
Requested By	Date Ordered	Vendor	Item Description	Total Cost	Date Received	Money Added	Declining Balance (for Recurring Obligation)
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
Comments:					Total Cost:		Remaining Balance:
					0.00		0.00
Cardholder's Signature and Date				Approving Official's Signature and Date:			

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EXHIBIT 5

MEMORANDUM

*TO: Organization Program Coordinator/Approving Official

*FROM: M/OAA/E, [insert name]

SUBJECT: Appointment of Purchase Card Approving Official

You are hereby appointed to serve as an OPC/AO for one or more employees to whom you are delegated specific and limited authority to purchase supplies and services for the U.S. Agency for International Development, under the SmartPay Purchase Card Program.

As OPC/AO, you are required to review the Purchase Card Program to ensure that authorized procedures are being followed by your designated Cardholders. This review will assist you in detecting any potential problem areas or program abuses.

-- The OPC/AO shall review the Purchase Card Buying Logs and Cardholder's E-Statement of account on a billing cycle basis for financial reporting purposes. The OPC/AO shall review the Cardholder's Purchase Card records every year for administrative maintenance purposes.

-- Request Purchasing Authority from the Head of the Contracting Activity (HCA) prospective Cardholders and prepare Delegation of Authority for the Mission Director's signature. (See Exhibit 6).

-- Annual Review: The OPC/AO shall perform the Purchase Card Annual Review. At a minimum, this review shall include random sampling of Cardholder files and a 100% review of each designated Cardholder's Purchase Card Buying Logs and supporting documentation. The OPC/AO must use the Annual Review Checklist (Attachment 1) during this process, and a memorandum of the review findings and planned improvements must be submitted to the APC.

EXHIBIT 6

SAMPLE DELEGATION OF AUTHORITY FOR OVERSEAS HCA

Insert MISSION'S NAME

REDELEGATION OF AUTHORITY

Regarding

Acquisition and Assistance Functions

****AD HOC REDELEGATION OF AUTHORITY No. 1190.XX (obtain number from Contracting Office at your Mission)***

INSERT EMPLOYEE'S NAME HERE

Pursuant to ADS 331.2 and AIDAR sections 701.601(b)(3) and 702.170-10(a)(2), I hereby redelegate to **Insert Employee's Name here**, **Insert Mission's Name here** authority to sign contract actions not to exceed $3,000.00 per action and a cumulative total based on the office budget.

This authority is limited to actions processed by use of the Government-wide Purchase Card and may not be transferred, redelegated, or otherwise used by anyone at any time.

The authority redelegated here is to be exercised in accordance with the Federal Acquisition Regulations and those regulations, procedures, and policies promulgated within USAID which are in effect at the time this authority is exercised.

This authority is effective until cancellation of the Purchase Card issued by the Agency Program Coordinator.

_____
Mission Director

Date:_____

EXHIBIT 7

BOILERPLATE STANDARD OPERATING PROCEDURES FOR OVERSEAS PURCHASE CARD PROGRAM

A. Procedures for Operating Expense Procurements using GSA Purchase Card (Smart Pay)

1. There must be an obligation. For micro-purchases, the Financial Management Office (M/CFO) creates a recurring obligation of $3,000 (or other figure agreed upon) each month and notifies the Organization Program Coordinator (OPC) (the Executive Officer (EXO)) by e-mail when it has been recorded in the accounting records. For purchases exceeding the micro-purchase threshold, purchase orders must be obligated to the vendor and the order should state "payment via Purchase Card."

2. The EXO will place orders by e-mail, Internet, fax, or telephone and will charge the procurements against the monthly recurring obligation number and reservation control number. You must ensure that the Web site is secure.

3. The OPC (EXO) will immediately enter each order into a purchase card buying log established in MS Excel. The entry must show, at a minimum, the Order Number (consisting of the month, year, and sequential number), the Transaction Date, the Object Class Code, the Funding Appropriation (OE or PR), the Control Number, the Funding Reference (monthly recurring obligation number or PO number), the Vendor's name, the Amount of Transaction that will be charged to the Purchase Card including taxes and shipping, the Description of what was ordered, the Date the charge appears on the Cardholder's E-Statement of Account, the Date the Goods are Received, and Comments. The Buying Log is located on a public directory so that the Billing Office and Property Division can input some information (see below).

4. The Office of Acquisition and Assistance at the Mission will receive a copy of the order **without** Purchase Card information or the confirmation document from the vendor for Services and Commodities to prepare customs clearance documents and for their records. In the case of Commodities, M/AS/FMD will also receive a copy for their records.

5. At the end of the month, the OPC (EXO) will sort the data on the Buying Log by funding source and total the amounts that have been charged to OE and program funds. The OPC (EXO) will forward a copy of the monthly Buying Log to the Finance Office (CFO). which will adjust the estimated recurring obligation to the actual amounts that were spent. The procedure at fiscal year end will be similar, except that the Buying Log will be closed on the morning of the last workday in the fiscal year and the totals forwarded to the Finance Office (CFO).

*6. The EXO must download his/her E-Statement from the Card Management System (Citidirect) and the Billing Office designee must download the Corporate Invoice on or about the 27th of the month.

The EXO or Cardholder must reconcile the E-Statement, using the Buying Log, other supporting documentation, along with the SF-1034, to the finance Office (CFO). The Billing Office who will compare the charges on the E-Statement against the line items on the Corporate Invoice and make payment to the issuing bank, always referencing the 16-digit corporate account number. All charges must be reconciled with five days of the date that the E-Statement was downloaded from the electronic system.

7. Receipt of Commodities: The Personal Property Division will be responsible for entering the receipt of Commodities in the Buying Log, which will be located on e:/am/123/smartpay buying log. NOTE: The Buying Log is configured so that M/AS/FMD can only enter the receipt of Commodities. The rest of the spreadsheet is blocked so that they cannot manipulate other data fields. If the merchandise does not arrive in a timely manner, normally three to six weeks for pouch users, the EXO should first contact the vendor and find out when to expect shipment. The vendor should not place the charge on the card until the merchandise is actually shipped.

NOTE: The Buying Log must be configured so that the Billing Office can only enter statement information and the Property Division can only enter the receipt of Commodities. The rest of the spreadsheet must be blocked so that they cannot manipulate other data fields. If the merchandise does not arrive in a timely manner, normally three to six weeks for pouch users, the EXO should first contact the vendor and find out when to expect shipment. The vendor should not place the charge on the card until the merchandise is shipped.

8. Receipt of Services: Once the requestor has signed the SF-1034 (voucher), he/she will send it to the EXO to enter into the Buying Log as acknowledgement that services were received. If services are not completed in a timely manner, then the Cardholder should contact the vendor and find out the expected completion date for the services. The vendor should not place the charge on the card until the services are completed satisfactorily.

*9. Filing a Dispute: For overseas Missions the charge for merchandise is often made before the merchandise is received. The EXO normally will have confirmation from the vendor that the merchandise has been shipped, and payment can be made based on that confirmation. If the merchandise is not received, then the EXO must note on the log "Items not received" and follow up. Prior to filing a Dispute, the EXO/Cardholder should first contact the vendor and find out when they expect to ship the merchandise. If the merchandise is not received by the 57th day after the relevant statement date, then the EXO/Cardholder must fill a dispute form and fax it to Citibank at (605) 357-2019 to formally dispute the transaction for the merchandise, per the GSA SmartPay Contract. All disputed transactions must be paid up front and the Cardholder must wait until the vendor issues a credit back to the Purchase Card Account. The Controller must pay the Corporate Invoice in full. When the dispute is resolved, it will be in favor of either the Cardholder or the merchant. If in favor of the CH, the statement will show a credit from the vendor. If in favor of the merchant, the CH will see a chargeback, which means that the charge is placed back on the purchase card because the vendor has enough evidence to show that the Cardholder received the item. The CH would then have to pay the disputed charge amount in full on the next billing statement.

B. Procedures for Program-Funded Procurements using SmartPay

1. The procedures for Program-funded procurements using the Purchase Card are the same as OE-funded, except that the program-funded Mission Acquisition and Assistance Request Document (MAARD) fund cite will serve as the funds commitment for the cardholder (EXO or CO) to purchase the requested items; an obligation is not necessary.

2. The cardholder will provide a copy of the Program-Funded order without the Purchase Card information or the confirmation document from the vendor for Services to the relevant procurement office (EXO or CO) and the Requestor for their records. For Commodities, the EXO will provide the confirmation document to the Customs and Shipping Division to prepare customs clearance documents, and to Property and the Requestor for their records. The same receiving procedures will apply to confirm in the records that goods/services have been received and that the charges should be paid.

EXHIBIT 8

Helpful Web sites

The issuing bank card management system new Web site:
http://www.citigroup.com/transactionservices/homepage/cash/cc/

Supplies

For excess supplies from other agencies, visit GSA's web site at
www.fss.gsa.gov

- **Federal Prison Industries, Inc. (UNICOR)**
  Visit their Website at **www.unicor.gov**.
- ***Procurement lists for supplies available from the Committee for Purchase from People Who Are Blind or Severely Disabled (NIB/NISH)**
  National Industries for the Blind (NIB), visit their web site at **www.nib.org**
  NISH, visit their web site at: **http://www.abilityone.gov/jwod/**.
  The Javits-Wagner-O'Day ((JWOD) Program has now been changed to AbilityOne. Each purchase of a SKILCRAFT or other JWOD/NIB/NISH product or service helps to generate employment and training opportunity for individuals who are blind or have other severe disabilities. The JWOD Internet site is **http://www.jwod.gov**.

- **Wholesale supply sources, such as stock programs of the General Services Administration (GSA):**

  GSA Stock Program, visit GSA Advantage at **http://www.fss.gsa.gov**. GSA Advantage was designed to link GSA schedule products, stock items, catalog descriptions, current pricing, and delivery information in a single location to make ordering easier. By purchasing from GSA supply, you meet the requirements of NIB/NISH and UNICOR.

- **Federal Supply Schedules:**

  Visit their Web site at
  http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelId=-13460.

EXHIBIT 9

Documentation for Orders over $3,000

I. DETERMINATION OF FAIR AND REASONABLE PRICE *(Required on Purchases over $3,000)*

A. Cardholder: _____ _____
(Printed Name) *(Signature)*

B. Requirement: _____

C. Competition/Quotes Solicited:

Vendor/Merchant	Small Business* <u>Reminder</u>: *Orders over $3000 are automatically set-aside for small businesses*	Date Solicited	Price Quoted	Selected for Award *(Choose one)*

***If award will be made to a large business, complete Justification for Use of Large Business below.**

D. Price is determined to be fair and reasonable based on: ***(Choose one)***

	Competitive Quotes *(Multiple quotes solicited,; multiple quotes received) (Choose one)* **_____Lowest Quote was Selected** **_____Other than Lowest Price Selected (***Per FAR 13.106-3, you must support award decision if other than price-related factors were considered in selecting the vendor/merchant) EXPLAIN:* _____ _____ _____
	Multiple Quotes were Solicited. Only one Quote Received. Per FAR 13.106.3, the price is determined to be fair and reasonable based on: *(NOTE: All selections require further explanation below).* **_____ Market Research;** **_____ Comparison of proposed price with prices found reasonable on previous purchases;** **_____ Current price lists catalogs or advertisements. (However, inclusion of a price in a price list, catalog, or advertisement does not, in and of itself, establish fairness and reasonableness of the price);** **_____ A Comparison with Similar items in a related industry;** **_____ The cardholder's personal knowledge of the item being purchased;** **_____ Comparison to an independent Government estimate;** **_____ Other reasonable basis;** **EXPLAIN:** _____ _____
	Only one Quote was solicited. **Per FAR 13.106-3(b)(3), you must explain the absence of competition:** _____ _____ _____

II. JUSTIFICATION FOR PURCHASE/ORDER FROM OTHER THAN SMALL BUSINESS (Required if purchase/order over $3000 was placed with other than a small business per FAR 19.502-2)

The purchase/order was made from other than a small business for the following reason: *(Choose one)*

_____ The order was from a "required source of supply," which is not a small business.
_____ The order was against a pre-established USAID contract which is not a small business and the purchase card is being used to make payment.
_____ Subscription/Publication (must be purchased from the publisher, which is a large business)
_____ The item is proprietary in nature and could only be provided by one source, which was a large business.
_____ An effort was made to contact small businesses, but a small business could not be located. *(Describe efforts.)*
_____ Other. Explain: _____
_____
_____

EXHIBIT 10

Mandatory Use of the CitiDirect Card Management System

citi

Quick Reference Guide

CitiDirect® Card Management System

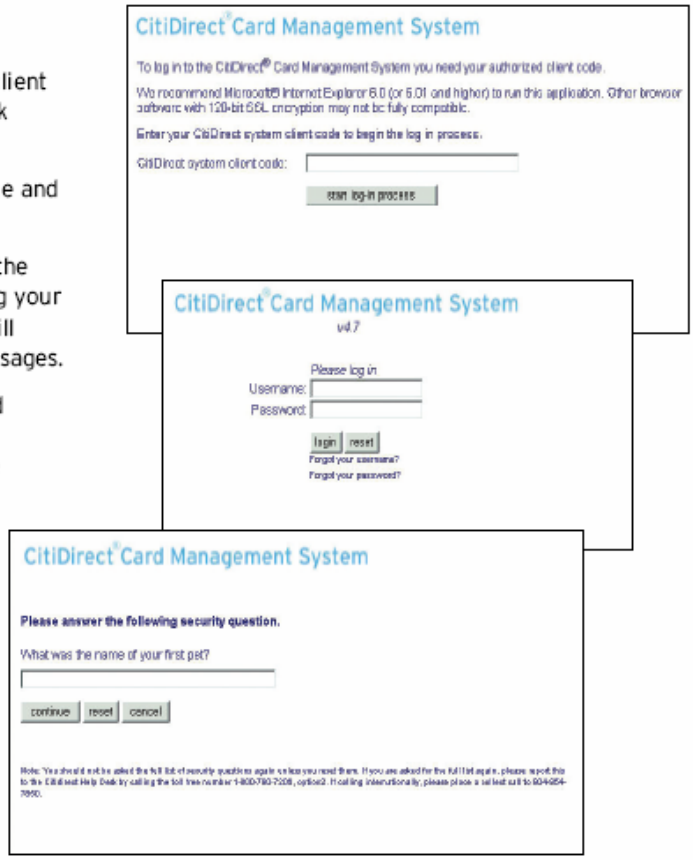
Quick Reference Guide for the Cardholder

Accessing the CitiDirect® Card Management System

You can access the CitiDirect Card Management System via the Internet or an internal Web server. In order to connect through the Internet, you will need a Web browser, a valid user name and a password.

1. Open your browser and type the URL **www.cards.citidirect.com** and press **Enter**.
2. The CitiDirect front page appears. Enter your client code in the CitiDirect Client Code field and click **Start Login Process**.
3. The login screen appears. Enter your username and password. Click **Login**.
4. The system will prompt you to answer one of the three security questions that you chose during your initial login. Click **Continue**. The home page will appear and may display pertinent system messages.

The first time you log on to the CitiDirect Card Management System, you will be prompted to change your password and select three of five security questions. For more information, see Changing Your Password.

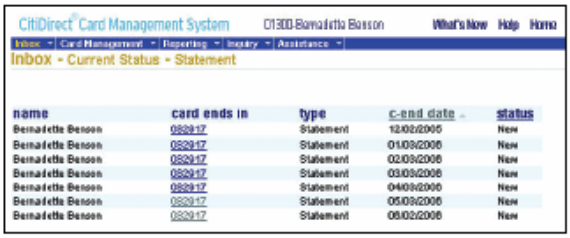


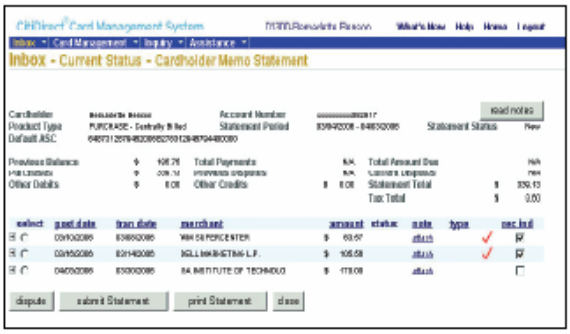
(continued)

Viewing Statements

The Inbox menu contains the Current Status sub-menu, which allows you to access (or view) transactions. Note: Your ability to act on transactions will vary based on your access rights.

1. Move your mouse over the **Inbox** menu item on the Menu bar and a drop down list of sub-menus will appear. Click **Current Status**. A list of statements is display
2. Choose the statement you wish to view and click **Cards End In**. The statement appears with summarization totals and a list of transactions.
3. To view transaction details, click the **+** (plus) sign to the left of the transaction. This will expand the transaction record and display all details known about that transaction. Click the **-** (minus) sign to collapse the transaction record or simply click another transaction **+** sign to continue. Click **Close** to return to the Current Status screen containing the list of statements.





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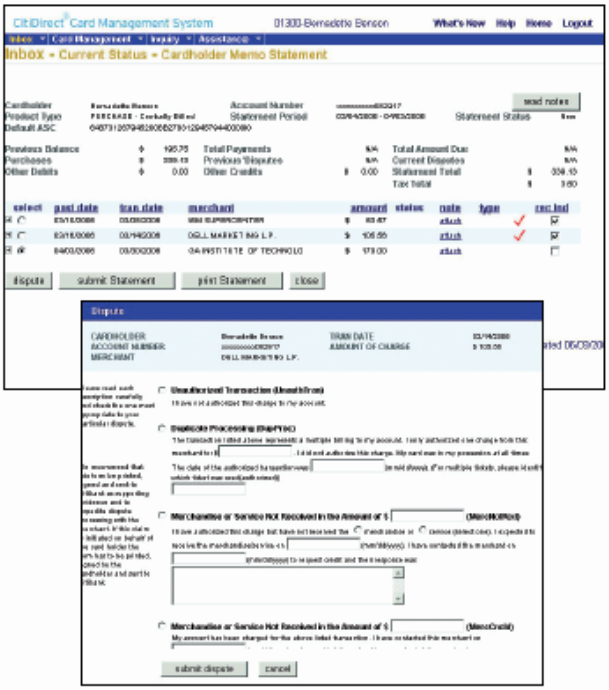
Disputing Transactions

The CitiDirect® Card Management System provides users with a method for initiating disputes on transactions when it is appropriate. We recommend that the dispute form be printed, signed and mailed or faxed to Citibank Commercial Card Services (P.O. Box 6125 Sioux Falls, SD 57117 or fax 605-357-2019).

1. Access the statement containing the transaction being disputed. (See Viewing Statements.)
2. Click the radio button to the left of the transaction you wish to dispute.
3. Click **Dispute**. The dispute form appears with account and specific transaction information pre-populated.
4. Scroll through the dispute form to find and select the appropriate reason for the dispute. Fill in any additional information fields.
5. Click **Submit Dispute**.
6. When the Dispute print window appears, click **Print**. The completed dispute form will print at your local printer. Click **Close** on the confirmation window. The statement will now reflect a transaction status of Disputed next to the transaction amount.
7. We recommend that you sign and date the printed dispute form and fax or mail, along with any required documentation, to Citibank Commercial Cards.



(continued)

Changing Your Password

The CitiDirect® Card Management System is a secure Web site requiring users to enter a user name and password for access. You are advised to change your password any time your password is compromised.

1. On the Menu bar, move your mouse over **Assistance** and click **Change Password**.
2. In the Change Password dialog box, enter your current password, your new password and your new password again to confirm.
3. The system displays a "Password has been changed" confirmation message. Click **OK**.

NOTE: Once the user changes his/her password, the system will not allow another change to the password for 24 hours.

Other Features

1. Cardholders can view account information by moving the mouse over Card Management – Account Management and clicking **View Account**.
2. If you have forgotten your username or password, you can go to the login screen and click **Forgot Password**? or **Forgot Username**? and be prompted through a self-service authentication process. Your reset password is then e-mailed directly to you, providing that your e-mail address has been entered in the account profile.
3. You can change your security questions by going to the Assistance menu and selecting **Update Security Questions**. You will be prompted to select three security questions and provided the answers. Each time you login to CCMS, you will be prompted to answer one of the three questions you have selected.

Security

The CitiDirect Card Management System will automatically end a user session after a period of inactivity. You should log out of the System at the end of a session. It is recommended that you lock the keyboard and/or utilize a password-protected screensaver when leaving your workstation unattended.

Global Transaction Services

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05/2007 CTG 3646

EXHIBIT 11

Maintenance and Disposition of Purchase Card Records

Notices

Date: 02/27/2007

Subject: CORRECTION- Maintenance and Disposition of Purchase Card Records

Type: Policy-Reminder

Agency Notice Message:

```
                                  USAID/General Notice
                POLICY-REMINDER   M/OAA AND M/AS/IRD
                                  02/27/2007


Subject: CORRECTION- Maintenance and Disposition of Purchase
         Card Records

All cardholders are responsible for establishing and
maintaining the official records for all transactions made
with their card.  If records are being maintained
electronically, the cardholder must print out a copy of the
electronic record and establish a hard copy file.

In addition, upon cancellation of a cardholder's account,
all files must be provided to either the Office Program
Coordinator (OPC) or Approving Official (AO).  The OPC or
AO must identify an individual in his/her organization to
reconcile the account before approval and retain the files
for the retention period listed below.

Examples of some of the type of documents contained in the
cardholder's file:

1.  Vendor packing list.
2.  Vendor invoice.
3.  Vendor address label for returns.
4.  Email correspondence related to the transactions.
5.  Internal office/bureau approvals for procurements.

The method used in preparing folders, organizing, and
arranging these records in the files may vary. Listed
below are a few suggestions:

1.  Use yellow labels for the official files.

2.  A folder that contains your purchase card buying log
    if you decide to use this form.

3.  A folder for all transactions, separated by fiscal year.
    The volume of materials may require further separation
    either monthly or quarterly.

4.  A folder for your delegation of authority,
    certifications, and training.
```

5. A folder that contains notices, emails, announcements, and meetings.

6. Separate records by fiscal year.

The disposition for these transactions depends on the amount of the procurement. Listed below are the current disposition instructions:

Transactions at or below $100,000 and all construction contracts under $2,000, close files after final payment. Hold in office 3 yrs. Then destroy. Disposition item number USAID/W 18040, USAID Missions 38030

The disposition authority for these records is also found in FAR Subchapter A - General, Subpart 4.805 - Government Contract Files, Procedures for Closing Out Contract Files.

Point of Contact: Any questions concerning this Notice may be directed to Cynthia Staples, M/AS/IRD, (202) 712-0798, or Velma Jones, M/OAA/CAS, (202) 712-0117.

Notice 0283

EXHIBIT 12

On-Line Statement Guide
Instructions

Citibank® Online Statements or Invoices—Introductory Guide

Intended Audience: This tool is for Cardholders, Program Coordinators and Designated Billing Officers. Cardholders will continue to provide their monthly e-statements to their Approving Official for reconciliation purposes.

Purpose: This tool allows the Cardholder to view and print his/her monthly statement two days after the close of the billing cycle. Billing Officials can also go on-line and access the Central Bill Invoice (roll-up of all Cardholder charges).

To get Started: Review the instructions below carefully. You will be required to self-register in order to begin accessing your statement or invoice on-line. The benefit of the on-line statements is timely access.

Questions or Problems with Access: Contact Citibank help desk Monday through Friday 1-800-790-7206, option 2 or call collect at (904)-954-7850.

Introduction to On-Line Statements or Invoices

Welcome to the Citibank® Online Statements system. This application will allow you to view your invoices and statements through the Internet. No more waiting for the paper to arrive! This easy-to-learn tool provides everything you need to view your statement or invoice, print them out, and even download the statement data to spreadsheets, such as Microsoft Excel®. This will guide you through the steps of registering and accessing the system. **IMPORTANT: This system is for both Invoices, which have a payment due; and Statements, which do not. It is important to only pay INVOICES, not statements! The target audience for this tool is cardholders and Designated Billing Officials.**

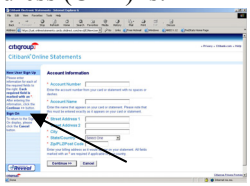
Before you begin

The Citibank® Online Statements system requires that you have access to the Internet. If you are unsure, check with the person who supports your technology needs. You will also need to have a browser installed. This is a special kind of software that allows you to see information on the Internet. Microsoft Internet Explorer® and Netscape Navigator® are the most popular browsers. You need to have at least version 5.01 for Internet Explorer® or version 4.76 of Netscape Navigator. If you wish to print your statements, you will also need Adobe Reader®, version 4.0 or higher. If you do not have this program, you can obtain it free from **www.adobe.com**.

Register to use the system

Registration is simple. To begin the process, you will need to have the most recent statement or invoice you received from Citibank. Follow these easy step below.

1. Access the Internet address for the Citibank® Online Statements program. The address (URL) is: **https://www.onlinestatements.cards.citidirect.com** or via **www.citimanager.com**



2. To register click the word SIGN UP located on the left side of the screen.
3. You will be asked to enter the following information:
   - Account Number: the 16 digit account number on your card. If you do not have a card, this is the 16 digit billing account number you are responsible for.
   - Account Name: Enter the name, EXACTLY as it appears on your card (if you entered a card account number) or on the billing statement (if you entered the billing account number).
   - Address 1, Address 2, City, State/Country, Postal Code: Enter the information, line by line, that Citibank had on file for you at the time of your **most recent** statement date. Be sure that you enter this information EXACTLY as it appears on your most recent paper statement, including spaces, abbreviations, etc.
     - Select your Country or U.S. state in the State/Country drop down box.
     - U.S. Zip Code and APO need only the first 5 digits.
   - The system will validate your information. If anything is missing or incorrect, the screen will indicate the invalid information marked in **red**.
   - Click **Continue** to move to the next screen.
4. The second part of registration includes creating a way to identify yourself.
   - User name: Select a user name that you will remember. No spaces allowed!
   - Email Address: This is the email address where you will receive your first password and subsequent notifications.

- Hint: The "hint" is the way in which you will be able to reset a password. This should be a question for which you will be the only person to know the answer.
- Hint Answer: This is the answer to the "hint" question. To ensure maximum protection be sure the hint and the answer is something only you will know.

5. Click the **Sign up** button. You will receive a message that the registration was successful.
6. Your initial password will be sent to the email address you entered.

Signing on to the system

The first time you sign on, you will need the temporary password that was emailed to you. When you first log in, you will need to create a password that only you will know. For maximum protection is sure you do not write this down or create a password that will be too easy to remember. Citibank has several rules about creating a password, and the system will require that the password:

- Be at least 6 positions, containing both letters and numbers
- Not have more than 2 repeating characters (for example, no aaa, 111, etc.)
- Not have been used in the last 6 password changes
- Have at least one capital letter

Working with statements/invoices

A. Quick View

Once you are in the system, you will immediately see a "Quick View" of the statement or invoice information. The quick view is a raw listing of the transactions that appear on a statement or invoice.

1. If you are reviewing a central bill invoice, there is a link called View All Accounts. This will provide a list of all accounts for the central bill. From there you can click on the account number to see the transactions for each account.
2. If you are reviewing a cardholder statement, you will see all the transactions in that billing cycle.

B. Print/Save

If you want to produce a formal statement or invoice that looks like the paper, select the button called "Print/Download." The Print/Download button will start the Adobe Reader® program, and the representation of the paper statement/invoice will appear on the screen.

1. If you are viewing a central bill invoice, the product will display the listing of the individual accounts on the left side. You can either print the entire bill (be careful—this could be thousands of pages!), or print selected accounts.
2. You can also save the statement/invoice on your hard drive, by clicking the diskette icon on the toolbar that appears at the top of the screen. Be sure to remember where you save the information!

C. Download

You can export the statement or invoice information into either a comma separated value (csv) format or (xls) format that can be used to import into most popular spreadsheet programs. To begin the download process, click the "Download" button. Give the file a name, and be sure to remember the location.

Other functions

In addition to viewing the current statement or invoice information, you can view historical statements. Click the "Statements" button and the list of prior statements will be displayed. **Your statements/invoices are only archived for 12 cycles, therefore you will need to save these to your hard drive.**

The "Password" button allows you to change your password at any time. You should change your password whenever you feel it has been compromised.

If you have access to more than one account, the "Accounts" button will allow you to add more accounts to your user ID. From this screen you can also designate a person as a backup (central bill accounts only). Click the link, and follow the instructions—you will need to know the person's email address in order to set them up as your alternate.

Still need help?

Citibank is committed to your satisfaction. If you require assistance with the system, or if you are locked from your account access, please contact our Help Desk at 1-800-790-7206, option 2 or when out of the U.S. you may dial collect 1-904-954-7850 to reach the Citibank Technical Help Desk. When you speak with a Citibank representative, advise them that your question pertains to the CitibankOn-Line Statements system.