



USAID Worldwide Purchase Card Program Manual

A Mandatory Reference for ADS Chapter 331

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SECTION I - INTRODUCTION

1.1 Purpose of the Purchase Card Manual

This manual prescribes the policy directives and required procedures for the U.S. Agency for International Development (USAID) Worldwide Purchase Card Program. These guidelines apply to all USAID management officials and participants of the Purchase Card Program.

1.2 Background

Through the years, the Federal Government has used many methods to purchase goods and services needed to accomplish its mission. Some of these methods, especially those used for simple acquisitions, have not been cost effective or widely accepted by vendors.

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

The primary goals of **the GSA SmartPay** program are:

- To streamline the federal procurement process by empowering federal employees in the requiring organizations to do more of their own purchasing of goods and services, and
- To ensure that efficient payment procedures have a clear path of accountability.

Specific objectives include:

- 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.

The card program features enhanced customer service; lower interchange rates for government-to-government transactions, as well as large ticket items; enhanced data capture and tax reclamation; new products and services; and much more. GSA SmartPay is the largest government charge card program in the world. The program has grown into **over 37.5 billion in annual program spend** encompassing **over 500** government agencies and organizations.

The USAID Worldwide Purchase Card Program became effective throughout USAID in 1998. GSA issues Government Purchase and Travel Cards under the umbrella of its SmartPay Program. Under this program, USAID selected the Citibank “Visa” card for Purchase and Travel Card services. This manual addresses only purchase card services.

[**OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs**](#) was revised on **April 27, 2019**, to provide new guidelines in the management and use of purchase cards that have been incorporated into this manual.

SECTION II - PARTICIPANTS OF THE PURCHASE CARD PROGRAM

2.1 USAID Participant Roles

Participants in the USAID Purchase Card Program include the Agency Program Coordinator (Primary/Alternate); Approving Officials (Primary/Alternate); Mission or Regional Contracting Officers; Designated Billing Office personnel; cardholders; the Chief Acquisition Officer; Heads of Contracting Activities; and the M/OAA Systems Support & GLAAS Division.

2.2 Agency Program Coordinator (APC)

The individual, who manages USAID's Worldwide Purchase Card Program, is located within the Bureau for Management, Office of Acquisition and Assistance (M/OAA/SSG). This individual is responsible 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 cards, and destroying cards that are in the APC's possession;
- Establishing and reviewing reports;
- Monitoring program performance;
- Developing long-term program goals;
- Monitoring fraud, abuse and misuse within the program;
- Serving as the overall point of contact between the cardholders, Citibank, and GSA;
- Conducting surveillance of the card program by periodically auditing cardholder transactions;
- Directing changes to individual account information;
- Establishing a new Purchase Card Program;
- Adding new Approving Officials and cardholders;
- Canceling existing 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 and annual reports to GSA and OMB, as required by OMB Circular A-123, Appendix B.

The APC, or another official designated by the M/OAA/SSG, serves as the disputes official for the Purchase Card Program and is responsible for providing guidance to cardholders regarding disputes. When necessary, the disputes official communicates with the servicing bank on disputed transactions.

2.3 Assistant Administrator or Mission Director

AAs or Mission Directors are responsible for selecting the Approving Official and the Alternate Approving Official within their respective areas of responsibility and notifying the APC accordingly.

2.4 Approving Official

The Approving Official plays a critical part in all aspects of the buying process, beginning with the purchase of goods and/or services and ending with the final review and approval of a cardholder's monthly E-Statement of Account. Once the process is complete, the Approving Official forwards the approved E-Statement to the Designated Billing Office (DBO) for reconciliation against the Corporate Invoice before payment is made. The Approving Official develops the Mission or Bureau/Independent Office (B/IO) Standard Operating Procedures for its Purchase Card Program (See sample Standard Operating Procedures (SOPs) in Exhibit 6 of this document) and is responsible for the day-to-day operations and oversight of the program. Overseas, this role is most frequently exercised by the Executive Officer (EXO) or, in Missions where there is no EXO, by the Mission Director.

The Approving Official is responsible for:

- Nominating trustworthy employees to serve as cardholders.
- Ensuring that the organization has at least one cardholder with purchasing authority above the micro-purchase threshold, as defined in FAR 2.101.
- Determining the single-purchase **limit** and monthly billing cycle **credit** limit and the type of merchants from whom the cardholder may purchase goods and services.
- Providing any prospective cardholder with the necessary forms that must be sent to the APC in order to issue that individual a purchase card; 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.
- Submitting changes (either information or status) for a cardholder's profile in a timely manner to the APC via email or phone.
- Ensuring that funds have been committed in the agency accounting system before a purchase is made.
- Reviewing and approving the cardholders' transactions under their purview **in writing and before authorizing payment** to ensure the transaction is legal, proper, mission essential, and in accordance with the purchase card policy.
- Ensuring that the cardholder is not splitting a requirement into separate purchases to stay within the cardholder's transaction limit and to avoid the use of a more appropriate procurement instrument.
- Verifying that all sensitive and pilferable property charged on the cardholder's E-Statement of Account has been bar coded and entered into the Agency inventory system.
- **For overseas Approving Officials only** - Approving the E-Statement of Account for cardholders under their supervision within five business days (total processing and Approving Official approval time) of receipt of monthly E-Statement of Account. This includes ensuring that 1) sufficient funding is available to pay for all charges on the E-Statements; and 2) any disputed transactions are submitted to Citibank using the Government cardholder Dispute Form (CB003) as soon as possible but not later than 60 calendar days of the charges appearing on the E-Statement. After approval, sending the reconciled data to the DBO for reconciliation with the Corporate Invoice and subsequent payment to Citibank.
- **For USAID/W Approving Officials only** - Approving the cardholder's E-Statement of Account in Phoenix within five business days (total processing and Approving Official approval time) of notification from the cardholder that all charges have been reconciled. This includes ensuring that 1) sufficient funding is available to pay for all charges; and 2) the cardholder disputes any discrepancies in Phoenix and submitting any disputed transactions to Citibank on the Government cardholder Dispute Form (CB003) as soon as

possible but not later than 60 calendar days after the charge appeared on the E-Statement and have been disputed in Phoenix.

- Signing the cardholders monthly card statement.
- Assisting the cardholder in resolving ordering and billing disputes and ensuring that the cardholder disputes any charges not recognized as legitimate.
- Reporting any misuse of the purchase card to the APC or the Office of Inspector General (OIG) in a timely manner.
- Verifying that cardholders maintain purchase card records. The Approving Official must retain access to all supporting documentation for six years after final payment. After six years, the Approving Official ensures that the cardholder disposes of the records in accordance with the requirements in [ADS 502mac, USAID/Washington and Missions Disposition Schedules](#), Chapters 15 and 18.
- Establishing specific procedures for maintaining the security of the card.
- Reimbursing USAID for improperly authorizing purchases that are prohibited or not allowed under this directive.
- Completing all initial and refresher training requirements and sending certificates of completion to the APC.
- Taking and passing the online version of the Simplified Acquisition Procedures Training if there are cardholders with the \$25,000 single-purchase limit under their supervision.

2.5 Cardholder

The cardholder must be a U.S. direct hire employee or a Personal Service Contractor (PSC). The cardholder is responsible for:

- Using the card in accordance with the established policies and procurement regulations and ensuring that funds are available before making a purchase.
- Performing the self-registration process for the new card account in SmartPay@2
- Seeking the best value for all goods and services by comparing or gathering price quotes and shopping using [GSA Advantage!](#), a convenient online shopping service for purchasing government-wide goods and services.
- Distributing repetitive commercial purchases among qualified vendors.
- Reporting a lost or stolen purchase card as soon as possible to Citibank, Approving Official, and the APC.
- Securing the purchase card at all times it is not in use by keeping it in a locked drawer, cabinet, or desk.
- Obtaining Approving Official pre-approval in writing prior to authorizing payment.
- Ensuring that no one else uses their purchase card.
- Procuring goods and services using the purchase card after receipt of an approved GLAAS requisition.
- Reviewing all procurement documentation for completeness, accuracy, and compliance with all federal regulations, policies, and procedures.
- Not splitting a requirement in order to stay under the single-purchase threshold.
- Verifying tax exemption prior to authorizing payment.
- Documenting each transaction in a Purchase Card Buying Log.
- Submitting the signed E-Statement of Account and all supporting documentation, including the signed Purchase Card Buying Log, to an Approving Official during the monthly reconciliation process and obtaining their signature on the Purchase Card Buying Log and monthly card statement.
- Reconciling the Purchase Card E-Statement of Account within five business days (total processing time, including obtaining Approving Official's approval) and ensuring that

sufficient funding is available to pay for all charges on the E-Statement of Account, other than disputed transactions.

- Disputing all discrepancies in Phoenix during the reconciliation process and not reconciling the disputed transaction against the obligation. Reconciling credits received from a vendor back to the disputed transaction. **(This bullet applies to USAID/W CHs only.)**
- Filing a timely dispute form by fax to Citibank.
- Reimbursing USAID for improper purchases, except when responsibility for the purchase is directly attributable to direction provided by an Approving Official.
- Retaining copies of all statements and supporting documentation (electronically or in paper format) for six years. After six years, the cardholder must dispose of the records in accordance with the requirements in [ADS 502mac, USAID/Washington and Missions Disposition Schedules](#), Chapters 15 and 18.
- Informing APC and the Approving Official via email or phone as soon as possible of the cardholder's transfer to another office or Mission, or when the cardholder is leaving the Agency.
- Completing all initial and refresher training requirements and sending certificates of completion to the APC.

2.6 Designated Billing Office ¹(DBO)

The DBO is responsible for:

- Registering the 16-digit corporate account for SmartPay for all designated staff members in the finance office using the instructions at: **(For Internal Use Only)** <https://pages.usaid.gov/node/2516>.
- Downloading the On-Line Statement from the [CitiDirect Card Management System \(CCMS\)](#) and making payment at the corporate account level.
- Ensuring that the correct 16-digit corporate account number is selected in Phoenix.
- Identifying billing discrepancies to the APC.
- Making payment in full at the corporate level for all accounts.
- Contacting Citibank Customer Service regarding delinquent accounts and payment issues.
- Providing feedback to the APC on Citibank's performance.

The Director, M/CFO/CMP (for Washington) or the Mission Controller (overseas) ensures that all billing office staff members involved in processing of purchase card transactions complete prescribed Purchase Card Computer-Based Training (CBT) and submits the certification to the APC.

2.7 Mission Supervisory or Regional Contracting Officer (SCO/RCO)

The Mission SCO/RCO maintains a list of purchase cardholders under their domain and their Delegation of Authority (see Exhibit 5 of this document). The SCO/RCO, or designee performs an annual review of the Purchase Card Program for the Mission's procurement activities.

2.8 The Director, Bureau for Management, Office of Acquisition and Assistance (M/OAA)

¹ This role applies to USAID/W and the Missions payment offices (see ADS 630, Payables Management)

Serving as the Agency’s Chief Acquisition Officer (CAO), the M/OAA Director is responsible for the overall effective management of the USAID Purchase Card Program. The M/OAA Director, or their designee, appoints cardholders and issues delegations of authority to cardholders to make purchases with the purchase card.

2.9 The Bureau for Management, Office of Acquisition and Assistance, Systems Support & GLAAS (M/OAA/SSG)

M/OAA/SSG conducts an annual surveillance review of the USAID Purchase Card Program in USAID/Washington and reports the results to the CAO.

SECTION III – Establishing and Maintaining Purchase Card Accounts

3.1 Set up, maintenance, cancellation of purchase cards

The APC is responsible for USAID set-up, maintenance, and cancellation of purchase card accounts.

Program participants must complete and submit the appropriate, bank-issued form to the APC in order to:

- Designate a new Approving Official,
- Establish a new cardholder account,
- Make a change to existing account profile information, or
- Cancel an account.

This section addresses the training requirements for all participants as well as procedures and forms used to establish new accounts or make changes to existing accounts (account maintenance).

To access, complete, and submit the required documentation for the requirements addressed in this Section please visit the [Agency Purchase Card Program intranet site](#).

3.2 Training Requirements

Selection of Approving Officials and nomination and approval of cardholders is done in accordance with requirements and limitations found in ADS 331.3.5 and 331.3.6. The individuals, selected to participate in the Purchase Card Program, must complete the required trainings as specified below. Additionally, prior to the issuance of a government purchase card with purchasing authority, all participants must certify on the “Worldwide Purchase Card Program Training Certification” form, that they have completed the training, read this Program Manual, and understand their duties and responsibilities for using a government purchase card.

Required training is role specific and addressed in Appendix II. Below is the description of each spending category, along with prerequisite trainings:

Table 1 Summary of Mandatory Purchase Card Program Training Requirements for Cardholders and Approving Officials by Category Spend Limit

Summary Of Prerequisite Purchase Card Program Required Training			
Category	Single-purchase Limit	Monthly Credit Limit	Training Requirements
1	\$100 – up to the micro-purchase threshold	Determined by Approving Official	<ul style="list-style-type: none"> • USAID Worldwide Government Purchase Card Training Course • GSA SmartPay Purchase Training for Account Holders • Section 508 Training: Micro-Purchases and Section 508 Requirements • GLAAS 103 Online - Purchase Card Order • FCL-CM-2500, Category Management 101 • FAC 889 Section 889: Prohibition on Telecomm & Video Equipment <p>Cardholders in USAID/Washington:</p> <ul style="list-style-type: none"> • Phoenix General Overview • Phoenix Credit Card Processes
2	Above the micro-purchase threshold- up to \$25,000	Determined by Approving Official	<ul style="list-style-type: none"> • Category 1 training requirements, • Simplified Acquisition Procedures (SAP) training, CON 2370 or an approved Management Concepts course
3	\$25,001 – up to the simplified acquisition threshold, as defined in FAR 2.101.	\$25,000 or higher (applies to warranted Contracting Officers only)	<ul style="list-style-type: none"> • Category 1 training requirements • Must have a FAC-C Level I Warrant

Detailed training information for cardholders and Approving Officials can be found in Appendix II of this manual.

To continue participating in the Purchase Card Program, Approving Officials and cardholders must receive refresher training as referenced in the Table 2 below. Failure to take the training will result in the suspension or revocation of the Approving Official or cardholder account until training is complete.

Table 2 Summary of REFRESHER Purchase Card Program Training Requirements by Category Spend Limit

Summary Of Refresher Purchase Card Program Required Training			
Category	Single-purchase Limit	Frequency	Training Requirements

1	\$100 – up to the micro-purchase threshold	Annually	<ul style="list-style-type: none"> • USAID Worldwide Government Purchase Card Training Course • GSA SmartPay Purchase Card Training for Account Holders
2	Above the micro-purchase threshold - up to \$25,000	Annually	<ul style="list-style-type: none"> • USAID Worldwide Purchase Card Training Course • GSA SmartPay Purchase Card Training for Account Holders
		Every 2 years	<ul style="list-style-type: none"> • Simplified Acquisition Procedures (SAP) Training, CON 2370 https://www.fai.gov or an approved Management Concepts course
3	\$25,001 – up to the simplified acquisition threshold, as defined in FAR 2.101.	Annually	<ul style="list-style-type: none"> • USAID Worldwide Purchase Card Training Course • GSA SmartPay Purchase Card Training for Account Holders

3.3 Establishing a New Cardholder Account

To establish a new account, the Approving Official must submit to the APC the complete application package as described below:

- a) "CITIBANK Government Purchase Card Setup Form": Upon designation by the Approving Official, the prospective cardholder must complete Section II, items 4-13. The prospective cardholder must sign and date Section III, item 16 and 17. The Approving Official must sign and date Section III, items 18 and 19. The verification information requested is the last four digits of the employee's Social Security Number, or if an individual does not have one, the service computation date (two digits each for month and year).
- b) WORLDWIDE PURCHASE CARD PROGRAM TRAINING CERTIFICATION

Complete/submit copy of the Worldwide Purchase Card Program Training Certification form (certifying that the cardholder has read the USAID Purchase Card Manual and understands the procedures for the Purchase Card Program).

- c) Certificates of completion for the required trainings in Table 1.

3.4 Establishing an Approving Official

Application Package Submittal

To establish a new Approving Official account, the selecting official, as noted in ADS 331.3.5, must submit to the APC the complete application package as described below:

GOVERNMENT APPROVING OFFICIAL SETUP/MAINTENANCE FORM (CB007)

To establish a new Approving Official account, use CB007. *Use the official mission address. (This applies to overseas Approving Officials only.)*

- a) LETTER OF APPOINTMENT FOR APPROVING OFFICIAL
This is an internal USAID certification form (see Exhibit 9).
- b) Certificates of completion for the required trainings in Table 1.

3.5 Designated Billing Office (DBO) Requirements

When setting up a new Purchase Card Program in a Mission, the Controller must ensure that all Financial Management Office (FMO) staff members involved in processing of purchase card transactions complete the USAID Worldwide Government Purchase Card Training Course (available in <https://university.usaid.gov/>). Each new FMO staff member assigning the responsibilities to process the purchase card transactions must also pass the USAID Worldwide Government Purchase Card Training Course (The quiz at the end of the CBT may be taken a maximum of three times and the trainee must achieve a score of at least 80% to receive the Certification of Completion). Once the training requirements have been met, the Mission Controller must complete the [Worldwide Purchase Card Program DBO Agreement Form](#) and submit the complete package to the APC for processing.

3.6 Establishing a New B/IO or Mission Account

All participants of the Purchase Card Program at a B/IO or Mission must complete all mandatory trainings as referenced in Section 3.2.

It is recommended that the B/IO or Mission have one cardholder with a higher spending threshold up to \$25K (to cover large purchases and for end of the fiscal year spending).

Once the requirements have been met, the Assistant Administrator or Mission Director must submit the complete package (Training Requirements Documents) to the APC for processing.

3.7 Duty Location Transfer and Separation

A. Transfer or Separation – Cardholder

The cardholder is responsible for notifying the APC, via email, of any duty position transfers between bureaus or missions. Upon receipt of such notification, the cardholder is instructed to stop using the purchase card at least 30 calendar days prior to departure. The cardholder **should** keep the purchase card for future reactivation, if warranted. The **APC will temporarily lower the** single purchase spending limit to one dollar, and **then assign** the card to the new bureau or mission upon the cardholder's arrival. The Approving Official in the new location is required to send an email to concur with reactivation of the purchase card account. Once all the transactions have been reconciled from the former account, the purchase card account can be transferred with the effective date reflecting the start of the next billing cycle.

When the cardholder arrives at the new duty station, the new Approving Official must concur with the acceptance of the new cardholder account, in writing, to the Mission or B/IO management and notify the APC. The cardholder must not contact the APC or Citibank directly to make changes.

The cardholder separating from the Agency must notify the APC, via email, at least 30 calendar days prior to the separation date to ensure that there is sufficient time for any related transactions to be reconciled. The departing cardholder must not make any new charges on the card. The APC must check the purchase card for any open or pending transactions, which must be reconciled prior to the cardholder's departure. If the departing cardholder has any pending transactions, the Approving Official must assign another employee within the Mission or B/IO to reconcile the transaction(s) in Phoenix. When there are no open transactions, the APC must send the exit clearance email to the departing cardholder and advise the cardholder/Approving Official that the card should be destroyed before closing the account. The email from the APC serves as clearance for the employee's Exit checklist (AID form 7-47A).

Cardholders who separate from the agency, or transfer within the agency are required to maintain a copy of their records (either hard copy or electronic) for six years. All files for all transactions that occurred while assigned to the exiting bureau, must be equally accessible by the Approving Official. The Approving Official is responsible for reconciling and processing all transactions remaining outstanding when a cardholder separates or transfers.

B. Transfer or Separation – Approving Official

In case of transfer or separation, the departing Approving Official is responsible for notifying the APC of the scheduled departure date, and the anticipated arrival date of the new Approving Official who will assume the duty for the cardholder accounts currently listed under that managing account. If there is no overlap between departure and arrival, the departing Approving Official must designate an interim Approving Official until the new Approving Official arrives. Interim Approving Officials are required to complete the mandatory trainings within 30 calendar days of assuming this role. All documentation pertaining to managing cardholder accounts will be assigned to the incoming Approving Official and kept for audit purposes.

Should a Mission or B/IO not be assigned an active Approving Official, all active cardholder accounts will be deactivated until the managing account complies with this policy.

3.8 Account Maintenance

Cardholders must send all account changes to the APC via email at Smartpay2@usaid.gov. The APC will make the change to the account information. Examples of changes include the

individual's name changes (due to marriage, divorce, etc.), transfer from one office to another, or when the Approving Official requests that the account be closed.

A. Account Cancellation

Account cancellation is the process of closing or canceling an existing account. Only the APC has the authority to cancel accounts with Citibank. Cardholders are not authorized to close accounts. Before an account may be closed, all charges must be reconciled in Phoenix. Once this has been confirmed to the APC, the cardholder/Approving Official will cut the card in half and destroy it. The Approving Official should email an account cancellation request to the APC upon becoming aware that a cardholder is leaving the Agency/Mission or of another reason for canceling the account. Such requests must include the effective date. The cardholder must not make any purchases with the purchase card after informing the Approving Official of the intended cancellation of the card. A purchase card account must have a \$0.00 balance when a cardholder leaves the Agency/Mission. Any pending charges that have not been posted to the cardholder's account prior to cancellation must be reconciled by another cardholder that has been designated by the Approving Official.

Cards with little or no activity over a six-month period are considered inactive and **may** be canceled **by the APC or the servicing bank**. To avoid cancellations, the Approving Official must request to temporarily reduce the single purchase spending limit to one dollar for the period of time the card is not in use. The APC will make the final determination on a purchase card cancellation/deactivation on a case-by-case basis.

B. Disposition of Files upon Account Cancellation

After the request for the cancellation of a cardholder's account is submitted, the cardholder must provide the Approving Official with all files, including any un-reconciled requisitions. The Approving Official must designate another cardholder in their organization to reconcile the departing cardholders' final charges in Phoenix (USAID/Washington users only). The APC is responsible for ensuring that the cardholder designated to perform this function is granted the Phoenix reconciler role. When the outstanding charges have been reconciled and approved for payment, the APC will close the account. All documentation of the account activity must be retained for six years. (See Section VI of this manual.)

C. Account Suspension

In addition to any bank-initiated card suspensions, the APC may suspend a cardholder's account as a disciplinary method for improper card use or failure to adequately perform the cardholder's duties. Before taking this action, the APC will consider the effect of a cardholder's suspension on the affected organization and take appropriate steps to minimize any adverse impact.

D. Account Deactivation

Account deactivation may be used as a risk-management tool to prevent card misuse. The Approving Official may ask **the APC to deactivate the** account for cardholders who are expected to be away from the office for more than six consecutive weeks. This would include long vacations, training, temporary duty assignments, leave of absence, and medical leave. **Accounts can remain in a deactivated status for a period of up to six months, at which point, the account will be reviewed to determine the ongoing need for an active status.**

E. Account Reinstatement

The APC may reinstate cardholders and Approving Officials whose accounts have been suspended or deactivated, based upon an assessment of the circumstances. If an Approving Official or cardholder has had an account suspended or terminated for 12 months or more and the account needs to be reinstated, the Approving Official or cardholder must retake the required purchase card trainings.

SECTION IV – ACCOUNT AUTHORIZATIONS AND ACTIVATIONS

4.1 Authorized Controls of the Purchase Card

Each card is coded with specific spending and authorization controls as identified below. These controls allow the Approving Official to limit cardholder's card use. The Approving Official may further restrict the cardholder from certain types of merchant establishments and to specific dollar limits. These restrictions are applied when the card account is initially created, but the Approving Official may request that they be changed at any time.

Authorized Controls:

- 1) **Single Transaction Dollar Limit:** This is the maximum amount that each cardholder is authorized to spend in a single purchase. A purchase may consist of a single item or multiple items that, when totaled, do not exceed the per transaction dollar limit.
- 2) **Cycle/Credit Limit:** This is the maximum amount that a cardholder is authorized to spend in a single billing cycle. The Approving Official establishes this limit for each cardholder based on the anticipated purchasing requirements.
- 3) **Daily Transaction Limit:** The Approving Official may request this limit for a specific cardholder, but it is not a standard control on USAID's purchase cards.
- 4) **Card Usage by Merchant Category Code (MCC):** An MCC is assigned to a group of merchants offering similar products or services. The Approving Official will determine the categories of merchants from which a cardholder may purchase goods and services. The MCCs restrict a card to charges only from the selected categories of merchants, based upon the needs of the cardholder's organization.

Please contact the APC concerning questions regarding these restrictions.

4.2 Request for Increase in Purchase Limits

The Approving Official may request that the APC increase a cardholder's single or monthly billing cycle purchase limits at any time. Requests can be submitted via the Bureau/Mission Request for Threshold Increase form (see Exhibit 3 of this document), or via email (include all information required on Threshold Increase form) to Smartpay2@usaid.gov. The decision to issue a cardholder an increase is based on the needs of the organization, program limitations as specified in ADS 331.3.6 and the discretion of the APC.

Cardholders who obtain an increase **or decrease** in their single purchase limit must be issued a new Delegation of Authority, which will reflect the new limits.

Cardholders are not authorized to obtain a one-time ad hoc increase that exceeds \$25,000.00. Only warranted Contracting Officers will be granted thresholds that exceed \$25,000.00.

4.3 Account Activation

Upon receipt of the purchase card, the cardholder must call the phone number on the sticker adhered to the card to activate the account. All cards have inactive status upon issuance to reduce opportunities for fraud. Before calling to activate the card, the cardholder must verify all information, including spelling and dates, and then sign the signature strip on the back of the card. Call toll-free within the United States and call collect if outside the United States.

During activation, the cardholder must provide the last four digits of the cardholder's Social Security number or service computation date, as submitted in the Government Purchase Card Setup Form CB001. Follow the voice instructions. When the call is complete, the card will be active and ready for use.

Each cardholder must also perform the self-registration process for the card account in the [CitiDirect Card Management System \(CCMS\)](#) to download the E-Statement of Account.

4.4 Phoenix and GLAAS Access

A. Phoenix Security Access Form **(USAID/W Cardholders Only)**

The Bureau Transition Coordinator (BTC) for the respective B/IO must submit a completed Phoenix Security Access Form identifying the role of the cardholder to the Phoenix Access Security Request email at psecurity@usaid.gov. This is necessary in order for the cardholder to receive a user ID and password for access to the Credit Card Statement Reconciliation module to reconcile and approve the monthly E-Statement of Account.

B. GLAAS Access Form

All cardholders are required to have a role in GLAAS to complete the commitment/obligation process for purchase card expenses. GLAAS Access Request Forms are distributed upon completion of classroom training **or provided by the Purchase Card APC**. The form must be submitted electronically to the GLAAS Access Group at glaasaccessforms@usaid.gov. For questions, please contact the Washington Bureau Transition Coordinator (BTC) or Mission GLAAS POC.

C. Purchase Card Approval Group Maintenance Table

The APC provides all purchase card account information and roles to the Phoenix Security Team for input into the Purchase Card Approval Group Maintenance Table prior to sending the card to the individual cardholder. The Phoenix Security Team will create a purchase card alias in Phoenix in the Credit Card Maintenance Table with the required purchase card information, security organization, and approval group associated with the credit card. The Security Team updates the purchase card maintenance table as new accounts are added. **This process is for USAID/W cardholders only.**

4.5 Request for Forced Authorization

When a cardholder receives a declined authorization from a vendor, the cardholder must first contact the servicing bank to determine why the card was declined. If it was due to the Merchant Category Code (MCC) not being assigned to the cardholder's account, then the cardholder must obtain the required 4-digit MCC from the bank and provide it to the Approving Official. If the purchase is acceptable, the Approving Official submits a Request for a Forced Authorization to

the APC (see Exhibit 2 of this document). The APC adds the MCC to the card account via the CitiDirect Card Management System. The cardholder is then instructed to ask the vendor to swipe the card again for approval.

SECTION V –SEVEN STEPS IN THE BUYING PROCESS

There are seven steps to follow when using the purchase card for over-the-counter, phone, mail, or Internet purchases. This section will discuss each of these steps in the buying process.

Step 1: Define the Requirement and Obtain Approval

The first step in the buying process is for the cardholder to ensure that the requirement has been clearly defined. Requesting offices must give cardholders their requirements in writing. This is typically done through a purchase request form such as the [AID 331-2](#) or an adopted request for supplies and services procurement form, or action memorandum created by the B/IO or Mission. Upon receipt of the completed request, the cardholder must ensure a GLAAS Requisition is generated and fully funded before making payment to a vendor. The requesting office or cardholder must create a GLAAS requisition for all purchase card transactions. The following information is generally included in the GLAAS requisition:

- Purchase description;
- Desired quantity and costs;
- Delivery dates and shipping points, or period of performance;
- Shipping instructions;
- Required justifications, approvals, or pre-acquisition clearances; and
- Signatures of authorized individuals.

In situations where the cardholder cannot wait to receive a requisition in GLAAS prior to making a purchase, or cannot wait to receive the required purchase card request for supplies and services form with Approving Official pre-approval, the cardholder (including cardholders with warrants) must obtain written and dated pre-approval from the Approving Official, or higher authority. The Approving Official's written pre-approval memo/note/email, certifies that the proposed purchase is for a legitimate need of the Government and that adequate funding is available. In these situations, the B/IO or Mission must finalize a GLAAS requisition as soon as practicable. Additionally, the requesting office must provide the cardholder a written justification explaining why the exception was warranted.

Requesting offices can use [AID 331-2, Purchase Card Request for Supplies or Services](#) form to document the requirement and obtain the required pre-approval clearances. The Purchase Card Request for Supplies or Services is an internal document that communicates to the buyer or cardholder the request for goods or services and includes other relevant information related to the procurement. B/IOs and Missions may choose to create their own procurement request document. The cardholder must ensure that the document includes the Approving Official's signature as it confirms that the items on the list are for official use only.

The [SF-182, Request, Authorization, Agreement, and Certification of Training Form](#) must accompany each training request when the purchase card is identified as the payment mechanism. If the Approving Official does not sign the SF-182 granting authorization for the

purchase card to be used as the payment mechanism, Approving Official pre-approval must be obtained through an alternate method and documented accordingly.

Purchases conducted before the Approving Official's approval is obtained will be considered an improper transaction and must be ratified to become legitimate. The Approving Official decides whether or not to ratify the unauthorized act. Transactions that may be accepted include those that benefit the Agency and are otherwise appropriate for purchase. If the Approving Official chooses to ratify the unauthorized transaction, the Approving Official must proceed with the ratification, and the transaction becomes bound as if they had originally authorized the act. If the Approving Official chooses not to ratify the unauthorized commitment, the cardholder is liable for the cost of the transaction and must submit a check for the full amount to the USAID Cashier. Either of the above scenarios could result in immediate deactivation of the card with disciplinary action.

Step 2: Ensure that funding is available

When a purchase request has been defined and approved by using either the AID 331-2 or another identifiable method, the next step in the buying process is to ensure that adequate funding is available. The GLAAS requestor or cardholder accomplishes this by creating a GLAAS requisition and routing the request to the designated Program Manager (PM) for review and approval. Making a purchase prior to commitment in Phoenix or exceeding the available funding may result in a funds control violation and disciplinary actions (See ADS 634, Administrative Control of Funds). 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 before a purchase can be made.

Bulk funding/recurring obligation: Bulk funding/recurring obligation is a method of advance funding that simplifies the use of the purchase card. When authorized, the finance office sets aside a specific amount of funding for a requirement and the cardholder will draw down on these funds to pay the bill. As the funds are depleted, the cardholder must ask the Approving Official and the budget office for additional funding in sufficient time to prevent the funds from being exhausted. Funding must include all shipping and handling charges.

When the bulk funding/recurring obligation is used, the cardholder, at a minimum, must receive in writing the amount of funding available to spend for each quarter. More information on creating commitments and obligations may be found at:

<https://pages.usaid.gov/M/CFO/phoenix-guides-and-procedures-2>.

Step 3: Determine Eligibility for Card Purchase

In addition to the limitations in [ADS 331.3.2](#), certain supplies and services that fall into the categories of "Special Attention Purchases" and "Prohibited Purchases" and may have a limited use, require additional approvals, or may not be purchased, based on Agency policies or restrictions in the Federal Acquisition Regulation ([FAR](#)).

Reviewing the list of authorized and prohibited purchases is the next step in the buying process. Examples of authorized and prohibited purchases are listed in the following tables. These lists are not intended to be all-inclusive but illustrate common supplies and services. Contact the APC with any questions.

1) Unrestricted purchases:

The purchase card may be used for the following types of purchases within the established cardholder limits:

Table 1 **AUTHORIZED PURCHASES**

<ul style="list-style-type: none"> ● Office Supplies ● Conference room facilities and related costs ● Maintenance ● Books and Subscriptions ● Mail transportation services (UPS, FEDEX, DHL), if the mailroom cannot accommodate the requirement ● Fuel for generators, heaters, or agency owned vehicles ● Recurring services not applicable to Service Contract Labor Standards and exceeding \$10,000 per fiscal year, e.g. Internet service providers (webcasting) ● Training, conferences, seminars, and registration fees ● Design, engineering and consulting services ● Disaster assistance supplies (e.g., tents, plastic sheeting) 	<ul style="list-style-type: none"> ● Caterers and restaurants for official functions (see ADS 610) ● Professional services for legal investigative, and language interpreting work ● Construction services for less than \$2,000. This includes all types of work done on a building or structure, including alterations, remodeling, installation of fabricated items, off-site painting and decorating, and transporting materials and supplies to or from the building. The Bureau for Management, Office of Management Services (M/MS) must provide advance clearance for any minor renovation work for a USAID/W facility. ● Services applicable to Service Contract Labor Standards not exceeding \$2,500 per requirement.
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2) **Special Attention Purchases**

The following products and services in the table below have certain restrictions on purchases when using the card. Card purchases are permitted under the USAID Purchase Card Program provided the cardholder follows the conditions/restrictions in parenthesis. The products and services requiring special attention are applicable to non-contracting cardholders. All individuals who have been issued cards may use them in accordance with their authority, Agency procurement procedures, and Federal Appropriations Law before making a special attention purchase.

Table 2 **SPECIAL ATTENTION PURCHASES**

<ul style="list-style-type: none"> ● IT and IT assets (see ADS 331.3.2.1, 331.3.2.5 and ADS 547.1) ● Printing and copying services (the U.S. Government Printing Office (GPO) accepts Purchase Cards and is a mandatory source for most domestic printing and copying services). GPO will provide a written waiver when it is not able to comply 	<ul style="list-style-type: none"> ● Ergonomic and medical purchases (e.g., footrest, backrests, special chairs, lighting, etc.) (Office of Civil Rights see ADS 111) ● Utility bills (authorized overseas only) ● Repair, maintenance, or purchase of vehicles and vehicle spare parts (authorized overseas only) ● Photocopy Machines (only M/MS staff may procure copiers, supplies, and maintenance for these machines)
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with the purchasing requirements (CIO Office Approval)	<ul style="list-style-type: none"> ● Training Courses (see ADS 458)
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Note: 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 the Bureau for Management, Office of Management Services (M/MS) on [AID 512-2](#) for forwarding to GPO. If the cardholder cannot obtain a printing or copying job in a timely manner through GPO, they may request a waiver from the Bureau for Management, Office of Management Services, Facilities Management Division in order to use an outside printing or copying service.

Note: Training Courses

The purchase card may be used to acquire training courses for individual or group training. In accordance with ADS 458, all cardholders shall have an approved Standard Form 182 Authorization, Agreement and Certification of Training prior to purchasing training. Training Coordinators should keep in mind some vendors require payment before the course start date. Cardholders must not purchase customized training programs using the purchase card. B/IOs and Missions must send requests for the procurement of customized training to the cognizant OAA office.

3) Prohibited Purchases

The purchase card, unless otherwise noted, may not be used for the following types of purchases:

Table 3

PROHIBITED PURCHASES

<ul style="list-style-type: none"> ● Open Market Purchase of supplies or services when the amount of such purchase exceeds \$10,000 ● Cash advances ● Rental or lease of land or buildings ● Individual travel expenses (such as airfare and lodging) ● Medical treatments ● Vehicle rental or lease (except for short-term rentals for official business such as the rental of a bus for a government function or the rental of a box van to move office furniture/equipment) ● Recurring services exceeding the micro-purchase threshold in a fiscal year ● Supplies that contain hazardous substances or require hazardous waste clean-up and disposal ● Rental and maintenance agreements exceeding the micro-purchase threshold in a fiscal year ● Bail or Bond Payments 	<ul style="list-style-type: none"> ● Personal services (as defined in FAR Part 37) ● Firearms and ammunition (only authorized for the Office of Security and the Office of Inspector General) ● Pesticide purchase or application ● Construction services in excess of the micro-purchase threshold (currently limited for construction to \$2,000) ● Services applicable to Service Contract Labor Standards in excess of the Micro-Purchase Threshold for services (currently \$2,500) ● Dating and Escort services ● Fines or Penalties ● Lobbying or other Political Contributions ● Decorations for individual offices or personal use ● Unmanned aircraft systems (drones) from covered foreign entities
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<ul style="list-style-type: none"> • Gambling Expenses • Backordered items 	
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Step 4: Compliance with Procurement-Specific Requirements

After reviewing eligibility of supplies or services, cardholders must ensure that the following procurement-specific requirements are met:

1) Pre-acquisition clearances

When applicable, the cardholder must obtain the necessary clearances before the items are ordered. The following provides examples of situations where pre-acquisition clearances may be necessary:

1. The use of the purchase card to obtain the services of contractor personnel to perform onsite work at a USAID location. To complete this procurement, cardholders may need to obtain a pre-security clearance from the Office of Security. For detailed instructions, contact the Office of Security once such a requirement has been defined.
2. Purchase of sensitive and pilferable property with a purchase card. The cardholder must obtain **prior approval** as follows:

For USAID/W

- Complete a [Form AID 5-7, Supplies/Equipment/Services Requisition](#), stating a justification;
- Obtain the approval of the Administrative Management Staff (AMS)/Executive Management Team, a senior official, or an employee designated by the Bureau AA; and
- Email the form and **pre-approvals** to the Bureau for Management, Office of Management Services, **Headquarters Management Division (M/MS/HMD) at facilities@usaid.gov**.

For Overseas

- Obtain the prior approval of the Mission's Property Management Officer.

The approval documentation must be maintained in the purchase card file.

3. Purchase of supplies used for award ceremonies and awards (e.g., non-cash awards, certificates, plaques, etc.) as well as advertisements require prior approval from HCTM.
4. Purchase of chartering bus services requires prior clearance from M/MS.

2) Tax Exemption Status

All GSA SmartPay Purchase Cards are centrally billed and therefore not subject to federal, state, or local sales tax, **and no tax exemption certificate is required**. The cardholder should always inform the vendor that the purchase is for official U.S. Government purposes. If the merchant does not recognize the purchase transaction as being tax-exempt, the

cardholder may provide a copy of the tax-exemption letter for one of the 13 states that require a form (see <https://smartpay.gsa.gov/smarttax/state-tax-forms/>).

Through VISA Chargeback Regulations, the cardholder cannot dispute sales tax charged erroneously by the vendor. If the cardholder cannot obtain a credit, the ordering Mission, Bureau, or office must pay the tax.

Purchases made overseas may not be exempt from foreign taxes. Missions, however, must follow established procedures for recording and reclaiming Value Added Tax (VAT) from the host government.

Best Practices

- If a vendor does not accept the charge card, work with the program coordinator to identify another vendor that does accept the card.
- Verify the Government's tax exemption or discount status with vendor prior to payment, or at the point of sale.
- Verify that all CBA cards are not assessed taxes. In the event that taxes are assessed, taxes cannot be disputed with the servicing bank.
- Maintain copies of all receipts to verify taxes assessed.
- Monitor the account activity frequently to identify any instances of fraud, misuse, or state tax assessment.
- Keep a record of exemptions and transactions, which include dates, vendors, and amount of taxes charged.

3) Compliance with the spending limits and thresholds.

All purchase card transactions must be made within the cardholder's single purchase spending limit. If the cost exceeds this limit, do not split the requirement into separate transactions to stay within the spending limits. Similarly, do not split the requirements to stay within the micro-purchase threshold.

Recurring Services. Cardholders may use the purchase card for recurring services up to the micro-purchase threshold per fiscal year, per merchant. If the requirement for these services exceeds the threshold, usually the best solution is to obtain contractual coverage from the Bureau or Mission contracting office. Examples of recurring services include Internet service providers, subscriptions, and courier services.

Non-Recurring Services. Non-recurring services involve one-time or irregular services (such as foreign language translation services not needed regularly). Cardholders may purchase such "ad hoc" services up to the micro-purchase threshold.

Note: Currently, the micro-purchase threshold for all services not subject to the Service Contract Act is \$10,000 while for services subject to the Service Contract Act it is \$2,500.

4) Competition requirements

Orders that exceed the micro-purchase threshold (currently set at \$10,000, see [FAR 2.101](#)) require competition among vendors (see Exhibit 8 of this document).

Purchases not exceeding the micro-purchase threshold may be made without competition if the cardholder considers the prices obtained from a single source to be fair and reasonable. When purchasing an item that is available from multiple merchants, however, the Cardholder should rotate purchases among merchants to avoid showing favoritism to a particular vendor.

5) Verification in the System For Award Management (SAM) database

When the purchase card will be used as the method of payment, and the contract or order is above the micro-purchase threshold, cardholders are required to verify (by looking in System for Award Management (SAM) database at www.sam.gov) whether the prospective contractor has any active exclusions in SAM or any delinquent debt subject to collection under the Treasury Offset Program (TOP) at contract award and order placement. Information on TOP is available at <http://fms.treas.gov/debt/index.html>.

The cardholder must not use the purchase card as a method of payment during any period when the SAM indicates that the contractor has delinquent debt subject to collection under the TOP. When the debt flag is present in an otherwise most advantageous vendor's CCR registration, assign the purchasing requirement to a contracting officer or procurement agent to use a purchase order, contract, or ordering mechanism not entailing a third-party payment to the vendor to make the purchase. This requirement also applies to Contracting Officers using the purchase card as a payment mechanism for contracts, task orders, etc., above the micro-purchase threshold. Note, however, that contract options are exempt from this requirement.

In accordance with FAR 4.1102 (a), cardholders do not need to verify the prospective contractor's records in SAM when the purchases are under the micro-purchase threshold and the purchase card is used as both the purchasing and payment mechanism (as opposed to using the purchase card for payment only).

6) Generic UEI coding in GLAAS

When the purchase amount is greater than the micro-purchase threshold, enter the actual Vendor name on each obligation.

If the purchase amount is equal to or less than the micro-purchase threshold, then a Unique Entity Identifier (UEI) is not required. Instead, **the cardholder must** submit a completed vendor form to **vrequest@usaid.gov** and they will add the Purchase Card generic UEI to the associated vendor code. **Cardholders must** complete the form [here](#) and email **it** to **vrequest@usaid.gov**.

Step 5: Mandatory Sources and Other Priority Purchases

To the maximum extent practicable, cardholders must purchase supplies and services from the required or priority sources in the following order:

- 1) **[FAR Part 8](#)** mandates that **both domestic and overseas cardholders satisfy requirements for supplies and services from the required or preferred sources** (see FAR 8.002-8.004 and listings in the Appendix III), in descending order of priority. For example, a cardholder must first check to see if the supplies are available from excess property (such as Agency Inventories or Excess from other agencies). If not available from the source, the cardholder must continue down the list of required sources before considering other government sources. Common sources of supply and services detailed in FAR Part 8 are listed below:

- A. Agency Inventory
- B. [Excess inventory](#) from other agencies
- C. Purchases from [Federal Prison Industries \(Unicor\)](#)
- D. Purchases from the [AbilityOne](#) program
- E. Purchases from [GSA Global Supply](#)
- F. Purchases from the [Federal Strategic Sourcing Initiative](#)
- G. Purchases from the [Federal Supply Schedule Program](#)

Note: The review of the Required Sources of Supplies and Services applies to purchases made both domestically and overseas. However, overseas cardholders are exempt from the requirement to use UNICOR to buy residential furniture.

- 2) If the cardholder cannot fulfill their requirement from a source listed in item 1 above, the cardholder must consider the use of a [Category Management \(CM\)](#) source next, to comply with OMB's CM policy and support USAID's CM spending goals. These CM solutions are often the least costly and most efficient means of obtaining the desired requirement, and they often promote mandated socio-economic programs. A complete listing of Government-wide contracts aligned with CM can be found on the [Acquisition Gateway Solutions Finder](#).
- 3) If a CM source cannot meet the requirement, the cardholder must consider an existing agency-wide source next. A complete listing of available USAID IDIQs and BPAs can be found on the [Acquisition Resources](#) page.
- 4) If none of the sources above meet the needs, the cardholder may purchase supplies or services from the open market, subject to the restrictions in ADS 331.3.2.

Step 6: Make the Purchase and Receive the Goods or Services

1) Methods of Acquisition Using the Purchase Card

Purchase card acquisitions may be made using the following four methods, as discussed in more details below:

- Over-the-counter
- Telephone or fax
- Mail or catalog
- Email or Internet

A. Over-the-counter purchases. When using this method, inform the merchant that the purchase is for the use of the U.S. Government and exempt from state sales tax. Once charged, USAID may no longer dispute sales tax.

B. Telephone or fax purchases. When using this method, verify all the charges, especially those above and beyond the cost of the item. These usually include shipping and handling

costs, foreign exchange rates, and processing fees. Be sure to inform the merchant of the U.S. Government sales tax-exempt status of the purchase. Ask the vendor to fax a copy of the order with the total amount to be charged to the purchase card.

C. Mail or Catalog Purchases. Mail or catalog purchases usually require the same information as a telephone or fax transaction. If there is an order form, complete all the necessary information. Be sure to provide the shipping address, a contact name and telephone number, the U.S. Government sales tax-exempt status of the purchase, and other pertinent information to ensure that the vendor delivers the goods on time and bills the Government accurately. Keep in mind that prices in catalogs may not be up to date, so verify prices when in doubt. Catalogs are most useful in determining the specifications and appearance of an item being purchased.

D. Email or Internet Purchases. When using this method, minimize disputes by giving account information only to merchants with a good reputation and those that offer the security of Secure Socket Layers (SSL). SSL provides 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" if SSL protects the site. Many Internet sites also have other security software, which prevents theft of the account information. Whenever possible, print copies of screens confirming pricing and other related information for the records.

2) Shipping and Handling.

Whenever using telephonic, fax, and mail order methods of buying, ask the merchant for the total charge, including any shipping and handling charges at freight on board 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 bill be delivered with the merchandise. If the goods are to be shipped through a Dispatch Office, advise the vendor to clearly mark the box as a purchase card order and identify the contents. Instruct the vendor also to ensure that the proper "ship to" address appears on the outside label.

A. Domestic Shipments (USAID/Washington final destination). Ship items to either the cardholder or the USAID warehouse specified in Step 5, D.2 below. It is crucial that the merchant have the complete mailing address to ensure proper delivery. Cardholders should instruct the vendor to include the following on the shipping document or packing slip:

- The room number, building number, street address, city, state and zip code for delivery;
- The cardholder's name, office symbol, and telephone number; and
- The term "Purchase Card Order." **Do not write the Purchase Card Account Number on any shipping document.**

The cardholder must also complete and forward a Freight Delivery Request Form ([AID-519-1](#)) to the Bureau for Management, Office of Management Services, Headquarters Management Division (M/MS/HMD) 72 hours prior to the order's delivery at the Ronald Reagan Building loading dock. Upon delivery, retrieve and retain sales drafts and delivery tickets from the shipping containers for record purposes.

B. Special Shipping/Inventory Instructions For All USAID/W Information Technology (IT) Purchases

Bureaus and offices must work with the Office of the Chief Information Officer to maintain current information technology (IT) inventory records. Each purchasing Bureau or office must prepare the required documents, noting whether the purchase is Operating Expense (OE) or program-funded. Email a copy of the final purchase documents to the attention of the M/CIO asset management team. That team's email address is USAIDAssetManagement@USAID.gov.

Without exception, ship all incidental (hardware and software) IT procurements to the following central receiving address:

USAID
ATTN: [POC name]
Purchase Order [Number]
8308 Cinder Bed Rd.
Lorton, VA 22079
Phone: [POC phone number]

Reference on the shipping documents:

- Ordering USAID/W Bureau or Independent Office
- Contact person and phone number
- Funding source: OE or program

Once the items have been ordered, Bureaus or Independent Offices must submit a ticket for Asset Management to deliver the equipment. A copy of the purchase order must be included with the ticket.

3) Sensitive and Pilferable Property Purchases Must Be Documented in the Agency Inventory System

A. USAID/W only:

Upon receipt of a sensitive or pilferable item, the cardholder must submit the following documentation to the Approving Official and to M/MS/HMD [at facilities@usaid.gov](mailto:at_facilities@usaid.gov):

- Item description,
- Model/serial number,
- Price,
- Date of purchase, and
- Name of employee to whom the Agency will assign or issue the item.

M/MS/HMD will bar code the item and add it to the Agency inventory system, advising the cardholder and the Approving Official. During the monthly reconciliation process, the Approving Official will confirm that the item was entered into the Agency inventory system.

B. Overseas

[ADS 534, Personal Property Management Overseas](#) and [14 FAM, Sections 413 and 414](#) cover the receipt, accountability, and inventory of purchases overseas. The

cardholder must coordinate with the Executive Officer and the General Services Officer (GSO) at the respective Mission for any sensitive or pilferable property. The cardholder must provide a copy of the information listed in Step 5, D.3.a above to the GSO, which will ensure that the property is accounted for.

4) Miscellaneous

- A. **Return Policies.** The cardholder should always check the merchant's return policies to determine whether the merchant will issue a credit back to the purchase card account for returned goods or canceled services.
- B. **Sales Receipt.** Always obtain a sales receipt or, for a purchase made by telephone, construct a record to use for maintaining the Buying Log and reconciling the E-Statement of Account.

Step 7: Record the Order in Purchase Card Buying Log

- Download [Purchase Card Buying Log, AID 331-1](#) (A copy of the form is Exhibit 4 of this manual. However, you will not be able to utilize its computational functions from this copy.)
- Record each purchase in the Buying Log.
- Buying Logs must be maintained by billing cycle only (each buying log must reflect only the transactions that are listed on the monthly statement of account).
- Cardholders and Approving Officials are required to sign each monthly buying log.
- Review charges as they are made to ensure that the amount charged to the card is correct. If an incorrect amount is charged, ensure that the amount is adjusted before reconciliation takes place.

POINTS TO REMEMBER

- All IT assets and services must utilize the M/CIO BPAs or be pre-cleared by M/CIO.
- Purchases may be made for official use only.
- Verify that adequate funding is available for the total transaction cost, 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 requirements to stay within the single-purchase dollar limit.
- Ascertain that the purchase price is reasonable.
- Check vendor return policies. Verify 1) the number of days allowed for returning merchandise, 2) whether there is a restocking charge for returned merchandise, and 3) whether the vendor will credit the account, rather than offer store credit.
- Ensure that merchandise is in stock and available for immediate shipment prior to charging the order on the card. Advise the vendor to make delivery only when it can ship the complete order, whenever possible.

- When disputes cannot be resolved with the vendor, contact Citibank Customer Service and fax the **Transaction Dispute Form** to Citibank for: an unauthorized order, merchandise not received, a duplicate order, or returned merchandise not credited by the vendor (See Section X). Submit the form within 60 calendar days of the date the transaction was posted to the account, or you relinquish the Agency's right to dispute the transaction.
- Follow Bureau or Mission procedures for receiving and inspecting the order. Ensure that accountable property is immediately entered into the Agency inventory system.

SECTION VI - MAINTENANCE AND DISPOSITION OF PURCHASE CARD RECORDS

6.1 File Documentation

All cardholders are responsible for establishing and maintaining the official records for all transactions made with their card. Purchase card documents are considered as Case files because they are referenced by a number, name, or dates.

Operating units may choose to maintain records in hardcopies or electronically. If records are being maintained electronically, the file, including all supporting documents must be **accessible to the Approving Official on the shared drive**. Hardcopy files **should be kept at an official file station that** is accessible to both cardholder and the Approving Official.

Upon the departure/transfer of the current Approving Official, the files must be assigned to the incoming Approving Official. With the departure or transfer of a cardholder, when the cardholder's account is deactivated, all files must be provided to the Approving Official. The Approving Official must identify an individual in the Approving Official's organization to reconcile the account and retain the files for the required retention period.

The file must contain a **Signed** copy of monthly statement of account (Approving Official and cardholder signature required – no electronic signatures are accepted at this point), with the following backup documentation for each line item reflected on the statement:

- a) Approved purchase request funding document (GLAAS **Purchase Requisition, GLAAS Purchase Card Order/OF 347, AID Form 331-2/internal procurement form, and/or email**) that describes the purchase and the dollar amount, including shipping and handling, signed by the Approving Official;
- b) Special Attention purchase approvals/waivers;
- c) Justification of purchase if applicable;
- d) Vendor quotation, **if applicable**;
- e) Original receipts, proof of delivery of goods or documented completion of performance of services;
- f) Dispute form, if applicable;
- g) Notices, emails, announcements etc.;
- h) Purchase Card Buying Log, signed and dated by the cardholder and the Approving Official.
- i) Proof **of Property Accountability, if applicable**.

Folders must be separated by fiscal year of the date of purchase and labeled using yellow labels according to monthly statement of account. Folder must be labeled as follows:

PCP billing cycle FY (*i.e.*, PCP 12/25 FY13)

In addition to the file documentation requirements identified above, cardholders must maintain a copy of all their training certificates and the Delegation of Authority in the purchase card files.

6.2 File Retention Requirements

The cardholder must maintain records of all purchase card files, Approving Official certified statements of account and supporting documents for six (6) years after the final payment or cancellation, following the requirements in [ADS 502](#). The Approving Official may determine to keep purchase card files for a longer period, if necessary. For all record keeping and disposition instructions, refer to [ADS 502mac, USAID/Washington and Missions Disposition Schedules](#), Chapters [15](#) and [18](#).

Citibank will maintain the statements for seven (7) years for auditing purposes.

The disposition authority for these records can also found in the following:

- [FAR Part 4, Subpart 4.805 – Government Contract Files, Procedures for Closing Out Contract Files](#)
- [ADS Chapter 502 The USAID Records Management Program](#)
- [USAID Washington Disposition Schedule, Chapter 18: Procurement and Contracting Records](#)

SECTION VII – Financial Management

7.1 General

This section provides guidance to assist cardholders and Approving Officials in the reconciliation, review and approval of billings statements.

Each month, Citibank makes the E-Statement of Account for each cardholder available electronically within two business days of the end of the billing cycle (the 25th of the month), detailing all posted activity for the monthly cycle. The cardholder must review and reconcile the e-statement of account with receipts and supporting documentation. The Approving Official then verifies and approves the reconciled transactions and forwards it to DBO for the review, certification and payment.

The reconciliation between the E-Statement and the actual receipt of goods/services and the Phoenix obligation by the cardholder must be performed independently of the approval of the charges by the Approving Official. Reconciliation and approval of charges must be performed independently of the DBO review, certification, and payment of the Corporate Invoice.

A. Review, Reconciliation, Approval of E-Statements of Account

Reconciliation, review, and approval of E-statements of account involves the following steps:

Step 1: Obtain E-Statement of Account Information

- a. At the end of the billing cycle, the Mission cardholder downloads the monthly E-Statement of Account. All overseas users will access the Citibank Web site at <https://home.cards.citidirect.com/CommercialCard/Cards.html> to download their E-Statement.
- b. For USAID/W cardholders, M/CFO downloads all cardholder E-Statement charges from Citibank and uploads them into the Credit Card module which interfaces into Phoenix. Charges are initially posted to the BC-X-CC Suspense Account in Phoenix and a consolidated invoice is generated and placed into the payment certification queue. All USAID/W cardholders receive an electronic email notification when the statement data file has been loaded and is ready for review and reconciliation (see [Credit Card Reconciliation Procedure Guide](#) on the Phoenix Guides and Procedures Page).

Step 2: The cardholder gathers supporting documentation related to the purchase and receipt of goods & services.

If purchases appear on the cardholder's Statement of Account but have not yet been received, the cardholder must contact the supplier for problem resolution. If the supplier does not resolve the problem, the dispute process should be initiated in order to avoid premature payments (see Section X, Disputes).

If the cardholder does not have the supporting documentation for a transaction (e.g. missing receipt), the file must be appropriately annotated (See Section 6.1).

Step 3: The cardholder reviews and reconciles the supporting documentation with the individual charges appearing on the E-Statement of Account (for Missions) or those loaded into Phoenix (for Washington).

Only by reconciling the E-Statement of Account each month may the cardholder confirm that all charges appearing on it match actual goods & services ordered and received and that the dollar value charged on the statement is accurate. If the cardholder is not available to review the E-Statement, the Approving Official designates someone within the same BIO or Mission Office, who has completed the required cardholder training to perform the task.

The cardholder must perform the reconciliation using the following steps:

- Verify that all charges on the E-Statement or appearing in Phoenix are properly reflected in the Buying Log.
- If an item has been returned and the vendor has issued a credit, verify that the E-Statement or Phoenix reflects the credit.
- Contact the vendor concerning any inaccurate charges or discrepancies. If credits do not appear in a timely fashion (usually within 45 calendar days) or if there are any other inconsistencies in the E-Statement, dispute the charge (see Section X, Disputes).
- Account for disputed charges on the E-Statement or in Phoenix as follows:
 - a) For Missions, cardholders must attach a copy of the dispute form, E-Statement, Purchase Card Buying Log and sales receipts to the cardholder's transaction file.
 - b) For USAID/W, cardholders must log the disputed transaction in Phoenix so that the charge does not require reconciliation against an obligation. **The status of the transaction in Phoenix will indicate that it is a disputed charge.** When the credit is

received from the vendor, the credit is applied to the disputed transaction. Every disputed charge must be matched to a credit within 60 calendar days in order to comply with Treasury rules related to suspense account transactions.

Both Missions and USAID/W cardholders must include a copy of an affidavit from Citibank concerning the dispute with the cardholder's transaction file.

Step 4: The cardholder submits the information to the Approving Official for review and approval.

- a. For Missions, the cardholder must print and sign the E-Statement of Account and forward the original with all supporting documentation, including documentation related to disputes and credits to the Approving Official for review and signature within five business days (total CH processing time including Approving Official's approval) of receipt or system notification.
- b. For USAID/W, cardholders perform the following actions in Phoenix: (1) reconcile each charge (match charge to the applicable Phoenix obligation), (2) suspend a charge, or (3) resolve rejected charges. Once each charge is "reconciled" in Phoenix, the Approving Official receives an email that the charges are ready for approval in Phoenix.

Step 5: The Approving Official performs the review and approval process.

The Approving Official review and approval includes the following:

- Reviewing the cardholder's Buying Log and the E-Statement to verify that all purchases had proper approval (the Approving Official's signature on the Buying Log), and that items arrived in a timely manner in the quantity and quality ordered or services were rendered satisfactorily. NOTE: For overseas Missions, receipt of good ordered from the U.S. may take longer. Therefore, various methods should be applied to verify delivery in the interim (i.e. confirmation from Dispatch Agent or a proof of delivery to the pouch address) with subsequent proof of delivery occurring when the goods are actually received (see DBO invoice and payment process below for Treasury Regulations).
- Verifying that all purchases made were in the interest of the Government, that all purchases complied with FAR provisions and mandatory sources of supply requirements, and were within the cardholder's limitations for cumulative monthly expenditures and single-purchases.
- If the cardholder disputes a transaction, verifying that the Government cardholder Dispute Form was completed and faxed to Citibank. (See Section X.) A copy of the form must be placed in the file.
- Verifying that all sensitive, pilferable, and other accountable property purchases on the E-Statement have been bar coded and entered into the Agency inventory system.
- Confirming that charges on the E-Statement (in Phoenix for USAID/W only) were reconciled within five business days of receipt.
- Confirming that the E-Statement will be forwarded to the DBO, *i.e.*, the Chief Financial Office, Cash Management and Payments Division (M/CFO/CMP) for

Washington or the Mission Controller, for reconciliation against the Corporate Invoice and for payment.

- For Missions, the Approving Official approves the reconciled transactions and then forwards them to DBO for payment to the vendor. For USAID/W, the Approving Official approves the “reconciled” charges in Phoenix at which time the system codes the charges as “accepted”.

All five steps (from obtaining the e-statement to file reconciliation and Approving Official review and signature) must be completed within five business days of receipt of the email notification from Phoenix (for USAID/W) or of monthly E-Statement of Account (for Missions). NOTE: Any remaining unliquidated obligation balance that is no longer needed must be deobligated in a timely manner (see ADS 621, Obligations).

B. Rebate Checks

Citibank issues a consolidated quarterly rebate check² to M/OAA/SSG. M/OAA must immediately forward the check to the Chief Financial Office, Central Accounting and Reporting Division (M/CFO/CAR) for deposit and posting to USAID Working Capital Fund (WCF) - No Year account³. For information on the use of funds derived from credit card rebates, please refer to [ADS 635.3.3](#).

7.2 The DBO Invoice and payment requirements

The billing office must register its purchase card account with the Agency’s 16-digit corporate account number before the office may gain access to Citidirect (**For Internal Use Only**, <https://pages.usaid.gov/node/2516>). These actions are critical in the proper management of each Bureau and Mission’s Purchase Card Program.

Payment is made against the Citibank Corporate account and not the individual cardholder accounts. Therefore, all payments must use the proper Phoenix vendor code which must reference the 16-digit corporate account number to ensure proper payment application by Citibank.

Payment must be made in accordance with the terms and conditions of the Citibank contract, which includes a requirement for all payments to be initially paid in full irrespective of the dispute process.

NOTE: The U.S. Department of the Treasury has waived the requirement that goods or services be received and accepted and that all account statements be received prior to making payment (see [Treasury Financial Manual, Volume I, Part 4, Chapter 4500](#), Section 4535—Review and Approval of Billing Statement for Payment).

Payments for Government Card invoices must be received by the payment due date as identified within the invoice⁴ (see ADS 630 Payables Management). **Payments not received in**

² Treasury Regulations and OMB Circular A-123 Appendix B use the term “refund” for sales and productivity refunds/rebates

³ Treasury Account Symbol (TAS) 72X4513 Fund Code WC-X.

⁴ The Prompt Payment Act deems that an invoice is received on the date that it becomes available on the electronic access system. If the Agency fails to annotate an invoice with the date of receipt, then the date placed on the invoice by the contractor is the receipt date.

accordance with the Prompt Payment Act will be assessed Prompt Payment Act interest as specified in the Prompt Payment Act.

7.3 The DBO Payment Process

Citibank invoices each DBO (USAID payment office) for purchase card accounts on a monthly billing cycle (the 25th of the month) using the Corporate Invoice. Once invoices are issued, Citibank sends email notifications to the DBOs. Each DBO, depending on whether it is located in USAID/W or overseas will adhere to the following procedures:

- a. In Missions, the DBO (i.e. the Mission Controller payment office) downloads the invoice from [Citidirect](#), Citibank's electronic access system, and reconciles the corporate account statement with the cardholder approved statements. The DBO then enters the full invoice in Phoenix⁵ for full payment, charging individual obligations to which the charges apply. The Mission Authorized Certifying Officer approves the payment in Phoenix. Payments are then certified by M/CFO/CMP on a daily basis and transmitted to Treasury for payment.
- b. In USAID/W, the DBO (i.e. M/CFO/CMP) generates the consolidated vendor invoice when all cardholder charges are uploaded to Phoenix⁶ (see 7.1 above). The consolidated vendor invoice is then automatically placed in the payment certification queue. Authorized Certifying Officer for M/CFO/CMP certifies worldwide payments on a daily basis at which time payment request files are sent to Treasury for payment.

The Citibank Purchase Card Corporate Invoices must be paid as soon as possible after the billing statement is made available to qualify for early payment rebates. Therefore, it is critical that cardholders and Approving Officials reconcile and approve the "reconciled" charges in Phoenix within five business days of receipt of email notifications from Phoenix (see 7.1 above).

7.4 Purchase Card Payment Methods

In accordance with both the Treasury's Regulations and contract payment terms, purchase card payments must be made using Electronic Funds Transfer (EFT) as follows:

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

In the unusual event EFT is not used, payment must be made as follows, ensuring clear instructions to Citibank to apply the payment to the Corporate account –

Check Payments:

⁵ Mission payment offices use vendor code CITIPCARDM, address line XXXXX, vendor code field XXX, 16-digit corporate credit card account number.

⁶ The USAID/W payment office uses vendor code CITIPCARDW, address line XXXXX, vendor code field XXX, 6-digit corporate credit card account number.

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

7.5 Monitoring and resolution of pending charges, disputes, and credits

Charges remaining as pending (disputed or rejected), must be monitored and resolved as soon as possible to ensure timely resolution of disputed items and proper accounting in Phoenix. All participants on the purchase card program play an active role in this process:

Cardholders perform timely review and reconciliation of all charges and, when necessary, promptly initiate the disputes process. Approving Officials approve the reconciled charges within the established timeframes and monitor cardholder's progress on resolution of pending items. DBOs are responsible for timely payment to ensure early payment rebates are maximized.

M/OAA/SSG, M/CFO/CMP and M/CFO/CAR⁷ are responsible for the coordination, reporting, and follow up with the USAID/W cardholders on the resolution of the charges remaining in the Credit Card Reconciliation Statement module and Phoenix BC-X-CC Suspense Account.

Mission EXOs, or other individuals performing the Approving Official's functions, and Controllers are responsible for the coordination, reporting, and follow up with the Mission cardholders on the resolution of the charges remaining in the Credit Card Reconciliation Statement module and Phoenix BC-X-CC Suspense Account.

M/CFO/CAR is responsible for providing a quarterly report to the CFO of the available rebate funds in 72X4513 fund Code WC-X.

7.6 Delinquent Accounts

a. For Overseas Missions: The APC will suspend any delinquent purchase card account or managing account on the 61st day past the receipt date of the E-Statement of Account. Cardholder or managing accounts that incur repetitive delinquencies are subject to account closure.

b. For AID/Washington: M/CFO/CMP will issue a delinquent email notification to cardholders if the reconciliation has not been accomplished within 30 calendar days after billing statement date. If the account remains in a non-reconciled status on day 45 (minus pending merchant credits or disputes), the account will be deactivated until it is reconciled. If the account extends beyond 60 calendar days un-reconciled, the Approving Official account (which consists of all assigned cardholders) may be suspended until the reconciliation has been completed. If an

⁷ Bureau for Management, Office of Chief Financial Officer, Central Accounting & Reporting Division.

Approving Official account is suspended a second time within a 12-month period, all cards under the Approving Officials purview will be canceled.

SECTION VIII – DISPUTES

Reasons for disputing a transaction may vary from dissatisfaction with the goods or services to non-recognition of the merchant or charge. Cardholders may dispute the entire charge or only a portion of it (*i.e.*, disputing the overcharged amount and not the entire charge). In all cases, the cardholder must first attempt to resolve the dispute directly with the vendor.

The following are examples of disputes:

- a. Incorrect or altered transaction amounts
- b. Canceled transactions not credited on the account
- c. Duplicate transactions
- d. Products/services ordered but never received
- e. Canceled recurring transaction (such as a subscription)
- f. Credits never received
- g. Invalid transactions
- h. Shipping one item but billing for another

All disputed transactions **must initially be paid in full**, and the cardholder waits for the vendor to issue credit back to the card account. Phoenix users in USAID/Washington must reconcile credits to corresponding disputed charges. When a cardholder receives a credit from a vendor, the cardholder must post the credit back to the disputed transaction in Phoenix. If attempts to resolve the dispute with the vendor are unsuccessful or if attempts to contact the vendor are unsuccessful (e.g., if the cardholder cannot recognize the vendor or contact information is not available), the cardholder must initiate the following dispute process with Citibank.

Note : Disputes processed in Phoenix are not considered valid unless the cardholder has followed the proper dispute process with Citibank.

Step 1

The cardholder must contact Citibank's Customer Service Representative via telephone at (800) 790-7206 or (904) 954-7850. **The cardholder must submit all unresolved disputes at the vendor/cardholder level to Citibank as soon as possible but no later than 60 calendar days after receipt of the invoice on which the charge(s) first appeared.** After 60 calendar days, the cardholder relinquishes the right to dispute a charge. (Sales tax, if incurred, is not a disputable charge.)

Step 2

Citibank will advise the cardholder regarding the next steps in disputing the charge. The bank will normally require the cardholder to download and complete a [Transaction Dispute Form](#) and fax the signed copy to Citibank at **(605) 357-2019**. Citibank may require cardholders to complete an affidavit as well, depending on the nature of the dispute.

The cardholder must also provide a copy of the Dispute Form and the affidavit, if applicable, to the DBO and the Approving Official. The cardholder must retain a copy of the completed Dispute

Form, the affidavit - if applicable, and the fax transmittal sheet showing receipt of the dispute paperwork by Citibank as part of the supporting documentation.

Step 3

Citibank acknowledges the cardholder's initiation of a dispute via a letter to the cardholder and on the E-Statement of Account. Citibank suspends payment of the disputed amount with a provisional credit, confirming that the charge need not be paid pending the outcome of the dispute process.

Step 4

Based on the cardholder's statement of the dispute and the vendor's response, Citibank resolves the dispute in accordance with the Visa association operating regulations. If the resolution favors the cardholder, the bank removes the charge from the account and all related reports will reflect the removal. If the resolution favors the vendor, the cardholder receives a letter explaining the decision. The disputed charge would be reinstated on a subsequent E-Statement, along with a dispute resolution message.

If a vendor does not respond to Citibank within 45 calendar days regarding a disputed transaction, the dispute is automatically resolved in favor of the cardholder.

The cardholder must download the dispute form and attach it and the dispute resolution letter to the next E-Statement as supporting documentation in the reconciliation process.

Step 5

The cardholder must track future statements for any credits resulting from a dispute and coordinate closely with the DBO. If the credit does not appear on a statement in a timely fashion, the cardholder must contact Citibank directly to address it. The cardholder must also inform the DBO of the status of the dispute and related credit, if applicable. The DBO will track the dispute on the Corporate Invoice.

Note : Every disputed charge must be matched to a credit within 60 calendar days of the receipt of the invoice in order to comply with [Treasury rules](#) on the suspense account transactions. To accomplish this, the cardholder must follow up on incorrectly billed items with the merchant immediately after the receipt of the invoice. If attempts to resolve the differences with the vendor are unsuccessful, the cardholder must initiate a transaction dispute with the Citibank as soon as possible.

Reference: [Citibank Transaction Dispute Form](#)

SECTION IX - LOST OR STOLEN CARDS

9.1 General

Cardholders must **immediately** report lost or stolen account numbers and cards to Citibank, their Approving Official and the APC. Citibank Customer Service Center representatives are available 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 this is:

Citibank Customer Service

U.S. Calls: (800) 790-7206

International Calls: (904) 954-7850 (Call Collect)

Within five business days after discovering the card is missing, the cardholder must email a written statement to the Approving Official 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 specified on the card;
- The date and location of the loss or when the card was last in the cardholder's possession;
- The date and time the cardholder notified Citibank Customer Service;
- Any purchases made immediately prior to or on the day the card was lost or stolen; and
- Any other pertinent information.

Citibank mails a replacement card with a new account number to the APC within 48 hours of a notification of loss or theft. The APC delivers the card to the cardholder in person or by Express Mail.

If unauthorized charges occur, the cardholder must dispute them (see Section VIII) and complete and fax an affidavit to the bank detailing the unauthorized charges.

If a card is located after the cardholder reported it lost or stolen, cut it in half and discard it.

Report Internet phishing scams or other electronic activity that appear to be fraudulent to Citibank's security team at: spooof@citicorp.com.

9.2 Liability

Upon notification of the loss or theft of a purchase card, Citibank immediately blocks additional charges against the card. Prompt notification relieves the cardholder and USAID of any financial liability resulting from the unauthorized use of a lost or stolen card.

SECTION X - PURCHASE CARD ANNUAL REVIEW

10.1 Background

Under the USAID Purchase Card Program, the Bureau for Management, Office of Acquisition and Assistance, Systems Support & GLAAS Division (M/OAA/SSG) and the SCO/RCO for each overseas Mission must conduct an annual review of cardholder records after the end of each fiscal year. The annual review allows USAID to continually improve program operations and ensure that cardholders and Approving Officials comply with established policies, regulations, and operating procedures. This section provides an overview of the annual review process and provides a standardized approach for performing the review.

10.2 Overview of Annual Review Process

M/OAA/SSG (typically, the APC or other M/OAA/SSG staff members, as needed) will conduct annual reviews for all B/IOs in USAID/W after the end of each fiscal year. The SCO/RCO or another Mission contracting officer, as designated by the SCO/RCO, must review the previous fiscal year's purchase card activity in the first quarter of the new fiscal year and report the findings to M/OAA/SSG at Smartpay2@usaid.gov by December 31 each year. The APC uses the reports to summarize the findings and propose solutions to enhance operations and ensure proper compliance.

The annual review process involves:

- Reviewing a random sampling of the records of each cardholder,
- If necessary, Interviewing the program participants,
- Documenting any findings, and
- Certifying the completion of the annual review process.

See 10.3.C for a discussion of the individual steps in the process.

10.3 The Annual Review

A. Schedule

Washington-based cardholders and the Approving Officials will be notified via email, of the upcoming scheduled review date, at least 14 calendar days in advance (Exhibit 1). The APC will either conduct the inspection at the Billing Official's location or request the files to be delivered to a specified location for review.

Cardholders are considered non-compliant if requested files are not received by the suspense date. When this happens, the account will be deactivated until the files are provided as requested. Thus, if a cardholder cannot provide the requested information on time (e.g., the cardholder is out of the office, in training or is transferring to an overseas location), either the cardholder or the Approving Official must request an extension of the suspense date. The APC has the final authority to grant or reject such a request.

Each SCO/RCO determines how to handle the annual reviews of purchase cards in their Mission but must, at a minimum, provide cardholders with a 14-day advance notice.

B. Format

Standardized formats have been developed to facilitate the annual review process. They are discussed below and can be found in Exhibit 1.

Part I - USAID Annual GPC Surveillance Review Checklist (Exhibit 1, Attachment 1):

M/OAA/SSG or SCO/RCO at each respective Mission must complete a checklist for each individual cardholder. In the initial review of each cardholder's records, assessors must use the USAID Annual GPC Surveillance Review Checklist to determine compliance with policies, regulations, and procedures.

Such compliance includes whether:

- The purchase card was used for authorized purchases only;

- Requirements were not split to circumvent authorized spending limits;
- Cardholder files contain adequate supporting documentation
- Cardholders routinely review “Required Sources of Supplies and Services;”
- State and local sales tax is not being incurred in the United States;
- Cardholder reconciliation, review, and approvals are taking place in a timely manner (within five business days total for the cardholder and the Approving Official); and
- Adequate funding is obtained in advance of each purchase, including shipping and handling charges.

Part II - Summary of Findings (Exhibit 1, 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, and interviews with Purchase Card Program participants. The end of the form addresses best practices and recommendations for improving the Purchase Card Program.

Part III- Certification of Completion of Purchase Card Annual Review (Exhibit 1, Attachment 3): The cardholder and Approving Official must sign and date this form to certify the completion of the Purchase Card Annual Review. The cardholder, Approving Official, and M/OAA/SSG (or the SCO/RCO) must retain the entire surveillance review package for a minimum of six years.

C. Steps in the Purchase Card Annual Review Process

In order to conduct a successful Purchase Card Annual Review, M/OAA/SSG or the SCO/RCO for each Mission must randomly sample cardholder records and document the findings.

There are several steps in conducting the annual review.

Step 1. Select and Review a Representative Sample of Records

M/OAA/SSG or the SCO/RCO for each Mission select and review a representative sample of the records of each of the cardholders under their purview. The number of records selected must be large enough to provide an adequate sampling of purchase card operations within the Bureau or Mission. The assessor must document pertinent information related to the sample selected in the space provided on the Annual Review Checklist and the Summary of Findings (the number of records selected, the names and individual account numbers of the Approving Officials and the cardholders, the individual cardholder’s single and monthly purchase limits, and the total number of cardholder records reviewed).

Transactions that require further review must be addressed in the Memorandum of Questionable Transactions (Exhibit 1, Attachment 4).

Step 2. Conduct Interviews

M/OAA/SSG or the SCO/RCO for each Mission may conduct short interviews with the Approving Officials, cardholders, and the budget or finance officer to discuss how the Purchase Card Program and related procedures are working. The interviews provide valuable insights into the Bureau and Mission’s implementation of operational procedures and may result in

recommendations for program improvements. Assessors should solicit both positive and negative comments.

Step 3. Complete the Purchase Card Annual Review Checklist

The APC or the SCO/RCO must complete the Annual Review Checklist (Exhibit 1, Attachment 1) for each cardholder, addressing each of the review criteria in the Checklist and documenting the findings.

Step 4. Complete the Summary of Findings

The APC, M/OAA/SSG or the SCO/RCO must document areas of non-compliance and recommendations for improvement of the Purchase Card Program on the Summary of Findings (Exhibit 1, Attachment 2). Here the assessor must summarize any areas of concern or problems found during the review and discuss the steps required to correct the areas of non-compliance. Assessors are encouraged to cite specific examples whenever possible, and address general or miscellaneous areas not addressed on the Review Checklist.

Step 5. Complete Certification of Completion

Cardholder, Approving Official and the assessor sign the Certification of Completion (Exhibit 1, Attachment 3).

Step 6. Mission Submission of Review to M/OAA/SSG

The SCO/RCO for each Mission submits the USAID Annual Surveillance Review Checklist for each cardholder, the Summary of Findings, and the Certification of Completion to M/OAA/SSG at Smartpay2@usaid.gov by December 31.

Step 7. Corrective Action, As Indicated

The APC, M/OAA/SSG or the SCO/RCO for each Mission must initiate corrective actions as the findings of the Annual Review dictate. The SCO/RCO must advise M/OAA/SSG of the outcome of such actions in their respective Missions.

Step 8. Retain a copy of the Annual Review Surveillance Package for six years.

SECTION XI – APPENDIXES

APPENDIX I: Definitions

account deactivation

A method of temporarily blocking a Purchase cardholder's ability to make transactions using the purchase card without canceling the account altogether.

authorization

The process of verifying at the point of sale that a purchase being made using a purchase card is allowable given the requirements, prohibitions, and controls established by the agency/organization for the card.

billing cycle purchase limit

The monthly spending limit for a Purchase cardholder in a billing cycle. An Organization Program Coordinator or Approving Official determines this limit based on the organization's anticipated purchasing requirements.

bulk or recurring obligation

At the beginning of each month, the commitment processor or the Controller commits funds for each Purchase cardholder to use for purchases that month. As funds are depleted, the cardholder may request additional funds to cover requirement expenses. The funds in both cases are called the bulk or recurring obligation.

Cardholder Dispute Form

The Citibank form (CB003) a Purchase cardholder completes when he or she contests a transaction on the monthly E-Statement of Account and is unable to resolve the issue with the vendor. The document informs Citibank and the Designated Billing Office of the disputed transaction.

delinquency/delinquent account

A charge card account balance that is unpaid for more than 61 days past the statement date.

exception

Authorization to proceed with an acquisition outside of required sources when certain conditions apply.

Federal Prison Industries (FPI)

FPI is a required source for the Purchase Card Program. FPI (trade name UNICOR) produces items and provides services for Federal penal institutions and other Government organizations.

GSA ADVANTAGE!

An online system offering a streamlined approach to ordering from General Services Administration (GSA) catalogs and Federal Supply Schedules, available at <https://www.gsaadvantage.gov>.

GSA SmartPay

The U.S. Government's Purchase Card Program. The program provides U.S. Government cardholders a streamlined means to pay for commercial goods and services. The contract, referred to as the "Master Contract," is administered by the General Services Administration.

improper purchase

Any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include overcharges and undercharges.

On-Line Statement (OLS)

An Internet tool that allows Purchase cardholders, Organization Program Coordinators, and Designated Billing Offices (DBO) to access and download E-Statements of Account from the purchase card vendor's bank. The DBO accesses the Corporate Invoice through this tool.

Phoenix

USAID's single, Agencywide, integrated, core financial system.

sensitive and pilferable property

Durable assets that are readily portable and have significant resale value or significant potential for diversion to personal use. Examples include, but are not limited to: cell phones, digital cameras, iPods, MP3 players, GPS devices, special purpose flashlights, computer equipment, digital storage devices, televisions, DVD players, and protective clothing. Accordingly, such assets require inventory controls regardless of dollar value.

suspension

An action by Citibank that prevents a Purchase cardholder from using the card. It occurs when Corporate Invoices are past due.

tax exempt

Not subject to Federal, state, or local taxes.

waiver

An exemption from established rules. A Purchase cardholder must write an explanation to justify a waiver request when making an open market purchase if a required source also offers the product or service.

APPENDIX II: Training Requirements for Purchase Card Program Participants

Training requirements for Establishing a Cardholder or Approving Official Account

- [1. USAID Worldwide Government Purchase Card Training Course](#)
Each SmartPay® Cardholder must pass the USAID Worldwide Government Purchase Card Training Course. The cardholder must achieve a score of at least 80% on the quiz at the end of the CBT to receive the Certification of Completion. (The quiz may be taken a maximum of three times.) This online course is administered by USAID University's Learning Management System (LMS).
- [2. GSA SMARTPAY® Purchase Training For Account Holders](#)
Computer Based Training (CBT). A minimum score of 75% is required to pass. This online course is administered by U.S. General Services Administration (GSA).
- [3. Section 508 Training: Micro-Purchases and Section 508 Requirements](#)
This online course is administered by U.S. General Services Administration (GSA).
- [4. GLASS 103 Online - Purchase Card Order](#)
All prospective account holders are required to complete this course. The training is self-paced and is available at USAID University's Learning Management System (LMS). An instructor-led (virtual) version, is also available (Phoenix Overview) with limited offerings, and can be substituted for the online self paced version.
- [5. FCL-CM-2500, Category Management 101](#)
This is a virtual, instructor-led course available in Cornerstone OnDemand (CSOD). The course provides an overview of Category Management in the USAID context and provides students with several hands-on resources. The course is required for FAC-C and FAC-COR certifications. One CLP is available upon course completion.
- [6. FAC 889 Section 889: Prohibition on Telecomm & Video Equipment](#)
This is an online, self-paced course administered by Defense Acquisition University (DAU), in conjunction with the Federal Acquisition Institute (FAI).
- [7. Simplified Acquisition Procedures Training \(CON 2370\)](#)
Required only if the cardholders' single purchase limit will be above the micro-purchase threshold. This online course is administered by Defense Acquisition University (DAU), in conjunction with the Federal Acquisition Institute (FAI).
- [8. Phoenix General Overview \(Approving Officials and CHs in USAID/Washington only\)](#)
This is an online and self-paced course. The training is available at USAID University's Learning Management System (LMS). In addition to completing the training course, cardholders are required to obtain a Phoenix User ID and password for reconciling charges in Phoenix. An instructor-led (virtual) version, is also available (Phoenix Overview) with limited offerings, and can be substituted for the online self paced version.
- [9. Phoenix Credit Card Processes \(Approving Officials and CHs in USAID/Washington only\)](#)
This is an online and self-paced course available at USAID University's Learning Management System (LMS).

NOTE: Training participants will only receive a certificate if the score is 100%; otherwise, print a screenshot of the test score (passing score must be 75% or higher).

SECTION XII - EXHIBITS

EXHIBIT 1: SAMPLE MEMORANDUM

Suspense Date: TBD__

TO: Cardholders
Approving Officials
Supervisory **or Regional** Contracting Officers

FROM: M/OAA/SSG, Mark Morgan, GPC Agency Program Coordinator

SUBJECT: Purchase Card Annual Review

DATE: _____

Purpose: The primary objectives of a purchase card review are to assess (1) compliance with laws and regulations, (2) efficiency of operations, and (3) adequacy of internal or management controls to help prevent fraud, waste and abuse as specified in ADS 331.4. This memorandum serves as notification to the cardholder and Approving Official, of an upcoming review of Cardholder transactions that were conducted during FYxx.

Intent: The Agency Program Coordinator for the Purchase Card Program is responsible for ensuring compliance across the agency. While I recognize that in many cases purchase card related responsibilities are additional duties, it is imperative that we plan, execute, and administer all aspects of the Purchase Card Program in a manner that is efficient and reflects proper stewardship of taxpayer dollars.

Execution: To facilitate the annual review process, a copy of the USAID Annual GPC Surveillance Review requirements are attached. Failure to produce required documentation by the suspense date must result in account deactivation until such a time that documents can be produced.

All Bureaus must have annual reviews for the previous fiscal year purchase card activity. *Mission Supervisory or Regional Contracting Officers must conduct reviews for their procuring activities and make copies of their findings along with any supporting documentation. Contracting Officers are strongly encouraged to involve Post Approving Officials in the review of their individual cardholders and assist with the assessment of established internal controls, policies and procedures and recommended improvements. In the absence of the Contracting Officer, the Approving Official is authorized to complete the review; however, it must also be certified by the Mission Director. The final report must be sent to SmartPay2@usaid.gov.*

Your continued cooperation and support will help us to assess program effectiveness, make needed improvements to the program and standardize purchase card processes, whenever possible. Once files have been assembled, please contact Mark Morgan at (202) 916-2580 or mamorgan@usaid.gov for file retrieval.

Should you have any questions regarding the annual review process, please contact Mark Morgan or the Supervisory Contracting Officer, as applicable.

Attachments: <U:\Audits\GPC Program Annual Surveillance Review Checklist pol 1 14.pdf>

EXHIBIT 2: Bureau/Mission Request for Forced Authorization

BUREAU/MISSION REQUEST FOR FORCED AUTHORIZATION	
Use this template for each declined authorization request. 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 Declined Authorizations (purchases up to the micro-purchase threshold):	
Name of Cardholder:	
Last four digits of cardholder's account number:	
Name of Vendor and Merchant Category Code (MCC):	
Date of anticipated processing of charge by Vendor:	
Dollar Amount of Declined Authorization Request:	
Full explanation of the request:	
B. Declined Authorizations (purchases above the micro-purchase threshold but not exceeding \$25,000):	
Date of review of required sources completed:	
Explanation of determination of price reasonableness (if noncompetitive):	
C. Declined Authorizations (purchases of more than \$25,000):	
Name of Contracting Officer:	
Describe procurement competition. If not competed, attach copy of noncompetitive justification.	
D. Certification (Applicable to all Declined Authorizations above and below the Micro-Purchase Threshold):	
By submitting this request, I certify that the Cardholder for whom this declined authorization is being requested will adhere to all FAR and AIDAR requirements for purchases above the Micro-Purchase Threshold. For purchases below the Micro-Purchase Threshold, no additional certifications are required. This section must be digitally signed by the Approving Official requesting authorization for all declined transactions.	
PRINT NAME:	SIGNATURE:

BUREAU/MISSION REQUEST FOR FORCED AUTHORIZATION

(Continuation of explanation from previous page, as necessary. Please identify letter of item being continued.)

EXHIBIT 3: BUREAU/MISSION REQUEST FOR THRESHOLD INCREASE

BUREAU/MISSION REQUEST FOR THRESHOLD INCREASE	
TO:	Agency Program Coordinator
FROM:	[Insert Name of Requesting Mission or Bureau Approving Official]
DATE:	[Insert Date of Request]
A. Card Profile Information	
Name of Cardholder:	
Date Purchase Card Training Completed <i>(To include any applicable refresher training requirements):</i>	
Date Simplified Acquisition Training Completed <i>(For requests above the Micro-Purchase Threshold Only):</i>	
Attachments Required: <ul style="list-style-type: none">• Proof of Purchase Card Training (training must be completed within the specified Category 1 or Category II initial and refresher training requirements)• Proof of Simplified Acquisition Training (if request is above the micro-purchase threshold)	
B. Additional Requirement for Threshold Requests of more than \$25,000	
Name of Contracting Officer:	
C. 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.	
PRINT NAME and TITLE: _____	
SIGNATURE: _____	

D. Explanation and Justification of Need:

[Describe request in detail below and explain why the increase is necessary.]

EXHIBIT 4: Purchase Card Buying Log

For illustration only. You may download this form with built-in balance calculations at: (For Internal Use Only)

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)
Comments					Total Cost:		Remaining Balance:
Cardholder's Signature and Date:					Approving Official's Signature and Date:		

EXHIBIT 5: SAMPLE DELEGATION OF AUTHORITY

**U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
OFFICE OF ACQUISITION AND ASSISTANCE
PURCHASE CARD DELEGATION OF AUTHORITY**

Jane Doe (AFR/SP)

Pursuant to Section 103.3.9.5 of the Automated Directive System, I hereby delegate to **Jane Doe**, the authority to execute purchase card transactions at the limits established below:

Single Purchase Limit: **\$3,500**
Monthly Purchase Limit: **\$25,000**

This authority is limited to actions processed by use of the Government-wide commercial purchase card and may not be transferred, re-delegated, or otherwise used by anyone at any time.

The authority delegated herein is to be exercised in accordance with the **Federal Acquisition Regulations (FAR Part 13, Simplified Acquisition Procedures)** and the **USAID Worldwide Purchase Card Program Manual, ADS 331** as promulgated within USAID at the time this authority is exercised.

This delegation of authority must automatically terminate upon your separation from the agency, cancellation of the purchase card account, or upon a determination that you have misused your card.

Date

xxxxxxx, Chief, M/OAA/ACTS/SSG
USAID Bureau for Management
Office of Acquisition and Assistance

EXHIBIT 6: Boilerplate Standard Operating Procedures for Overseas Purchase Card Program

A. Requirements and Procedures for Operating Expense Procurements Using GSA Purchase Card (SmartPay)

1. There must be an obligation (funding citation). For micro-purchases, the Controller creates a monthly recurring obligation of a specific dollar figure and notifies the Approving Official by email 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 cardholder will place orders by email, Internet, fax, or telephone and charge the procurements against the monthly recurring obligation number and reservation control number. The cardholder must ensure that the Web site used for the acquisition is secure.

3. The cardholder will immediately enter each order into their Purchase Card Buying Log established in MS Excel. The entry must show the following:

- Order number (this consists of the month, year, and sequential number);
- Transaction date;
- Object class code;
- Funding appropriation (operating expense or purchase request);
- Control number;
- Funding reference (monthly recurring obligation number or purchase order number);
- Vendor's name;
- Amount of transaction that will be charged to the purchase card, including taxes and shipping, and a description of what was ordered;
- Date the charge appears on the Cardholder's E-Statement of Account;
- Date the goods are received; and
- Comments.

The Buying Log is located on a public directory so that the Billing Office and Property Division may input certain information (see next page).

4. The Executive Officer will send to the Office of Acquisition and Assistance at the Mission a copy of the order (**without the Purchase Card information**) or the confirmation document from the vendor to prepare customs clearance documents and for its records. In the case of commodities, M/MS/HMD will also receive a copy for its records.

5. At the end of the month, the Approving Official (or the EXO) will sort the data on the Buying Log by funding source and total the amounts charged to OE and program funds. The EXO will forward a copy of the monthly Buying Log to the DBO, who will adjust the estimated recurring obligation to the actual amounts 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 DBO.

6. The cardholder must download their E-Statement of Account from the Card Management System (CitiDirect E-Statement of Account), sign the statement, and have the Approving Official sign also. The designee in the DBO must download the Corporate Invoice on or about the 27th of the month. The cardholder must reconcile the E-Statement of Account - using the Buying Log,

other supporting documentation, along with the SF-1034 (voucher). The DBO designee compares the charges on the E-Statement of Account against the line items on the Corporate Invoice and makes payment to Citibank, always referencing the 16-digit corporate account number. All charges must be reconciled within five business days of the date the E-Statement of Account was downloaded from the electronic system.

7. Receipt of Commodities: The Personal Property Manager will be responsible for entering the receipt of commodities in the Buying Log in the Executive Office.

NOTE: The Buying Log must be configured so that only the Billing Office may enter statement information and only the Property Division may enter the receipt of commodities. If the goods do not arrive in a timely manner, normally three to six weeks for pouch users, the cardholder (or 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. All IT, sensitive and pilferable property must be immediately entered into the Agency's inventory system.

8. Receipt of Services: Once the requestor has signed the SF-1034 (voucher), he or she will send it to the EXO to enter into the Buying Log as acknowledgement of services 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. Normally, the EXO will have confirmation from the vendor that the merchandise has been shipped, and then payment may be made.

All transactions are paid against the corporate invoice in full. If a transaction is disputed, Citibank issues a credit back to the purchase card account. Once the credit is received from Citibank, the cardholder notifies the DBO, who then credits the funding back to the originating obligation.

If Citibank resolves the dispute in favor of the vendor, it issues a chargeback that reinstates the charge on the next statement of account, and the disputed charge is paid.

B. Procedures for Program-Funded Procurements using SmartPay

The procedures for program-funded procurements using the purchase card are generally the same as the OE-funded ones. The differences are:

1. The GLAAS requisition serves as the funds commitment for the cardholder to purchase requested items.
2. For services, the cardholder will provide a copy of the program-funded order (**without** the purchase card information) or the confirmation document from the vendor to the relevant procurement office and to the requestor for their records. For commodities, the EXO will provide the confirmation document to the Customs and Shipping Assistant so he or she may prepare customs clearance documents. Additionally, the EXO sends this document to the Personal Property Manager for their records.
3. The same receiving procedures apply when confirming that goods and services have been received.
4. All accountable property, e.g., IT and other sensitive and pilferable property, must be

immediately entered into the Agency's inventory system.

EXHIBIT 7: Documentation for Purchases Above the Micro-Purchase Threshold

I. DETERMINATION OF FAIR AND REASONABLE PRICE (Required for Purchases above the micro-purchase threshold)

A. Cardholder: _____ (Print Name)

_____ (Signature)

B. Requirement:

C. Competition/Quotes Solicited:

Vendor/Merchant	Small Business ⁸ (Y or N)	Date Solicited	Price Quoted	Selected for Award (Y or N)

If award will not be made to a small business, complete Section II, Justification for Other than Small Business, below.

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

	<p>Competitive Quotes (Multiple quotes solicited, multiple quotes received) (Choose one)</p> <p>_____ Lowest Quote was Selected</p> <p>_____ 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.)</p> <p>EXPLAIN:</p>
	<p>Competitive Quotes (Multiple quotes solicited, only one quote received.) (NOTE: All selections below require further explanation.)</p> <p>Per FAR 13.106.3, the price is determined to be fair and reasonable based on:</p> <p>_____ Market Research;</p> <p>_____ Comparison of proposed price with prices found reasonable on previous purchases;</p> <p>_____ Current price lists, catalogs, or advertisements. (inclusion of a price list, catalog, or advertisement does not, in and of itself, establish fairness and reasonableness of the price);</p> <p>_____ Comparison with similar items in a related industry;</p> <p>_____ The Cardholder's personal knowledge of the item being purchased;</p> <p>_____ Comparison to an independent Government estimate;</p> <p>_____ Other reasonable basis.</p> <p>EXPLAIN:</p>

⁸ **REMINDER:** Orders above the micro-purchase threshold for purchases in the United States or its outlying areas are set aside for small businesses (see FAR 19.5).

	<p>Only One Quote Solicited. Per FAR 13.106-3(b)(3), you must explain the absence of competition:</p> <hr/> <hr/> <hr/>

II. JUSTIFICATION FOR PURCHASE/ORDER FROM OTHER THAN SMALL BUSINESS (Required for a purchase/order in the United States or its outlying areas above the micro-purchase threshold when such a purpose/order was placed with other than a small business (see 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, and the purchase card is being used to make payment.
- Subscription/publication (must be purchased from the publisher).
- The item is proprietary in nature and could only be provided by one source, which is not a small business.
- An effort was made to contact small businesses, but a small business could not be located.
(Describe efforts.)
- Other.

EXPLAIN:

EXHIBIT 8: Sample Letter of Appointment

Approving Official (Primary/Alternate)
USAID Worldwide Purchase Card Training Program

TO: _____

FROM: Mark Morgan, Agency Program Coordinator

SUBJECT: Approving Official Responsibility

DATE: _____

You have been appointed as the Approving Official for the cardholders assigned to you. As the Approving Official, your understanding and familiarity with the Federal Acquisition Requisition (FAR) Part 13; ADS 331, Simplified Acquisitions, Micro-Purchase, Use of the USAID Worldwide Purchase Card; and the USAID Worldwide Purchase Card Program Manual is critical to you successfully carrying out your responsibilities. Properly discharging your duties and responsibilities as an Approving Official minimizes the risk of Purchase Card fraud and subsequent disciplinary action.

Approving Official Duties and Responsibilities:

1. Nominate Cardholder(s), determine their single purchase/monthly limits, and facilitate the appropriate use of the card for purchases of goods and services.
2. Ensure prospective Cardholder completes required forms needed by the Agency Program Coordinator (APC) in order to issue a purchase card.
3. Ensure that each Cardholder verifies that funding is available prior to making a purchase. This is done by bulk funding/recurring obligation or for each individual purchase using the GLAAS requisition.
4. Reviewing and approving the cardholders' transactions under their purview to ensure the transaction is legal, proper, mission essential, and in accordance with the purchase card policy.
5. Communicate all changes relating to a Cardholder's profile to the APC (e.g., position transfer or separation from the agency).
6. Review and approve the individual Purchase Card E-Statement of Account within five business days of receipt of Cardholder statement.
7. Assist the Cardholder in resolving any order transaction disputes and ensure that the Cardholder files a dispute form within 60 calendar days of the E-Statement of Account date in which the charge appeared. A copy of the dispute form must be submitted to the Approving Official during the monthly reconciliation process.
8. Report any misuse of the purchase card to the APC or OIG in a timely manner.

9. Ensure that your Cardholders are not splitting a requirement to stay within the micro-purchase threshold **or to circumvent the established limits stated in the cardholders Delegation of Authority.**
10. Retain access to copies of E-Statement of Accounts and other supporting documentation for six years.
11. Establish specific procedures for maintaining security of the card.
12. **Develop Bureau/Independent Office (B/IO) or Mission Standard Operating Procedures (SOP) for its Purchase Card Program and assume responsibility for the day-to-day operations and oversight of the program.**
13. Ensure that a standardized operating procedure (SOP) is in place within 30 calendar days from the date of the implementation of SmartPay3. A copy of the SOP must be submitted to the APC for audit purposes. A template standard operating procedure is located under the **Exhibit 6** of this Manual.
14. Approve all charges in Phoenix for USAID/W users. For Missions that are not using the electronic reconciliation system in Phoenix, the cardholders must reconcile all charges, obtain Approving Official's approval and then forward them to the voucher examiner in the DBO for certification and payment at the corporate level.
15. Complete all training and/or refresher training as specified under **Section 3.2** of this Manual.
16. Confirm with the Cardholder that all sensitive and/or pilferable property has been barcoded and entered into the Agency's inventory system (USAID/W only). The Approving Official overseas is expected to follow the regulations as outlined in ADS 534, Personal Property Management Overseas.

ACKNOWLEDGEMENT

Your signature below confirms that you accept this appointment and agree to comply with all duties, responsibilities, and limitations outlined in this letter.

Approving Official Signature

Date

RECEIPT OF THIS APPOINTMENT IS HEREBY ACKNOWLEDGED

Agency Program Coordinator Signature

Date

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