

USUHS
Government Purchase Card SOP & Users Guide

THE
UNIFORMED SERVICES UNIVERSITY
OF THE
HEALTH SCIENCES

GOVERNMENT PURCHASE CARD SOP
AND
USERS GUIDE

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TABLE OF CONTENTS

SECTION 1 – PURPOSE	1
SECTION 2 – INTRODUCTION	2
SECTION 3 - ACRONYMS AND DEFINITIONS	3
SECTION 4 - ESTABLISHING A PURCHASE CARD ACCOUNT	4
Purchase Card Account	4.1
Convenience Checks	4.2
SECTION 5 – RESPONSIBILITIES	5
Agency Program Coordinator	5.1.1
Approving/Billing Official	5.1.2
Cardholder	5.1.3
DoD Purchase Card Contractor	5.1.4
Head of Contracting Activity	5.1.5
Payment Office	5.1.6
Requesting Activity	5.1.7
SECTION 6 – FUNDING	6
Individual Funding Procedures	6.1
Bulk Funding Procedures	6.2
Bulk Funding Payments	6.3
FMG Procedures Exhibit	6-1
SECTION 7- PROCEDURES FOR THE USE OF THE PURCHASE CARD	7
Authorized Purchases	7.2
Categories of Purchasing	7.3
Prohibited Purchases	7.4
Purchases Requiring Prior Approval	7.5
Special Consideration	7.6
Required Priority of Sources	7.7
Rotating Sources	7.8
Purchase Card Procedures	7.9

USUHS
Government Purchase Card SOP & Users Guide

SECTION 8 - DELIVERY & RECEIVING PROCEDURES	8
Delivery Address	8.1
Receiving	8.2
SECTION 9 - RECONCILIATION OF THE CARDHOLDER STATEMENT	9
Pay and Confirm	9
Cardholder Procedures	9.1
Billing Officials Certification	9.2
Billing Errors, Disputes & Credits	9.3
SECTION 10 - CARD SECURITY	
Card Security	10.1
Lost/Stolen Card	10.2
Unauthorized Purchases/Careless Use of the Purchase Card	10.3
Separation of Cardholder	10.4
Card Reissue	10.5
SECTION 11 – SURVEILLANCE	11
Surveillance Procedures	11.1
Violation of Procedures	11.2
SECTION 12 - C.A.R.E. CUSTOMER AUTOMATION AND REPORTING	12
What is it?	12.1
Transaction Management	12.2
C.A.R.E Access Instructions	12.3
SECTION 13 – CONTACTS	13
ANNEXES	A-1 thru A-17

USUHS
Government Purchase Card SOP & Users Guide

SECTION 1 - PURPOSE

1.1 The purpose of this standard operating procedure (SOP) is to establish and prescribe procedures and delineate responsibilities for the use of the Government Purchase Card (GPC) within the departments of The Uniformed Services University of the Health Sciences.

1.2 These procedures supplement the Cardholder and Billing Official Instructions distributed by the card provider (currently U. S. Bank I.M.P.A.C. Card Services) at the time the cards are issued. In the event there is a conflict between the USUHS procedures and the card providers' instructions, the USUHS procedures take precedence. The terms and conditions of the contract between General Services Administration and the card provider take precedence over any other procedures.

SECTION 2 - INTRODUCTION

2.1 In pursuit of improved program support and re-engineering of government business practices, the Secretary of Defense has directed that all Department of Defense (DoD) components participate in the Government Purchase Card Program (GPC) for Simplified Acquisitions. For the purpose of this user's guide, simplified acquisition is any authorized purchase less than \$2500.00.

2.2 The Department of Defense has determined that the Government purchase card provides an efficient, low-cost procurement and payment mechanism that significantly reduces the burden associated with traditional DoD federal procurement and payment process.

2.3 Use of the purchase card shortens the time between need and acquisition; it expedites vendor payment, streamlines ordering and invoice processing, provides management with monthly reports for oversight and establishes an audit trail of all purchases. However, the purchase card does not reduce the manager's responsibility for sound internal controls and accountability or compliance with applicable rules, regulations and laws.

SECTION 3 - ACRONYMS AND DEFINITIONS

The following are some of the acronyms and definitions used in this procedure.

- A. Automated Data Processing Equipment (ADPE): All equipment associated with automated data processing including, but not limited to, computer hardware, software, facsimile machines, printers, scanners, etc.
- B. Agency Program Coordinator (APC): This individual serves as the USUHS liaison between the bank and the cardholder.
- C. Authorization: The process of verifying that a purchase is made within the established cardholder limits set with the bank. The merchant does this at the point of sale
- D. Billing Official (BO): The official appointed by the Department Chairperson who is responsible for the overview of one or more cardholders.
- E. Billing Cycle: The period of time (usually 30 days) in which all accumulated merchant charges or credits are posted by the bank to the cardholders account. The billing cycle period for USUHS is from the 6th of each month to the 5th of the following month.
- F. Cardholder: The person to whom a purchase card is issued for purposes of making authorized government purchases.
- G. Contracting Directorate (CTR): The Directorate of Contracting has overall responsibility for administration of the Government Purchase Card program within USUHS.
- H. Director of Contracting: The Director of Contracting designates an individual to serve as the Agency Program Coordinator for the Purchase Card Program, administers the program and delegates specific procurement authority to cardholders.
- I. College and University Financial Management System (CUFS): The computer system used by USUHS for entering and tracking purchases and accounting data.
- J. Customer Automation and Reporting Environment (C.A.R.E.): An electronic interface furnished by the bank that will provide functional capabilities in transaction management. (not yet available)
- K. Defense Accounting Office (DAO): The Defense Finance and Accounting Service (DFAS) that provides accounting and paying services for USUHS. DFAS Denver is our DAO.

USUHS

Government Purchase Card SOP & Users Guide

L. Disputes Official (DO): The individual responsible for resolving billing discrepancies which cannot be resolved by the cardholder, Billing Official or APC. The disputes official at USUHS is the Director of Contracting.

M. Financial Management Office (FMG) /Financial Services Office (FSO): The Financial Management office is responsible for establishing bulk funding accounts, consolidating certified billing statements for payment by DFAS and posting expenses to correct funding accounts.

N. International Merchant Purchase Authorization Card (IMPAC): The current purchase card used Government wide and provided by USBICS. The abbreviation, "I.M.P.A.C." is printed on all purchase cards and most forms issued by the bank.

O. Merchant Activity Type Code (MATC): Each merchant is categorized according to the type of business in which the merchant is engaged and the kinds of goods and services provided. The codes are used to limit actions that are unauthorized for that cardholder.

P. Paying Office: The Paying Office responsible for USUHS Purchase Card payments is Defense Finance and Accounting Service-DENVER (DFAS-DE/OCU). This office makes payment after receipt of the certified statements from USUHS/Financial Management.

Q Purchase Limits: The maximum amount authorized by the APC for each cardholder and Billing Official. There are 3 different limits: Monthly Office Limit (MOL), Monthly Purchase Limit (MPL) and Single Purchase Limit (SPL).

1- MOL: This is the monthly amount authorized for a department based on the cumulative total of assigned cardholders to that department (i.e. 4 cardholders @ \$1000.00= \$4000 office limit)

2- MPL: This is the monthly spending limit imposed on a cardholder for cumulative purchases in a given month.

3- SPL: This is the single purchase limit authorized to the cardholder. Departments may not exceed this limit. The current limit for individual purchases is \$2500.00.

R. Statement of Account (SOA): The SOA is a monthly listing of all purchases made by the cardholder and any credits authorized by the bank. The SOA must be reconciled each month.

S. Statement of Questioned Items (SQI): This is the form used to claim credit for disputed items that cannot be resolved with the vendor.

T. Suspension: The process in which an ordering office or cardholder is suspended from making purchases with the purchase card due to delinquency of submitting statements, unauthorized use of card, or other serious violations of process or procedure.

USUHS

Government Purchase Card SOP & Users Guide

U. Tax Exemption Certificate Number: (Maryland Sales and Use) The tax-exempt number assigned to USUHS is 30005004 and must be provided by the cardholder to the vendor with each purchase so tax is not added to the bill.

V. U.S. Bank IMPAC Card Services (USBICS): U.S. Bank IMPAC Card Services is the current contractor selected by DoD to provide the Government Purchase Card. USBICS issues the purchase cards to cardholders, maintains all cardholder accounts, sends statements of account to cardholders and billing statements to Billing Officials, pays merchants and receives payment from DFAS.

SECTION 4 - ESTABLISHING A PURCHASE CARD ACCOUNT

4.1 Purchase Card Account

Activities supported by the USUHS Directorate of Contracting shall submit a written request through the Department Chair to the APC for the issuance of the purchase card (a form is provided at Annex A-6 for this purpose). In addition, an AF Form 4009 must be submitted to FMG to set up bulk funding (a form is provided at Annex A-9). A bulk fund account must be established **prior** to use of the card.

Typically cardholders are administrative, clerical, or laboratory support personnel, administrative assistants or officers who make purchases on behalf of program managers. The cardholder's supervisor or next higher level official will be the Billing Official. The Billing Official will have input into the cardholder's performance appraisal and is responsible for the reconciliation of each cardholder's statement under his/her authority. The cardholder cannot be the Billing Official for his own card or for his supervisor. The Billing Official will be a GS-11 or above.

All cardholders and Billing Officials are required to attend training prior to the cardholder receiving a purchase card. Phase 1 is a CD-ROM based training program and Phase 2 is a classroom session. Upon receipt of the request for purchase card, the APC will schedule and inform the cardholder of Phase 2 training session. The cardholder must take Phase 1 training, by CD-ROM, in the LRC and present the certificate of completion to the APC prior to receiving a purchase card. **BOTH TRAINING SESSIONS ARE MANDATORY.**

Individuals who have completed procurement courses such as Purchasing Fundamentals (PUR 101) or Contracting Fundamentals (CON 101) are only required to take the classroom session. The Director of Contracting may require additional training depending on the thresholds and circumstances of the card's use.

After completion of both training sessions, a purchase card application will be prepared and submitted by the APC. The cardholder will be given a written memorandum, Delegation of Authority, fully describing the types of purchases authorized, the monthly and single purchase limits authorized, identifying the Billing Official and verifying the funds to be used to pay for the purchases. Cards are sent directly to the cardholder from the bank. Cardholder must notify the APC when their card is received. The cardholder must also call the bank to activate the card.

USUHS
Government Purchase Card SOP & Users Guide

4.2 Convenience Checks

There may be cases where a vendor will not accept the Purchase Card. Convenience checks are available in Contracting and are only used to pay honoraria, subject pays, and for purchases where the vendor will not accept the Purchase Card. Requests for payment by convenience check must be entered into CUFS and will be processed through Contracting.

Departments that need frequent convenience checks may request a convenience check account. This request must be submitted through the cardholders Billing Official and Department Chair to the Agency Program Coordinator. The written request must include the department, cardholder name (or checkholder name if different than purchase cardholder), Billing Officials name, the anticipated number of checks required monthly, the usage (i.e. honoraria, subject pay, etc), and the highest estimated dollar amount for checks. There is a restriction on the number of checking accounts allowed by the bank; therefore careful consideration will be exercised in issuing checking accounts to departments

The bank charges a 1.7 % fee on the total amount of each check. This amount is included on the checkholders statement of account and billed to the departments bulk fund account. Checks are listed in the check register and balanced monthly upon receipt of the statement of account. Checks are listed on separate statements than Purchase Card purchases and appear as cash advances. The checkholder must also enter the check information, including the check fee, on the purchase register, keeping checks and charges separate. Checks issued to individuals require Social Security Numbers and home addresses. This information must be documented. The department is responsible for providing accurate information to Contracting so that IRS Form 1099's may be issued to each individual receiving more than \$600. A separate log sheet should be kept for these checks listing the name, social security number, home address and amount of check. This information is to be provided to Contracting on December 30th of each year.

SECTION 5 - RESPONSIBILITIES

5.1 Scope:

To delineate the responsibilities of the key personnel within the USUHS Purchase Card program.

A. Agency Program Coordinator (APC):

The APC is responsible for establishing cardholder accounts, issuing written Delegation of Authority for Credit Card Use to qualified individuals, training and surveillance of cardholder activities, termination of accounts and communications between the cardholder and the bank. The APC is Terry Zimmerman (301-295-3070).

B. Billing Officials:

The Billing Official is responsible for the following functions:

- (a) assuring cardholders perform purchasing functions in accordance with instructions issued by the Contracting Directorate,
- (b) certifying that funds are available prior to any purchase,
- (c) ensuring supplies and services purchased are in direct support of the mission,
- (d) reviewing the cardholders transaction logs,
- (e) signing the reconciliation of each cardholders statement of account,
- (f) signing and forwarding the completed billing statement to FMG for payment,
- (g) notifying the APC of any changes necessary to cardholders account.

BILLING OFFICIALS CAN BE HELD PECUNIARILY LIABLE FOR ANY UNAUTHORIZED PURCHASE OR MISUSE OF THE PURCHASE CARD.

C. Cardholders:

The cardholder is responsible for:

- (a) Ensuring that purchases are made in accordance with procedures issued by the Contracting Directorate,
- (b) Ensuring that funds are available **prior** to placing any order and the aggregate amount of each purchase is within the monetary limits (currently \$2500)
- (c) Handling disputes in a timely manner (before the next statement billing date),
- (d) Reconciling the statement of account (SOA) within the 5 day time frame and submitting it to the Billing Official (BO) for approval,

USUHS

Government Purchase Card SOP & Users Guide

(e) the cardholder is responsible for the security of the card. Report any loss or abuse of the purchase card to the Billing Official and APC immediately. Do not allow ANYONE else to use your card,

(f) Notifying the Agency Program Coordinator (APC) of any problems in using the purchase card,

(g) Ensuring the supplies and services purchased are in direct support of the mission.

D. DoD Purchase Card Contractor Responsibilities (U.S. Bank)

The contractor maintains all purchase card accounts, issues the purchase card to cardholders, sends statements of accounts to cardholders and billing statements to Billing Officials. The contractor also maintains and provides to the APC electronic reports, pays merchants and receives reimbursement from the servicing finance office (DFAS-DE/OCU).

E. Head of the Contracting Activity (Vice President for Resource Management):

(a) Appoints and warrants qualified personnel as Contracting Officers,

(b) Approves training course content and instructor qualifications,

(c) Authorizes and delegates to the Director of Contracting the responsibilities for administering the program and for delegating specific procurement authority for the Purchase Card Program to cardholders.

F. Financial Offices:

a. The Paying Office is responsible for USUHS Purchase Card Program payments. Defense Finance and Accounting Service - Denver (DFAS-DE/OCU) is the paying office for USUHS. This office makes payment after receipt of the certified billing statements from the University's Directorate of Financial Management.

b. The Financial Management and Manpower Directorate- Financial Services Office (FSO)- is responsible for establishing bulk funding and consolidating all certified billing statements.

G. Requesting Activities: (USUHS Departments and Activities)

Requesting activities are responsible to:

(a) provide justification for cardholder appointments,

(b) nominate qualified personnel as cardholders and Billing Officials

SECTION 6 - FUNDING

The Uniformed Services University of the Health Sciences has two (2) mechanisms for funding purchases. Individually funded transactions and bulk funded transactions. Individual funding is used for requisitions entered into CUFS and processed through Contracting. **Bulk funding will be used for the departmental cardholders placing orders using the Purchase Card.**

6.1 Individual Funding Procedures

Commodities listed under the Prohibited list, Prior Approval Required items that are declined, and orders exceeding the \$2500 threshold can only be purchased by submitting a departmental requisition into CUFS. These requisitions will be processed through Contracting after ancillary checks have passed. Funding for these transactions will be specified on the requisition and will not affect the bulk funding reserved for the Government Purchase Card

6.2 Bulk Funding Procedures

1. The head of each authorized department will submit an AF Form 4009, (attach #1) Fund Cite Authorization (FCA) to the Director, Financial and Manpower Management (FMG), requesting the establishment of an obligation for the purpose of making small purchases using the Purchase Card. The request will identify the quarterly amount needed; the area/organization to be charged and the cardholders authorized to make charges.

2. Upon receipt of the AF Form 4009, FMG will establish a folder for each requesting department and establish an encumbrance in CUFS for the entire amount indicated on the AF Form 4009. An advice number will be assigned and a copy of the request will be sent back to the department. **Cardholders must annotate this advice number (IMPACXXXXX) on the statement of account before submitting to their Billing Official for signature. The Billing Official must annotate this number on their invoice before submitting to FMG.**

6.3 Bulk Funding Payments

Financial Management has provided a Standard Operating Procedure for bulk funding payments. This is provided as exhibit 6-1.

SECTION 7— PROCEDURES FOR THE USE OF THE PURCHASE CARD

7.1 Without exception, the Purchase Card shall only be used to pay for authorized U.S. Government purchases. Improper or illegal use of the purchase card, including use of the card by other than the designated cardholder may be considered fraud, and may be subject to disciplinary action and possible criminal penalties. Use of the Government Purchase Card for all purchases less than \$2,500 is mandatory effective 01 October 1997.

7.2 Authorized Purchases

Warranted contracting officers and other designated contracting/purchasing personnel may use the Purchase Card to purchase supplies, equipment and non- personal services from commercial and Federal Supply sources up to the limits set by the Directorate of Contracting. Cardholders in contracting and purchasing must comply with FAR/DFAR regulations and procedures established in this SOP

Cardholders not assigned to the Directorate of Contracting (departmental cardholders) may use the Purchase Card to purchase authorized supplies, equipment and non-personal services. These purchases must be from commercial and Federal Supply sources and may not exceed the micro purchase level, which is currently \$2500. All such purchases shall be made in accordance with FAR Sub-Part 13.6, “Micro Purchase”, and Part 8, “Priorities for Use of Government Supply Sources” using oral solicitation procedures. The cardholder is responsible for ensuring all transactions are authorized following the procedures outlined in this Users Guide.

For purchases exceeding the micropurchase limit (\$2500), or for items unauthorized for purchase by departmental cardholders, requests must be submitted to Contracting by entering your requisition into CUFS. Contracting personnel will process these purchases.

7.3 Categories of Purchasing

There are three categories of supplies, services & equipment that may be purchased by using the Department IMPAC Purchase Card Program. The three categories are:

a. **PROHIBITED** - these types of supplies, services or equipment **cannot** be bought by the department **using the purchase card**. Due to restrictions or controls required by law or

USUHS

Government Purchase Card SOP & Users Guide

regulation, this category of purchases must continue to be ordered through the CUFS system and ancillary checks will be performed on the request. The request will be processed and purchased by Contracting.

b. **PRIOR APPROVAL REQUIRED** - these types of supplies, services, or equipment are restricted and must be pre-approved for purchase by the USUHS activity responsible for the type of commodity procured. This category includes property and pilferable items that must be accounted for. The approval may be obtained by e-mail. An E-mail distribution program has been established for this purpose. Instructions and E-mail addresses follow as exhibit 7-1. The requesting department should be notified of approval or disapproval within 24 hours. Approvals are required from all departments listed in the e-mail distribution address.

c. **AUTHORIZED** - these types of supplies, services and equipment may be bought by the department without restriction or prior approval.

7.4 PROHIBITED PURCHASES

The following items or commodities are **PROHIBITED** for purchase by departmental cardholders using the Purchase Card at all times: These commodities must be requested by placing an RX into CUFS

- a. Ammunition
- b. Awards
- c. Business Cards, greeting cards, seasonal decorations, office decorations (pictures, flowers, etc), personal gifts
- d. Cash
- e. Cash Advances - The IMPAC cards do not come with a “PIN” number to use for cash advances.
- f. Communication equipment not on telephone lines, e.g. radios, etc.
- g. Computer Systems/CPUs (which includes PC’s, Lap Tops, Palmtops and PDS’s (personal data assistants) that are either O&M funded or funded by research grants.
- h. Controlled Substances – This includes I.V. drugs as recorded by DEA and alcohol in accordance with ATF permit. See EHS webpage (under construction).
- i. Copiers
- j. Dry ice
- k. Equipment Maintenance (contracts and one time services)
- l. Food and beverages (except for items specified in an approved research protocol.)
- m. Gas cylinders and refills
- n. Honorariums
- o. Laboratory Animals
- p. Lease or rent (includes space, motor vehicles, & equipment)
- q. Memberships in societies, associations, etc

USUHS

Government Purchase Card SOP & Users Guide

- r. Motor vehicle supplies and services
- s. Personal services –Consultants, temporary hires, subjects, etc. These actions require social security numbers. Contracting is responsible for purchasing personal services.
- t. Radioactive Substances and materials: All radioactive items must be ordered by placing a requisition in CUFS for processing by Contracting. These items will be received by EHOS and distributed to the proper department. EHOS must ensure that all radioactive items brought into the USUHS and AFRRRI are done so under NRC license and guidance.
- u. Subject pay for research participants
- v. Telecommunication Services and Equipment (calls, rentals, purchase of phones, cellular phones & service, pagers, modems, and Fax machines)
- w. Transportation
- x. Travel
- y. Weapons

There are a few exceptions to the above (i.e. Civilian Personnel can use their card for Training, EHS can order controlled substances, etc.)

7.5 Prior Approval Required

The following supplies/services valued at less than \$2,500 are RESTRICTED for purchase by departmental cardholders. Departments must obtain an approval via e-mail from the designated activity prior to purchasing any of the following. The appropriate e-mail address is listed for each listed circumstance. The new *E-mail Approval Distribution System* is now available in Groupwise Client. **The distribution system will automatically forward the request to the proper approving departments, except REA; REA must be added as an addressee when research funding is involved.**

The subject of the e-mail should be your order control number to assure proper routing of approvals. Your e-mail request for approval should include the following information:

- 1) Order control number,
 - 2) item or service description,
 - 3) manufacturer, part no./model no.,
 - 4) estimated price,
 - 5) vendor,
 - 6) protocol number if using a grant,
 - 7) a brief justification
- a. Audiovisual supplies & services or equipment
 - Audiovisual requests must be placed with the Audio Visual Center (AVC).

USUHS

Government Purchase Card SOP & Users Guide

- AVC will provide an e-mail approval for a cardholder to make a purchase if the item or service is not available through AVC.
 - E-mail for AVC supplies & services is GPC_AV_Support/Services.
 - E-mail for AVC equipment over \$300 is GPC_AV_Equipment.
- b. Computer Internal Parts (for USUHS owned, not leased systems)
- The GPC may be used to purchase internal computer parts such as motherboards, chips, and hard drives after obtaining e-mail approval from UIS and TSB.
 - E-mail address for computer internal parts is GPC_Computer_Parts.
- c. Computer Peripherals (for USUHS owned, not leased systems)
- The GPC may be used to purchase computer peripherals (such as printers, scanners, keyboards and monitors) costing less than \$300 without prior approval.
 - Such items more than \$300 require e-mail approval.
 - E-mail address for computer peripherals is GPC_Computer_Peripherals.
- d. Computer Software
- Check the UIS web page for an up-to-date list of the site licensed software and other software that is compatible with UIS systems. If software is not listed, obtain approval from UIS. If you need assistance with software, contact the UIS Help desk.
 - Obtain e-mail approval from UIS for software that is not listed on the UIS web page.
 - E-mail address for computer software is GPC_Computer_Software.
- e. Equipment
- Obtain e-mail approval from PMO, FAC & TSB before placing an order for equipment costing more than \$500, except for Audio Visual and computer related equipment, for which approval must be obtained if it costs more than \$300.
 - E-mail address for equipment is GPC_Equipment.
- f. Furniture (includes systems furniture)
- Contact Logistics – Property Mgmt (PMO) by e-mail for all furniture requests to see if they have required furniture in stock.
 - PMO will provide e-mail authority (plus advice) if they cannot supply the item.
 - E-mail address is GPC_Furniture.
- g. Installation
- Any installation of equipment requiring electrical, plumbing, carpentry, HVAC, or construction must have an e-mail approval from the following activities: FAC, EHS, PMO and TSB.
 - E-mail address for installation is GPC_Installation.

USUHS
Government Purchase Card SOP & Users Guide

- h. Personnel Advertisements
- Obtain e-mail approval from Civilian Human Resources Management Directorate (CHRMD) prior to placing any advertisements charged to the department GPC.
 - Submit copy of the advertisement to CHRMD by e-mail.
 - E-mail address for personnel advertisements is GPC_Advertisements.
- i. Pharmaceuticals
- Check with Pharmaceutical Supply Department (PHM-Bob Hovis) to see if the required item is available. If the item is not available send an E-mail request to EHS.
 - EHS will provide approval only if the item requested is not available through the PHM.
 - E-mail address for pharmaceuticals is GPC_Pharmaceuticals.
- j. Printing, Duplicating and Binding Services
- Requests must be placed with Administrative Support Division (ASD).
 - ASD will provide an e-mail approval for a cardholder to make a purchase if ASD cannot satisfy the request and/or the requirement doesn't have to be sent to the Government Printing Office.
 - Orders costing more than \$1000.00 can not be placed on the GPC
 - E-mail address for printing is GPC_Printing.
- k. Research chemicals (not including controlled substances)
- Requires approved, funded protocol &/or permission via e-mail from EHS.
 - The cardholder should note the protocol number on the purchase register.
 - Purchase of chemicals that do not relate to an approved protocol must have prior EHS approval.
 - E-mail address is GPC_Research Chemicals.
- l. Research Funded (Intramural or USUHS Administered Grants) Subscriptions for Periodicals
- Prior to ordering a subscription for a periodical, Departments should check the LRC home page for a listing of periodicals available in the LRC.
 - Research funds may be used if the subscription was included in the approved budget for the grant or an e-mail approval is obtained from REA.
 - E-mail address for Research Funded Subscriptions is GPC_REA_Review
- m. Security Items (Special locks, containers, access systems, surveillance systems, etc)
- Prior approval is required from Security.
 - E-mail address is GPC_Security.

USUHS

Government Purchase Card SOP & Users Guide

- n. Space Heaters
 - Obtain e-mail approval from Facilities prior to purchase of any space heaters with department GPC.
 - E-mail address is GPC_Heaters.
- o. Training
 - Training must be requested by submitting a DD 1556 to the Civilian Human Resources Management Directorate (CHRMD).
 - CHRMD will either purchase the training or provide approval by e-mail for the department to purchase the training with the department GPC.
 - E-mail address is GPC_Training.

NOTE: All items or services that are Research Funded (Intramural or USUHS Administered External Grant) but not included on the original protocol, must be approved by Research Administration (REA) in addition to the approvals indicated above. REA e-mail approval address is GPC_REA_Review.

7.6 Special Considerations for Certain Items

Although items or commodities not listed on the Prohibited or Prior Approval Required list, do not require any approval, please consider the following before using the department GPC.

a. Subscriptions for Periodicals

- Prior to ordering a subscription for a periodical, departments should check the listing of periodicals available in the LRC. These can be found on the LRC home page.
- Departments using O&M funds to order subscriptions for periodicals are reminded that only one copy of a periodical may be ordered per department and the subscription must be ordered for and addressed to the Department Chair.
- Research funds may be used if the subscription was included in the budget for the original protocol or e-mail approval is obtained from Steve White (REA)

b. Registration Fees for Conferences, Meetings, Seminars & Classes

- Registration fees may be paid using either the GPC or the individually issued Government Travel Card.
- If the fee must be paid 30 or more days prior to the meeting, the GPC should be used.
- If the fee can be paid within 30 days of the meeting, then the attendee has the option of using either card.
- If the travel card is used, the attendee must ensure funds have been approved and obligated prior to the meeting. (Use an AF form 674 if the meeting is in the local area or a travel order if the meeting is outside the local area.)

USUHS
Government Purchase Card SOP & Users Guide

c. Office/Laboratory/Industrial Supplies

- Before purchasing with the GPC, check the Self-Service Store supply catalog. If the item is not in the catalog or on the shelf in the self service store, you may purchase items from one of the GSA office supply sources (Staples, Office Depot, etc.
- GSA office supply catalogs are available from Contracting and the Self - Service Store.

NOTE: The above listings are NOT all-inclusive and will be modified as required. These listings are effective as of 30 April 1999 and are to be used as guidance. If you have any questions please contact the Agency Program Coordinator at 301-295-3070.

7.7 Required Priority of Sources

The Purchase Card is not limited for use with commercial sources. Prior to making a purchase, the cardholder must determine if the needed supplies or services are available through certain mandatory or required sources. The cardholder is required to screen the sources in order of priority. Although this is the cardholder's responsibility, the Logistics and Contracting Divisions will provide assistance.

The priority of sources is established by the Federal Acquisition Regulation (FAR) Part 8, Required Sources of Supplies and Services, Subpart 8.001- Priorities for Use of Government Supply Sources. In order of priority, the sources are:

1. Supplies:

- (a) Activity Inventories - check with the Self Service Store for office, laboratory and industrial supplies; Logistics for furniture,
- (b) Federal Prison Industries/UNICOR for furniture,
- (c) National Industries for the Blind and Severely Handicapped (NIB/NISH),
- (d) Wholesale supply sources - stocked supplies available from GSA and DLA. Obtain GSA catalogs from Self-Service Store or from Contracting,
- (e) GSA Federal Supply Schedules- available through the Contracting Directorate,
- (f) Commercial Sources

2. Services:

- (a) Services available from National Industries for the Blind and severely Handicapped,
- (b) GSA Federal Supply Schedules,
- (c) Federal Prison Industries,
- (d) Commercial sources

USUHS
Government Purchase Card SOP & Users Guide

7.8 Rotating Sources

Cardholders must ensure they consult the above required sources prior to placing orders on the open market. When open market sources are used cardholders must ensure they rotate their sources. Cardholders should be familiar with various vendors offering the same supplies or commodities and should rotate the use of the vendors.

7.9 Purchase Card Purchasing Procedures

The following procedures must be followed to procure items using the Purchase Card.

Prior to purchase by departmental cardholders, funds for cardholder purchases must be made available by establishing a “Bulk Funded” commitment. Additional information on Bulk Funding is located in Section 6.

Once a bulk fund account has been established for the department, the cardholder may make authorized purchases not to exceed the per call limit. (If the item is not available from any vendor accepting the purchase card, place a requisition in CUFS and the item will be ordered through Contracting.)

The Cardholder must ensure all costs associated with the purchase are recorded on their Purchase Card register. These costs may include regular shipping or overnight charges, hazardous material charges, dry ice, etc. All purchases are tax exempt and the vendor must be notified of the USUHS tax-exempt number prior to concluding the order.

When placing orders telephonically, the following steps must be followed:

1. Verify that the merchant will accept the Purchase Card.
2. Notify the merchant of the tax exempt status and request GSA pricing.
(Account numbers for some vendors are listed in the vendor table in CUFS - mti vend)
3. Identify the items being purchased and obtain pricing and delivery information. Verify the items are readily available for shipment.
4. Determine the price to be fair and reasonable. The price is considered reasonable if it is the same as or lower than a catalog or market price offered to other commercial customers or lower.
5. Give the merchant the following information:
 - a. The cardholders name as it appears on the card.
 - b. The purchase card number.
 - c. The quantity and catalog number of the items required.

USUHS

Government Purchase Card SOP & Users Guide

d. Your Purchase Card Order Number- this will be a 9-digit number that uniquely identifies the purchase for proper delivery to your department. The number is to be structured as follows:

First digit.....is a “Z” and identifies the purchase as a Purchase Card order.

Second thru Fourth digits..... Department abbreviation, such as CTR, ANE, PHM, FMG, etc.

Fifth digit..... last digit of the Fiscal Year, such as “9” for 1999.

Sixth thru ninth digits..... sequentially assigned departmental requisition number such as 0001, 0023, 0100, etc.

A sample number would look like this: ZCTR90001, or ZPMB90023. When placing the order telephonically, it is important to instruct the merchant to place this number in the mailing address and on the packing slip.

- e. All deliveries are to be made to USUHS Logistics Division
- f. Ask the merchant to fax or mail to you a confirmation copy of the order for your records. This will help document your purchase, serve as proof the order was placed and the items are correctly ordered and could help you if you have a problem later on with the order.
- g. Ask the vendor for the name of the shipping company they will use to ship the order. (FedEx, UPS, local carrier, company truck, etc)
- h. Record the transaction on the cardholder purchase card register. (annex #10)

7.9.6 Over The Counter Purchases

When making over the counter purchases the cardholder must:

- a. Inquire at the Customer Service Desk or managers office for GSA pricing or Government discounts. We have accounts with some vendors, especially office supply vendors, that can be used for this purpose. Check the VEND table in CUFS for account numbers,
- b. Advise the merchant of the USUHS tax exempt status. A copy of USUHS tax exempt form is available as Annex A-15. You may want to take this with you,
- c. Verify the information on the receipt is correct. (no tax charged, price & quantity are correct, etc),
- d. Annotate the receipt with your purchase card order number,
- e. Attach the itemized sales receipt and credit card receipt together and file with your purchase card register. You must retain these documents for audit/inspection purposes for 3 years,
- g. Record the transaction in your purchase card register upon return to the office.

SECTION 8- DELIVERY & RECEIVING PROCEDURES

8.1 Delivery Address

All items purchased by a departmental cardholder telephonically and charged to their departmental Purchase Card must be delivered to the Logistics Division receiving dock. The correct [ship to] address for USUHS is:

Uniformed Services University/Receiving Section

Attn: (cardholders name/room number/purchase card order number
4301 Jones Bridge Road (enter at Gunnel Road)
Bethesda, MD 20814

Contracting cardholders should use:

Uniformed Services University/Receiving Section

Attn: purchase order number
4301 Jones Bridge Road (enter at Gunnel Road)
Bethesda, MD 20814

8.2 Receiving

1. Cardholders must ensure that a complete mailing address is provided to the vendor and request the package be addressed clearly as shown above. In addition, if you know the item will need to be refrigerated, ask the vendor to mark the outside of the box accordingly. This will alert the warehouse people to refrigerate the item if they can't locate the end user right away. Cardholders should also ask the vendor for the name of the shipper they will use. This will help in tracking misdirected orders in the warehouse.

2. Departmental Cardholders must contact the vendor directly if an item is not received. The Logistics Division will be responsible for receiving items delivered to the warehouse and delivering items to the proper department. Because there is no record of the purchase in CUFS, the only mechanism the warehouse has to identify the proper department is the order number the company places in the attention line of the delivery address. The cardholder is responsible for tracing undelivered or lost items by reconciling any discrepancies directly with the vendor. Logistics will provide assistance to the cardholder on how to trace items.

SECTION 9 - RECONCILIATION OF THE CARDHOLDER STATEMENT of ACCOUNT (SOA)

9-1 Pay and Confirm

The DOD Comptroller has adopted a new business practice for the use of the Purchase Card. The “pay and confirm” procedure allows the cardholder and Billing Official to reconcile and certify the Statement of Account and the billing statement as quickly as possible. Any errors, discrepancies or disputed items are confirmed after the bill is certified for payment.

9.1 Cardholder Reconciliation Procedures

1. Cardholders will receive their Statement of Account by mail directly from U.S. Bank. The Bank mails the statements out around the 5th of each month. (If the statements aren't received by the 15th a copy can be electronically downloaded and forwarded to the cardholder upon notification to the APC.) The cardholder will **immediately** date stamp the SOA (Handwritten date & time are permissible if date stamp is unavailable).

2. Check each purchase against the purchase card register and receipts. Departmental cardholders should enter the appropriate purchase card order number, the cost center to be charged and a brief description of what was purchased on each line of the SOA. The assigned bulk funding number must appear on the top section of the SOA. If there is a discrepancy, annotate the SOA. The charge will be paid and the credit will be applied when received.

3. Contracting purchases must have the purchase order number and fund cite entered for each line of the SOA.

4. The cardholder should sign the SOA, make a copy for the file and forward the original SOA with a copy of the purchase card register to the Billing Official. The cardholder has 5 days after receipt of the SOA to verify and reconcile all charges on the SOA and forward it along with all documentation to the Billing Official for certification.

9.2 Billing Officials Certification

1. At the end of each billing cycle the Billing Official has 10 days from receipt of the billing statement to approve and certify the statement and forward to FMG. (This 10

day period allows 5 days for the cardholder to reconcile the statement and 5 days for the Approving Official to complete the statement.

USUHS

Government Purchase Card SOP & Users Guide

NOTE: Billing Officials are encouraged to have the statement hand carried to FMG to assure prompt receipt and avoid the possibility of statements getting lost in transit in the USUHS mail.

2. The Billing Official must:

- (a) Review the Billing Official Account Summary report received from the bank and ensure that all statements have been received from cardholders;
- (b) Review all cardholder statements to ensure that all required information has been provided;
- (c) Certify that all purchases were made in accordance with the regulatory guidance by signing the cardholders SOA and the billing invoice;
- (d) Forward the SOA and the Billing Official Account Summary to the Financial Services Office in FMG no later than the 25th of each month to avoid late payment penalties. **Departments will be responsible for the late payment penalties on invoices submitted after the 25th of the month.**
- (e) Retain documentation for review/inspection purposes for a period of three years.
- (f) Assure the Billing Official Account Summary has been date stamped, the cost centers identified and the bulk fund number is posted on the front of the Summary.

9-3 Billing Errors, Disputes and Credits

A. Under the “Pay and Confirm” method, DoD has determined it is not cost effective to dispute the transaction immediately. Instead the cardholder should annotate the SOA that the item has been ordered but not received. FMG will then pay the bill and apply the credit when issued.

B. A cardholder has 60 days from receipt of the statement of account to dispute a transaction. However, it is best to submit a statement of questioned item (SQI) to the bank as soon as possible to avoid problems. The cardholder will submit a copy of the SQI to the USUHS finance office and retain a copy for the files.

C. The cardholder must identify the dispute by circling the disputed charge on the statement and writing “Disputed” in the description block and a description of the dispute (i.e. duplicate, price, erroneous charge, etc.)

9.3.1 Disputes Checklist

USUHS

Government Purchase Card SOP & Users Guide

Cardholders should refer to the Dispute Checklist (annex A-11) for initial guidance for processing a disputed transaction. A copy of the statement of questioned item form is provided (annex A-11). Copies may be made as needed. General guidance is provided as follows:

A. Sales Tax and shipping charges are not disputable items with the bank and must be handled directly with the merchant.

1. Sales Tax. If the cardholder receives a statement, which includes sales tax, the cardholder will immediately notify the merchant and request that the sales tax amount be credited. The charge, including the sales tax, must be approved for payment. The credit should appear on a subsequent statement. The cardholder must follow up to assure the credit is applied to the account.

2. Shipping Charges - Shipping charges are not disputable and must be approved for payment. The vendor must be notified if shipping charges are more than you were quoted and a copy of the shipping invoices should be requested.

B. Disputable Items:

1. Merchandise Not Received - In the event a cardholder receives a statement listing a transaction for merchandise not yet received, the cardholder should contact the company immediately to verify whether shipment has occurred. If the items have been shipped and are not received within 10 days of notification to the vendor, the cardholder should submit the statement of questioned item form to the bank (a copy goes to Finance with the Billing Official Account Summary) and ask the vendor to initiate a tracer. If the item has not been shipped, the merchant must initiate a credit. Ask the merchant to send you a copy of the credit voucher or to make immediate shipment.

2. Incorrect/Defective Items - The cardholder must notify the merchant to obtain replacement of the items as soon as possible. If the items will not be replaced a credit must be issued by the merchant. If the merchant refuses to replace or credit the faulty items, an SQI will be submitted and the purchase will be considered disputed.

3. Price Discrepancies - When making a telephone purchase, following up with a fax confirmation of pricing will alleviate most alterations of price as well as tax and shipping problems. If the price charged is higher than you were quoted, the amount will be authorized for payment and the merchant contacted for credit. An SQI will be processed for the charge.

C. Credits - Credits must also be reconciled on a cardholders statement. Annotate the accounting information and the date of the statement the original charge occurred. If a purchase order number was assigned to the charge, provide that number for FMG. Request copies of the credit voucher from the merchant at the time the credit is requested.

USUHS

Government Purchase Card SOP & Users Guide

D. Unresolved Disputes. If after all procedures to resolve a dispute have been tried, cardholders will contact the Disputes Officer (USUHS Director of Contracting) @ 301-295-3068. Allow at least 30 days for notification from US Bank or receipt of next statement before contacting the Disputes Officer

SECTION 10 - CARD SECURITY

10.1 Card Security

It is the cardholder's responsibility to safeguard the credit card and account number at all times. The cardholder must not allow **anyone** else to use the card or the account number. A violation of this procedure shall result in withdrawal of the purchase card from the cardholder.

Cardholders must not give the purchase card number to anyone other than a vendor with whom they are arranging a purchase. Any suspicious or questionable request for your card number should be reported immediately to the Agency Program Coordinator.

10.2 Lost or Stolen Cards

If the cardholder's card is lost or stolen, the cardholder is responsible for notifying the immediately at the following numbers:

24 hour USBICS customer service -In the continental U.S 1-888-994-6722
Outside the US 701-461-3466

The cardholder must also notify the Billing Official of the lost or stolen card within one working day after discovering the card is missing. The Billing Official will immediately notify the APC and submit a written report within five business days. This report will include the card number, cardholder's name, date and location of the loss (if known), date reported to police (if applicable), the date and time USBICS was notified, list of purchases made from date of previous statement up to the date the card was discovered missing and any other pertinent information. A new purchase card should be mailed by USBICS within two business days of the reported loss/theft. If the cardholder finds the original purchase card, cut it in half and give it to the Billing Official who will complete the destruction notice (exhibit 4) and forward it to the APC.

10.3 Unauthorized Purchases or Careless Use Of The Purchase Card

USUHS will not be liable for any unauthorized use of the card. "Unauthorized Use" means use of a Purchase card by a person other than the cardholder or use of the purchase card in a manner inconsistent with this Standard Operating Procedure. A cardholder making unauthorized purchases or carelessly using the card may be liable for the total dollar amount of the unauthorized purchases made in connection with the misuse or negligence. In addition, the cardholder may be subject to disciplinary action for such misuse or carelessness and the purchase card will be canceled.

USUHS
Government Purchase Card SOP & Users Guide

10.4 Separation of Cardholder

During routine checkout processing, all cardholders must report to the Directorate of Contracting to determine the status of their purchase card account. Upon separation of the cardholder, the cardholder must surrender the purchase card to the APC who will complete the destruction notice and forward cancellation documentation to USBICS.

SECTION 11- SURVEILLANCE

11.1 Surveillance Procedures

One key to the success of the purchase card program is the required administrative review of the cardholders and Billing Officials operations. Cardholders and Billing Officials are responsible for following the procedures outlined in this SOP, and they are also held accountable for all purchases made with the purchase card.

Surveillance of each cardholder will be accomplished annually by the Agency Program Coordinator. New cardholders may be randomly reviewed at the discretion of the APC after the first three months to ensure they are effectively performing their duties and following procedures.

The checklist at Annex A-12 will be used to accomplish the surveillance inspection. The results will be maintained on file in the Contracting Directorate and copies of the report will be provided to the Billing Official and cardholder. The APC will meet with the cardholder to discuss the findings of the surveillance, noncompliance and recommend any corrective actions necessary. The cardholder will have 30 days to implement corrective actions and will be re-inspected.

11.2 Violation of the USUHS Purchase Card Procedures

If, as a result of findings from a surveillance inspection or by any other means, it is determined the cardholder is in violation of the procedures contained herein the following actions will be initiated:

a. The cardholders procedures will be inspected and a complete surveillance report completed.

b. if, after consultation with the APC, the Director of Contracting determined there has been a violation of procedures, the following action will be taken:

(1) A memorandum, signed by the Director of Contracting, will be sent to the cardholders Department Chair, with a copy provided to the cardholder and Billing Official, stating that a violation was discovered.

(2) If it is determined that a cardholder has repeatedly violated the terms of the delegation of authority, the purchase card will be revoked and the department chair will be required to delegate a replacement cardholder.

SECTION 12 – CUSTOMER AUTOMATION AND REPORTING ENVIRONMENT (C.A.R.E.)

12.1 What is C.A.R.E.?

C.A.R.E. is an electronic interface to U.S. Bank, which provides functional capabilities in reporting, account setup and maintenance, communications and transaction management.

Limited C.A.R.E. access will be made available to cardholders and billing officials sometime in FY99. From secure access points via the Internet, you can enter C.A.R.E. and access information about your accounts 24 hours a day, 7 days a week.

The system requirements for C.A.R.E. access are:

- 486 DX66 or higher
- 16MB memory
- Windows 95 or NT
- Netscape or Internet Explorer 3.1 or higher
- Modem and/or access to an Internet provider

12.2 Transaction Management

Cardholders and Billing Officials will be able to log into C.A.R.E. at any time, from any location and use the Transaction Management function to review the details of transactions when this function becomes functional. When C.A.R.E. becomes fully operational, the cardholder can approve transactions, place them into dispute status, and eventually route them to the Billing Official for approval.

Cardholders and Billing Officials will have their own login and password to use to access C.A.R.E. These will be provided along with detailed instructions for accessing C.A.R.E. when the system becomes operational.

12.3 C.A.R.E. Access Instructions

C.A.R.E. is new and all the problems have not yet been worked out. We are still learning how to access information and not all information is currently available on our accounts. Detailed instruction will be made available when the system becomes operational for Cardholders and Billing Officials. This chapter is provided in this updated SOP to let you know about an anticipated improvement in the Government Purchase Card Program.

USUHS
Government Purchase Card SOP & Users Guide

SECTION 13 – CONTACTS

The following is a list of contacts and phone numbers commonly used

Directorate of Contracting:

David Denton----- 301-295-3068

Agency Program Coordinator:

Terry Zimmerman ----- 301-295-3070

Financial Management:

Jim Wolff-----301-295-3353

Greg Crum-----301-295-9554

Purchase Card Customer Service-----1-888-994-6722

or -----701-461-3466