



U. S. Department of the Interior

# Integrated Charge Card Program Policy

Office of Acquisition and Property  
Management



# Revision History

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## SECTION 1 GENERAL ADMINISTRATIVE

### 1.0 – Program Introduction

The Department of the Interior's (DOI, the Department, Departmental) integrated charge card service provider for travel, purchase, and fleet is J.P. Morgan's MasterCard (charge card). The card is specifically designed with "United States of America" printed next to the seal and the words "For Official Government Use Only, U.S. Department of the Interior, Tax Exempt ID 1400001849" embossed on the card to avoid being mistaken for a personal credit card. The only exceptions for using the DOI integrated charge card apply to fleet, e.g., vehicles in the General Service Administration (GSA) Interagency Fleet Management System, selected vehicles and aircraft in Canada during the summer fire season, and law enforcement.

Use of the card is subject to the [Government Charge Card Abuse and Prevention Act of 2012](#), DOI policy as prescribed in this document, and any bureau/office supplemental policy. The policies prescribed in this manual are designed to ensure sound program management and management controls. Cardholder accounts and records are not private and are subject to official review at any time.

The term "charge card" rather than "credit card" is used because cardholders are required to pay their individually billed balance in full upon receipt of the monthly statement of account. Credit is not being provided to spread payments over a period of time.

### 1.1 – Background

Executive Order 12931, *Federal Procurement Reforms* dated October 13, 1994, sets forth requirements for Federal agencies to establish programs for reducing administrative costs and other burdens that the acquisition function may impose on the Federal Government and private sector. In accordance with Federal Acquisition Regulation (FAR) Subpart 13.201(b), the Government-wide commercial purchase card (purchase card) shall be the preferred method of payment for micro-purchases. In accordance with FAR, Subpart 13.301, the purchase card may be used above the micro-purchase threshold by a Contracting Officer, to place a task or delivery order (if authorized in the basic contract, basic ordering agreements, or blanket purchasing agreements, and Federal Supply Schedules). It can also be used as the method of payments when the contractor agrees to accept the purchase card.

The Federal Travel Regulation (FTR) (§301-51.1) mandates that the Government-issued charge card be used for all official travel expenses unless an exemption has been obtained. Obtaining exemptions from using the charge card for travel-related purposes can found in the Office of Financial Management's (PFM) Temporary Duty (TDY) Travel policy.

### 1.2 – Purpose

The purpose of the Department's Integrated Charge Card Program (ICCP) is to implement the General Services Administration (GSA) SmartPay® Program for Government-wide Commercial Purchase Cards and the Government Charge Card Abuse Prevention Act of 2012 (Pub L. 112-194) within DOI. Accordingly, the ICCP is responsible for providing policy and oversight regarding the use of purchase cards, convenience checks, and other



types of accounts available to DOI for use in accomplishing specific goals outside of the normal purchase, travel, or fleet business line functionality, e.g., single use accounts, etc.

This policy governs the DOI's ICCP for official travel, purchase, and fleet transactions. The Office of Acquisition and Property Management (PAM), in partnership with PFM, is responsible for issuing this policy manual. Please address policy comments or questions to DOI ICCP Manager, U.S. Department of the Interior, 1849 C Street, NW, Mail Stop - 4262, Washington, DC 20240. Additional information on the ICCP is available at <http://www.doi.gov/pam/programs/chargecard/index.cfm>.

On October 1, 2013, the DOI ICCP undertook a significant change by implementing the On-Line Review and Approve function. This automated function in the JP Morgan PaymentNet system eliminates the need to examine and authorize cardholder transactions manually through traditional paper charge card statements. In addition, paper statements no longer need to be stored. Through the On-Line Review and Approve function, cardholder transactions may now be accessed, evaluated and authorized electronically. The mandatory On-Line Review and Approve function is outlined in detail in section 3.13.

### **1.3 – Applicability**

The ICCP applies to DOI, agency/organization program coordinators (A/OPC), approving officials (AO), cardholders, and all other employees associated with the ICCP in other capacities.

Bureaus and offices are encouraged to develop supplemental operational policies and guidance to further implement DOI's ICCP within their organization; however, bureau supplemental policy is only authorized to be more restrictive, not less restrictive than the Department's policy. Supplemental policies must be submitted to the DOI ICCP Manager, who will coordinate with the PAM and the PFM for acceptance. PAM and PFM will review bureau policies within 30 days. If bureau supplemental policy is found to be non-compliant with existing FAR, FTR, or DOI policy, it will be subject to required editing. Bureaus will be notified of the non-compliant issues contained in their supplemental policy, and be required to immediately rescind that section of their policy then re-submit an updated version of the supplemental policy.

Bureau supplemental policy will address exceptions, e.g. seasonal employees, intermittent employees, etc. In addition, the bureau's supplemental policy must comply with FAR Subpart 37.104, *Personal Service Contract*, when using contractors in the A/OPC role. All participants have specific performance requirements to be met in their applicable roles. The ICCP participant's performance may be evaluated against its various roles and responsibility requirements.

### **1.4 – Program Objectives**

The primary objectives of the ICCP are to improve mission support; streamline micro-purchases; reduce administrative costs and paperwork; streamline payment procedures; and improve cash management practices, management controls, reporting and decision-making activities while ensuring adherence to Federal and Departmental acquisition and travel regulations, policies, guidance, GSA SmartPay® 2 master contract provisions, and DOI tailored task order.



## **1.5 – Integrated Charge Card Program Policy Updates**

Interim policy updates will be accomplished by using Department of the Interior Acquisition Policy Releases (DIAPR). PAM will publish updated policy when it is determined that the amount of DIAPRs disseminated has reached a significant level.

## **1.6 – Implementation of Government Charge Card Abuse and Prevention Act**

### **1.6.1 – Required Safeguards and Internal Controls**

The Charge Card Act establishes additional reporting and audit requirements, consistent with existing statutory responsibilities to avoid improper payments and to protect privacy. To ensure compliance, the Department is required to provide an annual certification that the appropriate policies and controls are in place or that corrective actions have been taken to mitigate the risk of fraud and inappropriate charge card practices. The annual certification is to be included as part of the existing annual assurance statement under the Federal Managers' Financial Integrity Act of 1982 (31 U.S.C. 3512(d)(2)).

### **1.6.2 – Reports of Purchase Card Business Line Violations**

Beginning with fiscal year 2013, the Department is required to submit semi-annual reports to the Office of Management and Budget (OMB) of employee purchase business line violations and the disposition of these violations, including disciplinary actions taken. Consistent with Section 6 of the Charge Card Act, the semi-annual reports shall not disclose personally-identifying information protected from disclosure under the Privacy Act of 1974 (5 U.S.C. 552a).

### **1.6.3 – Inspector General Risk Assessments and Audits**

The OIG is required to conduct periodic risk assessments of the integrated charge card (purchase business line including convenience checks) to analyze the risks of illegal, improper, or erroneous purchases. Risk assessments are used to determine the scope, frequency, and number of audits or reviews.

### **1.6.4 – Strengthening Internal Controls over Charge Card Management Assurance Statement**

Upon issuance of this policy, the Department will implement mandatory use of online cardholder review and approve (statement reconciliation). The Department recognizes the benefits of utilizing technology as a tool to improve oversight. DOI will employ automated reporting and monitoring features such as JPMorgan PaymentNet electronic access system and MasterCard Expert Monitoring System (EMS) fraud detection data mining and case management tool to the maximum extent practical, and will continue testing new applications as they become available.

**END OF SECTION 1**



## **SECTION 2 PROGRAM MANAGEMENT**

### **2.0 – Roles and Responsibilities**

#### **2.1 – Assistant Secretary – Policy, Management, & Budget**

The Assistant Secretary – Policy, Management and Budget (AS PMB) has overall responsibility for managing the program, ensuring that the program complies with Federal and Departmental laws and regulations, and monitoring program effectiveness.

#### **2.2 – Director, Office of Acquisition and Property Management**

The Director, PAM, who is also the Department's Senior Procurement Executive (SPE), has oversight, policy, and program management responsibility for purchase and fleet business lines, and serves as the point of contract for GSA, Office of Management and Budget (OMB), and the General Accountability Office (GAO). PAM shall provide leadership and program management for the program, including directing the Charge Card Support Center (CCSC). The Director has overall responsibility for implementing and overseeing the management of the DOI ICCP and approving deviations from its policies.

#### **2.3 – Director, Office of Financial Management**

The Director, PFM has oversight, policy, and program management responsibility for the travel business line, including delinquency management. In addition, PFM works in conjunction with PAM in overseeing the ICCP regarding management controls.

#### **2.4 – Integrated Charge Card Program Manager**

The Integrated Charge Card Program Manager (ICCPM) provides leadership, oversight, and is responsible for managing the CCSC. In addition, the ICCPM directs the implementation of and provides oversight of the ICCP to Bureau A/OPCs in order to achieve DOI's goals and initiatives. The ICCPM provides leadership in the successful program management of DOI's ICCP through development and implementation of effective policies, procedures, charge card alternatives, and other guidance in support of DOI's strategic goals and government-wide initiatives. The ICCPM is also responsible for developing and updating DOI ICCP charge card management plan, policies, procedures, and guidance and is the primary point of contact for clarification of policy issues regarding the ICCP.

#### **2.5 – Charge Card Support Center**

The DOI CCSC has the operational responsibility to carry out the policies issued by PAM and assist PFM with the charge card related areas of the travel policy. CCSC is the primary point of contact for providing support services to DOI bureaus. CCSC activities may include program administration activity, bureau implementation support, system interfaces to finance systems, Departmental reporting and data administration, development and delivery of training classes, management control reviews, program development and operations refinement, security administration, payroll offset administration, and limited help desk support. CCSC coordinates interface requirements and file



transfer issues between the Financial and Business Management System (FBMS) production support team and JP Morgan technical team. CCSC Help Desk provides PaymentNet access and arrange for Custrax access for bureau A/OPCs and training support.

## **2.6 – Office of Inspector General**

The Office of Inspector General (OIG) is responsible for conducting audits or arranging for investigations when violations of Federal fraud statutes are suspected or alleged. All instances of suspected charge card fraud must be reported to the OIG. Following initial review of the allegation or complaint, the OIG will either open an investigation or refer the matter back to the bureau or office for administrative action. The form for filing the suspected fraud, along with further instructions, can be obtained on the [OIG website](#). The 24-hour toll free hotline number for the OIG is 1-800-424-5081.

## **2.7 – Assistant Director for Administrations**

The Assistant Director for Administration (ADA) has overall responsibility for the day-to-day oversight of the ICCP in their respective bureau/office. This includes designating a Bureau Lead A/OPC and other appropriate officials to oversee the ICCP; developing supplemental policy to the DOI ICCP policy; developing procedures for card usage in all business lines; ensuring program management, security, and cardholder accountability; overseeing account reconciliation and payment; conducting scheduled documentation and transaction reviews; and initiating bureau accounts with the JP Morgan. The ADA is responsible for ensuring performance standards for A/OPCS, AOs and cardholders include ICCP responsibilities. NOTE: Some bureaus/offices may not use the ADA title; in these instances, the position equivalent to the ADA has these responsibilities.

## **2.8 – Bureau Procurement Chief**

The Bureau Procurement Chief (BPC) is responsible for implementing the DOI ICCP policy and developing supplemental policy for purchase and fleet business lines within their bureau and nominating A/OPCs. In addition, for the BPC requests deviations from the ICCP policy, when applicable.

The BPC is responsible for: delegating authority and appointing A/OPCs within their bureau acquisition office to manage the purchase and fleet business lines under their purview; delegating cardholder purchase authorities; reviewing A/OPC oversight reports to ensure compliance with internal controls; terminating delegations and appointments; ensuring A/OPCs report suspected fraud to the OIG, SPE, and ICCPM; reporting any ongoing or scheduled external investigations or audits to the SPE and ICCPM; and ensuring purchase business line A/OPCs are properly trained in the area of contracting policy and procedures, including the FAR and its supplements.

## **2.9 – Bureau Lead and Alternate A/OPC**

The Bureau Lead A/OPC, in concert with the CCSC and ICCPM, is the primary liaison with JP Morgan regarding bureau specific technical and policy matters relating to the ICCP. Bureau Lead A/OPCs are responsible for overseeing application processing for new card accounts; charge card management, including maintaining hierarchies, cardholder and supervisor profile data, managing integrated card accounts; performing oversight functions; providing user access to PaymentNet; guidance to AOs and cardholders; maintaining records on completed training; assisting management with development of bureau specific charge card training; conducting



annual program review; reporting suspected fraud to the OIG and ICCPM; terminating and suspending accounts for suspected fraud waste, misuse or abuse; and recommending terminations of purchase business line delegations of authority.

In addition to the roles and responsibilities outlined in the A/OPC Appointment/Reappointment Memorandum, the following specific duties are applicable to A/OPCs at all levels: mandatory use of JP Morgan's PaymentNet reports and workflow processes, EMS case management, and email alert notifications to ensure policy compliance and to reduce the risk of potential fraud, waste, abuse and/or misuse of the integrated charge card.

## **2.10 – Mid Level (Regional/State) A/OPC**

There are various levels of A/OPCs that provide management support and oversight at the field/office level. Regional/State A/OPCs are the primary contact for AOs and cardholders and are required to complete prerequisite training and have received a letter of appointment from PAM. Once approved, mid-level A/OPCs manage all accounts under their purview within their region/state.

## **2.11 – Approving Official/ Alternate Approving Officials**

The Approving Official (AO) is generally the cardholder's supervisor. AOs must complete prerequisite training and have received a letter of appointment from PAM. AOs have review and approval responsibilities for all assigned accounts. AOs are responsible for ensuring that purchases made by cardholders under their purview were appropriate, charges were accurate, and purchases were for official Government business by reviewing and approving their transactions; reconciling and certifying statements in the absence of the cardholder; ensuring cardholders are current with all mandatory program training requirements; ensuring funds are available; resolving questionable transactions with the cardholder; ensuring cardholders reconcile transactions and statements within the reconciliation timeframe and within bureau guidelines; reviewing transactions for appropriate documentation; reporting suspected waste, fraud, abuse, or misuse of integrated cards to the A/OPC; reporting suspected fraud to the OIG and A/OPC; reporting changes in a cardholder's status and administrative changes to a cardholder's account to the A/OPC; and ensuring compliance with Departmental and bureau record retention requirements.

AOs are required to re-delegate authority when they are scheduled to be out of the office for an extended period. An AO cannot permanently re-delegate their assigned duties. An individual designated as "acting supervisor or alternate AO", however, cannot assume duties until they have completed the AO training and have received an appointment letter from PAM.

Once a bureau has implemented the mandatory Online Review and Approve option (see Section 3.13), where charge card transactions are no longer manually reviewed and paper statements are no longer certified by the AO's signature, AOs are required to use PaymentNet to review and approve the charge card transactions. Otherwise, the AO must review cardholders' paper statements for cardholders not in participating organizational units within 30 days from the statement date and sign and date the paper statement (or a copy) certifying that all transactions are appropriate, accurate, and were incurred for official Government business. The copy of the statement submitted in the records file must contain the AO's original signature. All signed statements must be retained in central bureau locations for three years.



## **2.12 – Cardholder**

Cardholders are responsible for ensuring that purchases are made only for official Government business; obtaining proper approvals for the transactions; complying with Federal laws and regulations, as well as Departmental and bureau policies and procedures; complying with spending limitations; complying with internal control procedures; reconciling accounts and disputing unresolved or invalid transactions within the prescribed time limits; safeguarding the integrated charge card and account information; reporting unauthorized use, lost, stolen, or compromised cards; and complying with accountable property procedures.

Once a bureau has implemented the Online Review and Approve option (see Section 3.13), the cardholder is required to use PaymentNet to review and approve their charge card transactions. Otherwise, cardholders in organizational units that have access to a computer must review their paper statements within 30 days from the statement date, ensure that receipts exist for all purchase transactions, and sign and date the paper statement (or a copy) certifying that all transactions are appropriate, accurate, and were incurred for official Government business. The cardholder must present the statement, along with the receipts, to their AO to allow them sufficient to review and sign the statement within the 30 day period. The copy of the statement submitted in the records file must contain the both the cardholder's and AO's original signature. All signed statements must be retained in central bureau locations for three years.

Under no circumstances is a cardholder alleviated from the responsibility of reviewing their monthly charge card statement and ensuring all transactions are accurate, valid, and were incurred for official Government business. A waiver from the requirement to sign a monthly charge card statement does not also provide a cardholder a waiver for reviewing their statement or being held responsible for failure to file a dispute within the allotted timeframe.

## **2.13 – Fleet and Aviation Fleet Manager**

Fleet Managers are responsible for ensuring the purchases are made only for official Government business; ensuring that proper justifications and approvals exist for all transactions; complying with Federal laws and regulations and Departmental and bureau policies and guidance; complying with spending limitations, internal control procedures, and accountable property procedures; reconciling accounts and disputing unresolved or invalid transactions within the prescribed time limits; safeguarding the Fleet charge card and account information; and reporting unauthorized use, lost, stolen, or compromised cards.

When a bureau has implemented the Online Review and Approve option (see Section 3.13), Fleet Managers are required to use PaymentNet to review and approve the charge card transactions.

If a bureau has yet to implement the Online Review and Approve option, the Fleet Manager must review fleet card paper statements within 30 days from the statement date, ensure that receipts exist for all transactions and sign and date the paper statements certifying that all transactions are appropriate, accurate, and were incurred for official Government business. The statement submitted in the records file must contain the Fleet Manager's original signature. The Fleet Manager must follow the Departmental and bureau policy for reviewing and approving fleet-related transactions.

**END OF SECTION 2**



## SECTION 3 ACCOUNT MANAGEMENT PROGRAM

### 3.0 – Establishing & Maintaining Accounts

#### 3.1 – Administrative

##### 3.1.1 – Eligibility

Issuance of the Government charge card with mandatory user access to PaymentNet is limited to individuals who are employees of an executive agency or members of the Armed Forces of the United States. Generally, employees may only have one active charge card account unless an exception has been granted e.g., corporate purchase, travel, training accounts, stored value accounts such as the uniform card, invitational travel accounts, relocation accounts, educational accounts, and certain employees who pilot Aviation Management aircraft. Issuance of the Government charge card to seasonal employees is authorized, but shall be limited to the employment period designated in the Federal Personnel Payroll System. Seasonal and intermittent charge cards must be suspended during periods of inactive employment and noted in PaymentNet. Issuance of the Government charge card to a non-DOI Federal employee is only authorized after an executed interagency agreement is on file.

An integrated account may be established with just one business line or with a combination of the travel, purchase, and fleet business lines. The following are the customer service telephone numbers for JP Morgan: 1-888-297-0781 (domestic free call); 1- 847-488-4442 (International) and; TTY/TDD callers should use relay service. JP Morgan's "PaymentNet" is located at <https://gov1.paymentnet.com/>.

##### 3.1.2 – Credit Worthiness

In accordance [OMB Circular A-123, Appendix B, "Improving the Management of Government Charge Card Programs" revised January 15, 2009](#) all new individually billed travel charge card (IBA) applicants, are required to have a soft credit evaluation prior to being issued an IBA travel card. Credit worthiness evaluations for new purchase card applicants are no longer legislatively mandated due to the passage of the 2006 Consolidated Appropriations Act.

##### 3.1.3 – Credit Worthiness Not Required New Centrally-Billed Accounts

Because centrally-billed travel accounts, purchase card accounts and integrated accounts share common characteristics in terms of structure, purpose and risk, credit worthiness assessments are not required for centrally-billed travel accounts, and are to be treated in the same manner as purchase card accounts. DOI integrated charge card accounts are classified as centrally billed accounts and are not subject to the credit worthiness requirement.

### 3.2 – Training Requirements

#### 3.2.1 – Program Orientation and Training

Cardholders, AOs, and A/OPCs shall document satisfactory completion of required training prior to nomination and appointment to the ICCP. At completion of training, cardholders, AOs, and A/OPCs certify that they understand and will comply with integrated charge card policies and procedures.



### **3.2.2 – Refresher Training**

Cardholders, AOs, and A/OPCs shall complete mandatory annual refresher training. At completion of training, cardholders, AOs, and A/OPCs certify that they understand and will comply with the ICCP policies and procedures. Training can be accessed via intranet at DOI Learn <http://www.doi.gov/doilearn/index.cfm>. DOI Learn is the document repository as it relates to the ICCP training certificates, A/OPC and AO appointment memorandums, and cardholder delegation of purchase business line authority.

All cardholders, AOs, and A/OPCs must review and become familiar with:

- Departmental and bureau/office charge card program policy, procedures, and guidelines.
- J.P. Morgan Chase Bank, N.A. GSA SmartPay 2 Integrated Cardholder Agreement.

Travel cardholders are responsible for completing travel business line learning plan in DOI Learn. Purchase and convenience cardholders must complete the purchase business line learning plan in DOI Learn. Fleet Managers are responsible for completing the purchase business line learning plan in DOI Learn. AOs must complete the travel and purchase business line learning plan in DOI Learn. A/OPCs shall complete both the travel purchase business line learning plans and the A/OPC learning plan in DOI Learn.

### **3.2.3 – JP Morgan MasterCard Electronic Access System Training**

Cardholders, AOs, and A/OPCs shall complete JP Morgan PaymentNet training to improve the management and accountability of their charge card programs. A/OPCs shall also complete MasterCard Enhanced Merchant Reporting, and MasterCard Expert Monitoring System training.

### **3.2.4 – DOI and GSA SmartPay Annual Training Conference**

PAM is responsible for obtaining required approvals for DOI A/OPC attendance at GSA SmartPay Annual Training Conference and/or DOI sponsored training as required by 41 CFR 301.704 and 205 DM 15. Attendance is limited to those individuals that have A/OPC responsibility for management and oversight of the ICCP and other accountable/billing officials in accordance with OMB Circular A-123 Appendix B.

### **3.2.5 – Defense Acquisition University Training**

Non-acquisition personnel requesting Acquisition Cards with \$25,000 SPL are required to satisfactorily complete the requirements of [CON 237 Simplified Acquisition Procedures](#). Defense Acquisition University (DAU) training courses are available to civilian agency employees at no charge. The Acquisition Card with \$25,000 SPL is outlined in detail in section 9.6.

## **3.3 – Card Application**

### **3.3.1 – Paper Applications**

A paper application shall be signed by the prospective cardholder, the supervisor, and the A/OPC. All Government issued charge cards must be issued with the employee's legal name that appears in the Federal Personnel Payroll System. A/OPCs shall verify delegation of purchase authority in DOI learn, prior to completing the application process. In accordance with FAR 4.703, JP Morgan customer service document repository retains electronic copies of approved applications for 3 years. The Department will coordinate an integrated effort with JP Morgan to provide centralized electronic applications to eliminate paper applications and ensure all cardholders have user



access to PaymentNet upon card issuance. Elimination of paper applications will reduce risk of compromised personal identification information for identity theft, and limit the associated harm to individuals.

### **3.3.2 – Electronic Applications**

A/OPCs shall submit Fleet and Aviation Fleet Business Line applications and Stored Value Card application online using the PaymentNet. Fleet managers are required to sign the application. A/OPCs shall also submit cardholder applications online and phase-out paper applications. The A\OPC's PaymentNet user id is an electronic signature when submitting on-line applications to JP Morgan thereby, eliminating the need for traditional paper-based signing.

### **3.3.3 – Card Issuance**

JP Morgan is responsible for card issuance. The card transmittal mailer includes the J.P. Morgan Chase Bank, N.A. GSA SmartPay 2 Integrated Cardholder Agreement, and a schedule of fees. The activation sticker located on the front of the card, explains how to activate the new card. An ATM PIN letter with the initial PIN and explanation of how to customize the PIN (travel business line) will follow approximately four days later, if applicable. JP Morgan may also transmit your [PaymentNet](#) User ID and temporary Password or it can be obtained from your bureau AOPCs. All new cardholders are required to have user access to PaymentNet upon card issuance.

The average processing time between submitting a properly prepared application and receiving a card is approximately ten business days. Cards needed sooner in a mission-related emergency (fire, flood, hurricane response, etc.), can be shipped via FedEx second-day delivery. Any application with the appropriate emergency flag received by 3:00 pm eastern time will be processed that same day, unless it is a Friday and then it will be processed the following Monday. If the application is received after that time, it will be processed the following business day. The cardholder will still receive the same mailings, but they will receive the charge card transmittal first.

New employees who are expected to travel on official business are required to apply for a charge card in the travel business line within 30 calendar days of their appointment. Employees who have delinquent account balances from a previous Government charge card will be required to satisfy their existing obligation before a new card can be issued. However, declining balance card account may be issued to satisfy mission travel needs.

### **3.3.4 – Digital Signatures**

DOI's access card and its digital signature software technology guarantees data integrity and non-repudiation of transactions and it ensures that the digital signature cannot be copied, altered, or corrupted. Digital signatures are authorized for card applications, paper statements or electronic documents when using the DOI Access Card.

## **3.4 – Account Maintenance**

### **3.4.1 – Changes in Cardholder Status**

When a cardholder resigns, transfers, or is terminated, the final employee clearance process must include the surrender and destruction of charge cards and convenience checks, closing of the account, and cancellation of



PaymentNet access. Any records in the cardholder's possession must be submitted to the supervisor for central filing or uploading to PaymentNet document repository, unless otherwise specified in bureau policy.

- A/OPCs shall close employee's account, inactivate PaymentNet access, including deleting any hierarchy-based roles such as AO or A/OPC, if applicable.
- Verify the account status in PaymentNet and determine whether any amount is due.
- Request a check from the employee payable to J.P. Morgan for the full amount of any outstanding, individually billed balance.
- Inform the exiting employee that, if they have an outstanding balance, the charge card contractor will be notified of their departure and provided with the employees' forwarding address.
- Notify JP Morgan and provide forwarding address, if applicable.
- Refer to individual business line for disposition of records.

### **3.4.2 – Changes in Approving Official Status**

When an AO transfers, retirements, resigns or terminates employment, a new AO shall be appointed. If a new or alternate AO is not assigned, purchase business line cardholder accounts may be suspended until a new AO is appointed at the direction of the BPC. New AOs shall be granted user access to PaymentNet reports upon completion of mandatory training requirements.

### **3.4.3 – Administrative Changes**

Cardholders and AOs shall notify their A/OPC in writing of any administrative changes such as name, address, or phone number. Upon written notification of administrative changes, the A/OPC shall make the appropriate change in PaymentNet, including hierarchy changes for employee movement within their bureau. The CCSC will coordinate reorganizational hierarchy changes when both cardholder and charge card moves between bureaus.

### **3.4.4 – Changes to Purchase Limits**

Requests to change cardholder's single purchase limit (if less than \$3,000) or monthly purchase limit shall be submitted by the AO through the A/OPC to the BPC. Upon approval of changes to purchase limits, the BPC shall issue a new Delegation of Procurement Authority. Changes that raise the single purchase limit above the micro-purchase threshold require the cardholder to meet all training and certification requirements for warranted Contracting Officers. Management controls is outlined in detail in section 3.12

### **3.4.5 – Emergency Use Cards and MCC Groups**

Bureaus and offices may request purchase business line Merchant Category Code (MCC) groups designated for emergency use without the need to use the cards on a recurring basis. Employees designated as "emergency employees" or "mission-critical emergency employees," under an emergency response plan or continuity of operations plan, are eligible to receive an emergency use card.

### **3.4.6– Emergency Acquisition Flexibilities**

Emergency Acquisition Flexibilities: Declarations of Emergency Acquisition Flexibilities outlined in FAR Part 18, in support of Federal responses to major disasters and emergency may authorize the Department increasing procurement thresholds. Pursuant to the authority delegated under Part 209, Chapter 4 of the DOI Departmental



Manual, the Senior Procurement Executive may authorize increasing the following procurement thresholds for all DOI contracting activities.

- Micro-purchase: \$15,000 for any contract awarded and performed, or purchased, inside the U. S.; \$25,000 for contracts awarded and performed, or purchased, outside the U. S.;
- Simplified Acquisition: \$250,000 for any contract awarded and performed, or purchased, inside the U. S.; \$1,000,000 for contracts awarded and performed, or purchased, outside the United States.

The Federal Procurement Data System – Next generation’s Government-wide \$3,000 procurement transaction reporting threshold remains effective. The increased procurement thresholds are temporary and shall remain in effect until the disaster relief efforts are formally terminated.

### **3.5 – Inactive Accounts**

Accounts that do not record any transactions within a preceding 18 month period are considered “inactive” and should be temporarily suspended to reduce risk of external fraud on the account. A/OPCs shall perform Inactive Account Alerts reviews and shall temporarily suspend accounts as required, except for cards specifically requested for emergency use. PaymentNet will automatically send cardholders an inactive account alert. In addition, A/OPCs will receive the daily consolidated inactive account activity report. Cardholders and AOs can proactively use this email alert to help A/OPCs determine if an account's credit limit should be lowered or if the account should be permanently closed. A sample Inactive Account Memorandum is provided in Appendix E.

### **3.6 – Account Suspension, Termination, & Reinstatement**

#### **3.6.1 – Account Suspension**

A/OPCs and AOs should suspend a cardholder’s account if improper card use is suspected. AOs should consider suspending a cardholder’s account for failure to adequately perform cardholder duties (see Sections 2.12 and 2.13). A/OPCs and AOs will collaborate and consider the impact of cardholder’s account suspension on the organization and take appropriate steps to minimize any adverse impact.

#### **3.6.2 – Account Closure**

A/OPCs shall close accounts of cardholders that separate from the organization. In addition, cardholder accounts may be closed for card abuse and fraud; failure to carry out responsibilities; failure to complete the required refresher training; or upon direction by management. JP Morgan may initiate termination of accounts that have been suspended twice within a preceding 12 month period and are 120 days past due, or based on other provisions of the Cardholder Agreement. Accounts closed by JP Morgan under these circumstances cannot be reinstated; however, other alternate controlled spending accounts will be available for the cardholders.

#### **3.6.3 – Reinstatement**

A/OPCs may request reinstatement of accounts that have been closed for abuse or misuse. Prior to processing the request, the following steps are required:



Travel business line:

- The cancelled account must be paid in full;
- The cardholder must reapply for the charge card;
- The cardholder's supervisor must approve the reinstatement by signing the application;
- A written request stating the need for reinstatement, including the reason for losing the authority; and a recommendation to reinstate the travel authority must be approved by the Bureau Lead A/OPC of the travel business line charge card program.

Purchase business line:

- To be eligible for purchase business line reinstatement, any travel business line use card issued must be in good standing for at least one year;
- In accordance with bureau policy, a written request from the AO to the Lead A/OPC is initiated;
- The Lead A/OPC will submit the request to the BPC. The request must include the need for reinstatement, the reason for losing the purchase authority, and a concur/non-concur recommendation.
- The BPC will make the final determination.
- The Bureau Lead A/OPC will provide electronic copies of the reinstatement to DOI CCPM, PAM.

Exception, cardholder authority cannot be reinstated if the servicing bank initiated termination of accounts due to violations of the signed cardholder agreement as stated in the GSA SmartPay master contract. However, a declining balance card may be issued for travel business line.

### **3.7 – Card & Account Security**

Cardholders shall take appropriate precautions to protect the integrated charge card and account information. Cardholders are responsible for preventing others from gaining access to their cards or account information. Account information should only be given to vendors to complete a transaction. Charge card account information shall be kept in a secure environment to prevent access by unauthorized personnel. Cardholders may be held personally responsible for misuse of the card and account.

Cardholders shall exercise discretion in selecting reputable merchants in order to minimize the possibility of fraud. Prior to entering the charge card number in an internet website, the cardholder should ensure that the site is secure. A secure website is one in which an "s" appears in the URL, e.g. https://, and has a picture of a lock. Cardholders shall not transmit charge card information over a facsimile machine.

### **3.8 – Lost & Stolen Cards**

The cardholder must report lost or stolen cards promptly to JP Morgan's customer service office or in PaymentNet; in addition, to other bureau offices as specified in bureau policy. A replacement card with a new account number will be issued, within 24 hours. If a card is found after receiving a replacement, the lost card must be destroyed. The cardholder may be held accountable for failure to report the loss of a card.

### **3.9 – Disputed & Fraudulent Charges**

Cardholder shall follow up immediately with the merchant on incorrectly billed items, as there is a 90-day limit on reconciling disputed items. If no resolution is reached, cardholders shall contact JP Morgan to dispute the charge.



Cardholders shall process disputes or questioned transactions using the servicing bank's online disputes process or by calling JP Morgan customer service. If, after receipt of requested copies of the sales slip, the charge is still not recognized, the cardholder should contact their A/OPC for assistance. JP Morgan will give the cardholder a temporary credit during the dispute resolution process. If the determination is made in the cardholder's favor, no further action will be taken. If the merchant is determined to be correct, the temporary credit is reversed and the transaction will appear on the next statement and must be paid. If a cardholder fails to dispute a transaction within the 90-days and the transaction should have been disputed, the cardholder may be held personally liable.

### **3.10 – Card Decline/Rejection**

If the charge card is rejected, cardholders shall contact JP Morgan's customer service office or the A/OPC for assistance. The JP Morgan's customer service phone number is located on the back of the card. A/OPC's and cardholders shall monitor card decline reports for questionable, suspected fraudulent activity. PaymentNet will automatically send a transaction decline email alert to cardholders and A/OPCs. This alert consolidates all declines and the related explanation in order to help cardholders resolve the issue prior to logging into PaymentNet.

### **3.11 – Unauthorized Use & Penalties**

#### **3.11.1 – Policy**

The Government Charge Card Abuse and Prevention Act mandates appropriate adverse actions or other punishment be imposed on employees that violate agency policies implementing Public Law 112-94, or make illegal, improper, or erroneous purchases. Penalties prescribed for employee misuse shall include dismissal, as appropriate. The Department's policy is that in each case of improper, fraudulent, abusive, or negligent use of DOI charge card, including any use for purposes that are inconsistent with official business of DOI, or with applicable regulations, the supervisor of the responsible individual or parties will be informed in a timely manner in order that appropriate corrective, disciplinary or adverse action may be taken. Supervisors who receive information indicating cardholder, AO, or an A\OPC, fraud, misuse, abuse, are required to take appropriate corrective disciplinary or adverse action, including further investigation if needed.

The intent of this policy is to ensure that management emphasizes the importance of personal accountability for charge card fraud, misuse, abuse, and review and approve statement reconciliation responsibilities. There is no intent to deprive managers and supervisors of their discretion in handling charge card misuse in a manner appropriate to individual case. The circumstances of each individual case will determine the appropriate type of disciplinary action or adverse action, if any, that may be imposed. A progression of increasingly more severe penalties is often appropriate in the case of minor instances of misuse, but more serious cases may warrant the most severe penalty for the first offense if abuse or fraudulent activity is prevalent.

#### **3.11.2 – Unauthorized Use and Penalties**

When using the charge card, cardholders shall comply with Federal laws and regulations and Departmental and bureaus/offices policies and guidance. Intentional use of the charge card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate suspension of the charge card. The cardholder, AO and the A\OPC may be subject to disciplinary action under applicable Departmental and bureau/office guidelines. Departmental Manual (370 DM 572) specifically addresses



charge card penalties. In cases of suspected fraud, the A/OPC is required to refer incidents to the DOI OIG or Department of Justice for investigation, SPE and ICCPM.

Diligent and proper execution of the AOs duties and responsibilities is paramount to the integrity of the Department's Purchase and Travel business line Programs. Thus, Approving Officials assume partial responsibility for the actions of cardholders under their supervision. Failure to control misuse or abuse by cardholder(s) under their supervision, or to maintain required review and approve oversight, may result in actions against the AO. Actions available (not all inclusive) and that may be imposed are:

- Written notification of deficiency given to the AOs supervisor, and the A/OPC.
- Requiring the AO to complete and pass refresher training using the on-line "Approving Official Training".
- Requiring the AO to provide a written corrective action management control plan; including submissions of monthly review findings.
- Suspension of AO authority and suspension of all purchase and travel business line designation under his/her supervision.
- Departmental Manual (370 DM 572) specifically addresses charge card penalties

Suspension or termination of the AOs authority means all charge card accounts are subject to temporarily suspension until the AO is either reinstated or a new AO is assigned.

### **3.12 – Management Controls**

The ICCP includes a variety of internal controls designed to minimize purchase card misuse. A/OPCs shall ensure that management controls under their purview are followed and appropriately used to reduce potential card misuse and abuse. DOI CCSC has operational responsibility for updating ICCP MCC group controls.

#### **3.12.1 – Merchant Category Code (MCC) Groups**

The travel business line is used to pay for travel-related transactions that include: airline tickets, rental cars, garage and airport parking, lodging, meals and incidental expenses. The purchase business line is used to acquire supplies and services that do not exceed the micro-purchase level with limited exceptions. The fleet business line is used to pay fuel, maintenance and repair charges for DOI owned, GSA Dry-leased, or commercially leased vehicles and miscellaneous equipment.

#### **3.12.2 – Single Purchase Limit (SPL) up to the Micro-purchase Threshold**

Each charge card account is established with an SPL (micro-purchase threshold), and billing cycle limit. The cardholder delegation of authority document may specify these limits commensurate with anticipated purchase requirements. Spending limits are coded into the card and restricts the spending limit for each transaction. Once set, any transaction over the SPL will be declined at the point of sale.

#### **3.12.3 – Single Purchase Limit above the Micro-purchase Threshold**

Single purchase limits above the micro-purchase threshold shall be limited to cardholders who meet the contracting officer warrant requirements as outlined in DIAPR 2010-09 Contracting Officer Certificate of Appointment Program Manual. Employees who are not employed by a contracting office shall meet additional requirements: performance plan requirements, funding for training, travel and oversight, on-the-job training; approval of contract actions; annual training and evaluation. The Bureau Procurement Chiefs are required to conduct annual acquisition management reviews of acquisitions processed by program officials with delegated contracting authority.



In addition to the training outlined in paragraph 3.2, individuals requesting single purchase limits above the micro-purchase threshold shall meet the Federal Acquisition Certification in Contracting Level 1 training, education and experience requirements for the applicable warrant level. The maximum single purchase limit for cardholders who are not in the General Schedule 1102 contracting series or 1105 purchasing series is \$150,000.

#### **3.12.4 – Cycle Limit**

This value is the sum of all the amount limits for each business line on the account, including ATM authority rounded to the next highest thousand for a single month. A transaction will be declined at the point of sale if the transaction causes the monthly spending total to go over this threshold. Cycle limits are reset in accordance with the monthly statement, dates of account and apply to all transactions occurring within the billing statement cycle.

#### **3.13 – On-Line Review and Approve**

The mandatory Review and Approve function in PaymentNet allows cardholder transactions to be reviewed and approved electronically online. This automated process will eliminate the need for using and storing paper statements. The functionality is hierarchy based. Approvers will still have 30 days (cycle days) to approve transactions using the online PaymentNet function. Reviewers and approvers will also have an option to receive an e-mail notification from PaymentNet indicating that transactions are ready and available. In addition, PaymentNet will send out an automated alert to all cardholders and approvers once a week on Sunday. Additional functionality that is available in PaymentNet includes: disputing a transaction, uploading transaction receipts, creating queries and reports to monitor review and approve transactions, managing optional purchase logs, and the option to turn off paper statements. The CCSC will work in conjunction with the bureau A/OPC's to ensure that PaymentNet users have the appropriate hierarchy-based role, valid user ID's/e-mail addresses, and hierarchies that match the organizational structure. A/OPCs shall assign review and approve manager hierarchy-based role to an existing PaymentNet user, to monitor an organization's review and approve activities, based on an email request from management. The Department encourages cardholders and AOs perform review and approve within 5 days of the email notification, as a best practice.

##### **3.13.1 – PaymentNet Review and Approve Manager Oversight Role**

The review and approve manager oversight role is used in conjunction with the PaymentNet Review and Approve Functionality. A/OPCs shall assign this role based on local management written request, designating a cardholder to monitor review and approve as an oversight function to ensure and enforce compliance with DOI Integrated Charge Card Program Policy.

##### **3.13.2 – PaymentNet Group Management Assistant Role**

The group management assistant role is used in conjunction with the PaymentNet Review and Approve Functionality. Group management assistants can review transactions, mark as reviewed, post purchase log entries, and upload receipts on behalf of other cardholders. The specific uses for this role are limited to Administrative Assistants for senior-level executives and for Fleet Managers. A/OPC's use of this role shall be limited to hierarchy clean-up activities in PaymentNet.

##### **3.13.3 – Cardholder's Automated Transaction Reconciliation Responsibilities**

Cardholders with both purchase and travel business lines are required to review and approve transactions listed online with their itemized statement. Cardholders shall compare each transaction listed online (use of the Purchase



Card Ordering Log is optional) with the supporting receipt documentation. Cardholders shall research transactions that are recorded online but fail to appear on the statement. The cardholder shall ensure that transactions are reallocated in FBMS to the proper accounting codes as appropriate; certify the online statement by checking the review and approve boxes in PaymentNet; ensure all receipts are uploaded to the statement of accounts, and save the reconciliation files for approval. The electronic review and approve reconciliation files shall include monthly transaction receipts, email purchase requests, and other applicable supporting documentation such as utility account number and miscellaneous obligation. If a cardholder has planned absence for the entire reconciliation period and is not able to reconcile the account, the supporting documentation shall be forwarded to the AO or the designated office administrator. PaymentNet will send cardholder review and approve email reminders on the 10<sup>th</sup> and 15<sup>th</sup> day after cycle. A copy will also be sent to the AO and the A/OPC.

#### **3.13.4 – Optional Electronic Purchase Log**

An online purchase log is available in PaymentNet. Use of the online or manual purchase log is optional. Bureaus are encouraged to use the online feature with auto reconcile feature as a best practice for micro-purchases, when practical. However, Contracting Officers, high volume purchasers, and cardholders with no access to a computer may upload manual purchase logs as additional supporting documentation. AOs are required to review the electronic or manual purchase log as part of their monthly reconciliation process. Purchase logs must contain the following minimum information: date of purchase; description of the item or service ordered; merchant name; dollar amount of the transactions; date received; and cost account charged, if needed for reallocation. Cardholders are encouraged to organize file documentation in the order of the purchase log.

#### **3.13.5 – Cardholders with No Computer Access**

Cardholders with no access to a computer are required to reconcile their accounts with their supporting documentation and their purchase log. Cardholders are required to fax or email the reconciliation documentation to their office Group Management Assistant for uploading to PaymentNet. The Group Management Assistant is authorized to perform the on-line review on behalf of the cardholder.

#### **3.13.6 – Approving Official's and Fleet Managers Automated Review and Approve Responsibilities**

Upon receipt of email notification, the AO (including fleet card manager), shall review and approve cardholder reconciliation and digitally sign the statement of account by checking the review and approve boxes in PaymentNet; ensure all receipts are uploaded to the statement of accounts, and save the reconciliation file. Failure of the approving official to reconcile an absent cardholder's account may cause all cardholder accounts under their purview to be suspended by the A/OPC. All supporting documentation shall be uploaded to the servicing bank tool which serves as the central repository for ICCP files. PaymentNet will send AO review and approve email reminders on the 20<sup>th</sup> and 25<sup>th</sup> day after cycle. A copy will also be sent to the A/OPC.

#### **3.14 – Travel Business Line Reconciling the Statement of Account**

The statement period usually ends on the 19th of each month. If transactions were charged to a cardholder's account, a statement of account will be mailed to the cardholder. In addition, individual transactions are available for review in PaymentNet, as well as an electronic version of the monthly statement. Detailed reconciliation is a vital internal control in maintaining the efficiency and accuracy of the ICCP.



### **3.15 – Purchase Business Line Reconciling the Statement of Account**

The statement period ends on the 19th of each month. If charges were applied to an account, a statement of account will be published in PaymentNet and a paper copy mailed to the cardholder. Once PaymentNet's email notification or the paper statement is received, it is the cardholder's responsibility to reconcile their accounts online in PaymentNet. Detailed reconciliation is a vital step in maintaining the efficiency and accuracy of the ICCP.

#### **3.15.1 – Cardholder's Manual Statement Reconciliation Responsibilities**

Once the statement is received, it is the responsibility of the cardholder to reconcile their accounts with their supporting documentation and or the optional purchase log. Detailed reconciliation is a vital step in maintaining the efficiency and accuracy of the ICCP. To reconcile the account, the cardholder must:

- Verify the charges on the statement by comparing the amounts to the appropriate documentation or purchase log (incorrect or over charges, addition of sales tax, double charging, unrecognized charges, or other errors should be apparent);
- Annotate the cost account charged, if needed;
- Verify charges are billed correctly (individually or centrally billed);
- Annotate any disputes or transactions being refunded in part or full with the amount and date refunded;
- Digitally or manually sign and date the last page of the statement within 30 days from statement date; and
- Provide statement and supplemental documents to AO for review within 30 days of statement date (AO signature and date must appear next to the cardholder's).

If there was no activity or balance during the billing cycle, the cardholder will not receive a statement. If the cardholder believes there were actual charges on the account during the billing cycle, they should contact their A/OPC or the bank. The A/OPC will check the account and supply the statement, as necessary.

After the account has been reconciled by the cardholder and signed by the AO, the statement and all supplemental documents must be scanned and uploaded to PaymentNet's document repository for a period of 3 years. Bureaus shall phase out paper reconciliation processes to eliminate repeat audit findings and to reduce administrative costs, increase operation efficiencies, and reduce risk of compromised personal identification information for identity theft. In addition, OMB Directive M-12-18 requires Federal agencies to eliminate paper and use electronic recordkeeping. Paper reconciliation documentation shall be subject to more rigorous review or audit.

### **3.16 – Transferring Transactions**

If a transaction needs to be moved from centrally billed (CB) for payment by the Government to individually billed (IB) for payment by the cardholder or vice versa, the cardholder, upon obtaining the supervisor's approval, may contact their A/OPC to initiate a transfer. Transaction transfers can be processed in PaymentNet within 90 days from the transaction date. The cardholder should follow their bureau's policy for submitting a transaction transfer request. If during the reconciliation process, a cardholder finds transactions were billed to the wrong account (individual or central), they must contact their AO. The AO will forward the approved request to the A/OPC for review, approval and processing. Transfer transactions must be processed by the A/OPC within 90-days, but should



be initiated by the cardholder within the 30-day reconciliation period. The cardholder must submit to the A/OPC (through the AO), the following information:

- Last four digits of account number;
- Transfer transaction desired (CBA to IBA or IBA to CBA);
- Transaction and posting date;
- Transaction amount;
- Vendor name;
- Reference number; and
- Description of charge and reason for transfer.

A/OPCs are required to process a bill for collections, to ensure the Government only pays for valid charges, when a transaction that cannot be moved from CB to IB, but needs to be moved for payment by the cardholder.

### **3.16.1 – Timely Reallocation of Charge Card Transactions**

All CB transactions default to the accounting code assigned to the account. The following is a list of when CB transaction(s) require account code reclassification:

- Purchases against an obligated purchase order;
- Correction to the Budget Object Class (BOC);
- Charge(s) to be applied to multiple program codes;
- Purchases for another program office;
- Travel charged to a different account code (corporate accounts); and
- Application of a “credit” amount to the same accounting code as the original charge.

During the statement reconciliation process, the cardholder is responsible for annotating the correct account code accounting code on all CB transactions. If the transactions(s) require reclassification to an accounting code different from the default accounting code, the cardholder and the AO is responsible for ensuring that these transactions are charged to the correct accounting code. The FBMS is the system of record used for tracking cost allocation of charge card transactions by business line. Individuals with the purchase business line are required to utilize FBMS, to verify and reallocate charges, if necessary, to the appropriate accounts and BOC.

### **3.17 – Reports**

[PaymentNet](#) provides tools, including custom-developed reports, to assist A/OPCs and other agency personnel to manage the charge card program. The PaymentNet [Report Guide](#) maybe downloaded from the [JP Morgan communication website](#).

Enhanced Merchant Reports are available to assist A/OPCs, Fleet Managers, and Small Business Specialists online through [MasterCard’s portal for Commercial Products Solutions](#) applications and information. Several web-based commercial card applications are also available, including: Enhanced Merchant Reporting (EMR), Merchant Match Tool, Merchant Locator, Fuel Locator, and Acceptance Reporting Tool.



The following custom GSA SmartPay reports are available: 1099 Information Report, MWOB Small Business/1057 Report, MCC Spending Information, Top 100 Merchants Current Fiscal Spending, Top 100 Aggregate Merchants Current Fiscal Spending, and Top 100 Merchants Ranking (Current vs Prior Fiscal). Contact JP Morgan for A/OPC access to: <https://cps.mastercardbusiness.com/sdportal/home.view>.

Data Mining, Comprehensive Risk Management, Policy Compliance, Fraud Detection/Prevention and Case Management Reports are available to assist A/OPCs and the OIG online through [MasterCard's Expert Monitoring System](#) (EMS). Graphical reports are available in the EMS WebFocus tool.

### **3.18 – Extended Leave or Absences**

If a cardholder is absent from their regular duty schedule for any extended period of time, including furlough, extended sick leave, maternity leave, military leave, etc., their DOI charge card must be suspended. All cards in a suspended status should be validated annually for determining the needed use.

### **3.19 – Strategic Sourcing**

DOI is committed to improving acquisition performance through a continual effort to identify strategic opportunities and negotiate favorable Department-wide contracts. To achieve this objective, bureau procurement offices shall review spend analyses reports on purchase business line data to identify card spending patterns, determine actual and estimated savings, and identify candidates for potential strategic sourcing initiatives.

### **3.20 – Special Law Enforcement Accounts**

Law enforcement personnel may use JP Morgan commercial credit cards to meet mission needs. The term “credit card” rather than “charge card” is used because cardholders are required to pay their IB balance in full upon receipt of the monthly statement of account. The commercial credit card accounts are not CBAs. The OIG has oversight responsibilities for Law Enforcement commercial credit cards.

### **3.21 – Unauthorized Commitments**

An unauthorized commitment is a non-binding agreement because the employee lacked the authority to enter into of the arrangement on behalf of the Government (FAR 1.602). The ordering and acceptance of supplies and services without benefit of a legal contract constitutes an improper act and does not obligate the Government for the items ordered, but the individual who made the commitment may incur a personal liability. Such agreements can be ratified or approved only by an authorized official and when certain conditions are met. The Government charge card may not be used as a method of ratifying an unauthorized commitment.

### **3.22 – Tax Exemption**

The Supremacy Clause of the U.S. Constitution does not permit States to levy taxes directly upon the Federal government. CBAs are exempt from taxes in every state, but require, a tax exempt form in 13 states for purchase cards and 2 states for travel cards. IBAs travel cards are tax exempt in Puerto Rico, the U.S. Virgin Islands, and 11 states. IBA exemptions require a tax exempt form in 6 states and in Puerto Rico.



### **3.22.1 –Centrally Billed Accounts**

Integrated Charge Cards are CBAs, in which the Federal government is responsible for making the payment. As a result, consistent with the Supremacy Clause and legal precedent, the Integrated Charge Card is exempt from state sales tax in all 50 states and the U.S. territories.

### **3.22.2 –Individual Billed Accounts**

The travel business line provides for both CBAs and IBAs. The Federal government is directly billed for CBA transactions such as air fare, lodging, and rental car. Cardholders are responsible for IBA payments for meals and incidental expenses, and may be subject to tax at the point of sale.

### **3.22.3 –State Tax Exemption**

Currently, the following 11 States and 1 U.S. territory have elected to exempt IBA cards:

- Alaska, Delaware, Florida, Kansas, Massachusetts, Missouri, New York, Oregon, Pennsylvania, Texas, Wisconsin, and Puerto Rico.
- The following 5 states and 1 U.S. Territory require tax exemption forms for IBA travel cards: Florida, New York, Pennsylvania, Texas, Wisconsin and Puerto Rico.

The following 13 States require tax exemption forms for purchase card CBAs transactions:

- Florida, Georgia, Louisiana, Michigan, Minnesota, Rhode Island, South Dakota, Tennessee, Texas, Utah, West Virginia, Wisconsin, and Wyoming.

The following 2 states require forms to receive tax exemption for CBA travel cards:

- North Dakota requires a form for all CBA travel expenses.
- Pennsylvania requires a form for hotel travel only.

Hawaii has eliminated exemption of taxes on Federal spending, so businesses in this state may charge taxes for government purchasers regardless of the card used. Similarly, Illinois also levies taxes on the merchant or vendor, which can then be passed on to the cardholder regardless of the type of charge card used.

Puerto Rico has a tax exemption form for IBA travel cards used for official government travel in Puerto Rico. In the U.S. Virgin Islands, travelers are automatically exempt from taxes when IBA travel cards are used for official government business. The U.S. Virgin Islands currently does not have a tax exemption form for government employees, but is working on creating one.

In certain situations cardholders may be exempt from state taxes in regard to lodging in selected states. Travelers are directed to obtain tax exempt forms from the GSA SmartPay website under the [SmartTax](#) tab and present the tax exempt form to the merchant for exemption to be applied.

Cardholders are responsible for ensuring that the tax exempt forms are completed and submitted to the hotel at the point of sale. Cardholders must ensure hotel and rental car receipts do not include state tax. If the merchant does not recognize tax exemption status, please refer hotel/rental car representatives to the GSA SmartPay website or the state's taxation authority to verify tax exemption.



### 3.23 – Tax Reclamation

The JP Morgan MasterCard fuel tax recovery program, supported by a third-party tax specialist, allows DOI to recover eligible fuel taxes through a refund claim filing process. A refund claim is exercised when State tax law permits the exempt entity to file for the refund. A/OPCs are required to validate, file, and pursue tax claims for recovery of transaction tax overpayments.

Under the GSA SmartPay program, our parent organization, DOI, has historically shared the Federal Employer Identification Number (FEIN) with our multiple sub-organizations. In order to uniquely distinguish each agency, a change to the individual agencies’ FEIN was made to reflect the following:

Sub-Agency	Parent FEIN	New FEIN
USDO I - Bureau of Indian Affairs	53-0196949	85-0197413
USDO I - Bureau of Land Management	53-0196949	84-0437540
USDO I - Bureau of Reclamation	53-0196949	84-0406948
USDO I - U.S. Fish and Wildlife Service	53-0196949	53-0201504
USDO I - National Park Service	53-0196949	53-0197094
USDO I - Office of Aircraft Service	53-0196949	53-0196949
USDO I - Office of the Inspector General	53-0196949	53-0196949
USDO I - Office of Surface Mining	53-0196949	84-0738961
USDO I - Office of the Special Trustee for American Indians	53-0196949	53-0196949
USDO I - U. S. Geological Survey	53-0196949	53-0196958
USDO I - OS/NBC Division of Financial Management	53-0196949	53-0196949
USDO I - Office of the Secretary	53-0196949	53-0196949
USDO I - Bureau of Safety and Environmental Enforcement	53-0196949	32-0345786
USDO I - Bureau of Ocean Energy Management, Regulation, and Enforcement	53-0196949	84-1024566
USDO I - Office of Natural Resources Revenue	53-0196949	53-0196949

In addition, we have registered each sub-organization in the System for Award Management (SAMs). The SAM is the primary vendor database for the U.S. Federal Government. The system collects, validates, stores and disseminates data in support of agency acquisition missions. In addition to vendor information, every Federal agency and their FEIN is registered in SAM.

### 3.24 – Indian Education Student Activity Accounts (SAA)

The unique statutes surrounding Indian Education schools grants greater privileges that are prohibited under the standard purchase business line. Section 1128 of P.L. 95-561 requires that a funding formula is established to provide academic services at bureau operated schools that are at least equivalent to those provided by public schools located in the state.

The SAA may expend bureau funds for student use items if the expenditures are based on individual or program needs and the price is considered fair and reasonable. All Federal funds expended by bureau operated schools, however, must be included in the school’s operating budget that was developed with and approved by the local school board. The additional purchase authorities include:



- Food, toiletry items, clothing, and learning opportunities (field trips to include admission fees) for students, parents, sponsors and approved chaperones;
- Transportation and accommodations for students, parents, sponsors and approved chaperones;
- Travel tickets and accommodations for school board and Board of Regents members;
- Recreation and entertainment for students; and
- Student incentives, as defined and established by each bureau operated school (gift certificates, toys, electronics, etc.).

The SAA is established using the name of the cardholder. The individual responsible for the account must complete all requisite training before incurring transactions on the student activity charge card. Approval for SAAs is made by the Lead A/OPC. A list of approved student activity cardholders will be maintained by the Lead A/OPC. All charges that appear on a SAA are the responsibility of the designated cardholder. All transactions need the same documentation requirements for the standard purchase business line. Additionally, transactions with the SAA must contain an accurate listing of the students participating in the event that precipitated the charges.

### **3.25 – Documentation and Record Retention**

Documentation shall be kept to a minimum for purchases below and exceeding the micro purchase threshold in accordance with FAR 13.106-1(5) d, and 13.106.2(4).

Cardholders have the responsibility to capture and maintain integrated charge card account use records and receipts. Record retention requirements may vary between cardholders. Generally, for purchases at or below the micro-purchase threshold, retention of cardholder records is 3 years. However, for transaction(s) incurred above the micro-purchase threshold, the retention period is 6 years and 3 months.

A/OPCs must retain records and related documents, including letters and forms relating to the designations of AO and Letters of Cardholder Delegation of Procurement Authority in the DOI Learn system. A/OPCs are not required to maintain records of cardholder applications after charge card issuance. A/OPCs may request an electronic copy of the cardholder application from JP Morgan customer service upon receipt of an OIG investigation documentation request.

### **3.26 – Use of Electronically Image Record Storage**

OMB Directive M-12-18 requires that to the fullest extent possible, agencies eliminate paper and use electronic recordkeeping. This Directive is applicable to all executive agencies and to all records, without regard to security classification or any other restriction. FAR 4.703(c)(3) also addresses records retention for Federal contractors. In addition, Federal awarding agencies may authorize substitution of copies of original records for the original records. In addition to the record retention requirements of FAR 4.703, the Contractor shall be the Government's agent for document repository as it relates to all transactions under the card program(s). The Department's implementation of the cardholder online reconciliation (reviews and approve) authorizes substitution of electronically imaged records for originals, and establishes JP Morgan electronic access system as the electronic repository for purchase business line transactions.



Electronic statement of accounts and imaged cancelled checks are available online in the PaymentNet document repository. Authorization to use alternate storage mediums does not alleviate the responsibility to develop, implement, maintain, and monitor financial and administrative systems. The bureaus and offices have the option on the type of record storage medium (paper or electronic) to use for employees who do not have access to a computer.

### **3.27 – End of Fiscal Year Spending Cut-Off Dates**

A/OPCs should coordinate with their finance office to establish a cut-off date for purchases to be made at the end of the fiscal year. Local guidance should include a cut-off date, the steps the cardholder should follow if an emergency arises after the cut-off date, and the steps that should be taken in the event of a continuing resolution where funds are not readily available.

### **3.28 – JP Morgan Customer Service Support**

JP Morgan program coordinators provides day-to-day help desk support for A/OPCs servicing needs such as account maintenance, real-time program changes, basic system functionality, and assisting the A/OPCs with issue resolution. Click on the following link for more information on [Card Solution for the Federal government](#). The Client Application team provides technical assistance and help desk support on PaymentNet, such as error messages, questions on reports, navigational support, and “how to” questions. Click on the following link to access [Client Application Support website](#). JP Morgan Customer Service agents provide support to cardholders for a wide range of services including, but not limited to:

Lost or stolen card reports	Returns and credits	Payment information	User IDs
Transaction authorizations	Replacement cards	Balance inquiries	Password reset
Specific charge inquiries	Account closures	Emergency services	Training
Card activation	Statement questions	Account Status	Fraud prevention

JP Morgan also provides electronic data interchange and electronic commerce support to DOI Financial Management System, MasterCard EMS, and Concur electronic access system. The use of the issuing bank’s electronic access system is mandatory unless a waiver is granted.

**END OF SECTION 3**



## SECTION 4 TRAVEL

### 4.0 – Travel

Transactions under the travel business line must comply with the FTRs, DM, and the DOI Financial Management Memoranda. See <http://www.doi.gov/pfm/travel/index.cfm>. The features of the travel business line (e.g., ATM cash advances, restaurant charges, etc.) may not be used independently of authorized travel. Charge card accounts are not private and are subject to review at any time.

Cardholders are expected to:

- Use good judgment and management (prudent person rule) and keep their card secured at all times.
- Use their card only in conjunction with official Government travel, complying with the terms and conditions of the JP Morgan GSA SmartPay 2 Integrated Cardholder Agreement.
- Keep their account in good standing by paying their individually billed transactions in full each month.

The majority of travel business line expenses are CB, e.g. common carrier transportation, lodging, rental cars, shuttles, taxis, airport parking, and fuel. Other expenses, such as ATM withdrawals and fees and meals and incidental expenses obtained outside of hotels are IB. The CB items will be listed below the “*Memo Items Below*” line on the cardholder statement of account. All CB transactions are paid daily by bureaus through an automated interface; cardholders are responsible for paying the monthly total IB transactions.

### 4.1 – Authorized Use

Use of the integrated charge card shall be restricted to Government –employees who have received proper training in the use of the card. Furthermore, except as authorized by the applicable GSA master contract, the only person authorized to use the card is the person whose name appears on the integrated charge card. Permitting someone else to use your charge card, even within the same program office or activity, may result in disciplinary action and/or cancellation of your cardholder privileges. Additionally, the integrated charge card must not be issued to or used by contractor personnel under any circumstances.

### 4.2 – Mandatory Use

In accordance with DOI Travel Policy, employees are required to use the Government-issued J.P. Morgan MasterCard for all travel expenses and cash advances unless an exemption has been issued. Whenever an employee is on official Government travel, their charge card must be used for the following transactions:

- Transportation tickets, e.g., airline, rail, or bus travel and travel management center (TMC) fees;
- Rental vehicles;
- Fuel for the rental vehicle;
- Lodging;
- Cash advances (within 5 calendar days prior to the official travel and never after TDY has ended); and
- Other official expenses (Listed as Exceptions in paragraph 4.2), whenever possible.



### 4.3 – Exceptions from Mandatory Use

The FTRs lists the following categories as being exempt from mandatory use; however, this does not prohibit using the charge card when it is accepted.

- Expenses incurred at a vendor that does not accept MasterCard;
- Laundry/dry cleaning;
- Parking;
- Local transportation system;
- Taxis;
- Tips (transportation);
- Meals (when use of the card is impractical, e.g., group meals);
- Phone call if the FTS MCIW telephone calling card is not available;
- An employee who has an application pending;
- Invitational travel;
- New appointees; and
- Relocation allowances prescribed in the FTR, Chapter 302, except en-route travel and house hunting trip expenses.

### 4.4 – Restrictions & Limitations

The charge card must not be used to purchase any of the following:

- Direct charge to fuel privately owned vehicles. However, cash advances are permissible to pay fuel costs while on official travel orders at or below the acceptable per diem rate.
- Fuel for a privately owned vehicle (mileage reimbursements include the cost of fuel).
- Personal or unofficial rental vehicles (charges must be paid separately with personal funds).
- Conference fees
- Travel accommodation or expenses for someone other than the cardholder and family members performing relocation travel.
- If reserving a block of sleeping rooms or meeting rooms, equipment, and related services, the reservation and purchase must be made using the purchase business line or through the supporting procurement office, individual lodging may not be paid with the purchase business line. When using the purchase business line for lodging, pay particular attention to hotel cancellation policies to prevent charges for unused rooms.
- Consultant travel. (Travel provisions should be included in the consultant's contract, if applicable. The purchase of travel and transportation tickets for contractors is prohibited (with or without the charge card). See FAM 98-023 (II.G.1).

Government travel arrangements such as transportation, lodging, or car rentals must be made with the Government-issued charge card through the DOI TMC at <https://cge.concursolutions.com>. Using the Government-issued charge



card to purchase transportation or lodging on commercial online travel booking tools e.g. Travelocity, Orbitz, Expedia, Kayak, Airline Websites, etc. is prohibited. The charge card can be used for lodging when:

- Conference lodging has been reserved as a block of rooms and the traveler must contact the hotel directly in order to receive the conference rate;
- When a traveler must make unplanned stops while in travel status, they may reserve lodging directly with a lodging provider; or
- Other situations as defined by Bureau policy.

Note: The FTS MCIW telephone calling card must be used in lieu of the integrated charge card for all business and authorized personal calls while on official Government travel. The integrated charge card should be used only if the calling card is not available. Failure to obtain an FTS MCIW calling card does not constitute proper justification for not having a card available.

#### **4.5 – Corporate Accounts**

Corporate accounts may be established to purchase transportation tickets and any related fees for individuals, such as:

- Interviewees and invitational travelers;
- Employees who applied for but not yet received a card;
- Employees serving without an appointment;
- Employees and their immediate family members performing relocation travel; and
- Employees who lost their charge card privileges.

Employees who lost their card privileges due to misuse or account delinquency, but need to travel must use the corporate card for transportation tickets. Unless bureaus have a Declining Balance card program in place, the employees, who lost their charge card privileges, must use their personal funds to finance the remainder of their travel. The reimbursement of travel expenses will continue to be claimed through their bureau's standard travel vouchering process.

The corporate account is issued in the name of the organization, with a specific individual designated the responsibility for managing and reconciling the account. Corporate accounts may be used only for transportation tickets under certain conditions, as explained above.

#### **4.6 – Declining Balance Accounts**

Declining balance accounts may be established and used during a limited time period (e.g., within a 3 year period), for a limited amount, possibly for a specific vendor or project. The available balance declines as the stored value card is used. For frequent use on a recurring basis, an account may be reused by resetting/refreshing the card's cycle limit. The stored value or declining balance card accounts are centrally billed and do not require a credit worthiness determination. A separate invoice will be prepared and issued from JP Morgan. Use of declining balance accounts are authorized as a complimentary tool to the integrated charge card travel business line.



The declining balance card account may be established and issued to cover TDY travel allowances and any other related fees for the following individuals:

- Employees who have applied for but not yet received a card;
- Employees serving without an appointment
- Employees and their immediate family members performing relocation travel
- Employees who have lost their charge card privileges
- Interviewees performing pre-employment interview travel
- Invitational travelers on official government business; and
- Temporary employees serving under retired annuitant or occupation safety and health programs

During the period of travel and for the purposes of receiving TDY allowances; invitational travelers are considered “employees” of the agency while on official government business (see FAR 301-1.2).

#### **4.6.1 – Spending and Cycle Limits**

Bureaus need to determine spending and cycle limits in accordance with their bureau mission. Bureau policy must include the basis for the determination and ensure appropriate controls exist.

#### **4.6.2 – Card Issuance**

Contact your bureau A/OPC for an application to establish an account, access to PaymentNet, and issuance procedures.

#### **4.6.3 – Card Use**

The Declining Balance card can be used for expenses which are normally related to official government travel, invitational travel, and relocation. Expenses such as, but not limited to the following:

- Airline and Lodging;
- Rental Car and other modes of ground transportation; and
- Meals and Incidental Expenses (M&IE) and other authorized reimbursable expenses.

The cardholder will be responsible for any charges made using the Declining Balance card for either travel or relocation prior to the effective date of the travel if the travel is cancelled. The DOI employee, acting as a sponsor, must not charge their travel expenses to the Declining Balance card; they must use their Government-issued charge card for their travel-related expenses.

#### **4.6.4 – Documentation**

When the Declining Balance card is being used for invitational travel, the office sponsoring the travel must have written or electronic authorization for each invitational traveler. All supporting documentation must be maintained in accordance with bureau policy.



#### **4.7 – Emergency Responders**

Cardholders who will be away from the office on official business for extended periods, which will prevent them from filing their vouchers timely (e.g., emergency personnel, employees evacuated due to natural disasters), should have accounts designated as emergency responders. This will prevent their charge card from being suspended or cancelled due to delinquency.

Supervisors are responsible for notifying the A/OPC when the mission critical designation is no longer needed. Mission critical status must not be abused; cardholders in this status must make every reasonable effort to file for travel reimbursement and pay their charge card bill in full as soon as possible. Employees who are on long-term travel are expected to file vouchers at least every 30 days.

Upon written approval of the cardholder's supervisor and concurrence by the Bureau ADA or equivalent, the A/OPC may designate the cardholder as "mission critical" provided that:

- Payments on the account are current (no outstanding delinquency); and
- The nature of the cardholder's work, e.g., extended travel requirements, overseas travel assignments, may prevent the cardholder from being able to make payments for IB transactions by the specified due date.

#### **4.8 – Travel Management Center (TMCs) or Electronic Travel Services (ETS) System**

Government-issued charge cards are prohibited from being used to arrange for transportation or rental cars outside of the TMC or ETS. Only under limited circumstances, as explained in paragraph 4.3 can the Government-issued charge card be used for obtaining lodging outside of the TMC or ETS.

#### **4.9 – Permanent Change of Duty Stations (PCS)**

The charge card should be used for intra-bureau house hunting and en-route travel and may be used, with written bureau consent, for other portions of relocation expenses. The employee must pay the full charge card statement balance timely by the due date specified on the statement.

Reminder: Employees' reimbursements take longer than normal travel reimbursements because PCS travel vouchers require additional review and processing, and the payments must go through payroll. Additional information can be found at <http://www.doi.gov/pfm/travel.html>.

#### **4.10 – Overseas Tour Renewal Travel**

This refers to travel for the employee and their immediate family returning home between overseas tours of duty and is addressed in 41 CFR 302-3.209 through 302-3.224. The Government-issued charge card may be used for the employees authorized transportation and M&IE allowance; transportation costs of eligible dependent family members must be purchased with the Bureau's corporate cards. Additional information can be found at <http://www.doi.gov/pfm/travel.html>.



#### **4.11 – ATM/Travel Advances**

Cardholders with ATM privileges may obtain authorized cash advances for official travel expenses within 5 calendar days prior to the beginning date of the official travel or while in actual travel status. Travelers are prohibited from using their government issued charge card once they have returned from TDY. Travel advances are limited to a percentage of expected allowance for M&IE and reimbursable out-of-pocket expenses. If an ATM advance cannot be issued, a Government advance may be requested in accordance with bureau policy. Convenience checks shall not be used to provide travel advances. A/OPCs shall conduct policy compliance reviews of ATM transactions utilizing the MasterCard's data mining tool.

#### **4.12 – Hardship Cases**

In cases of extreme hardship, cardholders who have lost charge card privileges may be issue a Declining balance value card and should follow bureau policy.

#### **4.13 – ATM Terminal Fees and Cash Advance Fees**

JP Morgan ATM terminals do not charge an ATM terminal or access fee when using the Government-issued charge card; other banks will charge a terminal fee. JP Morgan will assess a 1.75% cash advance fee, which can also be claimed on your travel voucher. JP Morgan's ATMs may be located by calling 1-888-297-0781 or searching on the internet at [www.jpmorganchase.com](http://www.jpmorganchase.com).

#### **4.14 – Merchant Surcharge Fees**

As a result of the settlement between a class of retailers and the brands (VISA/MasterCard), on January 27, 2013, merchants in the U.S. and U.S. Territories are permitted to impose a surcharge on cardholders when a charge/credit card is used.

#### **4.15 – Documentation and Record Retention**

Cardholders are required to attach charge card receipts for rental cars and lodging to their travel vouchers in the ETS2 system. Cardholders with both purchase and travel business lines are required to upload receipt documentation in the JP Morgan PaymentNet, which serves the document repository. AOs are also required to perform their review and approve. Travel business line, receipts and supporting documentation will also be filed with the travel voucher in accordance with rules and regulations for submitting the voucher. Originals of receipts for CB items (listed as "Memo" item on the charge card statement) such as rental cars, lodging (where allowed), etc., should be submitted with the travel voucher but not claimed as a reimbursable expense on the voucher. Cardholders are required to upload airline, hotel, car rental receipts and all other expenses over \$75 for record retention.

Cardholders are required to enable e-receipts to automatically receive electronic receipts from participating vendors. JP Morgan PaymentNet electronic commerce system automatically sends travel charge card transactions to ETS2 vouchering system.



#### **4.16 – Reconciling the Statement of Account**

The statement period usually ends on the 19th of each month. If transactions were charged, a statement of account will be mailed to the cardholder. In addition, individual transactions are available for review in PaymentNet, as well as on an electronic version of the monthly statement. Detailed reconciliation is a vital internal control in maintaining the efficiency and accuracy of the ICCP. See Section 3.14.

#### **4.17 – Individual & Central Billing Transactions**

Travel is the only business line in which some expenses – airline tickets, lodging, rental cars, some shuttles, airport parking, and fuel are CB, while others such as ATM withdrawals and fees, and meals are IB. The CB items will be listed below the “Notice Memo Items Listed Below” line on the cardholder statement of account and will be shown with an “M” printed before the dollar amount; they will not be included in the balance due.

The cardholder must review and verify the accuracy of all “Memo” billing items as carefully as if these items were billed for individual payment. IB transactions will appear first on the statement of account. Any incorrect charges must be promptly disputed by seeking credit from the merchant and in PaymentNet or by contacting JP Morgan customer service. All charges that are centrally billed to the finance office will include the identity of the employee who incurred the charge.

#### **4.18 – Making Payments**

In accordance with the Integrated Cardholder Agreement, payment must be made in enough time for payment to be received by the date specified on the statement of account. Payments that will be made to JP Morgan for IB transactions may be submitted in the following manner:

- On-line at the [PaymentNet](#) website. It is necessary to set up a login and PaymentNet User ID. Contact an A/OPC for assistance or JP Morgan Customer Service.
- Mail a check with the return portion from the monthly statement. Cardholders are responsible for paying postage for payment of IB transactions. By calling JP Morgan at: 1-888-297-0781. A fee is not charged for this service.

#### **4.19 – Travel Vouchers**

You must list all reimbursable expenses on your travel voucher. When on TDY travel, you should submit your voucher within 5 business days after returning from travel; TDY and PCS travelers must prepare and submit the voucher within 5 days of the completion of the trip, or every 30 days, whichever is less. When completing a travel voucher you should claim reimbursement for M&IE, mileage, ATM fees, travel in/around your official duty site and/or alternate duty site or to/from transportation terminals for official business performed in conjunction with an approved travel authorization and other miscellaneous expenses that will be IB. The travel expenses that are CB, such as lodging, airline, train, car rental, fuel and airport parking, are not to be claimed for reimbursement on your travel voucher. However, they must be included on the voucher and annotated as CB expenses. Receipts for all lodging and transportation expenses (regardless of the amount), and for all other expenses in the amount of \$75.00



or more should be scanned and submitted to the ETS2 system with the travel voucher. You should keep a copy of the voucher and all receipts in case a question or problem arises about your reimbursement. Copies of charge card receipts should be submitted with the travel voucher and the original receipt is required to be submitted with the statement for central filing.

All rental vehicle reservations must be made through the ETS2 system. Since rental car and fuel charges will be CB, you need to make sure that only official, reimbursable rental car expenses are charged to your card. Charges resulting from personal and/or unofficial use must be billed separately to a personal charge card or paid by other means. Because rental car costs are a CB item, you must return your authorized Government rental car and initiate a new rental agreement for any period that you are on annual leave (or other unofficial duty days) during official travel. You may not use the Government charge card to pay for the rental car, even if you intend to only claim reimbursement for the official travel portion of the bill. You are also prohibited from paying a rental vehicle for official use with a personal credit card. You must utilize the Government charge card for rental cars used on official travel.

#### **4.20 – Local Travel**

The use of the Government-issued charge card for local travel is at the discretion of the employee's assigned Bureau. Use of the Government Travel Card to purchase meals while on local travel is prohibited.

#### **4.21 – Fees and Late Fees**

Cardholders should avoid late fees and other assessments by paying all undisputed IB transactions when they are due. To ensure that their account will be promptly and properly credited, cardholders must always remember to put the last four digits of the charge card account number on the face of the check that is sent to JP Morgan. A late fee of \$25.00 per month will be assessed if the payment is 126 days past the due date.

#### **4.22 – Returned Check Fees and Collection Fees**

J.P. Morgan charges a \$25.00 fee for returned checks. The fee is not reimbursable. If J.P. Morgan refers a cardholder's account to an attorney for collection, the cardholder will be responsible for paying the attorney's fees, the account balance, and all other costs of collection (including court costs), except those prohibited by law. A cardholder who presents two payments that are returned for Non-Sufficient Funds (NSF) in a 12-month period is subject to having their accounts cancelled by JP Morgan. An appeal process, to either the bureau or the Department, is not available to have this action reversed.

#### **4.23 – Delinquency**

Cardholders must comply with the terms and conditions of the Integrated Cardholder Agreement (the Agreement), including the timely payment of account balances. When cardholders activate or use their charge card, they are agreeing to comply with the Agreement. Under the terms of the Agreement, payment must be submitted to the bank by the due date specified on the cardholder's billing statement. Timely payment of cardholder's accounts must be made regardless of travel voucher reimbursement status. A/OPCs shall monitor the Delinquency Report available in PaymentNet at least monthly and notify the responsible approving official of any cardholder delinquencies under



their purview. Bureau policy must identify the internal process that A/OPCs should follow when notifying AOs. In addition, Bureau policy must address the process that AOs should follow in addressing delinquencies.

Employees with a delinquent account are subject to disciplinary action in accordance with the DOI Personnel Handbook on Charges and Penalty Selection on Disciplinary and Adverse Actions for disregard of directives or regulations. Additionally, based on the terms of the Agreement, an account may be cancelled if the account has been suspended twice during a 12-month period for non-payment of undisputed principal amounts and becomes past due again. PaymentNet will automatically send an account delinquency email alert to cardholders when the undisputed IB transactions remain unpaid 45 calendar days after the date of the statement of account on which the charges first appeared. The cardholder will have 15 days to pay the undisputed IB transactions to avoid card suspension and automatic salary offset proceedings.

#### **4.24 – Suspension or Cancellation Effect on Other Business Lines**

Suspension or cancellation of the travel business line of a cardholder's account due to delinquency will result in the suspension or cancellation of any other business lines, e.g., fleet, purchase, on the cardholder's account.

#### **4.25 – Salary Offset**

The cardholder's account will be suspended and further charges prohibited if any undisputed IB transactions remain unpaid 61 calendar days after the date of the statement of account on which the charges first appeared. JP Morgan will notify the IBC Payroll Operations Division of the delinquency. IBC will then send a notification letter to the employee. The letter will inform the cardholder of JP Morgan's request for collection assistance and the employee's due process rights. The cardholder will also be notified that if the account is not satisfactorily resolved within the next 60 days, which will be the 120<sup>th</sup> calendar day, following the date of the billing statement, payroll offset will begin.

When an account with an undisputed IB balance remains unpaid 96 calendar days after the date of the billing statement on which the charge first appeared, the account will be cancelled. If an account balance is not satisfactorily resolved, the IBC may begin salary offset after 120 calendar days.

#### **4.26 – Credit Bureau Reporting**

In accordance with the GSA SmartPay master contract, J.P. Morgan has the authority to report any past due account that has been cancelled and is not in a J.P. Morgan approved payment plan. All Government charge card accounts reported to the credit bureau will be identified as a business account issued to the cardholder based on employment, not as consumer credit cards.

#### **4.27 – Traveling When Card Has Been Suspended or Cancelled**

Corporate cards or Declining Balance cards will be used for employees who lose their charge card privileges due to misuse or account delinquency to avoid use of employee personal funds to finance business travel expenses. Transportation tickets must be purchased using a corporate account. The Declining balance cards can be used for hotel, rental car expenses and M&IE. When personal funds are used, employees will be reimbursed through the



travel voucher process. No travel advances (by either cash or check) will be authorized except under hardship conditions approved by the program assistant secretary.

#### **4.28 – Limited Use and/or Restricted Use Cards**

Limited use cards are issued to employees who either travel infrequently or had their accounts reinstated as a result of delinquency or misuse. One or more of the following limitations may be applied to the account:

- Activated only for the days the cardholder is performing TDY
- Have reduced spending limits or be issue a Declining Balance Card
- In the event of previous cash abuse, the cash advance privilege may not be restored.

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**END OF SECTION 4**



## SECTION 5 PURCHASE

### 5.0 – Purchase

This section is generally directed to non-warranted cardholders whose use is restricted to micro-purchases. The following are the limits on micro-purchases: \$3,000 for supplies, \$2,500 for services subject to the Services Contract Act, and \$2,000 for construction subject to the Davis-Bacon Act. The purchase card is to be used as a payment, not a contracting, mechanism. The use of the charge card is not a substitute for the acquisition process. All the applicable requirements of the Competition in Contracting Act, other statutes and Executive orders, and the FAR apply to purchases made using the purchase card for payment (see FAR 13.301). Purchase business line transactions are CB and paid by the Government. Cardholders with delegated purchase authority are responsible for observing the “prudent person” rule. That is, cardholders are expected to use the card practically and sensibly and to exercise good judgment in its use at all times.

In accordance with FAR Subpart 13.201(b), “The Government wide Commercial Purchase Card (Integrated Charge Card) shall be the preferred method to purchase and to pay for micro-purchases”. Furthermore, FAR Part 22 states that the purchase of equipment or services sold or traded in substantial quantities to the general public in the normal course of business operations are exempted from Service Contract Act applications for maintenance, calibration, and repair of certain equipment. Services provided at prices, which are based on established catalog or market prices for the maintenance, calibration, or repair of equipment are also exempted.

The Freedom of Information Act asserts that the identification report of cardholders having purchase authority is public information. Therefore, cardholder’s having purchase authority must use their office address as the address of record for the bank’s system to protect using personal identification information.

### 5.1 – Eligibility

Employees must obtain supervisor approval and meet all training requirements before being authorized to make purchase transactions. Mandatory periodic refresher training is required. Purchasing authority may be suspended for failure of satisfactory completion of mandatory training and refresher training requirements, failure to perform review and approve online reconciliation (when implemented by their bureau), no longer have a need, splitting orders, fraud, waste, abuse, misuse, etc. Cancellation of travel business line due to delinquency and/or misuse may also result in the cancellation of purchase authority. Purchase authority may be granted to cardholders who have lost their travel privileges by issuing a purchase business line only card under conditions deemed necessary by the BPC and approved by JP Morgan.

### 5.2 – Authorized Use

Integrated charge cards cannot be used as a substitute for the acquisition process. Use of the integrated charge card shall be restricted to Government personnel who have received proper training on the use of the card. Furthermore, except as authorized by the applicable GSA master contract, the only person authorized to use the integrated charge card is the person whose name appears on the card. Permitting someone else to use your charge card, even within



the same program office or activity, may result in disciplinary action and/or cancellation of your cardholder privileges. Additionally, the integrated charge card must not be issued to or used by contractor personnel under any circumstances. Cardholders should always notify the vendor/contractor at the point of sale not to charge the card for purchases until the items are shipped and that purchases are for official U.S. Government purposes that are centrally billed, and therefore, tax exempt in all 50 states.

### **5.3 – Purchase Management Controls**

#### **5.3.1 – Span of Control**

Span of control refers to the extent of review responsibilities placed on a single AO for the purchase card transactions of one or more cardholders. The number of cardholders assigned to an AO should be reasonable based on the volume of cardholder activity and organizational structure, in order to enable the AO to conduct reviews for detecting possible cases of misuse and fraud. The AO shall have direct knowledge of the cardholder's role and must have the ability to verify receipt of goods or services. The number of cardholders and AOs assigned to an A/OPC shall also be reasonable based on volume of cardholder activity and organizational structure.

#### **5.3.2 – Separation of Duties**

Separation of duties minimizes the risk of fraud and/or loss of property. To ensure that management controls are not circumvented, the responsibilities of an AO and A/OPC should not overlap. Assignment of duties such as authorizing, approving, and recording transactions; receiving assets; approving cardholder statements; making payments; certifying funding; and reviewing or auditing must be assigned to separate individuals to the greatest extent possible. A cardholder should not be an AO for a superior.

### **5.4 – Split Purchase**

For non-warranted cardholders, the following are the maximum single-purchase spending limits: \$3,000 for supplies, \$2,500 for services, and \$2,000 for construction. Transactions must not be split into smaller purchases so that each order falls within the SPL. Intentionally splitting a purchase may result in the cancellation of purchasing authority and disciplinary action. Purchases over short periods of time (1 to 3 business days per vendor) may be considered splitting requirements pending documentation review. Contact bureau procurement office for specific guidance. Only warranted cardholders may use the charge card above the micro-purchase threshold, except for authorized use of the acquisition payment card. Charges that are recurring, e.g., monthly, weekly, semi-annually, etc., that exceed the micro-purchase threshold within a 12-month period must be reviewed for the purpose of considering the use of a contracting vehicle. If deemed necessary, a contract will be established and the charge card will then be used as a method of payment.

### **5.5 – Micro-Purchases**

Cardholders shall comply with the following guidelines when making micro-purchases:

- Ensure purchases are allowable
- Ensure availability of funds
- Obtain required approvals
- Distribute purchases equitably among qualified suppliers



- Use required sources of supplies and services
- Determine price reasonableness
- Do not split requirements
- Do not exceed spending limits
- Comply with the following requirements:
  - Use of Energy and Water Efficiency and Renewable Energy
  - Use of Recovered Materials and Bio-based Products
  - Contracting for Environmentally Preferable Products and Services
  - Section 508 criteria

## **5.6 – Central Billing of Transactions**

Purchase business line transactions are bill centrally to the Government. However, cardholders that administer both the travel and purchase business lines may also have some transactions IB that should have been CB. In those cases, the cardholder should request through the AO and A/OPC that the transaction be transferred to CB. See Section 3.16 entitled Transferring Transactions.

## **5.7 – Allowable Purchases**

The purchase card may be used to acquire commercially available supplies and services, which include but not limited, to the items outlined below in paragraphs 5.7.1 through 5.7.8.

### **5.7.1 – Telecommunications Charges**

The purchase business line is the preferred method of payment for monthly cellular airtime, pager service and other recurring telecommunications charges for under micro purchase threshold.

### **5.7.2 – Mobile Devices and Services**

The purchase business line is the preferred method of payment in conjunction with commercial wireless carriers' web-based ordering and expense management portals for DOI's enterprise wireless device acquisition, services, and mobile applications in lieu of less streamlined ordering and payment methods. Cardholders shall obtain approval from the Office of the Chief Information Officer prior to placing orders, for wireless devices.

### **5.7.3 – Mobile Applications**

Cardholders procuring Apple products below the micro purchase threshold shall use the GSA Schedule located on the [Apple Portal](#). Cardholders purchasing commercial Apple applications through the iTunes store are required to: install iTunes onto their computer; establish an iTunes account; purchase the application using iTunes Apple account and "Gifts" through the DOI employee email address. Apple will send an email to the DOI employee to confirm the iTunes purchase; the IT-Helpdesk will then install the licensed application on the DOI managed device.

### **5.7.4 – Construction Services**

The purchase of construction services including, building alterations, maintenance, painting, and installation of carpet, must not to exceed \$2,000 in aggregate.



### **5.7.5 – Conference Related Expenses**

Use of the purchase business line to obtain short term conference/meeting space for official business is permitted. The purchase of conference-related expenses such as registration fees, conference rooms, audio and video equipment and meeting spaces, purchase or rental of booth space and promotional conference trade show materials are also authorized using the purchase card.

### **5.8 – Third Party Transactions**

The use of third party transactions is discouraged with the purchase business line because there is a greater risk of abuse, issues involving disputed transactions, and difficulty identifying and reconciling transactions. Third party credit card processors should only be used when no other merchants can supply the product or service or meet delivery, quantity, or quality requirements and the merchant in question will accept payment only through the third-party processor; or the cardholder used the purchase card but was unaware that the merchant was using a third-party credit card processor.

If third party transactions are incurred, cardholders must document the name of the merchant, the name of the third-party processor, the amount of the transaction, and a brief statement explaining why it was necessary to purchase the product or service from that merchant in the purchase log file. The purchases may be difficult to reconcile because the transactions may appear under the name of the third-party processor instead of the merchant. A/OPCs shall conduct reviews of all third party transactions utilizing the MasterCard's data mining tool.

### **5.9 – Crew Chief, Fire and Other Emergencies**

Crew chiefs and the Contracting Officer are authorized to make travel arrangements on their purchase business line for fire crews while on official assignment. Before charges are incurred, the account must be updated with the emergency authorization control set. This provides for food, beverage, transportation, and lodging purchases for other employees during this approved period. All transactions require the same supporting documentation as the standard purchase business line. Additionally, transactions made for fire crews must contain an accurate listing of the crew-members receiving the goods or services purchased. The listing for each transaction and documentation showing the official assignment must also be included with the supplemental documentation.

### **5.10 – Required Sources of Supplies and Services**

#### **5.10.1 – Purchase of Supplies**

Except as otherwise provided by law, cardholders shall comply with FAR Part 8 requirements for purchasing supplies from the following sources, which are listed in descending order of priority:

- Agency inventories (e.g., excess property)
- Excess from other agencies (see Subpart 8.1)
- Federal Prison Industries, Inc. (see Subpart 8.6)
- Supplies which are on the Procurement List maintained by the Committee for Purchase from People Who are Blind or Severely Disabled (see Subpart 8.7)



### **5.10.2 – Purchase of Services**

Except as otherwise provided by law, cardholders shall comply with requirements for purchasing services from the following sources, which are listed in descending order of priority:

- Procurement List maintained by the Committee for Purchase from People Who are Blind or Severely Disabled (see Subpart 8.7)

### **5.11 – Federal Strategic Sourcing Initiatives (FSSI)**

GSA FSSI commodity awards have been made for Office Supplies, Smart BUY for various information technologies (IT) commodities, Ground Domestic Delivery Services, Wireless Services and Managed Print Services are available for use. DOI also hosts a number of SSI for various mission unique commodities. The GSA blanket purchase agreements (multiple vendors) for office supplies are mandatory DOI sources.

SmartBUY is a government-wide enterprise software licensing initiative established to maximize the buying power of the government and decrease the cost of widely used commercial software. The requisitioner/user must verify whether the items that they need to buy is on the list of established [SmartBUY](#) agreements and annotate the purchase request accordingly. If an agreement exists, the cardholder must purchase in accordance with that agreement. If the required software is not available under an existing SmartBUY agreement, the requirement shall be processed internally under normal bureau procedures.

Cardholders should ensure IT systems and products are able to receive, process, and transmit or forward Internet Protocol Version 6 (IPv6) packets and should interface with other systems and protocols in both IPv4 and IPv6 modes of operation.

For all other [FSSI/SSI](#) solutions, please visit [www.gsa.gov/fssi](http://www.gsa.gov/fssi) or contact the DOI SSI program manager.

### **5.12 – Green Procurements**

Cardholders shall purchase green products and services to the maximum extent practicable, consistent with the requirements of Executive Order 13423 and 13514, FAR Part 23 and DIAPR 2008-07. Programs covered under the Green Procurement Program include:

- Recovered Materials Products,
- Biobased Products,
- Energy Efficient Products,
- Water Efficient Products,
- Non-Ozone Depleting Products, and
- Environmentally-Preferable Products and Services.



### **5.13 – Section 508 Rehabilitation Act Requirements**

Cardholders must comply with the Section 508 Rehabilitation Act requirements by ensuring that officials provide the required determinations and adequately document purchase card files. AOs should ensure cardholder comply with the Act when reviewing and approving cardholder documentation of purchases. For additional assistance on Section 508, please contact your accessibility coordinator.

### **5.14 – International Transactions**

#### **5.14.1 – Gratuities**

Gratuities are limited to foreign countries where the exchange of items is customary and instances where it is necessary for the promotion or advancement of the agency's mission. The expense may be incurred in the foreign country or the area of assignment.

#### **5.14.2 – Trade Events**

The purchase or payment of overseas trade events and hospitality-related expenses such as registration fees, conference rooms, audio and video equipment and meeting spaces, paid advertisements in newspapers or other publications are authorized.

#### **5.14.3 – Authorized Fees and Rate of Exchange**

When using the purchase business line outside the U.S., the charge is converted to U.S. dollars. The international MasterCard and Visa networks charge a one percent fee for the exchange process, and bills the servicing bank for the fee. JP Morgan tacks on an additional surcharge of its own and bills the cardholder. When the purchase business line is used to acquire local currency at an ATM outside the U.S., the international networks immediately calculate the amount exchanged and debit the account in U.S. dollars.

### **5.15 – Charge Card Restrictions**

In accordance with the GSA SmartPay® Program, the purchase business line shall not be used for the following:

- Long-term rental or lease of land or buildings. (long-term is generally defined as one year or more);
- Travel or travel-related expenses; (excluding conference rooms, meeting spaces, and local transportation services such as Metro Farecards, subway tokens, etc.); and
- Cash advances.

#### **5.15.1 – Departmental Restrictions**

DOI regulations or policies prohibit the purchase of supplies or services that should be placed on a travel business line or fleet card, including the purchase of gas or oil for Department-owned vehicles and repair of Department or leased vehicles acquired with the purchase business line.

#### **5.15.2 – Non-Monetary Awards**

The integrated charge card shall not be used to purchase prohibited items as described in the President's Executive order *Promoting Efficient Spending*, and the Department's award policy found in 370 DM 451.5.



**Gift cards** or other items that can be easily converted to cash (i.e., gift certificates, gift cards, U.S. Savings Bonds, tickets, or similar items) may also not be used for this purpose. Consistent with Executive Order 13589, *Promoting Efficient Spending*, and DOI policy, *Restrictions on the Purchase of Promotional Items*, March 29, 2012, promotional items may not be used for this purpose, including for example, watches, and fruit baskets, balloons, coffee cups, key chains, jackets, caps, T-shirts, clocks, plaques or similar items. A/OPCs shall conduct reviews of all gift card transactions utilizing the MasterCard's data mining tool.

### 5.15.3 – Federal Appropriations Law Restrictions

In accordance with principles of Federal Appropriations Law, the following items are generally prohibited to be purchased with appropriated funds. As exceptions may be authorized for certain category of items such as:

- **Entertainment:** Entertainment includes, but is not limited to, food and drink, receptions, banquets, music and artistic performances.
- **Water:** The GAO has held that in a variety of cases under the “necessary expense rule” appropriated funds should not be used to pay for subsistence or to provide “free food” to government employees while at their duty stations. Bottled water is considered personal expense and therefore not an allowable purchase.
- **Fines and Penalties:** Fines and penalties include, but are not limited to parking tickets and personal fines.
- **Gifts and Awards**
- **Personal Expenses and Furnishings.** Personal expenses and furnishings include, but are not limited to: convenience items, decorative items, wearing apparel, commuting expenses, personal membership fees, and personal qualification expenses.

### 5.15.4 – Prohibited Uses

Purchase transactions must comply with the FAR as well as other Departmental/bureau policies and procedures. Many items may require special approval or may be prohibited. Contact your bureau acquisition office for details.

The purchase business line *must not* be used to purchase for the following:

- Advanced payments ;
- Personal items (coffee pots, refrigerator, radios, etc.), personal services, and membership dues;
- Travel-related charges for employees other than the cardholder (except with use of the corporate card, stored value cards, a Student Activity Account, or by a Fire Account used during an emergency incident);
- Entertainment or recreation (except Student Activity Accounts);
- Employee Clothing;
- Fines and penalties;
- Only authorized Contracting Officers can purchase firearms, weapons, other weapons, ammunition; explosives and gun powder;
- Detective services (except Law Enforcement cards);
- Major telecommunications systems (PBX); phone cards



- Motor vehicle lease or purchase;
- Give-away items (gift certificates, plaques, ashtrays, trophies, Christmas cards, and other mementos) except with Student Activity Account;
- Small projects with written specifications, work statements, or drawings; and
- Repairs to vehicles (IA vehicle repairs must be made with fleet business line).

### 5.16 – Special Approvals, Waivers, and/or Authorizations

Due to restrictions placed on appropriated funds, certain supplies and services require special approval. The cardholder is responsible for ensuring that all waivers and/or authorizations are approved and documented prior to making the purchase. Special approvals are required for purchases of the following:

Purchase Requirement	Approving Official	Reference
Kitchen Appliances (e.g. coffee pot, refrigerator, microwaves etc.)	Bureau Facility Manager	<a href="#">GAO Decision B-302993, Use of Appropriated Funds to Purchase Kitchen appliances, June 24, 2004</a>
GPO Express	Government Printing Office	<a href="#">GPO Circular Letter 625;</a>
Printing and Duplicating, when not using GPO or eligible Native Indian-owned vendors	Bureau Procurement Chief	FAR Subpart 8.802(b); <a href="#">DIAPR 2004-6 DOI Copying Policy</a>
Promotional Items	Bureau Procurement Chief	<a href="#">DIAPR 2012-10 Restrictions on the Purchase of Promotional items</a>
Training	Supervisor and training officer signature	<a href="#">DIAPR 2010-24, Procurement of Training</a>

### 5.17 – Receipt and Acceptance of Supplies and Services

Bureau/offices should establish receipt and acceptance or subsequent review of items obtained with a purchase business line card when appropriate. Cardholders should arrange for immediate inspection of supplies to ensure orders are complete and items received are in acceptable condition. Cardholders should maintain delivery receipts and other supporting documents on the transaction.

#### 5.17.1 – Partial Deliveries

If partial deliveries are received, cardholders must contact the merchant to determine the status on the remainder of the shipment. If delivery of remaining supplies will take more than 30 days, cardholders are required to request a credit to their account. If the partial delivery becomes a dispute, the cardholder should follow the JP Morgan dispute procedures.



### **5.17.2 – Damaged or Unacceptable Supplies**

Cardholders shall promptly return any damaged or unacceptable supplies. If the merchant agrees to replace the item and the new item is acceptable, the cardholder should authorize payment in accordance with normal procedures. If the merchant refuses to replace the item, the cardholder should follow JP Morgan dispute procedures.

### **5.17.3 – Returning Supplies to Merchant**

Cardholders shall return damaged or unacceptable merchandise and have the merchant issue a credit to the purchase card. Cash refunds shall not be accepted. If the merchant is unwilling issue a credit, cardholders shall follow the JP Morgan dispute procedures.

### **5.17.4 – Reporting Accountable Property**

When purchasing accountable property, cardholders are responsible for ensuring receipt and subsequent notification to property management. Failure to ensure strict compliance with these procedures could result in card suspension.

## **5.18 – Convenience Checks**

Convenience checks are available only under the purchase business line. Convenience checks are personalized with the cardholder's name, the agency, office address, and the SPL. This authority is not transferable. The initial and subsequent orders for convenience checks must be placed by the A/OPC. When checks are received, all information, including the quantity received, should be verified. The check supply must be secured and periodically inventoried by the check writer and their AO.

Convenience check writers have the same responsibilities as purchase business line cardholders in addition to the following responsibilities: reviewing scanned image of canceled checks in PaymentNet; tracking outstanding checks that may appear as transactions on future billing statements; and maintaining convenience check transaction files in accordance with records retention requirements.

Checks are negotiable instruments and must be stored in a locked container, such as a safe or metal filing cabinet. Checks must be accounted for appropriately to prevent loss, theft, or potential forgery. Checks must be reconciled in the same manner as purchase business line transactions. Checks are printed on duplicate paper to facilitate tracking and reconciliation. Duplicate copies of checks must be retained as a part of the file documentation. Electronically imaged cancelled checks are also available online in the PaymentNet document repository. Unused checks should periodically be inventoried by the check writer.

### **5.18.1 – Authorized Uses**

Convenience checks are intended only for use with merchants that do not accept purchase cards, for emergency incident response; and for other agency approved purposes that comply with the Debt Collection Improvement Act of 1996 (Public Law 104-134). Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the purchase card. Convenience checks shall not be issued to merchants that accept the Government Purchase Card.



These limitations on using convenience checks are necessary because the Department of Treasury has ruled that convenience checks (like other checks) are not Electronic Funds Transfer compliant, e.g., the Debt Collection Improvement Act requires, with limited exceptions that Federal payments be made through electronic means.

Convenience checks may be issued to:

- Vendors who do not accept the charge card; before a check is issued, the bureau/office must make every effort to use the Purchase Card. Maximum efforts shall be made to find and use vendors that accept the Purchase Card.
- Volunteers for reimbursement of expenses;
- When responding to emergency incidents where the card is not accepted, e.g., fire and rescue;
- Crew chiefs to pay for meals and lodging for their crew when responding to an emergency.

#### **5.18.2– Convenience Check Restrictions**

The following are the maximum amounts that checks may be issued, without a written waiver:

- Supplies - \$3,000; Services - \$2,500; Construction - \$2,000;
- Emergency incidents up to \$10,000, within the authority limits of a Contracting Officer;
- Alaska fire crew chiefs to purchase lodging for their emergency crew - \$10,000.

A convenience check cannot be used for purchase of telephone services, or fuel or oil for vehicles only as a last option with merchants that do not accept the charge card. Convenience checks shall not be used by individuals to write checks to themselves, or to any other individual or vendor for any of the following:

- Vendors who accept the purchase card,
- Cash advance or reimbursements;
- Salary payment or cash awards, or any transaction required to be processed through the payroll system;
- Travel tickets or expenses, including meals, lodging and rental or lease of vehicles;
- Advance payments to vendors;
- Hazardous materials;
- Honorarium fee to a non-U.S. citizen or permanent resident alien who is not authorized to receive this payment in accordance with the terms and conditions of their visa;
- On-the-Spot awards; or incentives to contractors or contract employees.

#### **5.18.3– Oversight Review of Convenience Checks**

A/OPCs shall conduct reviews of all convenience check transactions utilizing the MasterCard's data mining tool. The automated rules based data mining system provides electronic monitoring, email notification, online review and documentation of questionable convenience check transactions. A/OPCs shall monitor and review reports and match questionable transactions to authorization documentation.



A/OPCs must monitor the number of checks issued to merchants on a fiscal year basis to identify merchants with significant convenience check transactions and make referral to JP Morgan for possible charge card acceptance. A/OPCs must continuously monitor convenience checks using the following statistical reports:

- Total number of individuals authorized to write convenience checks;
- Total number of convenience checks written;
- Number of checks written over the micro-purchase threshold;
- Number of checks written under the micro-purchase threshold;
- Number of checks written to the same merchant;
- Ratio of check writers to approving officials;
- Number of cash advances or convenience checks written to “Cash”; and
- Number of checks written for foreign invitational travel and guest speakers.

### **5.19 – Collecting IRS 1099 MISC Data**

Information for reporting income to the Internal Revenue Service (IRS) must be obtained prior to issuing a convenience check for the appropriate Budget Object Codes regardless of the amount. To facilitate the collection of this information, complete the [IRS Form W9](#) as soon as the check is written. The information must then be entered timely into FBMS.

### **5.20 – Reporting Lost or Stolen Checks**

The check writer shall report lost or stolen checks promptly to the JP Morgan customer service, at 888-297-0781, the AO and A/OPC. Replacement checks with a new account number will be issued. The check writer may be held accountable for failure to report the lost or stolen checks. The same Federal law that protects personal credit also applies to the Government charge card. If unauthorized use of a lost or stolen check occurs, the liability of the Government will not exceed the lesser of \$50 or the amount of related transactions. A fee is not charged for reporting lost or stolen convenience checks or for requesting replacement convenience checks.

### **5.21 – Reduction in the Use of Convenience Checks**

The Office of Federal Financial Management (OFFM) within OMB, and GSA’s Office of Charge Card Management (OCCM) is requiring customer agencies to reduce the use of convenience checks by 5% for FY10 and an additional 5% per year for each subsequent year through FY2015. This reduction includes both the number and total dollar amount of checks written. The PAM office will be monitoring the progress of this GSA initiative.

**END OF SECTION 5**



## SECTION 6 PURCHASE FLEET

### 6.0 – Fleet

Fleet business line transactions are CB to be paid by the Government. The fleet business line is a subset of the purchase business line. Transactions under the fleet business line must comply with all applicable regulations, including the FAR and Federal Property Administrative Services Act of 1949, as amended. Individuals using the fleet card are responsible for observing the “prudent person” rule by using the card practically and sensibly and exercising good judgment at all times.

The integrated fleet charge card is a Government charge card for use by DOI employees, seasonal employees, volunteers and other authorized personnel for use in the refueling, maintenance and repairs of the vehicle for which the card is assigned. Each DOI Fleet Card is embossed with the license plate number assigned for that specific vehicle.

In accordance with FAR Subpart 13.301 entitled “Government-wide commercial purchase card” DOI’s purchase fleet card is authorized for the purchase of supplies or services on DOI-owned or commercially leased vehicles only. The DOI fleet cards must be used for all purchases at or below the micro-purchase threshold on DOI-owned or commercially leased motor vehicles where on-site repair by DOI staff is not available. DOI fleet cards shall be assigned to the corresponding DOI-owned or commercially leased vehicles or miscellaneous equipment, not individuals.

In accordance with FAR Part 22, purchase of equipment or services sold or traded in substantial quantities to the general public in the normal course of business operations are exempted from Service Contract Act applications for maintenance, calibration, and repair of certain equipment. Services provided at prices which are, or are based on, established catalog or market prices for the maintenance, calibration, or repair of equipment are also exempted. Additionally, services offered and sold regularly to non-Governmental customers, and are provided to the general public in substantial quantities in the course of normal business operations are exempted. In accordance with FAR 22.1003-4(d)(1)(i), automobile or other vehicle (e.g., aircraft) maintenance services (other than contracts or subcontracts to operate a Government motor pool or similar facility) are exempted.

The integrated fleet charge card may be used for DOI vehicles, equipment, boats, owned or commercially leased by DOI bureau/offices. However, vehicles in the GSA Interagency Fleet Management Information System (FMIS) are not covered; the GSA issued fleet charge card should be used for these vehicles. Tribal GSA Interagency Fleet vehicles and tribal vehicles on a P.L. 638 contract, grant, and/or vehicles donated to tribes are not authorized use of the fleet charge card.

### 6.1 – Eligibility

Applicants are required to complete DOI approved training before a fleet charge card application will be approved. Cardholders must also complete annual refresher training. The mandatory training is available on DOI Learn.



## **6.2 – Fleet A/OPC or Fleet Manager**

The Fleet A/OPC or Fleet Manager is responsible for applying for and distributing the card, record maintenance in PaymentNet, and ensuring that the charge card statements are reconciled, reviewed and approved according to DOI policy. Fleet managers must upload receipt documentation during review and approve process and are not required to use the option purchase log.

## **6.3 – Designated Cardholder & Approving Officer**

For the purposes of the fleet business line, the individual who reconciles the account and prepares the certification or signs the statements will be referred to as the “cardholder”. The Fleet A/OPC or Fleet Manager may also be the designated cardholder. The supervisor of the fleet manager will be designated as the AO with responsibility to approve the statements/certification. An individual designated as acting supervisor, or alternate AO, can approve on behalf of the supervisor while the supervisor is on leave or travel to ensure that fleet charge card statements are approved in a timely manner. The alternate serves as the AO if the appointed AO is unable to perform their assigned duties due to an extended absence. The acting supervisor/alternate must have completed the AO training and have their own appointment letter.

## **6.4 – Account Holder/Account Name**

When establishing vehicle accounts, account names will be the license number (typically “I” followed by numbers). A corporate fleet purchase card must be used when setting up miscellaneous equipment accounts, refer to the bureau policy for naming convention. No two accounts may have the same account name.

When a fleet charge card is assigned to a vehicle, major piece of equipment, or boat, the license plate or property number will be embossed on the card and may be used only for that specific vehicle, equipment, or boat.

Corporate fleet purchase cards may be used to obtain fuel, lubrications, and other supplies for individual items of small motorized equipment, e.g., lawn mowers, chain saws, etc. Bureau procedures must be established to ensure controlled use of the corporate fleet card.

## **6.5 – Authorized Card Use**

In accordance with FAR Subpart 13.301, DOI’s purchase fleet card is authorized for purchase of supplies, or services for DOI-owned, commercial leased, or GSA dry-leased vehicles only. The DOI fleet cards must be used for all purchases at or below the micro-purchase threshold for fuel, maintenance, repairs, and vehicle supplies for DOI-owned or commercially leased motor vehicles where on-site repair by DOI staff is not available. DOI fleet cards shall be assigned to the corresponding DOI-owned or commercially leased vehicles or miscellaneous equipment, and generally not to individuals.

In accordance with FAR Part 22, purchase of equipment or services sold or traded in substantial quantities to the general public in the normal course of business are exempted from Service Contract Act applications for maintenance, calibration, and repair of certain equipment. Services provided at established catalog or market prices



for the maintenance, calibration, or repair of equipment are also exempted. Additionally, services that are offered and sold regularly to non-Governmental customers, and provided to the general public in substantial quantities in the normal course of business are exempted. Furthermore, FAR 22.1003-4(d)(1)(i) states that automobile or other vehicle (e.g., aircraft) maintenance services (other than contracts or subcontracts to operate a Government motor pool or similar facility) are exempted.

Fleet charge card may be used to purchase the following items for vehicles, equipment, boats and miscellaneous equipment that are either owned or commercially leased by DOI:

- Fuel – self-service or by attendant (ONLY Unleaded Regular (86 – 87 octane), Flex Fuel (E85), code “P”, Compressed Natural Gas (CNG), and code “T”);
- Oil – 0-50 weight;
- Lubricants – anti-freeze, transmission, brake, etc.;
- Supplies/parts – wiper Blades, oil filter, spark plug, etc.; and
- Service, maintenance and repair – car washes, oil change, tune-up, flat tire, etc.

The fleet business line is not intended for purchase of major/annual maintenance, repair of vehicles/equipment, or supplies that will exceed the account’s SPL or micro-purchase threshold. For these types of procurements, a purchase request must be initiated.

Components for special vehicles (fire extinguishers, safety accessories, tinting, etc.) must only be bought for the associated vehicle. Large purchases of accessory items for more than the intended vehicle/equipment must be acquired using a purchase request.

## **6.6 – Environmentally Preferable Products**

Employees must use environmentally preferable and re-refined oil products whenever practical. The Resource Conservation and Recovery Act requires Federal agencies to acquire products composed of the highest percentage of recovered materials practical, unless the products are not reasonably available within a certain period of time, the products fail to meet applicable performance standards, or the products are available only at a non-competitive price.

Several sources of supply are available for environmentally preferable products and re-refined engine lubricating oil. The Defense Logistics Agency – Defense Supply Center Richmond (DLA-DSCR) sells several grades of commercial and heavy-duty refined oil that have been tested and meet the American Petroleum Institute’s performance classifications and viscosity grades. Telephone orders are accepted at 1-877-352-2255. For more information, please refer to <http://www.dscr.dla.mil/userweb/dscrld/Re-refined/RR.htm>.

Vehicles that have the capability to operate using alternative fuels are required to use the alternative fuel, when available. Measures must be taken by the vehicle custodial office to locate and fuel AFV with the appropriate alternative fuel. Alternative fueling locations can be found on the Department of Energy alternative fuel locator site: <http://www.afdc.energy.gov/locator/stations>



## 6.7 – Prohibited Uses

The integrated fleet charge card will be used to purchase items authorized by DOI within the guidelines of the ICCP. Under no circumstances may the card be used for personal purchases or GSA-leased vehicles, except for GSA dry-leased vehicles. Government employees hold a public trust and their conduct must meet the highest ethical standards. An employee has a duty to protect and conserve government property and will not use the DOI Fleet Card, or allow its use, for purposes other than those authorized under this policy.

Please refer to individual bureau policy for further fleet card use restrictions. In general, the charge card must not be used for:

- Fuel, oil and supplies/parts for privately owned vehicles; or
- Services and repair for privately owned vehicles.

The integrated fleet charge card will be used to purchase fuel, repairs, or maintenance services on DOI-owned or commercially leased vehicles unless the vendor does not accept the government fleet card as a method of payment or the transaction amount exceeds the fleet card's purchasing limits. If the purchase exceeds the micro-purchase limit, a purchase request will be required. Split purchases are not allowed to be incurred on integrated fleet charge cards, see section 5.4 – Split Purchase.

When using the integrated fleet charge card, a vehicle operator will comply with DOI policies and procedures. Operators of a DOI-owned or leased vehicle, both employees and volunteers, will not use the integrated fleet charge card, or allow its use, for purposes other than those authorized under this policy. Any violations of DOI approval requirements, spending limitations, internal controls, or prohibitions are considered misuse.

Misuse of the fleet card may be deemed as an attempt to commit fraud against the U.S. Government. The fleet card user may be personally liable to the government for the amount of an unauthorized transaction, and may be subject to criminal prosecution. Also, misuse of the fleet card may result in disciplinary action, up to and including removal, against the employee under current DOI and Government-wide administrative procedures. Misuse of the integrated fleet charge card perpetuated by volunteer operators may result in their removal.

## 6.8 – Internal Control Procedures

DOI bureaus and offices shall establish procedures to implement adequate management controls for Fleet card use. Management controls include conducting annual reviews of the integrated charge card fleet program to ensure participants follow DOI policies and procedures. Results of internal reviews shall be documented, and corrective actions monitored to ensure effective implementation. Such internal controls will include the following:

- A clear separation of duties to minimize the risk of fraud and/or loss of property. Assignment of duties such as authorizing, approving and recording transactions; receiving assets; approving fleet statements; verification of available funding; and reviewing or auditing should be assigned to separate individuals to the greatest extent possible. For clarification, one individual cannot be the cardholder or fleet manager and AO for the same transaction.



- Fleet cards are secured in a locked cabinet, drawer, or safe (not in the vehicles or with vehicle operators) when not in use, and card numbers will only be available to authorized users;
- Monthly review and approve statement review and approval are performed within timeframes specified in this policy;
- Supporting documentation is maintained (including, but not limited to, receipts, invoices, packing slips, any other information supporting valid government need);
- Items purchased are verified when received;
- Purchases are reconciled with utilization records to guard against theft or improper use of government property;
- Charges are verified as incurred for official purposes and are reasonably priced; and
- Contractors and temporary employees are not eligible to serve as A/OPCs.

### **6.9 – Central Billing of Charges**

Transactions on the fleet business line should be CB in order to be paid directly by the Government.

### **6.10 – Documentation & Record Retention**

Generally, receipts obtained for fleet charges must be maintained in accordance with bureau/GSA instructions. However, in accordance with FAR 13.106-1(5) d and 13.106.2(4), documentation shall be kept to a minimum for fleet purchases below and exceeding the micro purchase threshold. The Department's implementation of cardholder online reconciliation (reviews and approve) authorizes substitution of imaged records for original documents, and establishes JP Morgan access system as the electronic repository for purchase business line (includes fleet) transactions.

Authorization to use alternate storage mediums does not alleviate the responsibility to develop, implement, maintain, and monitor financial and administrative systems. Therefore, bureaus and offices have the option on the type of record storage medium (paper or electronic) it elects to use for employees who do not have access to a computer.

Data (such as fuel type, gallons, or dollar amount) required for the Agency Motor Vehicle Report into the Federal Automotive Statistical Tool (FAST), the Energy Policy Acts of 1992/2005, the Energy Independence and Security Act of 2007, and Executive Orders 13423/13514 must be collected at the fueling point when available.

Information to be provided by the driver at the automated fueling point of sale may be decided by bureau/office fleet managers. Data collection required to satisfy external reporting requirements should be taken into consideration.

**END OF SECTION 6**



## **SECTION 7 PURCHASE AVIATION FLEET**

### **7.0 – Aviation Fleet and Pilot Charge Cards**

#### **7.1 – Eligibility**

Applicants for aviation fleet charge card are required to complete DOI approved training before an application will be approved. Cardholders must also complete annual refresher training. The mandatory training is available on DOI Learn. The Aviation Fleet Pilot Cards may be used for DOI aircraft owned by the Office of Aviation Services (OAS).

#### **7.2 – Authorized Use**

When delegated purchase authority, the cardholder may use the card to charge aircraft equipment, services and repairs, and aviation mission-related items. The DOI Aviation Fleet Card and the DOD Air Card are the only charge cards authorized for DOI personnel to procure aviation fuel, fuel related supplies and ground services on DOI owned aircraft.

#### **7.3 – Purchase Aviation Fleet A/OPC or Aviation Fleet Manager**

The Aviation Fleet A/OPC (Fleet Activity Specialist) is responsible for card distribution, record maintenance in PaymentNet, establishment of transaction dollar limits for the fleet pilot charge card business line. The pilot (cardholder) is responsible for reviewing and reconciling their statement of account in PaymentNet. The Aviation Fleet A/OPC may also be the “designated cardholder”.

#### **7.4 – Designated Pilot Cardholder & Approving Officer**

The Pilot “cardholder” is required to reconcile the charge card account and upload receipt documentation to PaymentNet. The Chief of Technical Services or the Fleet Activity Specialist will be designated as the “AO” with the responsibility to review and approve the on line statement reconciliation in the PaymentNet. This responsibility may not be re-delegated, except for an alternate AO.

#### **7.5 – Purchase Aviation Pilot Cards**

DOI aircraft pilots and personnel with aviation related duties employed by the government, but not employed by the OAS, may be issued a charge card authorized by OAS in addition to the card authorized by their respective bureau. The OAS card shall to be used for aviation items only. Any suspension or cancellation of their employing agency-issued card will result in suspension or cancellation of the OAS card. Official travel expenses should be charged to the card issued by their employing agency. OAS authorized cards are issued under the purchase business line to a specific individual and will be embossed with that same individual’s name, not a vehicle identification number.



Purchase business line transactions are CB to be paid by the Government. Transactions under the purchase business line must comply with all applicable regulations, including the FAR. Cardholders with delegated purchase authority are responsible for observing the “prudent person” rule; by using the card practically and sensibly and to exercise good judgment at all times.

## **7.6 – Department of Defense (DOD) Air Card Program**

The DOD Air Card is authorized for procuring aviation fuel, supplies and ground services for DOI/OAS owned aircraft from Defense Energy Support Center (DESC) Into-Plane contract sites and non-contract locations. Only military and government civilian personnel are authorized users of the DOD Air Card.

### **7.6.1 – AOPC Air Card Responsibilities**

Purchase Aviation Fleet Card A/OPCs are required to perform the following responsibilities associated with the Air Card:

- Maintain Air Card accounts and cards.
- Ensure that only authorized personnel with mission requirements are provided Air Cards.
- Review Air Card receipts and ensure that all purchases are appropriate and charges are accurate within 5 days of receipts. Determine if any misuse or abuse has occurred. Provide receipts to the AO.
- Ensure that the Air Card account is in good standing and not delinquent.
- Ensure card users are instructed on the appropriate use of the card. Require all card users to complete and sign a receipt for property prior to initial use.

**END OF SECTION 7**



## **SECTION 8 PURCHASE UNIFORM**

### **8.0 Purchase Uniform**

Due to the requirement to track and control annual uniform allowances, the uniform drawdown card is issued separately from the integrated card. Cardholders are assigned an annual uniform allowance charge limit. During the year, this charge limit is reduced as uniform items are purchased; the charge limit is then refreshed at the beginning of the next fiscal year. The uniform drawdown card is issued in increments of \$100 with a maximum annual uniform allowance charge limit of \$800 as permitted by law. The supervisor determines the specific authorization amount. The uniform A/OPC, with approval from the supervisor, will process any changes to uniform allowance amount.

#### **8.1 – Eligibility**

Designated law enforcement employees and other permanent employees required to wear the agency uniform must have a drawdown card to purchase uniform components.

#### **8.2 – Uniforms for Temporary Employees**

The purchase business line may be used to purchase uniform items for temporary employees when there is not enough time to issue a uniform drawdown card to acquire their uniform, or when the duration of their appointment does not warrant issuing a uniform drawdown card. OMB Circular A-30 (1966) implements the provisions of the Federal Uniform Allowance Act (P.L. 89-554). The Circular also establishes rules for allowances for temporary or substitute employees: "The amount payable to a temporary or substitute employee, who is otherwise eligible for a uniform allowance, shall be determined by adjusting the standard for an annual allowance to take account of any reduced requirements which result from the limited period and nature of employment".

#### **8.3 – Using the Card**

To distinguish it, the uniform drawdown card is red and is embossed with words identifying it as a uniform card. The annual charge limit is indicated in the documentation received with the card. The uniform card must only be used for authorized items from approved uniform vendors. The card must not be used to purchase items other than authorized uniform components, uniform items for someone other than the cardholder, or uniforms for volunteers.

#### **8.4 – Central Billing**

All transactions using the Uniform card are Centrally Billed.

**END OF SECTION 8**



## SECTION 9 METHODS OF PAYMENT

### 9.0 – Charge Card Tools As Payment Vehicles

In accordance with FAR, Subpart 13.301 Contracting Officers may use the Government-wide commercial purchase card to place a task or delivery order (if authorized in the basic contract, basic ordering agreements, or blanket purchasing agreements, and Federal Supply Schedules) above the micro-purchase threshold; or make payments, when the contractor agrees to accept payment by the purchase card.

In accordance with FAR, Subpart 32.1108, the Government-wide commercial purchase card authorizes the third party (*e.g.*, financial institution) that issued the purchase card to make immediate payment to the contractor. The Government reimburses the third party at a later date for the payment to the contractor. Written contracts that will be paid with the purchase card should include the FAR 52.232-36 clause, Payment by Third Party. However, the purchase card may also be used to make payment under a contract that does not contain the clause to the extent the contractor agrees to accept that method of payment.

### 9.1 – Using Charge Card Method of Payment

When the Government commercial purchase card will be used as the method of payment for a contract or order that is above the micro-purchase threshold, Contracting Officers shall verify in SAM whether the contractor has any delinquent debt subject to collection under the [Treasury Offset Program \(TOP\)](#) at the time of the contract award and order placement. The Contracting Officer shall not authorize the use of the Government commercial purchase card as a method of payment during any period the SAM indicates that the contractor has delinquent debt subject to collection under TOP.

#### 9.1.1 – Virtual Payment Accounts

Virtual payment cards may be used as a method of payment for contractual instruments containing FAR clause 52.232-36, Payment by Third Party. Upon approval by the BPC, a virtual payment account will be created for a specific vendor under the cardholder's profile. The cardholder (contract specialist) is responsible for providing the virtual payment card number to the vendor for payment.

#### 9.1.2 – Single Use Accounts

A single use account is the preferred automated method of payment for contractual instruments containing the FAR clause 52.232-36, Payment by Third Party. Upon FBMS notification, JP Morgan will create single use accounts for a specific vendor under the cardholder's profile. JP Morgan will provide the single use accounts number to the vendor and FBMS accounts payable office. The Contracting Officer must use the PaymentNet reporting system. Completion of detailed business process guidelines is required prior to bureau participation.



#### **9.4.4 – Stored Value or Declining Balance Accounts**

Stored value card accounts may be created for a specific project or contract under the cardholder's profile. The cardholder provides the card number to the vendor and must use PaymentNet for reconciliation and FBMS for account reallocation.

### **9.3 – Use of Corporate Training Card**

In accordance with the Office of Personnel Management Training Policy Handbook and the DOI Certificate of Appointment Manual, training officers (non-warranted personnel) must use standard form (SF)-182 to procure training under the following conditions to enroll students, obligate funds, and authorize payment for tuition:

- Training cost of a single training event, program, or instructional service may not exceed the simplified acquisition process dollar limit of \$150,000;
- Cost is of a fixed nature, i.e., price per student or price per course, program, or service; and
- Program, course, or instructional service is off-the-shelf and requires no modifications or further development, resulting in increased cost to the Government, to meet the organization's needs.

The SF-182 may also be used for requesting, approving, and certifying payment for attendance at meetings, conferences, seminars, and symposia where the primary purpose is to improve employee job performance. The SF-182 may not be used to purchase general supplies, training equipment, or non-training services.

Corporate training purchase cardholders are required to upload certified SF-82 to the servicing bank system during review and approve and reconciliation process. The corporate account may be established in the name of the organization, with a specific individual designated as responsible for managing and reconciling the account.

The purchase of training for any coursework requiring course development or off-the-shelf courses exceeding the simplified acquisition threshold must be acquired by a Contracting Officer with the requisite warrant authority.

### **9.4 – Emergency Acquisition Flexibilities**

Declarations of Emergency Acquisition Flexibilities authorized in FAR Part 18, in support of Federal responses to major disasters and emergency may authorize the increase of the Department's procurement thresholds. Pursuant to the authority delegated, under Part 209, Chapter 4 of the DOI DM, the Senior Procurement Executive may authorize increasing the following procurement thresholds for all DOI contracting activities:

- Micro-purchase: \$15,000 for any contract awarded and performed, or purchased, inside the U.S.; \$25,000 for contracts awarded and performed, or purchased, outside the U.S.;
- Simplified Acquisition: \$250,000 for any contract awarded and performed, or purchased, inside the U.S.; \$1,000,000 for contracts awarded and performed, or purchased, outside the U.S.

The Federal Procurement Data System – Next generation's Government-wide \$3,000 procurement transaction reporting threshold remains in force. The increased procurement thresholds are temporary and shall remain in effect until the disaster relief efforts are formally terminated.



## 9.5 – Purchases Above The Micro-Purchase Threshold

In accordance with FAR, Subpart 13.301, Contracting Officers may use the Government-wide commercial purchase card to place a task or delivery order (if authorized in the basic contract, basic ordering agreements, or blanket purchasing agreements, and Federal Supply Schedules); or make payments, when the contractor agrees to accept payment by the purchase card for amounts above the micro-purchase threshold of \$3,000. Cardholders with delegated authority to use the purchase card above the micro-purchase threshold shall comply with all requirements of Federal and Departmental acquisition laws, regulations, policies and guidance. The cardholder shall adhere to the requirements for competition, public notice, socioeconomic requirements, use of appropriate provisions and clauses, and all other applicable requirements. Contracting Officer's single purchase/payment limit shall be set based on their warrant authority.

For purchases over the micro-purchase threshold, and the product or service is not acquired under an existing contract, the cardholder must include all applicable FAR and DIAPR clauses in the solicitation/award document. The purchase may be confirmed and the clauses included in an e-mail. However, the integrated charge card single use account number must not be included in the message. Clauses are not required if the purchase is made under an existing contract, such as a GSA schedule or BPA, in which the clauses have already been included. As defined in FAR 48 CFR Part 13, cardholders with spending delegations in excess of \$3,000 shall follow the appropriate notice, competition, and documentation requirements.

In accordance with FAR Subpart 4.6, agencies are required to report procurement actions that exceed the micro purchase threshold and all modifications to those transactions, regardless of dollar value to the Federal Procurement Data System Next Generation (FPDSNG). In addition to the requirements of FAR Subpart 4.6, and in accordance with DIAPR 2013-05, the following actions shall not be reported in FPDSNG:

- Any non-appropriated fund (NAF) or NAF portion of a contract action using a mix of appropriated and non-appropriated funding;
- Lease and supplemental lease agreements for real property; and
- Grants and entitlement actions.

## 9.6 – Acquisition Payment Cards With \$25,000 SPL

Bureau Procurement Chiefs are authorized to use the charge card as a means of making payment of invoices and ordering supplies and non-personal services below \$25,000 from Federal Supply Schedules, Other Government Wide Area Contracts, Blanket Purchase Agreements, Indefinite Delivery, Indefinite Quantity, or Departmental Strategic Sourcing Contracts, under which terms the activity is specifically named as an ordering activity. Non-acquisition personnel are required to satisfactorily complete the requirements of CON 237 Simplified Acquisition Procedures. There is no pre-requisite for this class, and it is offered on line through [Defense Acquisition University](#). Training certificates and delegation authority memorandum for wireless device cardholders shall be stored in DOI Learn. Acquisition payment card controls may include vendor name restriction or merchant category code restriction to reduce risk of card misuse. A/OPCs shall monitor acquisition payment cards utilizing the MasterCard's data mining tool.



## **9.7 – Simplified Acquisitions**

Bureau and office personnel with Contracting Officer's warrant authority are authorized to use the charge card as a means of making micro-purchases and to pay for purchases of supplies and services above the micro-purchase level of \$3,000 up to their warrant limit for open market purchases and their authorized "established sources" limit for AbilityOne (formerly JWOD), FPI, GWAC, MAS, GSA Advantage, and Bureau or DOI IDIQ contract orders. Contracting Officer's single purchase/payment limit shall be set at their warrant authority.

## **9.8 – Utilization of Small Business**

FAR Part 13, Simplified Acquisition Procedures, prescribes that acquisition of supplies and services of an anticipated dollar value of \$3,001 through \$150,000 be reserved exclusively for small business concerns. Only when there is no reasonable expectation of obtaining the goods or services from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, may the purchase be made from a large business. Each such purchase will be appropriately documented.

Pursuant to the Office of Federal Procurement Policy Memorandum entitled, "Increasing Opportunities for Small Businesses in Purchase Card Micro-Purchases, dated December 19, 2011, cardholders should consider small businesses, to the maximum extent practicable, when making micro-purchases. Both GSA Advantage and DoD e-Mall electronic shopping sites include capabilities to search for small businesses. In addition, the FSSI includes many small businesses, such as those for office supplies.

## **9.9 – Grants and Financial Assistance Payments**

GSA SmartPay Grants payment cards and JP Morgan's stored valued cards and other appropriate payment tools may be used to process Grants and Financial Assistance payments. Completion of detailed business process guidelines is required prior to bureau participation.

## **9.10 – Miscellaneous Obligation Payments**

JP Morgan's stored valued cards and other appropriate payment tools may be used to process miscellaneous obligation payments. Completion of detailed business process guidelines is required prior to bureau participation.

## **9.11 – Reallocation**

Contracting Officers or the cardholder must provide information to reallocate charge card payment on contracts, when automated reallocation functionality is not available. This information includes the order number and line of accounting information.

**END OF SECTION 9**



## **SECTION 10 U.S. TREASURY DEBIT CARD PROGRAM**

### **10.0 – U.S. Treasury Debit Card Program**

The U.S. Department of the Treasury, Financial Management Service (FMS) is the primary disbursing agency of payments to individuals and businesses, and is responsible for assisting Federal agencies in improving cash management processes. As part of its efforts to improve Government cash management processes and reduce the number of non-electronic payments disbursed Government-wide, FMS has implemented the U.S. Debit Card (USDC) Program.

The prepaid Debit Card Program is administered, with the assistance of FMS's financial agent, JPMorgan Chase Bank (JPMC), and provides agencies the ability to deliver Federal payments through debit cards, as an alternative to checks, drafts, cash, and other non-electronic mechanisms. Examples of the types of payments that can be delivered via a debit card include benefits, payroll, stipends, employee awards, survey incentives, per diem and payments to foreign visitors.

In 2011, DOI established a memorandum of understanding (MOU) with the Department of the Treasury, FMS on DOI's participation in the USDC program. The MOU describes the terms and cost of the Department's prepaid Debit Card Program and FMS program operations.

### **10.1 – Memorandum of Understanding**

The purpose of this MOU is to establish the roles, responsibilities, and mutual understandings of the FMS and DOI in the USDC program. Bureaus/offices are required to coordinate with the PAM Office Program Manager prior to contacting the Department of Treasury and for a copy of the MOU.

### **10.2 – Fees**

The FMS costs/fees are described on the MOU Exhibit A, in one of the following ways: (1) the Agency pays FMS's financial agent, JPMC, directly upon receipt of an invoice; (2) FMS pays the financial agent, JPMC and Agency reimburses FMS; and/or (3) the Agency may decide that cardholders will pay certain fees directly to JPMC. In those cases where the Agency is required to pay fees directly to FMS's financial agent, if the Agency fails to pay such fees within thirty (30) days of receipt of an invoice, FMS may, in its discretion, pay its financial agent the amount owed by the Agency and transfer equivalent funds from the Agency via the Intra-Governmental Payment and Collection (IPAC) system to reimburse FMS. In such event, FMS will provide the Agency with detailed information supporting the IPAC transfer.

**END OF SECTION 10**



## SECTION 11 PROGRAM OVERSIGHT & SURVEILLANCE

### 11.0 – Program Oversight & Surveillance

On October 5, 2012, the President signed into law the [Government Charge Card Abuse Prevention Act of 2012](#) (Pub.L.112-194), which reinforces OMB Circular No. A-123, Appendix B, revised January 15, 2009 entitled “*Improving the Management of Government Charge Card Programs*”. The Act requires all Federal executive agencies to implement internal controls to prevent waste, fraud, and abuse of purchase cards, travel cards, fleet cards, integrated cards, and CBAs, while enhancing program integrity through increased opportunities for community collaboration and transparency.

#### 11.1. – Management Controls

Charge card data and statistics are important tools for managing the program and monitoring performance. PaymentNet provides the capability to monitor and review cardholder transaction details electronically on a daily basis. A/OPCs shall use PaymentNet to ensure and maintain the highest level of oversight visibility over the Department’s charge card program.

#### 11.2 – Risk Management

The PAM office has established the integrated charge card partnership to provide program expertise and support to help minimize risk in the charge card program. The DOI ICCPM shall serve as chairperson of the risk management team. The team shall be comprised of an A/OPC representative from each bureau. The risk management team shall meet at least quarterly to discuss recommended improvements to the program.

A/OPCs shall take actions to reduce the risk of card fraud, waste, abuse, and misuse. The A/OPC can minimize risk, by ensuring that Federal, Departmental and bureau/office, laws, regulations, and procedures are followed and program effectiveness is monitored on a regular basis. Appendix F identifies typical charge card factors that may result in elevated risk and the recommended risk reduction methods. A/OPCs must regularly assess their card program to identify additional areas of risk and develop adequate risk reduction methods.

#### 11.3 – Reviews, Surveillance & Reporting

JP Morgan Chase will provide a variety of reports via PaymentNet to assist A/OPCs in managing their program. Appendix G provides a list of standard card management reports available in the servicing bank’s system. A/OPCs shall continuously monitor their programs using the following metrics:

**Figure 11-1 Charge Card Statistical Reporting Metrics**

<i>Charge Card Statistical Reporting Metrics</i>
Number of cards
Number of cards that are for emergency use only
Number of active accounts
Number of accounts with convenience checks



<i>Charge Card Statistical Reporting Metrics</i>
Percentage of employees that are cardholders
Net number of new accounts (new less cancelled)
Charge card dollars spent, total refunds earned, percentage of potential refunds earned
Number of cases reported to the agency Office of Inspector General for possible card misuse and/or abuse
Number of administrative and/or disciplinary actions taken for card misuse
Number of approving officials
Ratio of approving officials to purchase cardholders (span of control)
Average number of monthly purchase card transactions reviewed per approving official
Number of cardholders with authority up to the micro-purchase threshold
Number of cardholders with authority over the micro-purchase threshold
Number and dollar amount of purchases up to the micro-purchase threshold
Number and dollar amount of purchases over the micro-purchase threshold
Number of inactive accounts
Number of inactive accounts cancelled
Number of inactive accounts requiring a justification to maintain

**Figure 11- 2 Convenience Checks Statistical Reporting Metrics**

<i>Convenience Checks Statistical Reporting Metrics</i>
Total number of individuals authorized to write convenience checks
Total number of convenience checks written
Number of checks written over the micro-purchase threshold
Number of checks written under the micro-purchase threshold
Number of checks written to the same merchant
Ratio of check writers to approving officials

#### 11.4 – Data Mining

Generally, data mining (sometimes called data or knowledge discovery) is the process of analyzing data from different perspectives and categorizing and summarizing the relationships into useful management reports and graphical displays. When available, A/OPCs shall use MasterCard EMS automated data mining tool to analyze and electronically monitor daily transactional data to present potentially relevant results to decision makers. The automated data mining tool serves an essential internal control program function and improves surveillance by highlighting selected transactions for A/OPC review. The A/OPC shall use the data mining tool for case management and workflow steps to document the alert or to report suspected fraudulent transactions to the DOI OIG.

**Figure 11-3 Automated Review, Surveillance, Reporting**

<i>Automated Review Methods for Oversight and Surveillance</i>			
<b>Method</b>	<b>Description</b>	<b>Advantage</b>	<b>Frequency</b>
<b>Data Mining</b>	Identifies suspicious transactions or patterns in the data, based on predefined rules.	Serves as good compliance technique by targeting suspicious transactions. Screens and identify transactions faster than a manual review.	Daily



<i>Automated Review Methods for Oversight and Surveillance</i>			
<b>Method</b>	<b>Description</b>	<b>Advantage</b>	<b>Frequency</b>
<b>Sampling</b>	Statistical sampling involves selecting random transactions occurring during the review period and analyzing those items for compliance.	Can be applied to individual cardholders, AOs, or the entire organization. Minimizes possible bias in the sample selection process.	Quarterly
A/OPCs must continuously monitor their programs using automated data mining and statistical sampling reports in the servicing bank's system.			

The data mining tool monitors, on a real-time basis, questionable or unauthorized merchant category codes for potential fraud, waste, abuse and misuse, split disbursements, and charge card policy compliance. The A/OPC shall use the servicing bank's online case management tool and workflow steps to document the alert or to report the action to the OIG.

### **11.5 – Fraud Waste, Abuse, Misuse**

Employees are required to report all instances of suspected fraud, waste or abuse. Misuse is considered as the intentional or unintentional violation of the integrated charge card policies and procedures or convenience check usage. Fraud is a criminal form of misuse involving intentional deceit, misrepresentation of facts, or other practice designed to harm or deprive another of his or her rights, usually involving deception for personal gain. The distinction between misuse and fraud is dependent upon the facts of each case.

All participants in the ICCP are responsible for preventing fraud and the conditions that lead to fraud. Fraud often occurs when two or more individuals collude to circumvent management controls that were established to prevent fraudulent practices. Collusion may occur between merchants and cardholders, cardholders and AOs, or ICCP participants and other employees.

### **11.6 – Indicators of Fraud and Misuse**

Suspected charge card misuse and fraud often have the same or similar indicators. A determination of whether the misuse is fraudulent may only be possible after a thorough investigation. Therefore, all suspected cases must be reported. A/OPCs shall review bank charge card data and reports on a regular basis to identify and investigate possible instances of fraud, waste, abuse, or misuse. The following are potential indicators of fraud:

- Repetitive purchases from the same merchant when the cardholder should be rotating purchases among more than one merchant;
- Missing purchase documentation;
- Cardholders or AOs who allow others to use the card;
- Failure to safeguard purchase cards, convenience checks, or account information;
- Lack of oversight and surveillance;
- Unauthorized purchases;
- Payments made for items that were never received;
- Split purchases made to avoid spending limits;
- Failure to account for nonexpendable or sensitive items in accordance with property management procedures;



- Approval of cardholder purchases by someone other than the AO;
- Cardholders returning items for a store credit instead of a credit to their purchase card account;
- Attempted purchases that exceed the cardholder’s limits;
- Purchases that have been declined by the card system; and
- Cash advances or convenience checks written to “Cash.”

### 11.7 – Reporting Suspected Fraud

Employees are responsible for reporting cases of suspected fraud or misuse of the charge card or convenience checks. Employees who suspect a cardholder of misuse, fraud, or abuse must immediately notify the AO and the A/OPC. Upon learning of suspected or potential fraud, A/OPCs shall notify the OIG, BPC’s (purchase/fleet business line only) JP Morgan Chase, and DOI supervisor. Immediate actions shall be taken to ensure that all instances of suspected fraud or misuse are promptly reported and investigated. A/OPCs shall report suspected fraud, abuse, or misuse cases to the CCPM to ensure accurate reporting.

### 11.8 – Potential Consequences for Card Misuse and Abuse

Violations of charge card laws, regulations, policies and guidance may result in immediate cancellation of the card and disciplinary action against the cardholder, AO, or both. The range of disciplinary actions, which vary with the severity of the infraction, will be applied in accordance with DOI employee human resources, legal, and management guidelines.

Intentional misuse of the card will be considered an attempt to commit fraud against the U.S. Government. In addition, under 18 U.S.C. 287, the individual may be subject to a fine of not more than \$10,000, or imprisonment for not more than 5 years, or both. Cardholders who intentionally misuse their cards may be held personally liable to the Government for the amount of any unauthorized transactions, plus interest and debt collection fees. AOs or others who collude with cardholders to misuse the card or to commit fraud, or who use their position or authority to cause misuse of the card, may also be subject to the disciplinary and criminal actions outlined above.

Figure 11-4 below lists potential consequences and penalties for misuse or abuse of the integrated charge card (purchase and travel business lines). A/OPCs shall use the table as a guide for disciplinary measures, coordinating with the OIG, Office of General Counsel, Office of Human Resources Management, and the employee’s supervisor.

**Figure 11-4 Consequences for Charge Card Misuse and Abuse**

<i>Consequences for Charge Card Misuse and Abuse</i>	
<b>Infraction</b>	<b>Potential Consequences for Infraction</b>
<p><b>Fraud, Waste, and Abuse</b> Intentional use of the purchase card for unauthorized purchases or the approval of unauthorized transactions</p>	<ul style="list-style-type: none"> <li>• Card cancellation</li> <li>• Termination of employment</li> <li>• Fines and/or imprisonment</li> <li>• Salary offset to collect full cost of unauthorized purchases including administrative expenses</li> </ul>
<p><b>False Statements</b> False statements on charge card records by cardholders and AOs</p>	<ul style="list-style-type: none"> <li>• Card cancellation</li> <li>• Reprimand</li> </ul>



<i>Consequences for Charge Card Misuse and Abuse</i>	
<b>Infraction</b>	<b>Potential Consequences for Infraction</b>
<p><b>Personal Misuse</b> Unintentional use of the charge card for unauthorized purchases</p>	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Payment to cover cost of unauthorized purchases and possible administrative expenses</li> </ul>
<p><b>Card Transfers</b> Transfer of charge card to any person other than the cardholder</p>	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Card suspension</li> <li>• Card cancellation</li> </ul>
<p><b>Failure to Maintain Card Security</b> Failure to safeguard physical location of the card and card account information</p>	<ul style="list-style-type: none"> <li>• Counseling</li> <li>• Card suspension</li> <li>• Card cancellation</li> </ul>

## **11.9 – Managing Improper Transactions**

### **11.9.1 – Abuse, Misuse, and/or Waste**

A/OPCs are required to report suspected misuse or abuse to the cardholder’s supervisor (AO). Once the supervisor is notified, he/she is also responsible for taking immediate action to gather facts and discuss the incident with the employee. If the supervisor is satisfied that the incident was unintentional and/or did not result in loss to the Government, they are required to counsel the employee. If the supervisor determines the incident was intentional, then the A/OPC may temporarily limit, suspend, or cancel charge card privileges.

The A/OPC must monitor the situation and be available to the supervisor for consultation. In instances when the OIG is contacted, A/OPCs may recommend suspending accounts under investigation, when appropriate. A/OPCs must also document all cases of card misuse in the EMS data mining case management tool.

### **11.9.2 – Suspected Fraud**

The A/OPC shall report suspected fraud to the OIG and the employee’s supervisor. In accordance with the [Government Charge Card Abuse and Prevention Act of 2012](#), the OIG and Offices of Human Resources are expected to collaborate when fraudulent transactions have occurred.

## **11.10 – Fraud Prevention**

### **11.10.1 – External Fraud Monitoring**

The GSA SmartPay® 2 Master Contract and DOI Tailored Task Order provide external fraud monitoring and detection through the JP Morgan Commercial Fraud Detection and Prevention Services. External fraud monitoring includes reviewing individual transactions as requests for charge card authorizations are received. Data mining software programs are used to aid in detecting and minimizing fraud by monitoring high risk merchant category codes and geographical areas. Analytical review to confirm fraud cases and implements or enhance existing new strategies. Transactions that score high on the risk scale will prompt an automatic block on the integrated card account. Lower risk scores may not automatically block accounts but may require a Fraud Analyst to contact the cardholder.



**Cardholder Notification:** Within 24 hours after transaction(s) populate into a monitoring queue, a Fraud Analyst will attempt to contact the cardholder via phone or email to determine if the transaction is legitimate. If fraudulent, the account is permanently blocked, arrangements are made to supply a replacement account number, and the A/OPC is notified. If the cardholder does not answer, the A/OPC is notified and a follow-up call is scheduled two business days later.

**Compromised Accounts:** Master Card notifies JP Morgan when multiple accounts are suspected of being compromised resulting from breaches, data losses, theft of account numbers, etc. In some cases, JP Morgan may have suspected fraudulent activity and the actions described above may already be in-process. If 25 or more accounts are affected, JP Morgan program coordinators will notify A/OPCs to arrange cardholder notification. If 24 or less accounts are affected, cardholders will be notified first and A/OPCs will be notified next. JP Morgan will notify GSA of suspected large scale breaches in accordance with the GSA SmartPay master contract.

### **11.10.2 – Internal Fraud Monitoring**

PAM's implementation of the cardholder and AO online review and approve function strengthens internal controls and reduces risk of fraud, waste, abuse, and misuse of the charge card. The PaymentNet electronic access system provides the capability to schedule risk management reports to run automatically and to send email alerts to cardholders, A/OPCs and AOs. PAM will implement automatic email alerts or scheduling these reports to run biweekly for decline transactions, inactive accounts, and potential delinquent accounts to cardholders. A/OPCs have the option of turning on email alerts for transactions exceeding the SPL, potential split purchases, and account approaching credit limit.

PAM implementation of MasterCard's EMS data mining tool ensures and maintains the highest level of oversight visibility over the Department's ICCP. The automated data mining tool serves an essential internal control function that improves surveillance by highlighting selected transactions for review. A/OPCs are required to use the Case Management tool to review and document suspected abuse, misuse, or suspected fraudulent use of the charge card.

## **11.11 – Refund Management Charge Card Program Support**

### **11.11.1 – Charge Card Utilization Rebates**

In accordance with Office of Management and Budget (OMB) Circular A-123 Appendix B, proper management of refunds is critical to ensuring that agencies maintain cost-effective charge card programs. Unless specific statutory authority exists allowing refunds to be used for other purposes, refunds must be returned to the appropriation or account from which they were expended, and can be used for any legitimate purchase by the appropriation or account to which they were returned, or as otherwise authorized by statute. With the passage of the FY 1999 Interior and Related Agencies Appropriations Act, Interior was given the authority to utilize the rebates/refunds, without fiscal year limitation, that are received under the Department's charge card program to fund administrative management initiatives of general benefit to the Department's bureaus and offices. Rebate funds can be used to support the charge card program general operating expenses.

**END OF SECTION 11**



## SECTION 12 PROGRAM REVIEW

### 12.0 – Program Review & Reporting

#### 12.1 – Annual & Quarterly Program Review & Report

Bureau Lead A/OPCs shall review the charge card program under their purview following the close of each fiscal year to ensure that card holders and AOs adhere to program requirements. A/OPCs are encouraged to perform quarterly reviews and publish summary results in the annual program report. The primary objectives of the quarterly reviews are to assess:

- Compliance with laws, regulations and the Department’s ICCP policy;
- Efficiency of operations; and
- Adequacy of internal or management controls to help prevent fraud, waste and abuse, and/or misuse.

Bureau Lead A/OPCs should follow procedures outlined in this policy manual to conduct their reviews. Although onsite visits are encouraged, the A/OPC shall use the PaymentNet reports and EMS data mining reports to perform oversight management reviews.

#### 12.2 – Conducting Quarterly and Annual Reviews

##### 12.2.1 – Annual Program Review Schedule

All quarterly reviews should be summarized and published in the annual report. The A/OPC should document findings in a written report for inclusion in the Department’s annual program report executive summary. The review must be performed on charge card activity from the previous fiscal year. Quarterly reviews at a minimum should consist of PaymentNet and EMS reports of purchase, travel and fleet transactions to ensure cardholders and AOs comply with Federal, DOI and bureau/office policy and procedures.

Annual Program Review Schedule		
Description	Due Date	Recipient
Bureau Annual Report	January 31 <sup>st</sup>	DOI Charge Card Policy Manager
DOI Annual Program Report	March 1 <sup>st</sup>	Senior Procurement Executive

The Charge Card Management Review Report (Appendix G) template shall be used for reviews to determine effectiveness of the program, ensure compliance and adequate oversight and detect cardholder misuse and fraud.

##### 12.2.2 – Entrance/Exit Conference Memorandum

The entrance conference memorandum will be used to explain the audit/review objectives and review methods used to the program managers. The exit conference memorandum will also be used to discuss review findings (strengths, weaknesses and recommendations for improvement).



### **12.2.3 – Charge Card Annual Review Checklist**

A charge card annual review checklist will be used in the initial review of cardholder's records to determine compliance with regulations, policies and procedures. The A/OPC should complete one checklist for each individual cardholder reviewed.

### **12.2.4 – Charge Card Review Summary of Findings**

The result of the charge card annual review summarizes findings, including areas of non-compliance and recommendations for improvements, identified in the checklists, cardholder records or interviews with purchase card participants. Best practices and recommendations for improving the charge card program are to be addressed at the end of the Summary of Findings Memorandum.

### **12.2.5 – Certification of Completion of Charge Card Annual Review**

The completion of charge card annual review consists of a certification that must be dated and signed by the appropriate bureau official. The annual review package, including the certification of completion, must be retained by the bureau for a minimum of three years.

### **12.2.6 – Steps in Review Process**

The following steps provide guidance in conducting the charge card annual review:

- **Statistical Sampling:** A\OPCs are encouraged to use PaymentNet reports or the EMS tool to generate a random sample of cardholder's transactions. The recommended thresholds are a 5% error rate and a 95% confidence level.
- **Data Mining:** Using the EMS tool, screen and identify suspicious transactions, and test for compliance with the established purchase card policies, procedures and internal controls, which is mandatory.
- **Entrance Conference:** A\OPC should hold interviews with management to discuss the review objectives and methods that will be used.
- **Interviews:** Interviews should be held with the AO and cardholder to discuss the performance of the charge card program.
- **Complete the Charge Card Annual Review Checklist:** The checklist documents the initial review of the AOs cardholder transactions and records to determine compliance with Federal regulations, DOI bureau/office policy and procedures.
- **Exit Conference:** This meeting is held with management to discuss review findings and address strengths, weaknesses and recommendations for improvement.
- **Complete Summary of Findings:** After completing all Review Checklists and interviews, the A/OPC must complete the Summary of Findings report. The memorandum documents strengths, weaknesses and areas of non-compliance identified in the checklists. The report also summarizes any areas of concern or problems found during any aspect of the review and discuss what steps shall be taken to correct them. Specific examples should be cited, whenever possible.



- The A/OPC may also use the Summary of Findings to discuss issues not addressed on the checklists, interviews or review of records, such as whether JP Morgan and the merchants are providing acceptable customer service. Best practices are to be documented on the last page of the Summary of Findings. Best practices or recommendations provided may be used to improve the charge card program.
- Submit Certification of Completion: The certification is dated and signed by the appropriate Bureau official upon completion of the annual review and submitted to PAM.

### **12.3 – Office of Acquisition and Property Management Reviews**

The PAM office may perform additional reviews (including on-site), as necessary.

### **12.4 – Annual Charge Card Program Report**

The DOI ICCPM is required to review the Department's program annually after the close of each fiscal year and prepare a report on the state of the Charge Card Program. Below are suggested forms of review and analysis data that may be included in the report:

- Recommendations for implementing innovative charge card management and payment solutions and workflow processes to:
  - improve management internal control over the charge card program;
  - strengthen oversight;
  - streamline charge card management processes;
  - reduce operating costs;
  - reduce improper and abusive charge card activity; and
  - go green (paperless) by eliminating or reducing paper documents;
- DOI's use of PaymentNet, EMS, and JP Morgan customer service as prescribed in the GSA SmartPay master contract provisions.
- A/OPC access to PaymentNet's functionality, reports, and hierarchy management role.
- AO and cardholder access to PaymentNet's reports.
- Current GAO purchase card audit reports to access the Department's vulnerability to report findings.
- Pending legislation that impacts the purchase card program.
- Refunds earned including lost opportunities using JP Morgan's accounts payable spend analysis report recommendations.
- Next Generation, Integrated Charge Card Program (21<sup>st</sup> century modernization strategy)
- Recommendations for utilization of Interior's charge card rebates of general benefits to the Department's integrated charge card program (includes CCSC), bureaus and offices (includes A/OPCs staffing and training), Public Law 112-194.

**END OF SECTION 12**



## Appendix A. Acronyms & Definitions

**Abuse:** Use of a Government charge card or convenience check to buy authorized items, but at terms (e.g. price, quantity) that are excessive, or are for a questionable Government need or both.

**Accountable Property:** Accountable property includes a property purchased, capitalized, non-capitalized, leased, contractor-held property, and stores property, or otherwise obtained having a unit acquisition cost of \$5,000 or more (land, regardless of cost); and items that are sensitive, including to but not limited to pilferable items.

**Agency:** The Department of the Interior, which may be further broken down to include Bureaus, offices, and programs.

**Agency/Organization Program Coordinator (A/OPC):** The primary liaison with J.P. Morgan and the Office of Acquisition and Property Management (PAM), Office of Financial Management (PFM), and the CCSC on technical and policy issues.

**Anti-Deficiency Act:** Federal statute that prohibits the purchase of goods or services for which funds are unavailable or have not been appropriated

**Approving Official:** Individual responsible for oversight and monitoring of designated cardholders' compliance with established rules and procedures. (Usually the cardholder's supervisor)

**ATM Privileges:** Privileges that may be authorized on a charge card account to allow a cardholder to obtain limited cash advances for official travel expenses via ATM. Can search on a listing of ATM locations at [www.chase.com](http://www.chase.com)

**Authorization Control Set:** A table of authorization controls or an option set that includes spending limits and authorized merchant category codes.

**Billing Date:** Can be used interchangeably with "Closing Date." The last date that charges can appear on a statement of account. For DOI, that is the 19<sup>th</sup> of the month.

**Business Line:** The charge card program is comprised of three "business lines": travel, purchase, and fleet. Each of these is made up of a group of charge card activities with common functional characteristics, e.g., supports travel, purchase or fleet. These functions are integrated into one card and one administrative set-up. Also, see "Integrated".

**Cardholder:** Any individual issued a card. Cardholders include users of both charge cards and convenience checks. Specific to fleet: any individual, vehicle/equipment, or agency issued a charge card.

**Cardholder Agreement:** The J.P. Morgan Chase Bank, N.A. GSA SmartPay 2 Integrated Cardholder Agreement. The Agreement formally documents and assigns the banks and cardholders' responsibilities regarding use of the charge card. This program guideline supplements that Agreement with DOI policy and procedures. By signing the application form and activating, signing, or using the card and/or account, a cardholder agrees to be bound by the terms and conditions of the Agreement.



Cardholder Review and Approve Reconciliation: The process by which the cardholder and the approving official reviews the monthly bank statements and reconciles against available supplier receipts and purchase card ordering logs using the JP Morgan tool. Note: The travel business line does not require the ordering log usage.

Cancelled Account: Occurs when an account with an undisputed individually billed balance remains unpaid 96 calendar days after the date of the statement of account on which the charge first appeared. An account may also be cancelled if the account reaches suspension status for the third time within a 12-month period. Suspension or cancellation will affect all privileges associated with the cardholder's account.

Central Account ID: A 7-digit number that uniquely identifies a Bureau's central account. Some PAYMENTNET maintenance requires inputting the central account ID. See the Bureau lead A/OPC for more information.

Central Account Number: The "parent" account for each Bureau that receives no transactions, and provides an umbrella for all charges to the individual accounts below it.

Centrally Billed: Transactions that are billed directly to the Government and paid by Finance; includes purchase of goods and services, convenience check transactions, temporary duty (TDY) travel transportation charges, hotel, and rental car expenses.

Charge Card: A plastic card, issued to an individual or an entity, with an underlying account that is used for making purchases or payments. A charge card is similar to a credit card, except that generally the balance must be paid in full upon receipt of the statement.

Charge Card Support Center (CCSC): Located in Denver, Colorado, the CCSC provides centralized support for the operation and administration of the DOI ICCP under the direction of the Office of Acquisition and Property Management.

Charge Card Program Manager: Responsible for implementing and overseeing the management of the of the DOI ICCP department-wide and charge card program policies.

Charged Off Account: Accounts with unpaid balances for 210 days, is determined to be uncollectable by the bank and written off as "bad debt." At the bank's discretion, collection action may continue on these accounts.

Closing Date: Can be used interchangeably with "Billing Date". This is the last date for which charges appear on a statement. For DOI, that is the 19<sup>th</sup> of the month.

Continuity of Operations Planning (COOP): COOP is the effort within departments and agencies to ensure the continued performance of minimum essential functions during a wide range of potential emergencies.

Convenience Check: A J.P. Morgan paper check available only under the purchase business line to be used only when a vendor will not accept the charge card, electronic funds transfer (EFT), or purchase order. The checks are



personalized with the cardholder's name, agency, office address and single purchase limit, and can only be issued by the cardholder.

Corporate Account Travel: Applicable to the travel business line only; an account used to purchase transportation tickets for individuals who do not have a travel account. This includes invitational travelers, interviewees, employees serving without appointment, and family members for relocation travel. Travel expenses of contractors and subsistence expenses of employees may **NOT** be charged to this account. No physical card is issued.

Corporate Account Purchase: Applicable to the purchase business line only; an account used to make purchase or to make contract payments by Warranted Contracting Officers.

Credit Worthiness: In accordance with Section 639 of the Consolidated Appropriations Act, 2005, P.L. 108-477, as prescribed in revised OMB Circular A-123, Appendix B, Improving the Management of Government Charge Card Programs, Chapter 6, a credit check will be conducted on all new IBA travel charge card applicants.

Declined Transaction: A declined transaction means authorization refused by charge card issuing bank's transaction authorization system. Reports are available in the servicing bank tool.

Declining Balance Cards: One time use purchase card accounts that may be used during a limited time period (e.g., within a 3 year period), for a limited amount, possibly for a specific vendor or project. Available balance declines as the stored value card is used and the cards are reloadable.

Default Cost Code: May be used interchangeably with "Master Accounting Code". The default account code applied to all transactions for cardholder's account for budget tracking purposes.

Delegation of Procurement Authority Memorandum: A memorandum that recognizes the purchase card holder as a procurement official, grants authorization to spend Government funds, and establishes the level of purchase authority.

Delinquency: Cardholder failure to meet the payment due date, measured in 30-day increments. Delinquency may result in card suspension at 61 days with salary offset, and card cancellation at 96 days.

Dispute: The action a cardholder takes when an incorrect charge appears on the statement. Disputes are the cardholder responsibility, but the A/OPC can advise on procedures.

Electronic Access System (EAS): The servicing bank's Internet-based system which provides a variety of reports which assist in the effective charge card management.

Environmental "Green" Purchasing: The acquisition of supplies and services that promotes energy and water efficiency, advances the use of renewable energy products, and helps foster markets for emerging technologies.

Federal Acquisition Regulation (FAR): The regulation for use by federal executive agencies for acquisition of supplies and services with appropriated funds, as set forth in 48 CFR § 1-52.



**Fraud:** Any act of corruption or attempt to cheat the Government or corrupt the Government's agents, including but not limited to, the use of Government charge cards to transact business that is not sanctioned, not authorized, not in one's official Government capacity, not for the purpose for which the card was issued, or not as part of official Government business.

**GSA SmartPay®** The Federal Government's charge card program that provides Federal Government cardholders a means to pay for commercial goods and services, travel and travel-related expenses, and vehicle fleet expenses.

**Hierarchy:** The organizational structure of the charge card program, which is composed of up to eight levels from cardholder to the Department.

**Hierarchy Transfer:** Movement of a cardholder from one hierarchy to another. If the cardholder is being moved within a Bureau, the A/OPC can perform the transfer in PaymentNet. Transfers between Bureaus require the old account to be closed, and the cardholder must reapply for a card at the new Bureau.

**Improper Purchase:** Purchase card transactions that are intended for Government use but are not permitted by law, regulation, or organizational policy.

**Individually Billed (IB):** Reimbursable transactions that the cardholder must pay. Examples include meals and ATM cash advances.

**Internal Controls for the ICCP:** Measures taken to ensure program integrity, safeguarding of account information, and program effectiveness. Internal controls consist of the policies, procedures, training, organization, and surveillance governing the purchase card program

**Integrated:** Two or more business lines whose processes are combined on the front end (e.g., at a minimum, account maintenance and customer service) or the back end (e.g., at a minimum, reconciliation, reporting and invoicing), or both; may be a single card or multiple cards. Cardholders may be authorized with only one business line or all business lines.

**Limited Use Card:** A charge card activated only for periods of an individual's official travel. Limited use cards may also be authorized for use for a period of time pending charge card privilege reinstatement for cardholders whose charge card privileges have been cancelled for misuse or account delinquency. Limited use cards may have restricted credit limits or other restrictions, such as no cash access, as appropriate for the individual circumstance. Activation and deactivation card management is required for at least one year.

**Management Control:** From OMB Circular A-123 and Public law 112-194; Management controls are the organization, policies, and procedures used to reasonably ensure that (i) programs achieve their intended results; (ii) resources are used consistent with agency mission; (iii) programs and resources are protected from waste, fraud, and mismanagement; (iv) laws and regulations are followed; and (v) reliable and timely information is obtained, maintained, reported and used for decision making.



Master Account Code (MAC): May be used interchangeably with “Default Code”. The account code applied to all transactions for a cardholder’s account for budget tracking purposes.

Merchant Category Code (MCC): A four-digit code used to identify the type of business a merchant conducts. Gas stations, restaurants, and airlines are a few examples. The vendor selected this code with their bank. The code controls where purchases are permitted and determines if the item is centrally or individually billed.

Micro-Purchase: As defined in FAR 2.101, an acquisition of supplies or services, the aggregate amount of which does not exceed \$3,000, except in the case of construction subject to the Davis Bacon Act, the limit is \$2,000, and for acquisitions of services subject to the Service Contract Act, the limit is \$2,500.

Mission Critical: A designation for certain employees, the nature of whose work, e.g., extended travel requirements, or overseas travel assignments, may prevent them from being able to make payments for individually billed travel-related transactions by the specified payment due date in which the charge first appeared. Only accounts in good standing are eligible for mission critical designation.

Misuse: Use of a Federal charge card or convenience check by an authorized user for other than the official Government purpose(s) for which it is intended. Charge card misuse can invoke DOI disciplinary action.

Net Credit Losses: Balances in individually billed accounts that reach 180 calendar days past the closing date on the statement of account in which the charges appeared for the reporting period, less recovered amounts. Recovered amounts are net of recovery fees paid to third parties.

PaymentNet: J.P. Morgan Internet based system to help perform administrative changes to cardholder information and analyze program activities. All DOI cardholders shall have access to [PaymentNet](#). A User ID and password from your bureau AOPC or J.P. Morgan Customer Service are required.

Purchase Card Ordering Log: A manual or automated log in which the cardholder documents the individual transactions and screening for mandatory sources of supply, consideration regarding “green” purchasing, and any required Section 508 documentation when using the purchase card or associated convenience checks.

Reporting Tool: PaymentNet report scheduling and viewing functionality to assist in managing the card program.

Required Sources of Supply: The priority of sources as listed in FAR Part 8 and Subpart 8.001.

Retention of Documents: The storing of supporting documentation for purchase card transactions below the micro-purchase threshold for a period of 3 years in accordance with FAR Subpart 4.805 and GAO-08-368R.

Section 508 of the Rehabilitation Act: Section 508 of the Rehabilitation Act of 1973 requires that Federal departments and agencies procure electronic and information technology in such a manner as to allow Federal employees with disabilities to have access to and use of information and data that is comparable to the access to and use of information and data by other Federal employees.



Sensitive Property: Property that must be controlled, regardless of value, by detailed accountability records. Sensitive property shall, at a minimum, include firearms and museum property.

SmartPay Program: A GSA program consisting of master contracts for charge card services from which Federal agencies may select charge card contractors for their travel, purchase, and fleet needs.

Servicing Bank: The financial institution and its associations, responsible for issuing DOC purchase cards as the result of a task order against the active GSA SmartPay® 2 Master Contract is JP Morgan Chase Bank and MasterCard association.

Separation of Duties: A mandatory management control to prevent key functions from being done by the same person. Important duties, such as making purchases, authorizing payments, certifying funding and reviewing/auditing will be assigned to different individuals to minimize the risk of loss to the Government to the greatest possible extent.

Simplified Acquisition: An acquisition of supplies or services conducted in accordance with the procedures of FAR Part 13. The Simplified Acquisition Threshold is currently \$150,000.

Single Purchase Limit (Dollars per Transaction Limit.): The dollar limit imposed on a cardholder's single purchase or payment transaction.

Split Purchase: Separating a requirement that exceeds a cardholder's single purchase limit or threshold into two or more buys as a means of circumventing the cardholder's purchase limit.

Statement of Account: Official document of all transactions (debits and credits) at the cardholder level posted during the billing cycle. The statement of account is not the official invoice.

Strategic Sourcing: The process of continually analyzing the way agencies spend funds through contracts, delivery orders, and through the Government purchase card program in order to ensure that agencies are achieving discounts on commonly purchased goods and services.

Suspension: Occurs when any undisputed individually billed transactions remain unpaid for 61 calendar days after the date of the statement of account, on which the charges first appeared.

Transaction Transfer: Movement of a transaction from individually billed to centrally billed or from centrally billed to individually billed, approved by the approving official and sent to the A/OPC from the cardholder or approving official.

Third Party Credit Card Processor: A third party credit card processor is a company that can accept credit card orders over the internet on behalf of an individual or another merchant. Such as: PayPal, Pro Pay, Citibank, CCBill, Globill systems, Verotel, CCNow, RegSoft, and Kaqi.

User Roles: The authorization level in PaymentNet, given to access reports, and performs tasks.



Virtual Cards: A purchase card account number that is used to make payment on contracts or to a specific merchant that accepts the purchase card a method of payment.

Waste: Any activity taken with respect to a Government charge card that fosters, or results in, unnecessary costs or other program inefficiencies.

DRAFT



## Appendix B. Approving Official Appointment Memorandum

Memorandum

To: DOI Charge Card Program Approving Official

From: Debra E. Sonderman, Director, Office of Acquisition and Property Management and Senior Procurement Executive

Subject: Appointment or Reappointment as Approving Official for DOI Integrated Charge Card Program

This memorandum formalizes your appointment as an Approving Official for the Department of the Interior (DOI) Integrated Charge Card Program. In accordance with OMB Circular A-123, Appendix B, you are hereby appointed or reappointed as an Approving Official for the employees in your unit who hold a Government-issued MasterCard. Please print and retain a copy of this appointment for your files.

As an approving official, you are the first control point for the integrity of the DOI Integrated Charge Card Program. You must assure proper and responsible use of charge cards by:

- Reviewing monthly statements of account for cardholders under your purview;
- Verifying the validity of all purchases listed on the cardholder's statement of account;
- Promptly signing/filing paper cardholder statements and back-up documentation, as applicable, in accordance with your bureau/office records retention policy;
- Examining all cardholder documentation related to card and/or convenience check transactions to ensure that purchases are for a bona fide Government need.
- Resolving any questionable purchases with the cardholder;
- Ensuring that the cardholder's purchase transactions are properly reconciled with the servicing bank's statement of account;
- Ensuring that property or sensitive item purchases are properly recorded in the bureau/office property management system;
- Notifying the bureau Agency/Organization Program Coordinator (A/OPC) of any suspected cases of misuse or potential fraud;
- Properly maintaining documentation and records showing questioned transactions, including subsequent investigation and the outcome (e.g., disciplinary action taken or referral to the Office of Inspector General).

As the designated Approving Official and/or supervisor, you are ultimately responsible for cardholders under your purview. As a supervisor of an A/OPC, you are responsible for ensuring that he/she performs the charge card management responsibilities as outlined in his/her appointment memorandum. You must ensure that each cardholder and A/OPCs under your purview is assigned the appropriate DOI University Integrated Charge Card learning plan and satisfactorily completes all mandatory training requirements.

You are required to meet with your cardholder(s) to discuss the use of the charge card and the types of transactions you will approve. Further information, including the Charge Card Program Policy, forms, and contact information is available online at <http://www.doi.gov/pam/programs/chargecard/index.cfm>.



Should you have any questions regarding the DOI Charge Card Programs, please contact your bureau Lead A/OPC. For Departmental policy questions, please contact David Carter, Integrated Charge Card Program Manager, of my staff at (202) 513-7544 or via email at [david\\_carter@ios.doi.gov](mailto:david_carter@ios.doi.gov).

The servicing bank provides a variety of reports to assist cardholders and Approving Officials with managing their program. Approving Officials shall continuously monitor their programs using the following recommended reports:

<b>Report Name</b>		<b>Travel Business Line Charge Card Management Report Description</b>
Travel Activity Report		This custom report will display travel related transactions (i.e. cash, fuel, ground transportation) where there is no associated airline or hotel transaction within 7 days before or after the transaction date.
Delinquency Summary		The Delinquency Summary report tracks past due balances, write-offs, recoveries, outstanding, and current balances by hierarchy for an Organization.
<b>Report Name</b>		<b>Purchase Business Line Charge Card Management Report Description</b>
Convenience Check Report		Identifies Convenience Check transactions where the payee name on the convenience check is similar to, or equal to, the convenience check holder's name, or where the payee is "Cash"
Annual Purchase Cardholders Report		The custom report will be used to show DOI employees with purchase authority who have activity over a given time frame. The intent of the report is to identify those employees who have infrequent or no purchase activity to reduce purchase card access or credit limits.
Pending Review and Approve Report		The Pending Review/Approval Report detail transactions review/approval status. The report displays hierarchy, account, merchant, and transaction detail information, approvers to which the transaction are assigned, and the dates assigned, reviewed and approved by the approver.
<b>Report Name</b>		<b>Fleet Business Line Charge Card Management Report Description</b>
Unusual Activity Analysis Report		The Unusual Activity Analysis Report can be used to monitor unusual transaction activity and determine if the transactions are business related. The report lists: Merchant Category Codes with description, account name, merchant name, city, state, transaction date and amount.
<b>Report Name</b>		<b>Integrated Charge Card Management Report Description</b>
Declines Report		The Declines report can be used to monitor the occurrences and reasons why cardholders have been declined. The report lists: Decline Code and Reason, Account Name, Account Number, Amount, MCC, MCC Description, Date and Time of Decline.



## Appendix C. A/OPC Appointment Memorandum

Memorandum

To: Bureau Agency/Organization Program Coordinator

From: Debra E. Sonderman, Director Office of Acquisition and Property Management and Senior Procurement Executive

Subject: Appointment as Charge Card Agency/Organization Program Coordinator

This memorandum formalizes your appointment as an Agency/Organization Program Coordinator (A/OPC) for the Department of the Interior (DOI) Integrated Charge Card Program. Under this appointment, you are hereby delegated authority to manage day-to-day operations for DOI Integrated Charge Card Programs under the General Services Administration (GSA) SmartPay®2 Program, and in coordination with the DOI Charge Card Program Manager. As an A/OPC, you shall comply with all pertinent Federal, Departmental and bureau/office policies, laws, regulations, and procedures; and appropriately use charge card management controls under your purview to monitor program effectiveness on a regular basis and reduce the risk of charge card fraud, waste, abuse, or misuse.

Attachment 1 provides an outline of A/OPC responsibilities. The DOI Charge Card Program Policy, available online at <http://www.doi.gov/pam/programs/chargecard/index.cfm>, contains additional information regarding your roles and responsibilities as an A/OPC. Please review and familiarize yourself with this information. Your role is vital to the success of the charge card programs. A/OPCs are the primary intermediaries between Approving Officials, cardholders, the servicing bank, and bureau managers; and ensure that the responsibilities of cardholder, Approving Official and A/OPC do not circumvent management controls.

All A/OPCs are required to utilize all electronic tools at the agency's disposal, including testing of automated applications under development, to monitor and review cardholder transaction details on a daily basis. These tools include the servicing bank's Electronic Access System (EAS) tools and reports such as standard bank reports, custom reports, bank alerts, and automated rules-based data mining tool. A list of the mandatory reports provided by the servicing bank is included in Attachment 2.

This appointment may be terminated at any time by written notice from the Senior Procurement Executive or the DOI Integrated Charge Card Program Manager. Your appointment will remain in effect until terminated in writing or when you leave your currently assigned position.

If you believe you have received this appointment letter in error and you will not be performing the duties of an A/OPC, please contact your Bureau Lead A/OPC. If you have Departmental policy questions, please contact David Carter, Integrated Charge Card Program Manager, at (202) 513-7544 or email [david\\_carter@ios.doi.gov](mailto:david_carter@ios.doi.gov).



## Attachment 1

Charge Card Agency/Organization Program Coordinators (A/OPCs) ensure the effectiveness of the DOI Integrated Charge Card Program, by monitoring compliance with Federal, Departmental and bureau/office policies, laws, regulations, and procedures, on a regular basis. A/OPC responsibilities include, but are not limited to, the following:

- Providing advice, assistance and guidance to cardholders, supervisors, Approving Officials and Bureau managers.
- Overseeing adherence to DOI and Bureau/Office charge card policies.
- Monitoring compliance with procurement, fleet, and travel regulations related to charge card use.
- Identifying and reporting charge card delinquency to management.
- Researching, analyzing, resolving, and providing responses to charge card questions, issues and alert notifications.
- Establishing, managing, suspending, and/or terminating cardholder accounts as applicable.
- Performing oversight functions, including detailed transactional review; communicating through proper channels any potential fraudulent transactions that are identified.
- Communicating necessary hierarchy updates and managing user role requests and updates.
- Updating cardholder/approving official profile contact information under your purview.
- Monitoring mandatory charge card training requirements and records through DOI Learn or your bureau/office training coordinator.
- Providing input for training updates and corrections that do not conflict with the GSA SmartPay®2 Master Contract provisions or the DOI Charge Card Program Policy.
- Performing electronic oversight and surveillance activity of the Government Charge Card and documenting the case management tool.
- Conducting quarterly and/or annual review/audit of Approving Official and cardholder records for adherence to the policies and guidance.
- Identifying and reporting suspected fraud, waste, and abuse to the Bureau Lead A/OPC, Office of the Inspector General, and to the DOI Integrated Charge Card Program Manager, as applicable.
- Preparing formal requests for deviations from Government Charge Card Policy (as unique circumstances arise) for submission to the DOI Integrated Charge Card Program Manager, through Bureau Lead A/OPC.
- Terminating or suspending accounts at the written request of the DOI Integrated Charge Card Program Manager or Bureau Lead A/OPC, or when potential fraud or abuses are apparent.
- Recommending termination of the Delegation of Procurement Authority or Approving Official appointment through the Bureau Lead A/OPC, to the Bureau Procurement Chief.
- Upon written notification, supporting all Department-wide charge card program optimization initiatives to include, but not limited, to strengthening internal controls, improving operational efficiencies, business processes reengineering studies, cost savings initiatives, charge card management reviews, online cardholder reconciliation and Approving Official review, and data mining initiatives.



Attachment 2

The servicing bank provides a variety of reports to assist A/OPCs with managing their program. A/OPCs shall continuously monitor their programs using the following recommended reports:

<b>Report Name</b>	<b>Travel Business Line Charge Card Management Report Description</b>
Airline Exception Report	This report is used to identify airline purchases made where the air traveler is different from the cardholder who purchased the ticket.
Past Due Report	Account Past Due Report
Travel Activity Report	This custom report will display travel related transactions (i.e. cash, fuel, ground transportation) where there is no associated airline or hotel transaction within 7 days before or after the transaction date.

<b>Report Name</b>	<b>Purchase Business Line Charge Card Management Report Description</b>
Convenience Check Report	Identifies Convenience Check transactions where the payee name on the convenience check is similar to, or equal to, the convenience check holder's name, or where the payee is "Cash"
Potential Split Purchase Report	This report will allow A/OPCs to monitor any instances where a cardholder, or group of cardholders within the same hierarchy node, split payments to a particular vendor in order to bypass the Government's single purchase limits.
Annual Purchase Cardholders Report	The custom report will be used to show DOI employees with purchase authority who have activity over a given time frame. The intent of the report is to identify those employees who have infrequent or no purchase activity to reduce purchase card access or credit limits.

<b>Report Name</b>	<b>Fleet Business Line Charge Card Management Report Description</b>
Fleet Transaction Detail	The Fleet Transaction Detail Report can be used to monitor fuel and nonfuel related purchases for each account.
Pending Review and Approve Report	The Pending Review/Approval Report details transactions and their review/approval status. The report displays hierarchy, account, merchant, and transaction detail information, approvers to which the transaction are assigned, and the dates assigned, reviewed and approved by the approver.
Unusual Activity Analysis Report	The Unusual Activity Analysis Report can be used to monitor unusual transaction activity and determine if the transactions are business related. The report lists: Merchant Category Codes with description, account name, merchant name, city, state, transaction date and amount.



Report Name	Integrated Charge Card Management Report Description
Weekend/ Holiday Activity Report	This report will display transactions where rental car return and/or lodging check-out is on a Sunday, Monday, or Federal Holiday.
Current Hierarchies Report	This custom report will provide details of all current active DOI hierarchies, including the hierarchy name, hierarchy description, telephone, fax, address (street, city, state, zip) etc.
Hierarchy Based Roles Report	This report will provide a listing of all cardholders - their user ID, role, status and where their authority is within a hierarchy.
Cardholder Profile	The Cardholder Profile Report can be used by administrators to manage cardholder information. – One of the most valuable reports for Accounts.
Declines	The Declines report can be used to monitor the occurrences and reasons why cardholders have been declined. The report lists: Decline Code and Reason, Account Name, Account Number, Amount, MCC, MCC Description, Date and Time of Decline.
Transaction Detail with Level 3 Addendum	The Transaction Detail with Level 3 Addendum Report lists transactions with enhanced addendum. Only Airline, Rental Car, Hotel, Travel, Fleet, Purchasing, and Shipping Addendum data is provided. If postdate criterion is not selected, the report will default to activity within the last 30 calendar days.
Transaction Disputes by Hierarchy	The Transaction Disputes by Hierarchy report can be used to monitor the status of disputed transactions. The report lists: Account Name, Account #, Merchant Name, Transaction Date, Transaction Amount, Date Disputed, and Date Resolved.
Pending Review and Approve Report	The Pending Review/Approval Report details transactions and their review/approval status. The report displays hierarchy, account, merchant, and transaction detail information, approvers to which the transaction are assigned, and the dates assigned, reviewed and approved by the approver.
Unusual Activity Analysis Report	The Unusual Activity Analysis Report can be used to monitor unusual transaction activity and determine if the transactions are business related. The report lists: Merchant Category Codes with description, account name, merchant name, city, state, transaction date and amount.



## Appendix D. Appointment/Delegation of Purchase Business Line Authority

### Memorandum

To: Cardholder

From: Bureau Procurement Chief

Subject: Appointment/Delegation of Purchase Business Line Authority

In accordance with Federal Acquisition Regulation (FAR) subpart 1.603-3(b) and Department of the Interior [Integrated Charge Card Program Policy](#), you are hereby appointed as a cardholder under the DOI's Purchase Business Line. Under this appointment, you are hereby delegated authority to purchase and pay for supplies and services required by your organization using the DOI Integrated Charge Card (Purchase Business Line) under the GSA SmartPay® Program. Some cardholders may be granted convenience check authority to use only when a merchant does not accept the charge card and there is not an alternate source of supply where the card is accepted.

The aggregate amount of any purchase you make from any one supplier cannot exceed the micro-purchase threshold of \$3,000 except for the acquisition of construction subject to the Davis Bacon Act, the limit is \$2,000, and the acquisition of services subject to the Service Contract Act, the limit is \$2,500.

In accordance with FAR, Subpart 13.301, the Government-wide commercial purchase card may be used above the micro-purchase threshold, by contracting officers, to place a task or delivery order (if authorized in the basic contract, basic ordering agreements, or blanket purchasing agreements, and Federal Supply Schedules); or make payments, when the contractor agrees to accept payment by the purchase card.

With this Delegation you assume a unique role as the Government's authorized agent to obligate Government funds. Your role as the cardholder is to use the Integrated Charge Card to buy goods and services for Government use. You hold the primary responsibility for the proper use of the Integrated Charge Card. This is a substantial responsibility that must be exercised with fairness, reasonableness and good business judgment. The fact that your office has requested this authority for you is a clear statement of the trust that the Department of the Interior has placed in you. Your responsibilities as a cardholder are to:

Read and follow the Integrated Charge Card Program Policy Manual.

- Secure the card and use it ethically.
- Maintain an optional purchase card ordering log, subject to bureau policy.
- Use the card only to make informed buys of approved goods and services.
- Ensure availability of funds before purchase.
- Ensure that the total amount of the transaction does not exceed the single purchase limit or the amount of funds available for the transaction.
- Reconcile and document transactions (PaymentNet Online review and Approve).



You are the Government's legal agent for each purchase made with the Integrated Charge Card. You are legally responsible and accountable for each transaction. You must comply with all applicable regulations and procedures set forth in [DOI's Integrated Charge Card Program Policy Manual](#) and any Bureau/ Office Polices and or Guidance.

This delegation of purchasing authority is limited and is not subject to re-delegation by you. The delegation may be terminated at any time by written notice from the Bureau Procurement Chief, the DOI Charge Card Program Manager, or the Senior Procurement Executive.

This delegation shall automatically terminate upon separation from the agency or upon reassignment to another office within the agency and the office does not desire that you be a cardholder. You shall promptly notify the A/OPC of any changes to your employment status, so that your appointment can be terminated.

The [DOI Charge Card Program Policy](#) contains additional information regarding your roles and responsibilities as cardholder/convenience check writer. Use of the card is subject to the [Government Charge Card Abuse and Prevention Act of 2012](#), DOI policy as prescribed in this document, and any Bureau/Office supplemental policy. The [servicing bank electronic access system](#) provides a variety of alerts and reports to assist cardholders with managing their accounts.

If you believe you have received this appointment letter in error and you will not be performing as a cardholder with purchase authority, please contact your Bureau Lead A/OPC.

Assumption of Liability: "I certify and acknowledge that I have read and understand the responsibilities and liabilities assumed by me as a Government Purchase Cardholder. I understand that as a cardholder I hold a public trust and must meet the highest ethical standards. I will use the card only to purchase items of supply and services within the guidance of the Government Commercial Charge Card Program. False statements on charger card records or the unauthorized use of the Government Purchase Card will subject me to disciplinary actions and/or personal liability".



### Appendix E. Status of Inactive Charge Card

Date: \_\_\_\_\_

MEMORANDUM FOR: \_\_\_\_\_ [Approving Official]

FROM: \_\_\_\_\_ [Agency Organization Program Coordinator]

SUBJECT: Charge Card ending in \_\_\_\_\_. Cardholder: \_\_\_\_\_

A recent review of charge card activity indicates that the subject card may be inactive based on the following:

- Card had no activity during the past 18 months
- Card had transactions totaling \$ \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_.

Please review the subject card and complete, date, and sign this form and return it to your A/OPC by \_\_\_\_\_. Failure to complete this form will result in cancellation of the card.

#### Approving Official Determination

I have reviewed this charge card and have determined the following:

- Card is no longer needed and should be canceled for the following reason:
  - Cardholder has transferred to another office or has left the organization.
  - There are no requirements to justify need for a card.
  - Requirements are being satisfied by another cardholder or through other means.
- Card is still required for the following reason:
  - Card is to be used for emergencies. The cardholder has been designated as an “emergency employee” or a “mission-critical emergency employee” under an emergency response plan or continuity of operation plan (COOP).
  - Office requirements exist but demand patterns are highly variable.

Approving Official Signature: \_\_\_\_\_ Date: \_\_\_\_\_



### Appendix F. Charge Card Risk Factors

<i>Charge Card Risk Factors</i>		
<b>Risk Factor</b>	<b>Description</b>	<b>Recommended Risk Mitigation</b>
General risk of fraud, waste, abuse and misuse	Ensure that the environment is not conducive to charge card fraud, waste, abuse, and misuse.	<ul style="list-style-type: none"> <li>▪ Conduct regular surveillance and annual reviews of cardholder’s activity. Ensure that all violations are promptly identified and that corrective and/or disciplinary actions are taken.</li> <li>▪ Publicize serious violations and the actions taken in response.</li> <li>▪ Use EMS data mining tool.</li> </ul>
Newly appointed AOs and cardholders	Newly appointed AOs and cardholders have less experience with the charge card program’s policies and procedures and may therefore have a higher risk of misuse.	<ul style="list-style-type: none"> <li>▪ Perform a limited review of all new AOs and cardholders within 120 days of their appointment to identify procedural errors or misuse.</li> </ul>
Inactive cards (except for emergency cards issued under COOP)	Cards with little or no activity over an 18 month period are considered inactive.	<ul style="list-style-type: none"> <li>▪ Conduct review of inactive cards semi-annually and cancel cards that are no longer required using servicing bank’s EAS and alerts.</li> </ul>
Purchase card transactions during emergencies or other contingencies	Purchase card transactions occurring during emergencies (natural disasters, biological, radiological, chemical, health-related, etc.) pose a higher risk.	<ul style="list-style-type: none"> <li>▪ Use PaymentNet to separate and to track/identify all card purchases in support of emergency operations for anticipated reporting requirements to Congress, GAO, IG, etc.</li> </ul>
AOs with a Span of Control	As an AO’s span of control and monthly transaction review increases, the risk of failure to identify improper purchase transactions increases.	<ul style="list-style-type: none"> <li>▪ If problems due to workload are identified during the annual review, consider reducing the span of control by training and appointing additional AOs as necessary.</li> </ul>
A/OPCs Span of Control greater than 350 - 750 range for AOs and cardholders	A/OPCs may find it difficult to adequately carry out their program oversight role effectively, thereby increasing risk.	<ul style="list-style-type: none"> <li>▪ BPCs/CFOs should monitor A/OPC spans of control and establish additional A/OPCs as warranted.</li> </ul>
AOs or cardholders that have had previous instances of misuse	AOs and cardholders that have violated procedures in the past may have a higher risk of future violations	<ul style="list-style-type: none"> <li>▪ Increased surveillance and spot checks to ensure compliance</li> <li>▪ Cancel/suspend cards for cardholder repeat offenders, or train and assign new AOs for repeat AO violations.</li> </ul>



### Appendix G. Mandatory Reports

Report Name	Travel Business Line Charge Card Management Report Description
Airline Exception Report	This report is used to identify airline purchases made where the air traveler is different from the cardholder who purchased the ticket.
Past Due Report	Account Past Due Report
Travel Activity Report	This custom report will display travel related transactions (i.e. cash, fuel, ground transportation) where there is no associated airline or hotel transaction within 7 days before or after the transaction date.
Monthly Charge-off and Salary Offset Referral Report	This custom report will provide DOI a listing of accounts, based on delinquency status, that qualify for Salary Offset.
Airline Ticket Credit Summary	The Airline Ticket Credit Summary can be used to monitor airline credits.
Delinquency Summary	This report tracks past due balances, write-offs, recoveries, outstanding, and current balances.
Lodging Spending Analysis by Top Chain	The Lodging Spending Analysis By Top Chain identifies the lodging establishments where the accounts are being used, and can be used for rate negotiations.
Credit and Debit	Use this report to assist with airline debit and credit reconciliation for centrally billed travel accounts.
IBA Statement History	This report is used to obtain a complete financial profile for Individually Billed Accounts including statement details and other information, such as purchases, payments and delinquency status.

Report Name	Purchase Business Line Charge Card Management Report Description
Convenience Check Report	Identifies Convenience Check transactions where the payee name on the convenience check is similar to, or equal to, the convenience check holder's name, or where the payee is "Cash"
Past Due Report	Account Past Due Report
Potential Split Purchase Report	A/OPCs can monitor identify instances where a cardholder, or group of cardholders within the same hierarchy node, potentially split purchases to avoid single purchase limits.
Annual Purchase Report	This custom report is used to identify infrequent purchase card activity
Transaction Detail with Purchase Addendum	This report is used to analyze only transactions with purchasing addendum.

Report Name	Fleet Business Line Charge Card Management Report Description
Fleet Product Type Summary	The is a "roll-up" report used to identify the total spend for each fleet product type.
Fleet Transaction Detail	This can be used to monitor fuel and non-fuel related purchases for each account.
Fuel Purchase Detail Summary	The Fuel Purchase Detail Summary can be used to evaluate fuel purchases.

Note: PaymentNet [Report Guide](#) is available for download on [JP Morgan communication website](#).



Report Name	Integrated Charge Card Management Report Description
Account Activity With Hierarchies Report	The Account Activity with Hierarchies Report shows transactional information for all transaction types with the information.
Weekend/ Holiday Activity Report	This report will display transactions where rental car return and/or lodging check-out is on a Sunday, Monday, or Federal Holiday.
Current Hierarchies Report	This custom report will provide details of all current active DOI hierarchies, including the hierarchy name, hierarchy description, telephone, fax, address (street, city, state, zip) etc..
Hierarchy Based Roles Report	This report will provide a listing of all non-cardholders - their user ID, role, status and where their authority is within a hierarchy.
Cardholder Profile	The Cardholder Profile Report can be used by administrators to manage cardholder information. – One of the most valuable reports for Accounts.
Declines	The Declines report can be used to monitor the occurrences and reasons why cardholders have been declined. The report lists: Decline Code and Reason, Account Name, Account Number, Amount, MCC, MCC Description, Date and Time of Decline.
Statistical Summary Report	The Statistical Summary Report lists account and transaction summary information with scope of view based on hierarchy.
T&E Expense Activity by Cardholder	The T & E Expense Activity by Cardholder report can be used to analyze at the account level, the total and average dollar amount spent on each of the following travel types of purchases: Airlines Lodging, Car, Mass Transportation, Transportation, Restaurant, Cash, and Other.
Transaction Detail with Level 3 Addendum	The Transaction Detail with Level 3 Addendum Report lists transactions with enhanced addendum. Only Airline, Rental Car, Hotel, Travel, Fleet, Purchasing, and Shipping Addendum data is provided. If postdate criterion is not selected, the report will default to activity within the last 30 calendar days.
Transaction Disputes by Hierarchy	The Transaction Disputes by Hierarchy report can be used to monitor the status of disputed transactions. The report lists: Account Name, Account #, Merchant Name, Transaction Date, Transaction Amount, Date Disputed, and Date Resolved.
Transaction Disputes by Status	The Transaction Disputes by Status report lists the status of disputed transactions. The report lists: Account Name, Transaction ID, Account Number, Merchant Name, Transaction Date, Transaction Amount, Date Disputed, and Date Resolved.
Account Cycle Activity	This report analyzes spending patterns for individual accounts to assist in determining appropriate credit limits, account statuses, and decision for possible account suspensions/closures.
Pending Review and Approve Report	The Pending Review/Approval Report details transactions and their review/approval status. The report displays hierarchy, account, merchant, and transaction detail information, approvers to which the transaction are assigned, and the dates assigned, reviewed and approved by the approver.
Unusual Activity Analysis Report	The Unusual Activity Analysis Report can be used to monitor unusual transaction activity and determine if the transactions are business related. The report lists: Merchant Category Codes with description, account name, merchant name, city, state, transaction date and amount.

Note: PaymentNet [Report Guide](#) is available for download on [JP Morgan communication website](#).



## Appendix H. Charge Card Management Review Report

### CHARGE CARD MANAGEMENT REVIEW REPORT FOR

*(Insert bureau/office)*

#### I. INTRODUCTION

A Charge Card Management Review was conducted at *(insert field office)* on *(insert date(s))*, by *insert name(s) of those performing review and the acquisition office)*. The charge card program at this location consists of *(insert number of Approving Officials and number of cardholders)*. The current single purchase limits of the cardholders are as follows: *(insert how many cardholders have up to the micro-purchase limit and how many have over the micro-purchase limit and what their single purchase limit is)*. *(Insert the number of files reviewed)* purchase business line files were reviewed. The purpose of this review was to evaluate the effectiveness and efficiency of the charge card program and provide suggestions to improve any noted weaknesses or deficiencies. The review offers a baseline assessment of current strengths and weaknesses within the office. *(Insert the percent of the files reviewed, for example: One hundred percent of the 277 available files were reviewed)* available files were reviewed for the period of *(insert period of the files reviewed)*. The elements used are listed below are under three specific areas, in which one of the five possible ratings was applied to each area. The rating criteria are as follows:

Distinguished: Develops and implements innovative approaches in the purchase card program; produces and demonstrates improvements in the program; and develops internal control procedures to identify fraud, waste and abuse.

Commendable: Actions within the program that often exceed the norm and offers considerable value.

Satisfactory: Complies with applicable statutory and regulatory procedures; which are outlined in the Federal Acquisition Regulation (FAR) and ICCP Policy Manus.

Need Improvement: One-time occurrences or borderline violation(s) of elements.

Unsatisfactory: Circumvents or often does not comply with purchase card policies and procedures.

A. Statutory, Regulatory and Procedural Compliance: Consists of thirteen elements and are as follows:

- i. Did any other individual other than the cardholder use his or her card?
- ii. Did purchases exceed the Cardholder's limit?
- iii. Did the cardholder split requirements to stay under their single purchase limit?
- iv. Were Required Sources of Supplies or Services checked prior to making a purchase?
- v. Were purchases for official Government business?
- vi. Were the following items purchased using the purchase card: long-term rental or lease of land or building, travel or travel related expenses; cash advances; personal/convenience items; and were printing, personnel recruitment, newspaper advertisements, leasing of motor vehicles, meals at conferences purchased with the proper justifications and approvals?
- vii. Was the card used for repetitive buys to the same vendor?
- viii. Did the Cardholder pay any U.S. State taxes?
- ix. Was personal property items properly tracked?
- x. Was there evidence of competition and supporting documentation for transactions exceeding the micro-purchase threshold?
- xi. Were domestic transactions exceeding the micro-purchase threshold per transaction set-aside for small business?
- xii. Were prices determined to be fair and reasonable in the absence of competition and
- xiii. Did procurements over the micro-purchase threshold comply with all applicable FAR requirements?



B. Business Practices and Judgment: consists of 6 elements and are as follows:

- i. Does the cardholder reconcile their statement each month?
- ii. Are cardholder records being retained for a minimum of 3 years?
- iii. Is there a valid written authorization that describes what is to be purchased and signed by someone with authorized requisitioning authority?
- iv. Are there valid receipts and/or cash register tapes supporting the purchase; if not is there a statement why a receipt and/or cash register tape is not available?
- v. Is there proof of delivery or completion of performance?
- vi. Were transactions entered in the Servicing Bank's on-line Purchase Card Ordering Log?

C. Management Effectiveness: consists of two elements and are as follows:

- i. Does each cardholder meet the required training requirements?
- ii. Are acquisition references readily available?

The overall rating for your office resulting from this Charge Card Program Review is: *(Insert the applicable rating the office should receive based upon the five levels discussed in Part I)*

The reviews consisted of the following findings:

## **II. STATUTORY, REGULATORY AND PROCEDURAL COMPLIANCE**

*Overview*: This rating is based on compliance with procurement rules, regulations and procedures. Weaknesses are considered a violation in statutory, regulatory and procedural requirements. If a violation was a repeated occurrence, it was consolidated and considered a weakness under that particular element. The resultant rating assigned to this area was: *(Insert the applicable rating for this section based upon the five levels discussed in Part I)*

A. *Strengths*:

1. *List all strengths that are applicable to this specific area.*

*EXAMPLE*:

1. 95% of the purchases were for official Government business and were not purchases of restricted items or items requiring approvals prior to purchase.

2. *Personal Property was properly tracked in the accountable property records.*

B. *Weaknesses*:

1. *List all weaknesses that are applicable to this specific area as well as justification to support your rationale.*

*EXAMPLE*:

1. *One of the four cardholders paid state tax resulting in a total of \$182.14 for the year and a half reviewed.*

*While this is a small amount of tax, the Government is tax exempt and therefore it is the responsibility of the cardholder to ensure that there is no tax charged to purchases. Each card has the tax exempt number embossed directly on the card.*

2. *100% of the files lacked documentation stating whether the Required Sources of Supply or Services were checked prior to ordering on the open market.*



*Cardholders are required to adhere to the requirements of FAR 8.001, which require agencies to acquire supplies and services from designated sources if they are capable of providing them. Cardholders must review the required sources of supply prior to placing an order with a commercial vendor.*

C. *Recommendations:*

*Provide recommendations for the above weaknesses.*

**EXAMPLE:**

- 1. All cardholders should take the purchase card course offered by GSA or other commercial sources prior to the close of the third quarter in FY 13.*
- 2. Provide the servicing BPC with your plan of action on how you will comply with statutory, regulatory, and procedural requirements no later than (Insert Date response should be received by).*

**III. BUSINESS PRACTICES AND JUDGEMENT**

*Overview:*

This rating is based on the overall quality of the purchase card files and business decisions by using the six elements that were listed. If a violation was a repeated occurrence, it was viewed as a trend and considered a weakness under that particular element. The resultant rating assigned to this area is: *(Insert rating from the five levels discussed in part I).*

A. *Strengths:*

*List all strengths that are applicable to this specific area.*

**EXAMPLE:**

- 1. Credit card statements were centrally located making them readily accessible.*
- 2. Charge Card statements were reconciled within the required timeframe.*

B. *Weaknesses:*

*List all weaknesses that are applicable to this specific area.*

**EXAMPLE:**

- 1. A procurement request or similar document was not consistently used to demonstrate funds availability, required source of supply availability, etc. prior to making purchases.*

*FAR Subpart 32.702 states, "No officer or employee of the Government may create or authorize an obligation in excess of the funds available, or in advance of appropriations (Anti-Deficiency Act, 31 U.S.C. 1341), unless otherwise authorized by law. Before executing any contract, the contracting officer shall obtain written assurance from responsible fiscal authority that adequate funds exist."*

C. *Recommendations:*

*Provide recommendations for the above weaknesses.*

**EXAMPLE:**

- 1. A purchase request of some type shall be completed for each transaction to indicate funds availability.*



#### IV. MANAGEMENT EFFECTIVENESS

*Overview:*

This area included an assessment of the organization's structure, along with a review of the tools provided to purchase card personnel. The resultant rating assigned to this area is: *(Insert rating for this area based from the five levels discussed in Part I).*

A. *Strengths:*

*List all strengths that are applicable to this specific area.*

*EXAMPLE:*

*All purchase card holders have had the required mandatory GSA Smart-Pay training and copies of the training certificates are on file.*

B. *Weaknesses:*

*List all weaknesses that are applicable to this specific area.*

- 1. One of the cardholders, with purchase card authority over the micro-purchase threshold, has not completed Simplified Acquisition Procedures, which is required as per \_\_\_\_ Policy, Section \_\_, Paragraph \_\_\_\_.*

C. *Recommendations:*

*Provide recommendations for the above weakness.*

*EXAMPLE: The cardholder shall complete the Simplified Acquisition Procedures course to ensure compliance with the \_\_\_\_ Policy no later than \_\_\_\_\_. The Simplified Acquisition Procedures course is available online.*

#### V. SUMMARY

The overall rating for your office resulting from this Purchase Card Management Review is: *(insert rating).*

This was based on the ratings received for each of the following elements:

Statutory, Regulatory and Procedural Compliance:	(insert rating)
Business Practices and Judgment	(insert rating)
Management Effectiveness	(insert rating)

The review was conducted using all available resources and guidance, especially in the area of risk management and oversight. This is the focus of the DOI Integrated Card Program Risk Management Team, of which *[insert servicing acquisition office]* is an active team member and one of the *[insert operating unit name]* Representatives. The recommendations that we have made are to improve and ensure that your purchase card program adheres to the policies and regulations.

Please provide your plan of action to comply with these recommendations no later than *(insert date)*.

**END OF DOCUMENT and END OF ICCP Policy**