

CHAPTER 1. GENERAL INFORMATION

1-1. Purpose

The Governmentwide Commercial Credit Card (Bankcard) Program uses a standard commercial credit card to streamline the purchase of supplies, equipment, and services up to \$2,500 or another limit established by the Program Administrator. HUD is a participant in the program, which is administered by the General Services Administration (GSA). This handbook implements the program in HUD and is intended to supplement guidelines provided by the GSA and the Servicing Bank.

1-2. Regulatory Authority

The Department's implementation of the Governmentwide Commercial Credit Card Program is in accordance with the current Federal Supply Schedule Contract and the Federal Acquisition Regulation (FAR).

The Governmentwide Commercial Credit Card Program requires adherence to the applicable purchasing standards and procedures mandated by the FAR. Adherence to the purchasing procedures established by this Handbook will assure that credit card purchases comply with FAR Subpart 13.6, "Micro-purchases."

1-3. Responsibilities

- A. The General Services Administration (GSA) is responsible for Governmentwide administration and monitoring of the Governmentwide Commercial Credit Card Program.
- B. The Servicing Bank (Credit Card Contractor) is Rocky Mountain Bankcard System Inc. (RMBCS), a subsidiary of the Colorado National Bank of Denver. The Servicing Bank is responsible for operating a Governmentwide management control and billing system for the credit card program and for providing advice and guidance through the GSA. RMBCS also issues credit cards to new Cardholders and provides billing information and reports to the Department.
- C. The Office of Administrative and Management Services (OAMS), under the Assistant Secretary for Administration, is responsible for administering the Governmentwide Commercial Credit Card Program in HUD.

1-1

- D. HUD's Program Administrator is the Director of the Management and Transportation Division, OAMS, who has responsibility for all aspects of program development, implementation and operation. The Program Administrator may redelegate purchasing authority up to the micro-purchase limit to qualified Headquarters personnel.

- E. The Administrative Service Center Directors (ASCDs) are responsible for all Field aspects of program operation to the degree delegated by the Program Administrator. This responsibility includes the delegation of purchasing authority to use the bankcard to qualified Field employees, training of Approving Officials and Cardholders, evaluation of the Program and appointing the Field Coordinators.
- F. The Field Coordinators are responsible for daily operation of the program in their respective geographical areas to the degree delegated by the ASCDs. This includes contacting the Servicing Bank for a Cardholder, who has a purchase rejected, but not for increasing a Cardholder's single or monthly purchase limit.
- G. The Contracting Officer's Technical Representative (COTR) commonly referred to as a Government Technical Representative (GTR), is the OAMS Administrative Officer. The Technical Representative assists the Program Administrator and is responsible for all aspects of program development, implementation and daily operations including:
 - 1. Establishment of new accounts;
 - 2. Issuance of credit cards;
 - 3. General account maintenance;
 - 4. Coordination of renewals;
 - 5. Reports;
 - 6. Training of Cardholders and Approving Officials; and
 - 7. Monitoring all findings from annual evaluations.

The COTR/GTR is the Departmental liaison to the GSA and to the Servicing Bank. The COTR/GTR performs contract administration within the limits of designated authority, and is the principal contact with the Servicing Bank for the Department. The COTR/GTR maintains liaison with Field Coordinators.

1-2

- H. The Office of Procurement and Contracts (OPC) in Headquarters is responsible for:
 - 1. Assisting the Program Administrator in monitoring Headquarters compliance with the procurement procedures in this Handbook (through application of the evaluation guide in Appendix 1);
 - 2. Assuring that procurement reforms which may impact credit card purchasing are brought to the attention of the Program Administrator, together with recommended changes to the purchasing procedures in this Handbook; and
 - 3. Assisting the Program Administrator in training Headquarters Cardholders, Approving Officials and other designated government personnel in the Governmentwide Commercial Credit Card Program.
- I. The Finance Office is the Office of Accounting (OF) in

Headquarters and the Field Accounting Division in the Field. The Finance Office is responsible for:

1. Budgetary/financial reconciliations;
2. Paying invoices;
3. Complying with the Prompt Payment Act; and
4. All other accounting requirements.

OF is also responsible for:

1. Determining the method of payment to the contractor and the form of reporting media;
2. Providing technical accounting guidance to the Program Administrator;
3. Assisting the Program Administrator in training Cardholders, Approving Officials and other designated government personnel in the Governmentwide Commercial Credit Card Program; and
4. Assisting the Program Administrator in monitoring compliance with the purchasing procedures in this Handbook (through application of the evaluation guide in Appendix 1).

- J. The Approving Official is the person responsible for designating and monitoring Cardholders in a specific organizational unit, providing the Finance Office with a sample of their signature, reviewing the appropriateness of

1-3

each item purchased by Cardholders, reviewing Cardholder monthly billing statements, sending statements to the Finance Office and providing guidance to Cardholders in accordance with existing procedures or in consultation with the Program Administrator or the COTR/GTR.

- K. The Cardholder is the sole user of the card and is personally responsible for the use and the security of the credit card and the credit card account number. Upon request, the Approving Official shall provide the Cardholder a place to safeguard the card.

1-4. Penalty For Misuse Of Credit Card

Intentional use of a credit card for nonapproved purposes will be considered as an attempt to commit fraud against the U.S. Government and will result in immediate cancellation and withdrawal of the card. Disciplinary action may be initiated under applicable regulatory, statutory and Departmental procedures.

The Cardholder is prohibited, through use of the card, from making any willful purchase upon or against the credit of the U.S. Government or any Department or Agency thereof knowing such purchase to be false, fictitious, or fraudulent. If the Cardholder knowingly makes a false, fictitious, or fraudulent purchase, he/she could be held personally liable to the Federal

Government for the amount of that purchase and could be subject to a fine of not more than \$10,000 or imprisoned for not more than five years or both.

The Cardholder may be responsible to the Federal Government for charges on a lost or stolen card which the Cardholder knowingly, and willfully fails to report in accordance with procedures outlined in paragraph 5-2. The Cardholder will not be held liable for charges on a lost or stolen card unless the Federal Government is held liable by the Servicing Bank or its successor.

Any determination as to the Cardholder's financial or other liability within HUD's discretion shall be made jointly by the proposing official and the Program Administrator.

The name of the Cardholder is embossed on the credit card which is to be used only by the Cardholder. No other member of the staff or anyone else may use the card. Lending of the card is prohibited and may result in cancellation of the card.

1-4

Organizations, approving officials, or cardholders found violating program requirements can be withdrawn from the Program at the discretion of the Program Administrator.

1-5. Definitions

A. Acting Approving Official:

A person designated by the Approving Official to review and sign statements and other relevant documents in his or her behalf when the Approving Official is absent. The designation must be made at least annually and the name provided in writing to the Finance Office.

B. Business Account Summary:

A summary of monthly transactions of all Cardholders under an Approving Official. The Business Account Summary (Appendix 2) is used by Approving Officials to verify Cardholders' activity and can be used by the Finance Office to certify payments.

C. Dollar Limitation:

Fixed single purchase and monthly purchase dollar limits for individuals and organizations.

D. Individual Small Purchase Procurement:

The purchase of primarily expendable, but also occasionally certain nonexpendable supplies, by employees not normally involved in procurement duties. Besides the Governmentwide Commercial Credit Card Program, the GSA Customer Supply Center and the GSA Credit Card for motor vehicles are included under the Individual Small Purchase Procurement

activity.

E. Individual Statement of Account:

The monthly report (Appendix 3) is sent by the Servicing Bank to each Cardholder and itemizes purchases made during the monthly cycle.

1-5

F. International Merchant Purchase Authorization Card (I.M.P.A.C.):

The uniquely designed and embossed Governmentwide Credit Card which can not be used for personal purchases. This is the official name of the Governmentwide Credit Card, also referred to as a "Bankcard". VISA is the credit card currently used for the Governmentwide Commercial Credit Card Program.

G. Merchant Type Code:

A code, sometimes referred to as a "Standard Industrial Code" (SIC), used to categorize each merchant according to the type of business the merchant is engaged in, and the kinds of goods and services provided. These codes are used as an activity type code on an individual's card to flag those merchants who provide services that are unauthorized and to limit use of the card.

H. Micro-Purchases

An acquisition of supplies and services in the aggregate amount of \$2,500 or less; Construction purchases are limited to \$2,000.

I. Servicing Bank:

The financial institution that operates the Governmentwide Commercial Credit Card Program.

J. Small Purchase Procurement:

Purchase of equipment, supplies, or services in the amount of \$25,000 or less.

K. Split Purchase:

Circumvention of single purchase dollar limitations by making two purchases below the limit instead of one above the limit, or by inappropriately procuring part of an order by credit card and the remainder by purchase order.

1-6

L. Thirty Day Billing Cycle:

Purchases made in a particular month are accumulated against

the organizations' and Cardholders' limitations. The cycle ends the fifth calendar day of each month.

M. Vendor Express:

A method of payment through the Automated Clearing House (ACH).