

CHAPTER 2. ADMINISTRATIVE PROCEDURES

2-1. Objective

To prescribe administrative and operational procedures and standards for the authorizing, approving, processing and control of Governmentwide Commercial Credit Card transactions.

2-2. Establishing Accounts

A. Selection of Approving Officials

The Program Administrator and the ASCDs are responsible for designating Approving Officials, who in the conduct of their official duties are regularly responsible for authorizing the procurement of merchandise or services. This is accomplished by the submission of an I.M.P.A.C. Program Approving Official Account Set-Up Information form (Appendix 4) to the COTR/GTR. Any changes regarding Approving Officials requires the submission of an I.M.P.A.C. Program Approving Official Account Maintenance form (Appendix 5) to the COTR/GTR. The Approving Official's responsibility encompasses spending limit determinations, selection of qualified Cardholders, changes to limits, and approval of purchases and payments.

B. Selection of Cardholders

The Approving Official is responsible for selecting qualified Cardholders based upon their responsibility for regularly procuring merchandise or services. The Program Administrator/ASCDs are responsible for approving selected Cardholders and issuing the appropriate delegation of procurement authority to use the card up to the micro-purchase limit. The Approving Official must submit an I.M.P.A.C. Program Cardholder Account Set-Up Information form (Appendix 6) for each Cardholder to the COTR/GTR.

C. Monthly Office Limit

The monthly limits for each Cardholder in an organization will be added together and that usually will become the monthly office limit. However, the Approving Official has

2-1

the option of having a higher office limit than the combined total of the Cardholders' limits in that office. The monthly office limit should be consistent with the allotment or operating budget for each Headquarters or Field organization.

D. Establishing Dollar Limitations

1. A dollar limitation must be annually established for each individual Cardholder consistent with that individual's purchasing responsibility for the organization.

2. The total of all purchases cannot exceed the authorized 30-day limit established for each Cardholder. This limit is generally established as \$1,000, \$2,000, or \$5,000, but may be established at lower or higher limits in \$100 increments. Approving Officials should not set higher limitations for Cardholders than are necessary and normal for the Cardholders' average monthly purchases.
3. The total of a single purchase may be comprised of multiple items and cannot exceed the authorized single purchase limit established for each Cardholder by the Approving Official. This limit can only be \$100, \$500, \$1,000, \$2,000 or \$2,500, or another limit established by the Program Administrator.
4. It is necessary for the Approving Official to contact the COTR/GTR for an individual monthly limit one-time increase, or an individual single purchase limit one-time increase. This authorization must be made through the Servicing Bank by the COTR/GTR in advance of the purchase. Purchases will be denied by the servicing bank, through the vendor, should the authorized single purchase limit be exceeded unless prior authorization for a one-time increase has been obtained by the Approving Official.
5. The Approving Official initiates permanent dollar limitation changes or other changes effecting the Cardholders' accounts by submitting the I.M.P.A.C. Program Cardholder Account Maintenance form (Appendix 7).

E. Delegation of Procurement Authority

The only individuals who are authorized to delegate purchasing authority to HUD Cardholders are the Program Administrator and

2-2

the ASCDs (i.e., the "Bankcard Authorities"). The COTR/GTR will submit a request for Delegation of Procurement Authority to the Headquarters Bankcard Authority. The Field Coordinators will submit a request for Delegation of Procurement Authority to the appropriate Field Bankcard Authority. Upon approval of the request, the COTR/GTR in Headquarters and the Field Coordinator in their geographical area will provide the Delegation of Procurement Authority Memorandum (Appendix 8) and a kit to the Cardholder. The kit, which includes a copy of the Bankcard Handbook (HUD Handbook 2212.1 REV-2), details the HUD Bankcard Program. A copy of the Memorandum is retained by the Field Coordinators, and a copy is forwarded to the COTR/GTR. The COTR/GTR maintains copies of all Memorandums. The Credit Card will be mailed directly from the bank to the Cardholder approximately three weeks after the delegation is issued.

2-3. Operating Procedures

A. Budgetary Controls

The dollar limitations for the Cardholders should be set by the Approving Official within the budgetary constraints of the organization. Concurrently, monitoring and funds control systems must be implemented to insure the availability of funds and to avoid over obligations.

B. Initial Approval Procedures

Approving Officials should establish appropriate approval procedures to be used by the Cardholders to insure that necessary technical approval/clearances are obtained before purchases are made and to assure that purchases are for official use only.

C. Approving Officials Review of Statement of Account

At the end of each cycle, the Cardholder certifies the Statement of Account to the Approving Official. The Approving Official reviews and certifies purchases made during the preceding cycle, after satisfying himself/herself that all purchases are appropriate. After this review and approval, the Approving Official forwards the Statement of Account to the Finance Office for reconciliation and payment to the contractor.

2-3

D. Accounting Procedures

The Office of Accounting/Field Accounting Division will post all credit card transactions into HUD's Federal Financial System.

1. Reporting Media

The Finance Offices are responsible for reconciliation, settlement, and reporting systems. Statements are provided in hard copy to the Cardholders and approving officials.

The method of payment by Finance Offices is Vendor Express (ACH).

The chosen reporting media are hard copy and magnetic tape/cassette.

2. Payment Procedure

After the Cardholder's review and the Approving Official's approval, the Statement of Account is forwarded to the Finance Office for settlement. Finance Offices are required to make payment within 30 calendar days of receipt of Statement, in accordance with the provisions of the Prompt Payment Act.

E. Internal Control Procedures

Approving Officials should establish appropriate internal controls and documentation procedures. All records incident to transactions are subject to review by the Office of Accounting/Field Accounting Division or other offices having internal control/audit responsibilities.