

MS 731 Peace Corps Purchase Card Program

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Responsible Office: Office of the Chief Financial Officer/Acquisition and Contract Management (OCFO/ACM)

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1.0 Purpose

This Manual Section establishes the responsibilities within the Peace Corps pertaining to the management, leadership, and policy direction of the Peace Corps Purchase Card Program. Furthermore, the Manual Section and its procedures implement the Office of Management and Budget's (OMB) Circular A-123, Appendix B, while consolidating other purchase card requirements issued by OMB, the General Services Administration (GSA) SmartPay Program, the Department of the Treasury, and other Federal agencies.

2.0 Authorities

- (a) Government Charge Card Abuse Prevention Act of 2012
- (b) OMB Circular A-123 Appendix B: Improving the Management of Government Charge Card Programs
- (c) Federal Acquisition Regulation (FAR) 48 CFR § 13.301 – Government-wide Commercial Purchase Card
- (d) Treasury Financial Manual (TFM) – Volume 1, Part 4, Chapter 4500 – Government Purchase Cards
- (e) The Peace Corps Act

2.1 Related Peace Corps Manual Sections

- (a) MS 114 *Delegation of Authority*, Attachment B – Contracts and Agreements
- (b) MS 732 *Peace Corps Overseas Acquisition System*
- (c) MS 733 *Peace Corps Domestic Acquisition*

3.0 Scope and Applicability

This Manual Section applies to all Peace Corps personnel involved in using a purchase card as part of the Peace Corps Purchase Card Program. This Manual Section shall be referred to in conjunction with MS 732 *Peace Corps Overseas Acquisition System* and MS 733 *Peace Corps Domestic Acquisition*. Additional related documents for domestic offices and overseas posts include, but are not limited to:

(a) Domestic Offices

- (1) The Domestic Financial Management Handbook (DFMH)
- (2) The Federal Acquisition Regulation (FAR) 13.301

(b) Overseas Posts

- (1) The Overseas Financial Management Handbook (OFMH)
- (2) The Overseas Contracting Handbook

4.0 Definitions

- (a) **Acquisition** means the acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Peace Corps through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated.
- (b) **Agency Program Coordinator (APC)** is the individual who coordinates the day-to-day activities and acts as the agency's subject matter expert on the Purchase Card Program while ensuring the responsibility for implementing, maintaining, monitoring, and overseeing the Purchase Card Program in accordance with applicable statutes, regulations, policies, and procedures.
- (c) **Approving Official** and **Alternate Approving Official** is the individual who provides primary oversight of day-to-day operations pertaining to the Purchase Card Program, including all fund expenditures and proper use of the purchase card at their post or office. Each Approving Official must have an Alternate Approving Official who shall perform the duties of the Approving Official only during their absence.
- (d) **Contractor Bank** is a vendor that has been awarded a GSA SmartPay Program contract to provide purchase card services.

- (e) **Convenience checks** are a payment and/or procurement tool intended only for the use with merchants that do not accept the purchase card.
- (f) **Delegation of Purchase Card Authority** means the delegation of a Purchase Cardholder's purchasing authority that must be documented in a letter issued by the Senior Procurement Executive, or their designee.
- (g) **Domestic Financial Management Handbook (DFMH)** is the collection of procedures for domestic Peace Corps offices that establishes and outlines the requirements for domestic financial management functions by providing comprehensive guidance with links to applicable financial management templates.
- (h) **GSA SmartPay Program** is the government charge card and commercial payment solutions program which enables authorized government employees to make purchases on behalf of the Federal Government in support of their agency/organization's mission.
- (i) **Micro-purchase** means an acquisition of supplies or services using simplified acquisition procedures, the aggregate amount (i.e. total dollar value) of which does not exceed the micro-purchase threshold.
- (j) **Micro-Purchase Threshold (MPT)** means the aggregate amount (i.e. total dollar value) limitation for any single purchase which utilize simplified acquisition procedures. For more information, see the DFMH or OFMH.
- (k) **Overseas Financial Management Handbook (OFMH)** is the collection of procedures for overseas Peace Corps posts that establishes and outlines the requirements for overseas financial management functions by providing comprehensive guidance with links to applicable financial management templates.
- (l) **Purchase card** is a type of charge card issued by a Contractor Bank that is used to pay for supplies or services procured at the direction of the Peace Corps under official purchase authority. The Peace Corps is invoiced for the purchases and makes payment directly to the Contractor Bank.
- (m) **Purchase Card Program** is the Peace Corps implementation of the GSA SmartPay purchase program. The program streamlines ordering, payment and procurement procedures.
- (n) **Purchase card log** is the log in which the cardholder documents their individual transactions. Entries in the purchase log may be supported by internal agency documentation.
- (o) **Purchase Cardholder** is an employee or a personal services contractor (PSC) who has been issued a purchase card and is responsible for using it in accordance with applicable statutes, regulations, policies, and procedures.
- (p) **Senior Procurement Executive (SPE)** is the Director of Acquisition and Contract Management who is delegated the authority from the Peace Corps Director to maintain

the Peace Corps procurement systems, including the implementation of relevant Federal laws, procurement policies, regulations, and standards applicable to the Peace Corps. (See MS 114 *Delegation of Authority* – Attachment B – Contracts and Agreements within subsection 7 of section A. Contracts)

- (q) ***Simplified Acquisition Threshold (SAT)*** means the aggregate amount (i.e. total dollar value) limitation for any single purchase which utilizes simplified acquisition procedures.
- (r) ***Split Purchase*** is any purchase that, as a whole, would exceed the Purchase Cardholder's single transaction limit, but is intentionally separated into smaller transactions in order to circumvent the MPT, SAT, or other requirements that would otherwise apply to the transaction.

5.0 Roles and Responsibilities

5.1 "A" Delegate or Country Director

"A" Delegates or Country Directors (CD) are responsible for:

- (a) Nominating Approving Officials and Alternate Approving Officials, within their office or post, to the SPE; and
- (b) Ensuring that Approving Officials and Alternate Approving Officials properly perform their Purchase Card Program duties.

5.2 Agency Program Coordinator

The Agency Program Coordinator (APC) is responsible for:

- (a) Establishing operational guidelines for Purchase Cardholders and Approving Officials;
- (b) Administering training to Purchase Cardholders and Approving Officials;
- (c) Performing account maintenance for Purchase Cardholders and Approving Officials;
- (d) Serving as the liaison between Purchase Cardholders and the Contractor Bank to include, but not limited to, resolutions on transaction disputes;
- (e) Clarifying Purchase Card Program policy guidance to Purchase Cardholders and Approving Officials;
- (f) Monitoring fraud, abuse, and/or misuse within the Purchase Card Program;
- (g) Calculating and verifying receipt of the GSA SmartPay Program rebate from the Contractor Bank; and
- (h) Preparing all required internal and external reports concerning the Purchase Card Program.

The APC's duties and responsibilities are outlined more comprehensively within the DFMH.

5.3 Approving Officials and Alternate Approving Officials

Approving Officials, and in their absence Alternate Approving Officials, are responsible for:

- (a) Nominating Purchase Cardholders to the SPE;
- (b) Independently reviewing and approving the following:
 - (1) transactions and reconciliations to ensure appropriate purchase card use, which includes confirming that, prior to a purchase by a Purchase Cardholder, funds are available to make the purchase; and
 - (2) monthly purchase card account statements, purchase card logs, and supporting documentation which includes verifying that purchase card charges are appropriate, meet the needs of the Peace Corps, and are reconciled in a timely manner.
- (c) Reporting to the APC or referring to the OIG any misuse of a Purchase Card; and
- (d) Retrieving and collecting purchase cards from employees whose purchase cards and procurement authority privileges were revoked due to misuse or delinquency and, subsequently, surrendering purchase cards to the APC for cancellation.

The Approving Officials and Alternate Approving Officials duties and responsibilities are outlined more comprehensively in the DFMH and OFMH.

5.4 Purchase Cardholders

Purchase Cardholder are responsible for:

- (a) Researching and obtaining supplies and services of the best value to the Peace Corps;
- (b) Procuring supplies and services with the purchase card in accordance with applicable policies and procurement regulations;
- (c) Confirming the availability of funds prior to any purchase and ensuring that all purchase card transactions are appropriate and received approval and authorization;
- (d) Recording and documenting purchase card transactions within the purchase card log template provided in DFMH or OFMH.
- (e) Reconciling promptly all transactions in their monthly account statement;
- (f) Maintaining physical control of their purchase card; and
- (g) Reporting as soon as possible any lost or stolen purchase card to the Contractor Bank and APC.

Purchase Cardholders duties and responsibilities are outlined more comprehensively in the DFMH and OFMH.

5.5 Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for overseeing all financial management activities pertaining to the direction, management, and administration of the Purchase Card Program.

5.6 Financial Operations Council

The Financial Operations Council is responsible for annually reviewing and approving the procedures of this Manual Section which are contained in the DFMH and OFMH while ensuring the Purchase Card Program aligns with the Peace Corps mission. For additional information on the Financial Operations Council, see the Financial Operations Council Charter and By-Laws.

5.7 Global Accounts Payable

Global Accounts Payable (OCFO/GAP) within the Office of the Chief Financial Officer is responsible for:

- (a) Processing and certifying payments of the Purchase Card Program;
- (b) Paying monthly Purchase Card Program summary invoices to the Contractor Bank within timeframes established according to the Prompt Payment Act;
- (c) Resolving purchase card payment issues by contacting the Contractor Bank; and
- (d) Identifying and reporting any invoice discrepancies to the APC.

OCFO/GAP's duties and responsibilities are outlined more comprehensively in the DFMH.

5.8 Senior Procurement Executive

The SPE is responsible for:

- (a) Overseeing implementation, use, and management of the Purchase Card Program;
- (b) Issuing Delegations of Purchase Card Authority in accordance with section 7.0 *Delegations of Authority by the Senior Procurement Executive*;
- (c) Appointing and overseeing the activities of the APC;
- (d) Establishing and reviewing Purchase Card Program processing controls which appropriately and effectively ensure the safeguarding of the Peace Corps against fraud, waste, abuse, and mismanagement; and
- (e) Overseeing and coordinating purchase card data collection and other information necessary to monitor the Purchase Card Program's compliance with relevant policy.

6.0 Purchase Card Program Policy

- (a) A Purchase Cardholder must use the purchase card for all purchases and payments in accordance with applicable laws, regulations, and Peace Corps policies and procedures. For additional information, see MS 732 *Peace Corps Overseas Acquisition System* and MS 733 *Peace Corps Domestic Acquisition*.
- (b) For the acquisition of supplies and services within the United States, the purchase card is the preferred purchase mechanism for requirements at or below the MPT and the preferred payment method for requirements at or below the SAT.
- (c) For the acquisition of supplies and services overseas that are below the MPT, the purchase card should be used whenever feasible.
- (d) Each Purchase Cardholder and Approving Official must protect Government property, be held to the highest of ethical standards, and use their purchase card for authorized purposes only.
- (e) If a Purchase Cardholder or Approving Official neglects to carry out their duties in accordance with applicable laws and regulations, the Peace Corps may hold the Purchase Cardholder or Approving Official financially and/or criminally liable and/or subject them to disciplinary action.
- (f) Fraud, waste, and/or abuse by a Purchase Cardholder or Approving Official must be reported to the SPE and OIG for investigation, corrective action, and/or application of consequences, which may include but is not limited to, the revocation of the Delegation of Purchase Card Authority or Approving Official appointment. For additional information, see MS 861 Office of Inspector General.
- (g) The Peace Corps does not authorize the use of convenience checks under the Purchase Card Program, unless an exception is granted by the SPE.
- (h) Purchase Cardholders, Approving Officials, and APCs must maintain Purchase Card Program documents, receipts, and other records for six years. The retention of such records must be in accordance with National Archives and Records Administration General Records Schedule 1.1 – Financial Management and Reporting Records and FAR subpart 4.805 – Storage, Handling, and Contract Files. For additional information, see MS 892 *Records Management*.

7.0 Delegations of Authority by the Senior Procurement Executive

- (a) The SPE may issue contracting warrant authority to Contracting Officers and Overseas Contracting Officers to procure supplies and services in accordance with acquisition procedures and within their warrant authority limits. If also appointed as Purchase Cardholders, Contracting Officers or Overseas Contracting Officers may procure supplies and services using their purchase card.

- (b) The SPE, or designee, may sign a Delegation of Purchase Card Authority to designate other qualified employees or PSCs as Purchase Cardholders which authorizes them to use their purchase card for the procurement of supplies and services within established single purchase and monthly purchase spending limits. Purchase Cardholders may not re-designate their purchase card authority.
- (c) The SPE, or designee, may sign an appointment letter authorizing qualified employees or PSCs to act as Approving Officials and Alternate Approving Officials. Approving Officials may not re-designate their Approving Official authority, except during circumstances in which the Approving Official is absent and their authority may be designated to their Alternate Approving Official.

8.0 Purchase Card Program Internal Controls and Safeguards

- (a) The Office of the Chief Financial Officer (OCFO), through its sub-offices, manages the oversight, payment, and financial system requirements of the Purchase Card Program and must establish internal controls and safeguards to ensure the mitigation of the risk of fraud, waste, and abuse. For additional information and comprehensive lists of internal controls and safeguards, see the DFMH and OFMH.
- (b) Prior to the appointment of a Purchase Cardholder or Approving Official, the APC will ensure the employee(s) or PSC(s) are trained on the management and use of their purchase card and account. Purchase Cardholders and Approving Officials are required to take refresher training every year thereafter.
- (c) In accordance with the guidance set forth in the DFMH and OFMH, the APC may issue and terminate purchase cards and accounts.
- (d) The APC shall utilize purchase card data to monitor and evaluate purchase card usage and its compliance with relevant policy, data accuracy, and cost effectiveness.

9.0 Procedures

Procedures implementing this Manual Section are set forth in the DFMH and OFMH maintained by the OCFO and must be approved by the Financial Operations Council.

10.0 Effective Date

The effective date of this Manual Section is the date of issuance.