

# Summary of Changes

## **Handbook AS-709, *Local Buying and Purchase Card Policies and Procedures***

This is a complete revision of Handbook AS-709, *Purchase Card Policies and Procedures for Local Buying*. The handbook is now titled *Local Buying and Purchase Card Policies and Procedures*. Much of the previous version's text has been revised, deleted, or supplemented. The handbook has also been reorganized as explained below under Major Changes.

### **Major Changes**

Chapter 1 has been retitled "General Policies." This chapter addresses the following:

- a. Local buying policies, such as definitions, local buying authority, roles and responsibilities, and unauthorized and limited use of local buying.
- b. Allowable items for purchase under local buying.
- c. Purchases from Postal Service™ employees and their family members.
- d. Requests for deviations from the local buying policies and procedures.
- e. Use of the purchase card to pay taxes, fines, and other types of expenses.

Chapter 2 has been retitled "The Purchase Card." This chapter discusses the following:

- a. Purchase card program and its structure (including roles and responsibilities).
- b. Program oversight.
- c. Types of purchase cards.
- d. Types of program controls.
- e. Training.

Chapter 3 has been retitled "Safeguarding and Documentation." This chapter discusses the following:

- a. Purchase card security.
- b. Record keeping and documentation.
- c. Lost or stolen purchase cards.

Chapter 4 has been retitled "Payment." This chapter discusses the following:

- a. Postal Service's local buying payment hierarchy.
- b. Advance payments.
- c. Exceeding approved funding.

Chapter 5 has been retitled "Cardholder Reconciliation and CCAO Review and Certification Procedures".

This chapter discusses the following:

- a. Roles and responsibilities of the cardholder and credit card approving official (CCAO), including the bank provider consolidated invoicing and notification process.
- b. Reconciliation procedures.

Other significant changes include the following:

- a. The "Prohibited Purchases" and "Restricted Purchases" sections have been combined in a new 1-15, titled "Limitations on Local Buying" in Chapter 1.
- b. Ethics and the prohibition against local buys from Postal Service employees and family members were revised in November 2012 and are now discussed in 1-6 and 1-7.
- c. Reconciliation was revised in March 2013, and is now addressed in Chapter 5, "Cardholder Reconciliation and CCAO Review and Certification Procedures."
- d. PS Form 8230, *Authorization for Payment*, was made obsolete October 1, 2013; therefore, all references to PS Form 8230 have been deleted. Additionally, references to the Capital Purchase Card have been deleted as this card is no longer in use.

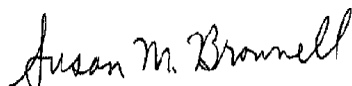


## Local Buying and Purchase Card Policies and Procedures

Handbook AS-709

January 2014  
Transmittal Letter

- A. Purpose.** This is a complete revision of Handbook AS-709, previously titled *Purchase Card Policies and Procedures for Local Buying*. It contains policies and procedures about local buying authorities and responsibilities and addresses the Postal Service's Purchase Card Program, including procedural requirements and guidelines.
- B. Content.** This revision of Handbook AS-709 includes an introductory chapter on local buying in general. The remaining chapters discuss various aspects of the Purchase Card Program. Changes to previous versions of this handbook that were previously announced in the *Postal Bulletin* are also included in the handbook.
- C. Distribution.** Online Availability. This handbook is available on the PolicyNet Web site at: <http://blue.usps.gov/cpim/>; click HBKs. When necessary, print-on-demand requests may be submitted to the Material Distribution Center (MDC) through the touch-tone order entry (TTOE) system at 1-800-273-1509. Detailed instructions for using TTOE are available at [http://blue.usps.gov/purchase/operations/ops\\_downloads.htm](http://blue.usps.gov/purchase/operations/ops_downloads.htm).
- D. Comments and Questions.** Send comments and questions about the content of this handbook to:
- SUPPLY MANAGEMENT INFRASTRUCTURE  
SUPPLY MANAGEMENT  
US POSTAL SERVICE  
475 L'ENFANT PLAZA SW RM 1141  
WASHINGTON DC 20260-1141
- E. Supersession.** This handbook supersedes the November 2012 edition of Handbook AS-709.
- F. Effective Date.** This revision is effective January 2014.



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# 1 General Policies

## 1-1 Scope

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This handbook addresses local buying policies and procedures. It also provides information about the SmartPay® Purchase Card Program.

## 1-2 Definition

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Local buying authority is the authority to buy and pay for day-to-day operational needs. A local buy is a purchase made under local buying authority. No single local buy may exceed \$10,000.

## 1-3 Local Buying Authority

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Only individuals who are delegated local buying authority (see [Exhibit 1-3](#)) in writing may make local buys. Local buying authority has been delegated to individuals filling the positions shown in [Exhibit 1-3](#), up to the specified amount. Local buying authority may be redelegated as necessary. All redelegations must be made in writing and filed locally.

Exhibit 1-3

### Local Buying Authority

Amount	Position	Commodity
\$10,000	Officers/Vice Presidents	Supplies and Services
\$10,000	Processing and Distribution Center (P&DC), Logistics and Distribution Center (L&DC), National Distribution Center (NDC), and District Managers	Supplies and Services
\$10,000	PCES Postmasters	Supplies and Services
\$10,000	Inspectors in Charge	Supplies and Services
\$2,000	Postmasters, CAGs A-J, and Vehicle Maintenance Facility (VMF) Managers	Supplies and Services
\$1,000	Postmasters, CAGs K-L	Supplies and Services

## 1-4 Responsibility

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### 1-4.1 Individuals Delegated Local Buying Authority

Individuals delegated local buying authority must comply with the policies and procedures contained in this handbook. Local buying authority is for official Postal Service™ use and may not be used for personal purchases or personal gain (e.g., gifts or rewards such as travel credits or other promotions). Individuals must stay within their assigned dollar limits and may not split requirements/purchases to circumvent their assigned single purchase limit (see [2-7.1](#) for a discussion on single-purchase limits).

Most local buys are credit card purchases as part of the SmartPay Purchase Card Program. The purchase card may be used only by the designated cardholder and may be used only for official Postal Service business.

### 1-4.2 Other Responsibilities

Since most local buys are controlled by the SmartPay Purchase Card Program, other individuals and organizations have roles and responsibilities in the local buying/purchase card process. These include the Credit Card Approving Official (CCAO) and the Purchasing Shared Service Center (PSSC). The roles and responsibilities of these individuals and organizations are discussed in [2-6](#).

## 1-5 Requirements Approval Authority

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In terms of local buying, requirements approval authority is the authority to approve the expenditure (commitment) of funds for a local buy. Requirements approval authority is usually obtained via the eBuy2 requisitioning process (see [4-1.1](#)). Once a request is approved by an individual having the appropriate approval authority, an individual delegated sufficient local buying authority or a contracting officer may make the purchase. See Chapter 2 of Handbook F-66, *General Investment Policies and Procedures*, for a summary of delegations of approval authority.

## 1-6 Ethics

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The Standards of Ethical Conduct for Employees of the Executive Branch published in part 2635 of Title 5, *Code of Federal Regulations* (“Standards”), apply to all employees of the Postal Service. These standards are meant to ensure that all dealings of Postal Service employees with the public meet the highest standards of propriety and reflect the trust placed in the Postal Service by the American people. The standards can be found online at <http://www.oge.gov>, or by contacting the Ethics Office.

Ethics advice may be sought by any one of the following:

- a. Calling the Ethics Helpline at (202) 268-6346.

- b. Sending an e-mail message to “Ethics Help” (internal) or *ethics.help@usps.gov* (external).
- c. Sending a fax to (202) 268-6279.

Ethics resources and contacts are also available on the USPS™ Blue website at: <http://blue.usps.gov>, click on the “Inside USPS” tab, and then click on the “Legal” tab.

Employees involved in the local buying process should familiarize themselves with the Standards of Ethical Conduct. Whenever a question arises as to the propriety of a potential action, consult the Standards and, if necessary, seek advice from one of the above sources.

## 1-7 Purchases from Postal Service Employees and Their Family Members

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### 1-7.1 **General**

You may not make a local buy from any one of the following:

- a. A Postal Service employee.
- b. A spouse of a Postal Service employee.
- c. Another family member of a Postal Service employee.
- d. An individual residing in the household of a Postal Service employee.
- e. A business organization substantially owned or controlled by any of the above.

### 1-7.2 **Definition**

A Postal Service employee is any Postal Service officer or employee working on a full-time or part-time basis in a career or non-career position, including specifically persons in temporary positions such as postmaster replacements, rural carrier associates, city carrier assistants, and postal support employees.

### 1-7.3 **Procedures**

Individuals who have been delegated local buying authority should search for sources that do not create ethics conflicts to fulfill their business needs. See [1-12](#) and [1-13](#) for guidance on finding sources for local buys. If an individual, who has been delegated local buying authority, after searching for an alternate source, believes that one of the sources listed in [1-7.1](#) is the only way to fulfill the need, he or she must consult the Ethics office. Based on the Ethics office’s advice, the individual may request a deviation by following the procedures in [1-16](#).

## 1-8 Misuse, Unauthorized, and Unallowable Purchases

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Misuse of local buying authority and unauthorized or unallowable purchases may range from simple misunderstandings to serious deviations from purchasing policy.

### 1-8.1 Misuse of Local Buying Authority

Intentional misuse of local buying authority (including using a purchase card for any purpose other than official Postal Service business) is considered fraud. When fraud occurs, the Office of the Inspector General must be notified immediately at 888-877-7644, or [hotline@uspsig.gov](mailto:hotline@uspsig.gov). The purchase card account is canceled, and the individual delegated local buying authority is liable for the total dollar amount of purchases made in connection with the misuse in addition to any other legal or disciplinary action.

### 1-8.2 Unauthorized Purchases

Unauthorized purchases occur when a Postal Service employee who has not been delegated local buying authority, or who exceeds such authority by his or her actions causes another party to deliver or provide goods or services. Unauthorized purchases and ratification authority are discussed further in Management Instruction SP-G4-2006-2, *Unauthorized Contractual Commitments*.

### 1-8.3 Unallowable Purchases

Requests to make a purchase that would violate statutory and legislative requirements, Postal Service policy mandates, good business practice, or the need to track and report certain types of purchases, should be promptly returned to the requester with an explanation of why the purchase cannot be made with local buying authority. If you are unsure whether the purchase is allowable, seek the advice of your CCAO or the PSSC (see [1-15](#)).

## 1-9 Use

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Local buys may be made only under the following conditions:

- a. By employees delegated local buying authority in writing.
- b. When requirements cannot be satisfied by other priority sources, including Postal Service excess and eBuy2.
- c. With a properly approved purchase request. In most cases, the request will be processed through eBuy2, the use of which is mandatory for all employees with intranet web access. PS Form 7381, *Requisition for Supplies, Services, or Equipment*, may be used when employees do not have access to eBuy2. Following receipt of goods ordered through eBuy2, each ordering office must reconcile the eBuy2 Billing Summary Report against orders received during a specified month.

Local buys are not subject to the Postal Service's purchasing regulations or the business practices contained in the Postal Service's *Supplying Principles and Practices*. Competition is not required for purchases made under local buying authority. However, individuals delegated local buying authority must seek the best value for the Postal Service and, when cost-effective, compare prices before making a local buy, just as they would for a personal purchase. Recurring buys should be made among different merchants.

## 1-10 Priority of Sources

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In order to ensure Postal Service personnel use existing Postal Service assets and take advantage of volume discounts and other supply chain savings offered through eBuy2 and national and area contracts, a priority of sources has been established. These priority sources include satisfying operational needs from Postal Service excess, the Material Distribution Center (MDC), and the Mail Equipment Shops (MES), or from national or area contracts and ordering agreements. Many of these sources are included in eBuy2 and their use is mandatory. In addition, local buying authority should not be used when sound fiscal management principles make another form of purchasing more advantageous to the Postal Service.

When making a purchase, users must follow this priority of sources:

- a. In-house - excess material.
- b. eBuy2.
- c. Orders against existing Postal contracts or agreements.
- d. Individual local buy.

### 1-10.1 **In-house – Excess Material**

The first source of supply is in-house resources and excess material. See Handbook AS-701, *Material Management*, for more information.

### 1-10.2 **eBuy2**

After in-house resources have been checked, eBuy2 is the preferred Postal Service method for order placement. eBuy2 allows users to order online from national mandatory and priority source contracts with order status checking, reconciliation, reporting, and payment capabilities. eBuy2 also includes the ability to certify utility invoices electronically for payment.

### 1-10.3 **National and Area Contracts**

A Postal Service national or area contract or agreement is one that is available servicewide or to a specific geographical area for headquarters and/or field customer use and can be accessed through eBuy2, MDC ordering, or another authorized ordering method.

When a credit card is identified as an authorized means of payment under a Postal Service contract or agreement, you may use the appropriate purchase card (see [2-4](#)) as long as you follow the purchase card policies, procedures, and local buying limits in this handbook. In order to stay within delegated

local buying limits, multiple orders can be placed against these contracts and agreements; these are not considered split purchases as long as they do not exceed the ordering limits in the governing contract or agreement.

#### 1-10.4 **Exceptions**

Exceptions to this priority source policy are permitted only when a source cannot meet the required delivery time and quantity, or the price is excessive. For sources falling under a mandatory Postal Service contract, exceptions are generally not allowed unless so specified in the contract. Document the justification for exceptions on the eBuy2 requisition.

#### 1-10.5 **Information Sources**

To learn more about eBuy2, national and area contracts, and other priority sources, visit the Supply Management home page accessible from the USPS intranet, or the eBuy2 homepage at: <http://ebuy2.usps.gov>. Direct questions about Supply Management contracts to the applicable Supply Management buying organization or the Topeka National Materials Customer Service (NMCS) at 800-332-0317.

## 1-11 AbilityOne Program (JWOD Products)

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The Javits-Wagner-O'Day (JWOD) Act (41 U.S.C. 8501-8506) administered by The AbilityOne Program (formerly the JWOD Program) requires that federal agencies, including the Postal Service, purchase certain supplies and services from qualified workshops employing people who are blind or severely disabled. Each use of the Purchase card for an AbilityOne item generates employment and training opportunities for individuals who are blind or have other severe disabilities in partnership with National Industries for the Blind and National Industries for the Severely Handicapped (an organization serving people with a range of severe disabilities).

## 1-12 Sourcing Methods

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When other priority sources are not available, individuals with local buying authority should choose a supplier to fulfill their business needs and obtain best value for the Postal Service. The following methods may be beneficial when searching for suppliers:

- a. Searching for suppliers on the internet.
- b. Posting notices in local Post Offices.
- c. Posting notices on other community bulletin boards.
- d. Searching for suppliers in the yellow pages.
- e. Posting notices via electronic media.



## 1-13 Small, Minority, and Woman-Owned Businesses

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### 1-13.1 **General**

Providing local buying opportunities to local small, minority, and woman-owned businesses is an important element of the Postal Service's socioeconomic objectives. Providing opportunities to these suppliers is the responsibility of all Postal Service employees and individuals delegated local buying authority. Employees are encouraged to seek out and use local small, minority, and woman-owned businesses when making purchases.

### 1-13.2 **Assistance**

To identify local small, minority, and woman-owned businesses as potential suppliers, contact these resources:

- a. Internet tools:
  - (1) VISA<sup>®</sup> Sourcing Tool. The VISA<sup>®</sup> Supplier Locator is available at <http://www.visa.com/supplierlocator>. This tool provides the option to search for diverse suppliers and suppliers registered with the Small Business Administration.
  - (2) Supply Management home page. Follow the links under "Resources" to Supplier Diversity [http://blue.usps.gov/purchase/scmstrategies/diversity\\_links.htm](http://blue.usps.gov/purchase/scmstrategies/diversity_links.htm).
- b. Postal contacts:
  - (1) Supply Management – SCM Strategies, Supplier Diversity Team Members <http://blue.usps.gov/purchase/scmstrategies/diversity.htm>.
  - (2) Learning Development and Diversity Specialist. A listing of the field network of specialists is located at [http://blue.usps.gov/humanresources/professionalportal/erm/ndi/pdf/MLDD\\_LIST\\_Updated%201-17-13.pdf](http://blue.usps.gov/humanresources/professionalportal/erm/ndi/pdf/MLDD_LIST_Updated%201-17-13.pdf).
- c. Local and national non-Postal Service contacts:
  - (1) U.S. Small Business Administration.
  - (2) Minority Business Development Agency, Department of Commerce.
  - (3) Trade and industry associations.
  - (4) Your local chamber of commerce.
- d. Supplier Diversity Training: Web-based training is available at the Supplier Diversity website: <http://blue.usps.gov/purchase/scmstrategies/diversity.htm>.

## 1-14 Sustainability

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Before making any local buys, always consider the sustainability implications of your purchase. Installation heads, supervisors at facilities, and other personnel with local buying authority should consider environmental impacts

and, when appropriate, purchase and use environmentally preferable products (e.g., made from recycled materials, have an environmentally preferable Green Seal certification, and are energy efficient). For more information, see Management Instruction EL-890-2007-5, *Integrated Waste Management*, and the Employee Resource Management (ERM) Safety and Environmental Performance Management website on Blue. You may also direct questions to your area environmental specialist, the PSSC, or the Operational Supplies and MTE Category Management Center (CMC) in Supply Management.

## 1-15 Limitations on Use of Local Buying

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There are limitations on the use of local buying authority. The reasons for the limitations include statutory and legislative requirements, Postal Service policy mandates, good business practice, and the need to track and report certain types of purchases. If there is a need for one of the services listed in [1-15.1](#) through [1-15.24](#) and it may not be purchased using local buying authority, contact the appropriate purchasing organization.

### 1-15.1 **Building Services**

Building services, excluding facility repairs and alterations (R&A) may be purchased using local buying authority when valued at less than or equal to \$2,000. Those needing building services exceeding \$2,000 must contact the PSSC. All Postal facility repairs and alterations are reported to the National Facilities Response Line at 855-444-6375 or by email to [nfrrl@usps.gov](mailto:nfrrl@usps.gov). The National Facilities Response Line is used only for reporting necessary building repairs or alterations. Individuals delegated local buying authority and domiciled at a Facility Services Office (FSO) may purchase up to \$10,000 of R&A using the Repair and Alterations Local Buy Agreement format available in eFMS. All agreements for work valued more than \$2,000 must include the applicable wage determination as an attachment.

### 1-15.2 **Services Covered by the Service Contract Act**

Services covered by the Service Contract Act (SCA) may not be purchased using local buying authority when the requirement exceeds \$2,500 per one-time expenditure, or when the office estimates that a particular service provided by the same supplier will exceed \$2,500 per annum. Examples of services covered by SCA include, but are not limited to the following:

- a. Ash, trash and rubbish removal.
- b. Snow and ice removal.
- c. Lawn and grounds maintenance.
- d. Window cleaning.
- e. Maintenance of elevators.
- f. HVAC.
- g. Switch gear.
- h. Cloth and laundry service.

**1-15.3 Cleaning Services**

Cleaning services valued at up to \$10,000 per year may be purchased using local buying authority from a self-employed individual. Cleaning services valued at up to \$2,500 per year may be purchased using local buying authority from a service company. If the agreement will be for one year or longer, then use PS Form 7355, *Cleaning Agreement*, and the required attachments. If the agreement is for a shorter period, use the Expense Purchase Card.

**1-15.4 Vehicle-Related Services**

All Postal Service vehicles are assigned a Postal Fleet Card which is the intended payment method for services such as maintenance, repair, towing, shuttling, servicing, cleaning, washing, and polishing. For more information, refer to the Postal Fleet Card website on Blue. If the local service stations do not accept the Fleet Card as payment for service/repairs, then a Vehicle Repairs Purchase card may be requested. To obtain a Vehicle Repairs Purchase Card, contact the PSSC. The PSSC will evaluate and determine if a Vehicle Repairs Purchase Card is necessary for the requesting facility. For more information, contact the servicing Vehicle Maintenance Facility or the appropriate CMC in Supply Management. Do not use the Postal Service travel credit card to purchase vehicle-related service expenses.

**1-15.5 Vehicle Repair Parts**

Vehicle repair parts may be purchased using local buying authority. These purchases are made by individuals at VMFs using VEHPARTS Purchase cards.

**1-15.6 Vehicle Leasing**

Vehicle leasing may not be purchased using local buying authority. Short-duration vehicle renting required for special events for administrative and delivery purposes that do not exceed 89 days in duration and is valued under \$10,000 may be purchased using local buying authority. The EXPENSE Purchase card for payment is authorized.

**1-15.7 Mail Transportation**

Mail transportation services may not be purchased using local buying authority.

**1-15.8 Requirements with Established Purchasing Procedures**

Requirements for which more formal contracting procedures have been established may not be purchased using local buying authority. These include contract postal units (CPUs), food services, and building services. Contact the appropriate CMC in Supply Management.

1-15.9 **Professional, Technical, Consultant, and Personal Services**

Professional, technical, consultant, or personal services may not be purchased using local buying authority because these commodities require written contracts ensuring that records, studies, and other intellectual property are protected and retained by the Postal Service.

1-15.10 **Services of Current or Former Postal Service Employees**

The services of current or former Postal Service employees may not be purchased using local buying authority.

1-15.11 **Hazardous Waste Clean-up and Disposal Services**

Hazardous waste clean-up and disposal services generally may not be purchased using local buying authority. These services are provided under national and/or regional contracts and agreements issued and managed by a Supply Management CMC. If a national or regional contract/agreement is not available and you have first checked with and received approval in writing from your area Facilities Environmental Specialist and the Environmental & MRO Category Management Center, these services may be purchased using local buying authority. Retain a copy of the approval with your purchase card records.

1-15.12 **Chemicals or Products that Contain Targeted Chemicals**

Postal Policy is to eliminate the purchase of chemicals and products containing USPS-targeted chemicals, where possible. Chemicals or products that contain targeted chemicals may not be purchased using local buying authority when alternatives are available. To define targeted chemicals and before making any local buy, refer to the latest Postal Service listing of targeted chemicals, and for information on how to find alternative products that do not contain these chemicals. To access the most current listing and related policies and procedures, refer to the Green Purchasing Guidance Document on “Buying Green” on the USPS Office of Sustainability website at: [http://blue.usps.gov/sustainability/green\\_purchasing.htm](http://blue.usps.gov/sustainability/green_purchasing.htm).

1-15.13 **Utilities**

Utilities may be purchased using local buying authority when (1) all policies and procedures have been followed in *Administrative Support Manual (ASM)* 542 for metered utilities, or ASM 543 for nonmetered heating fuel, (2) another preferred method of payment is not available, (3) the payment will not exceed your local buying authority, and (4) all relevant policies and procedures are followed, including the following: Utilities are generally defined as facility-related electricity, natural gas, water, steam, other heating fuel, water and sewer services, some telecommunications, and trash removal services provided by governmental agencies or companies subject to regulation to perform them. See ASM 542 and 543 for complete definitions. Do not sign a

service agreement with any utility provider without first checking with your District Finance office and the Supply Management Utilities Category Management Team for requirements subject to ASM 542, the Transportation Asset Management CMC for requirements subject to ASM 543, or the Facility Services CMC for trash/recycling services. If utility payments are included as part of the approved budget, CAG H-L postmasters are not required to obtain individual or bulk-funded and approved purchase requests as outlined in [3-3.1](#) of this handbook (e.g., eBuy2 requisition is not required). The payment hierarchy for utility payment, in descending order of preference, is below. For additional guidance on the appropriate method of payment, refer questions to the above mentioned Supply Management organizations or Finance. Contact information for all Supply Management organizations is available at the Supply Management website on Blue. Additional guidance on other payment processes is available in the Field Accounting Guide available through the Finance/Accounting website on Blue. Payments may be made by the following:

- a. In accordance with Supply Management-issued contract/agreement payment provisions and/or *Administrative Support Manual (ASM)* requirements.
- b. eBuy2, using the Post Payments/Certify Invoices process (Post/Certify Tab) when doing so meets ASM 542 utility definition.
- c. Expense Purchase Card (eBuy2 requisition required).
- d. Local Payments:
- e. Cash for an emergency one-time expense, not to exceed \$25.
- f. No-Fee Money Order for an emergency one-time local expense, not to exceed \$1,000.

#### 1-15.14 **Computer Hardware and Software**

Computer hardware and software may be purchased using local buying authority when not available on catalog in eBuy2. Information Technology Operations must be consulted and their governing policies and procedures must be followed.

#### 1-15.15 **Training, Membership Fees, and Dues**

Training, membership fees, and dues may be purchased using local buying authority, subject to the requirements of the *Employee and Labor Relations Manual (ELM)*, Chapter 7.

#### 1-15.16 **Employee Awards and Recognition**

Employee awards and recognition may be purchased using local buying authority, subject to the requirements of ELM 470 and eAwards. See Management Instruction FM-640-2008-1, *Expenses for Internal and External Events*.

**1-15.17 Meals and Refreshments**

Meals and refreshments may be purchased using local buying authority, subject to the guidelines in Management Instruction FM-640-2008-1, *Expenses for Internal and External Events*.

**1-15.18 Employee Personal Events**

Employee personal events generally may not be purchased using local buying authority. See Management Instruction FM-640-2008-1, *Expenses for Internal and External Events* for guidance and more information.

**1-15.19 Electrically Operated Convenience Items**

Electrically operated convenience items may be purchased using local buying authority when necessary to satisfy day-to-day operational needs and specific electrical and wiring codes and safety standards are met. Some of these items may include heaters, fans, water coolers, smoke control devices, televisions, clocks, desk and accent lamps, microwave ovens, and refrigerators. Check with your Maintenance or Building Services personnel before buying or using electrically operated convenience items.

**1-15.20 Printing and Copying**

Printing and copying may be purchased using local buying authority, subject to the ASM 37.

**1-15.21 Medical Services**

Medical services may be purchased under local buying authority but only when the purchase amount is valued at \$2,500 or less per one-time expenditure, or when an office estimates that a particular service provided by the same supplier will not exceed \$2,500 per year. These purchases may only be made by the National and Area Medical Directors, who may redelegate this authority to the Area and District Occupational Health Nurse Administrators (OHNAs). Any purchase of medical services valued at more than \$2,500 per one-time expenditure, or when an office estimates that a particular service provided by the same supplier will exceed \$2,500 per year, must be forwarded to the appropriate Supply Management CMC.

**1-15.22 Publications**

Publications (electronic and print) may be purchased using local buying authority. At Headquarters, requests for publications (all media) must be made through the Corporate Library on Blue at <http://blue.usps.gov/library/welcome.htm>. Publications include books, reports, and periodical subscriptions. Field organizations can also check for availability of publications at the Corporate Library.

**1-15.23 Tools or Hardware Supplies**

Tools or hardware supplies, when not available through priority sources, may be purchased using local buying authority. Examples are light bulbs, small hand tools, locks, keys, door stops, desk and wall signs, paint, curtains,

blinds, solar window coverings, carpets or floor mats, and plants or plant hanging devices. Check with Maintenance or Building Services and/or your local supply room before buying these items.

#### 1-15.24 **Travel Expenses**

Travel expenses for Postal Service employees may not be purchased using local buying authority. These include airline, bus, and train tickets, lodging, drink, and meal expenses for Postal Service employees (the government travel card should be used). However, the EXPENSE Purchase card may be used for hotel-related expenses that are not related to individual employee travel, such as conference room and audiovisual equipment rental.

## 1-16 Deviations

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Requests for deviations to the policies and procedures included in this handbook must be reviewed by the National Purchase Card Coordinator and approved by the Manager, Supply Management Infrastructure. Copies of deviations must be maintained by the requesting cardholder with related Purchase card documentation. All Purchase card deviation requests must be emailed to: *Helpdesk.pssc.eastern@usps.gov*. For additional information about deviation requests, contact the PSSC at 877-293-2410.

## 1-17 Use of the Purchase Card for Payment of Taxes, Fines, and Other Types of Expenses

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The purchase card may be used to make payments of taxes, fines, or fees assessed by government agencies, municipalities, property management firms, or for employee reimbursements when such a payment type is accepted. When payment by purchase card is not accepted, use PS Form 2551, *Non-Goods and Non-Services – Payment Authorization*. See 19-1 of Handbook F-101, *Field Accounting Procedures*, for more information. Under no circumstances may a purchase card check (see [4-1.2](#)) be used to make these sorts of payments.

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# 2 The Purchase Card

This chapter explains the policies and procedures of the Purchase Card Program. The program is intended for career Postal Service employees to include cardholders, credit card approving officials (CCAOs), and others as designated. Temporary positions such as postmaster replacements, rural carrier associates, city carrier assistants, and postal support employees may also serve as cardholders if local management determines that this is necessary to support operations. Requests for card issuance to other than these personnel are considered a deviation and must be submitted in accordance with [1-16](#). Purchase Card Program participants can also find supplemental guidance, worksheets, and important links at the Supply Management Purchase Card website on Blue. To access the website:

- a. Go to <http://blue.usps.gov>.
- b. Click “*Inside USPS.*”
- c. Under “Finance,” click “*Supply Management.*”
- d. Under “Resources”, click “*Purchase Card Program.*”

## 2-1 General

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The Purchase Card Program is co-sponsored by Supply Management and Finance. The official name for the Postal Service local buying credit card is the Purchase card. However, the terms Purchase card and credit card may be used interchangeably. When operational needs cannot be satisfied through priority sources described in [1-10](#), the Purchase card is the preferred method for paying for day-to-day operational needs under local buying authority. A single Purchase card transaction may not exceed \$10,000.

## 2-2 Oversight Reviews

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The Purchase Card Program is subject to oversight review by the Office of the Inspector General, Finance, and Supply Management. Oversight tools include the ability to review Purchase card charges online and monitor electronic reconciliation compliance.

## 2-3 Purchase Card Appearance

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Printed on the face of the Purchase card (see [Exhibit 2-3](#)) are the following:

- a. Great Seal of the United States logo.
- b. GSA SmartPay2.
- c. Credit card company logo.
- d. The words United States of America, For Official US Government Purchases Only, US Government Tax Exempt.
- e. 16-digit Purchase Card account number.
- f. Name of the authorized cardholder.
- g. Expiration date.
- h. Postal Service Tax identification number (TIN).
- i. Type of card with the finance number.

Descriptions of the embossment on the purchase cards are as follows:

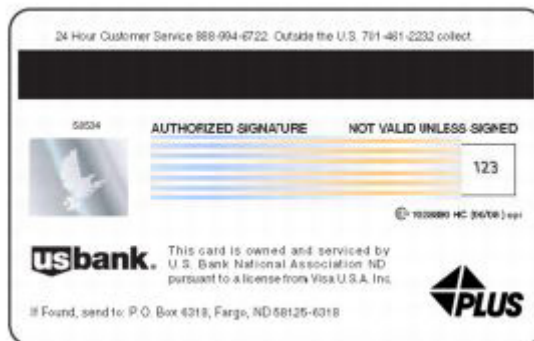
- a. The **EXPENSE** card is embossed with **E** followed by the finance number.
- b. The **VEHREPS** Purchase card is embossed with **VR** followed by the finance number.
- c. The **VEHPARTS** Purchase card is embossed with **VP** followed by the finance number (for the VMF repair parts card).
- d. The **INVPARTS** Purchase card is embossed with **IP** followed by the finance number (for the Topeka MDC inventory parts card).
- e. The **RESEARCH AND DEVELOPMENT** Purchase card is embossed with **RD** followed by the finance number RD (for the Merrifield Engineering research and development card).

Exhibit 2-3

### Purchase Card, Expense (front), (Effective 11/2008)



Exhibit 2-3 (continued)

**Purchase Card, Expense (back), (Effective 11/2008)**

The back of the card includes a space for the cardholder's signature and bank provider information, including a toll-free customer service number that may be called 24 hours, 7 days a week.

## 2-4 Types of Purchase Cards

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There are five types of Purchase cards currently used:

- a. Cards to purchase **Expense** items
- b. Cards to purchase **Vehicle Repairs**
- c. Cards issued only to vehicle maintenance facilities (VMFs) for the purchase of **Vehicle Parts**.
- d. Cards issued only to select Topeka MDC employees for the purchase of **Inventory Parts**.
- e. Cards issued only to select Engineering employees for the purchase of **Research and Development** equipment and supplies.

### 2-4.1 **EXPENSE Purchase Card**

The most commonly issued card is the EXPENSE Purchase card. Every major Postal Service organization and Post Office must use the EXPENSE Purchase card for local buying when needs cannot be satisfied through eBuy2 or through other priority source (see [1-10](#)).

When the Purchase card is identified as an authorized means of payment under a Supply Management contract/agreement, you may use the EXPENSE Purchase card as long as you follow Purchase card policies, procedures, and local buy limits. Local buys made with the EXPENSE Purchase card will be charged to expense GL account number 52111.000. Before payment, the charges will automatically be transferred to selected general ledger accounts based on the merchant's Standard Industrial Classification (SIC) code [also called Merchant Category Codes (MCC)].

EXPENSE Purchase Card Checks (see [4-1.2](#)) are issued only if the Visa EXPENSE purchase card is not accepted. EXPENSE Purchase Card requesters must complete the APC Buyer/Caller Checklist, CH Set-up, and

CH Accountability Acknowledgement Worksheets if they require EXPENSE checks.

#### 2-4.2 **VEHPARTS Purchase Card**

The VEHPARTS Purchase card is issued only to personnel in Vehicle Maintenance Facilities (VMFs) and can be used to purchase vehicle repair parts. All purchases made with this card will post to GL account number 52150.000. VEHPARTS Purchase Card Checks are issued only if the Visa VEHPARTS card is not accepted. VEHPARTS Purchase Card requesters must complete the APC Buyer/Caller Checklist, CH Set-up and CH Accountability Acknowledgement Worksheets if they require VEHPARTS checks (see [4-1.2](#)).

#### 2-4.3 **VEHREPS Purchase Card**

VEHREPS Purchase Cards are authorized and issued to USPS employees only if local suppliers do not accept the Voyager/Fleet Card. All purchases made with this card will post to GL account number 54543.000. VEHREPS Purchase Card Checks are issued only if both the Voyager/Fleet Card and the Visa VEHREPS card are not accepted. VEHREPS Purchase Card requesters must complete the APC Buyer/Caller Checklist, CH Set-up and CH Accountability Acknowledgement Worksheets whether they need a VEHREPS purchase card or checks or both.

#### 2-4.4 **INVPARTS Purchase Card**

The INVPARTS Purchase card is issued to select Topeka Material Distribution Center (MDC) employees to purchase inventory parts. All purchases made with this card will post to account number 23433.000. When the MDC receives the inventory parts, the amount of the purchase will post to account number 14371.042. Issues from the MDC are charged to account number 52120.000.

#### 2-4.5 **RD Purchase Card**

The RD Purchase card is issued to select Merrifield Engineering employees to purchase research and development equipment and supplies. All purchases made with this card will post to account number 54242.000.

## 2-5 Authorization

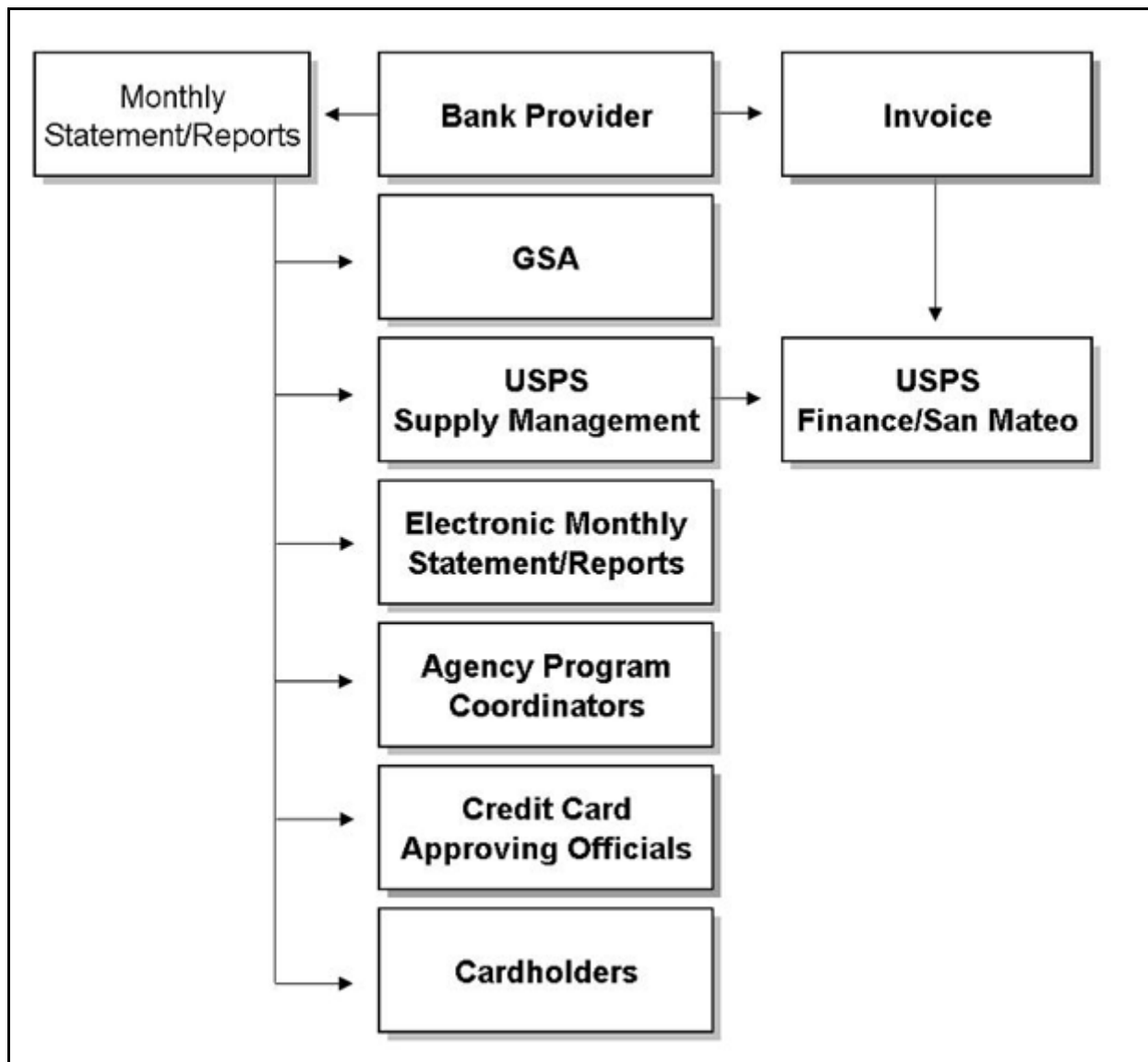
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The purchase card bears your name and signature and can be used only by you. No other person can be authorized to use your card or card account number to make a purchase.

## 2-6 Program Structure

The Purchase Card Program is based on a multiple level system (see [Exhibit 2-6](#)). The various levels provide a solid system of checks, balances, and audit controls from the lowest to the highest level.

Exhibit 2-6  
**Purchase Card Program Structure**



### 2-6.1 **Bank Provider**

The bank provider’s major responsibilities include:

- a. Account setup and update.
- b. Card distribution.
- c. Replacement of lost or stolen cards.
- d. Card reissuance.

- e. Transaction data capture.
- f. Transaction posting and reconciliation.
- g. Report generation and distribution.
- h. Customer service.

### 2-6.2 **General Services Administration**

The General Services Administration (GSA) is responsible for administering the master contracts with the bank providers and running the day-to-day operations of the SmartPay2 program. The GSA contracting officer is the only individual authorized to alter the terms and conditions of these master agreements.

### 2-6.3 **Finance**

Headquarters Finance is the designated billing office for the Purchase Card Program. This organization determines what form of media will be used for receipt of invoices and payment, formulates procedures outlining use of the chosen media, and establishes billing discrepancy procedures. Headquarters Finance also determines the thresholds for requirements approval authority.

### 2-6.4 **San Mateo Accounting Service Center**

The San Mateo Accounting Service Center (ASC) receives and makes payments against the monthly Electronic Data Interchange (EDI) invoice from the bank provider. The ASC also has online access to bank provider's Electronic Access System (EAS) in order to correct invalid finance or general ledger account numbers. All Purchase card payments are posted in the Accounting Data Mart (ADM), with access via the Enterprise Data Warehouse (EDW).

### 2-6.5 **Purchasing Shared Services Center**

The Supply Management Infrastructure (SMI) Agency Program Coordinator (APC) is responsible for administering the Purchase Card Program servicewide. The APC key responsibilities include:

- a. Serves as the liaison between the Postal Service, bank provider, and the GSA contracting officer.
- b. Coordinates mandatory training with the bank provider for cardholders, CCAOs.
- c. Ensures that cardholder and credit card approving official (CCAO) training is completed prior to Cardholder/CCAO account setup.
- d. Sets up and updates cardholder and CCAO accounts, and maintains set up documentation for 3 years following account closure.
- e. Terminates accounts for separated and transferred cardholders and CCAOs.
- f. Authorizes one-time exemptions to established 30-day cardholder and office spending limits.

- g. Reviews reports available from the bank provider for accuracy and resolves cardholder and CCAO discrepancies.
- h. Maintains required reports with other Purchasing Shared Service Center (PSSC) records for 3 years.
- i. Monitors and measures timely CCAO and cardholder electronic reconciliation completion.

Additional Purchase Card Program information is located on the Purchase Card Program webpage.

## 2-6.6 Credit Card Approving Official

The CCAO manages and monitors the Purchase card activity of an individual or group of cardholders and ensures that the card is not misused.

The CCAO does the following:

- a. Reviews cardholder monthly statements and may request from the cardholder any and all supporting cardholder documentation.
- b. Challenges questionable purchases.
- c. Performs the final approve/rejection function for all cardholder's monthly transactions in a timely manner (see [5-4.1](#)).
- d. Certifies that the cardholder completes his or her monthly electronic reconciliation.
- e. Provides guidance to cardholders and assists with dispute resolution.
- f. Notifies the PSSC of account update information.
- g. Maintains electronically a listing of assigned cardholders.

The CCAO will not be able to certify the monthly managing account statement until all cardholder transactions have been final approved including all rejected transactions. For additional information about rejecting a cardholder transaction, refer to the Credit Card Approving Official (CCAO) User Guide on the Purchase Card Program webpage on Blue.

**Notes:** The functions of the CCAO and the requirements approving official are not the same. The CCAO's authority applies only to managing and monitoring cardholder accounts, while the requirements approving official applies to the approval of the purchase request (e.g., eBuy2 requisition). Requirements approval authority is discussed in Handbook F-66, *General Investment Policies and Procedures*.

For instructions on how to set-up a new CCAO account, visit the Purchase Card Program website at [http://blue.usps.gov/purchase/operations/ops\\_impachome.htm](http://blue.usps.gov/purchase/operations/ops_impachome.htm).

## 2-6.7 Cardholder

The cardholder is a person for whom a Purchase card account has been established. A cardholder may have more than one type of Purchase card, or multiple card accounts of the same type. A cardholder may also be designated as a CCAO, but never for his or her own Purchase card. The cardholder is responsible for the proper use of the Purchase card, electronically reconciling, and disputing any improper charges. The cardholder does the following:

- a. Follows local buying policies and procedures.
- b. Keeps the Purchase card secure.
- c. Uses the Purchase card properly.
- d. Maintains accurate records of all transactions.
- e. Electronically reconciles monthly bank statements timely.

**Notes:** For instructions on how to set-up a new Purchase Card account, visit the Purchase Card Program website at [http://blue.usps.gov/purchase/operations/ops\\_impachome.htm](http://blue.usps.gov/purchase/operations/ops_impachome.htm).

Prospective cardholders will not receive literature from the bank provider, nor a check of their personal credit history. Furthermore, in accordance with credit card company regulations, suppliers/merchants may not require cardholders to provide any personal information such as a home phone number, address, driver's license number, or photocopy of a driver's license. The cardholder may provide a photocopy of the Purchase card if necessary to affect the sale or purchase. However, a cardholder may be requested to show identification when making a purchase if a referral code is sent to the supplier when processing a charge transaction.

## 2-6.8 **Transfer to Another Office or Separation from the Postal Service**

Upon transfer to another office or separation from the Postal Service, cardholders must notify the CCAO immediately and request that your cardholder account be closed by completing the USPS Cardholder Maintenance/Change worksheet. The cardholder is responsible for cutting the purchase card(s) in half and disposing locally. If purchase card checks were issued in coordination with the purchase card account, the cardholder is also responsible for shredding all remaining purchase card checks locally. If the cardholder separated from the Postal Service prior to closing the account, the CCAO will act on behalf of cardholder and complete cardholder account closeout procedures.

## 2-7 Controls

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Besides the cardholder's electronic reconciliation of the monthly bank statement and the CCAO's verification of payment accuracy, many unique controls have been established to ensure proper use of the Purchase cards — for example, dollar spending limits, and MCCs. Credit card company regulations require a supplier/merchant to obtain authorization. The authorization request is sent electronically from the bank provider through the commercial credit card company telecommunications network. The bank provider verifies the cardholder account and determines whether the purchase is within assigned dollar limits and for the proper MCC. A response approval, decline, or referral is then transmitted back to the supplier/merchant. If the purchase is not within assigned dollar limits or for the proper MCC, the supplier/merchant will not be authorized to accept the Purchase card.



## 2-7.1 Cardholder Spending Limits

### 2-7.1.1 Single Purchase Limit

Each cardholder is assigned a single purchase limit for each Purchase card. A single purchase limit restricts the amount of any single purchase made by the cardholder. A single transaction may comprise multiple items and is the total of those items purchased at one time from a particular supplier/merchant. The total amount of the purchase transaction may not exceed the cardholder's assigned single purchase limit. This limit is determined by local management and assigned to each cardholder at the time the cardholder's account is set up. A cardholder's single purchase limit should equal the amount of local buying authority and may not exceed \$10,000. A request for a single purchase limit increase that is less than \$10,000 must be made in writing and sent through the cardholder's CCAO to the PSSC. A cardholder's single purchase limit increase may be permanent or temporary based on organizational needs. Single purchase limit requests that exceed \$10,000 must follow the deviation procedures discussed in [1-16](#).

**Note:** Charge transactions must not be intentionally split to remain under the delegated local buying authority unless the Purchase card is being used for payment pursuant to the authority of a postal contract (the contract expressly authorizes local ordering and use of the credit card for payment (see [1-10.3](#)). Cardholders must stay within assigned single purchase limits and may not split requirements/purchases to circumvent these limits, except as discussed in [1-10.3](#). When a purchase charge exceeds delegated authority, it must be processed by a cardholder with higher local buying authority (not to exceed \$10,000) or by the servicing Supply Management Category Management Center (CMC). Unauthorized local buys are subject to the policies and procedures in Management Instruction MI SP-G4-2006-2, *Unauthorized Contractual Commitments*.

### 2-7.1.2 30-Day Cardholder Spending Limit

Each cardholder is assigned a 30-day spending limit for each Purchase card. This limit represents the maximum dollar amount that will be authorized for a cardholder within a 30-day period. It is determined by local management and assigned to each cardholder by the PSSC when the cardholder's account is set up. This limit should be set at the amount of money reasonably expected to be spent in 30 days. Since the Postal Service billing cycle ends on the 18th of the month, cardholder 30-day spending limits are reset on the 19th of the month. When approved by local management, the cardholder can request that the PSSC raise or lower the assigned 30-day spending limit to comply with organizational needs or budget changes.

### 2-7.1.3 CCAO 30-Day Office Spending Limit

A 30-day office spending limit is established at the CCAO level. This limit represents the maximum dollar amount that may be spent by the combined purchasing activity of all the cardholders who report to a particular CCAO within a 30-day period. When the 30-day office spending limit for a particular CCAO has been reached, no additional credit card transactions will be

authorized, even though an individual cardholder may not have reached his or her assigned 30-day cardholder spending limit. This limit is provided to assist in controlling budget or other office spending restrictions. Spending limits are determined by local management and assigned by the PSSC to the CCAO when the account is set up. When approved by local management, the CCAO may request that the PSSC raise or lower the assigned office's spending limits to comply with organizational or budget changes. Office spending limits are reset on the 19th of the month.

## 2-7.2 **Merchant Category Codes and Groups**

Another unique purchase control of the Purchase card program is its ability to restrict use of the card by type of supplier/merchant. This is accomplished through the use of the MCC and groups of these codes (MCCG). The MCC identifies the category or type of goods and services sold by the supplier/merchant, and the MCCG represents a group of various MCCs. The MCCG is assigned to each card account by the PSSC during set-up.

### 2-7.2.1 **Code for VEHPARTS Purchase Cards**

For VEHPARTS purchase cards, the Postal Service uses the MCCG to block suppliers/merchants not selling vehicle repair parts. The MCCG for VEHPARTS purchase cards is 035/035A.

### 2-7.2.2 **Code for EXPENSE and RD Purchase Cards**

For EXPENSE and RD credit cards, the Postal Service uses the MCCG to block suppliers/merchants designated (e.g., airlines or airports). The MCCG for EXPENSE and RD credit cards is 288/288A.

### 2-7.2.3 **Code for INVPARTS Purchase Cards**

For INVPARTS purchase cards, the Postal Service uses the MCCG to block suppliers/merchants not selling inventory parts. The MCCGs for INVPARTS credit cards are 000/000A, 023/023A, 076/076A, 079/079A, 288/288A, and 292/292A.

### 2-7.2.4 **Code for VEHREPAIRS Purchase Cards**

For VEHREPAIRS purchase cards, the Postal Service uses the MCCG to block suppliers/merchants that do not offer vehicle repairs services. The MCCG for VEHREPAIRS credit cards is 374/374A.

## 2-8 Training Requirements

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### 2-8.1 **Cardholder and CCAO Training**

Before a Purchase Card or CCAO account is issued, both the Cardholder and the CCAO must:

- a. Complete the training requirements listed on the Purchase Card web page at: <http://blue.usps.gov/uspslaw/General/Training/Ethics/Ethics%2078/Intro0A.html>.

- b. Review the eBuy2 training topics consistent with Cardholder eBuy2 roles; and
- c. Review Handbook AS-709, *Local Buying and Purchase Card Policies and Procedures*.

## 2-8.2 **Refresher Training Requirement for Suspended Cardholder and CCAO Accounts**

All cardholders and CCAOs are required to complete remedial refresher training prior to reactivation of any suspended CCAO managing account. A CCAO managing account suspension results from a past due electronic reconciliation/certification. All cardholder purchase card use under that CCAO account is suspended until reactivation. When the CCAO managing account is suspended, the cardholder(s) and/or CCAO are required to complete the LMS Purchase Card refresher training prior to the reactivation of their account. Once the mandatory refresher training and cardholder reconciliation/CCAO certification has been completed, the CCAO must contact the PSSC to reactivate their managing account(s). Suspended CCAO managing accounts are reactivated one business day after the CCAO verification process has been confirmed by the APC. The refresher training is the same LMS/Purchase Card web-based training course as the initial training (see [2-8.1](#)) and requires review of the cardholder and CCAO User Guides for Electronic Reconciliation available on the Purchase Card Web page at [http://blue.usps.gov/purchase/operations/ops\\_impachome.htm](http://blue.usps.gov/purchase/operations/ops_impachome.htm).

All training dates are recorded in the LMS Postal National Training Database once the training is completed.

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# 3 Safeguarding and Documentation

## 3-1 Security

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Cardholders are responsible for safeguarding their purchase cards, account numbers, and purchase card checks at all times and must not allow anyone to use them. Under no circumstances may another person be authorized to use an individual's purchase card account number, purchase card, or purchase card check to make a purchase. Keep cards and checks in a secure location. Individuals should take the same precautions they would with their own personal credit cards and checks to prevent loss or theft. Purchase cards and checks are for official Postal Service use and may not be used for personal purchases, identification, or personal gain (e.g., gifts or rewards such as travel credits or other promotions).

Additionally, a cardholder that has recurring monthly charges is responsible for notifying the supplier/merchant to discontinue the service or to stop billing the purchase card when the account is closed. If services are still required, the cardholder should work with the credit card approving official (CCAO) to identify another cardholder account for the supplier/merchant to bill against.

## 3-2 Documentation

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### 3-2.1 **Maintain Accurate Records**

Cardholders are responsible for maintaining accurate and complete records of all purchase card transactions for 3 years. The importance of maintaining adequate and accurate supporting documentation of card purchases cannot be overemphasized. Supporting documentation must provide a clear audit trail to ensure the proper use of Postal Service funds and to provide a basis of support for any disputed charges.

### 3-2.2 **Reconcile Your Monthly Statement**

Electronic purchase card statements (statement of accounts) are available on the secured bank provider's website each month on the cycle date established for the Postal Service. These statements detail Purchase card spending activity. Cardholders must reconcile their statement electronically upon receipt and certify that the transactions are valid and for official use. The cardholder's electronic reconciliation is then forwarded to the CCAO for review, final approval, and certification. This electronic reconciliation is

critical, as it ensures that the correct amount has been paid. It is strongly recommended that the cardholder log onto the secured bank provider's website weekly to approve pending transactions, and to report or dispute any unauthorized purchases that may have been charged to the purchase card account (see Chapter 5 for information on how to review approve and electronically reconcile monthly statements).

## 3-3 Required Purchase Documentation

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### 3-3.1 Bulk-Funded and Approved Purchase Request

Bulk-funded and Approved (BF&A) eBuy2 purchase requests provide a method of funding and approving purchases in advance. BF&A reduces the paperwork and cycle time required for the approval process and simplifies the use of the purchase card, particularly when recurring charges are likely. No additional approval is required in advance of subsequent purchases. The BF&A process is flexible and can be tailored to an office's business needs. This may include bulk funding for an individual supplier, a class/type of suppliers or for a specific commodity during the fiscal year. When bulk funding is utilized, a specific amount is approved in advance on an eBuy2 request. Your BF&A must indicate a specific expiration date (not to exceed the current fiscal year), on which any remaining funds will expire. At that time, you will have to prepare a new BF&A and have it approved before you can make any additional purchases in this manner. The BF&A process also requires maintaining a current balance of declining bulk funding. This can be completed by using a purchase card declining balance log which is located on the Purchased Card Program webpage, or by utilizing the eBuy2 electronic receiving process to maintain a current balance of declining bulk funding (see the eBuy2 Receiving Guide).

### 3-3.2 Receiving Goods and Services: Delivery Documentation

Cardholders must maintain a file to document all purchases. This file must include the following documentation:

- a. Approved eBuy2 Request Reference Number. A properly approved and funded individual request for each purchase or a Bulk-Funded and Approved (BF&A) purchase request.
- b. Charge/Sales and Credit Receipts. The type of documentation will vary by merchant.
- c. Delivery Documentation. This may be delivery tickets or any other evidence of receipt by the Postal Service.
- d. Other Documentation. This may include memoranda of telephone conversations, correspondence from merchants, and notes in support of disputed items.

When cardholders receive the merchandise, they must file the delivery documentation (e.g., delivery ticket or packing slip) with the other related purchase supporting documentation. Delivery documentation for services is

also required. The critical issue is to have supplier/merchant-provided delivery documentation and receipts that shows what was ordered and what was received (for in-person purchases the signed charge receipt is often the only delivery documentation received). When no suitable delivery documentation is provided, obtain an email from the requester or their signature with date of receipt on another suitable document (e.g., the purchase requisition or supplier invoice for services) as clear evidence of delivery to the Postal Service.

### 3-3.3 **Damaged, Defective, Unauthorized or Wrong Goods and Services**

If you receive the wrong item or it is damaged or defective, contact the supplier/merchant immediately and request a replacement, substitution, or credit. If a supplier/merchant refuses to replace the item or credit the account, report the purchase to the bank provider as a dispute. See [5-2.4](#) for details on handling disputes.

### 3-3.4 **Returned Merchandise**

When returning an item for credit, you must obtain a credit receipt. Merchandise returned by mail must be sent by certificate of mailing, insured, or by certified mail. If a merchant refuses to offer a credit, report it to the bank provider as a dispute. See [5-2.4](#) for details on handling disputes.

### 3-3.5 **Verifying Payment Accuracy**

Cardholders' responsibilities for their local buys are not complete until their statement of account has been electronically reconciled and certified. Under the established electronic billing and payment procedures, the bank provider electronically submits a consolidated monthly invoice for all Postal Service cardholder accounts that is paid by the San Mateo Accounting Service Center (ASC).

## 3-4 **Lost or Stolen Purchase Cards and/or Checks**

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### 3-4.1 **Cardholder Responsibilities**

If a purchase card and/or check is lost or stolen, make the following notifications:

- a. Immediately notify the bank provider at 888-994-6722. This number is answered 24 hours a day, 7 days a week. When you contact the bank provider, the following information will be requested:
  - (1) Your complete name.
  - (2) Purchase card account number.
  - (3) Circumstance surrounding the loss of the card and/or check.
  - (4) Date reported to police (if stolen).
  - (5) Any purchases made on the day the card and/or check was lost or stolen.

- (6) Details of the last purchase amount and location.
- b. Notify your CCAO as follows:
- (1) Call within 1 working day after discovering that the card and/or check is missing.
  - (2) Submit a written report/email regarding the lost or stolen card and/or check within 5 working days. In addition to the information provided to the bank provider, this report must also include the date and time the bank was notified, the new account number assigned by the bank, and any other information you feel is pertinent.

### 3-4.2 **When a Lost or Stolen Purchase Card and/or Check Is Found**

If the lost or stolen purchase card and/or check is found, cut the card in half and shred any checks, then send a memo to your CCAO explaining the circumstances. Send a copy of that memo to the PSSC.

### 3-4.3 **Replacement Purchase Card/Check**

Notify the CCAO if you need a replacement purchase card/check due to an incorrectly spelled name, a name change, damaged purchase card or check, or other reasons not associated with the loss or theft of the purchase card. When you receive the replacement purchase card, destroy the old purchase card(s) by cutting the card in half and disposing locally. If purchase checks were issued in coordination with the purchase card account, the cardholder is responsible for shredding all remaining checks locally.

### 3-4.4 **Bank Provider**

The bank provider will mail the cardholder a new purchase card and/or checks with a new account number within 2 working days after lost/stolen notification has been made. To facilitate billing account reconciliation, purchases made prior to the loss date will be automatically billed under the cardholder's new account number.

**Note:** Internal security procedures at the bank provide for the review of suspicious transactions to prevent them from appearing on the next cardholder statement of account. Nevertheless, the cardholder must carefully review his or her statement and report any incorrect billings to the bank provider immediately. It is recommended that all cardholders log in to the bank provider's secured website at least once every week to ensure that their purchase card account has not been compromised.

### 3-4.5 **Postal Service Liability**

The Postal Service is not liable for any unauthorized use of purchase cards and/or checks. Unauthorized use of a purchase card and/or check is their use by a person other than the cardholder, and from which the Postal Service receives no benefit.



# 4 Payment

## 4-1 Payment Hierarchy

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### 4-1.1 **Electronic Funds Transfer with eBuy2 and National/Area Contracts**

Reasons for using eBuy2 are as follows:

- a. eBuy2 is the preferred method for order placement after in-house excess resources have been checked. (It is mandatory for all employees with Blue intranet access to use eBuy2.)
- b. eBuy2 is also the Postal Service's web-based electronic requisitioning and approval workflow that replaced PS Form 7381, *Requisition for Supplies, Services, or Equipment*.
- c. eBuy2 allows users to order online from national mandatory and priority source contracts with:
  - (1) Order status checking.
  - (2) Reconciliation.
  - (3) Reporting.
  - (4) Electronic payment capabilities.
  - (5) eBuy2 also includes the ability to certify utility invoices electronically for payment.

National or area contracts or agreements are available servicewide or to specific geographical areas for headquarters and/or field customer use. Other features include the following:

- a. Electronic payment can be made through either the electronic transfer of funds or with a purchase card account if authorized by the Contracting Officer.
- b. Multiple orders can be placed against these contracts and agreements.
- c. These orders are not considered split purchases regardless of the payment method used as long as they do not exceed the ordering limits in the governing contract or agreement.

### 4-1.2 **Local Payments**

#### 4-1.2.1 **Purchase Card and Purchase Card Checks**

Most local payments are made using the purchase card. In those cases where the purchase card is not accepted, purchase card checks may be

used for payment. Checks are issued only when a local supplier will not accept the purchase card. To obtain purchase card checks, the cardholder must complete the APC Buyer/Caller Checklist and submit it to the Purchasing Shared Service Center (PSSC) for review and approval. Suppliers who will not accept the purchase card for payment must be replaced by suppliers who will accept the purchase card. Send questions about these matters to the PSSC or by phone (877-293-2410).

#### 4-1.2.2 **Cash and No-Fee Money Order Local Payments**

At field units, avoid cash payments. Pay in cash only in an emergency, except for Headquarters' locations with approved imprest funds. Cash for an emergency one-time expense that does not exceed \$25 may be used. No-fee money orders may also be used for emergency one-time expenses, but not to exceed \$1,000 (POS and eMOVES units use Reason Code 029, One-time Local Purchase).

All purchases of goods and services, regardless of payment type, require an approved eBuy2 requisition. Complete PS Form 8231, *Vendor Payment 1099 Reporting Form*, whenever a local payment is made via cash, money order, or purchase card account check for services (not goods) that are 1099-reportable. Forward the completed PS Form 8231 immediately to the Scanning and Imaging Center.

## 4-2 Advance Payment

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Do not make advance payment under local buying authority, except as described in Management Instruction FM-610-2003-1, *Advance Payments*. There are two exceptions where a cardholder may use the EXPENSE credit card to make advance payments (up to the designated single transaction limit):

- a. For training subject to the requirements of *Employee and Labor Relations Manual* (ELM), Chapter 7. Refer to the related FAQ at the Supply Management Purchase Card website on Blue.
- b. Where it is a common trade practice to pay in advance. See Management Instruction FM-610-2003-1, *Advance Payments*, for details. When paying by Purchase card, a properly approved eBuy2 request, or other properly approved purchase request (when required by policy and/or eBuy2 is not available) satisfies the management instruction's approval requirement for advance payments of less than \$25,000.

## 4-3 Exceeding Approved Purchase Request (eBuy2) Funding

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When local buying payments are made based on a properly approved eBuy2 requisition and the final payment amount is within 10% (up to a maximum of \$200) over the original eBuy2 approved/funded amount, an additional eBuy2 request is not required. If the \$200 limit will exceed the final payment amount, a new eBuy2 request for the difference between the original eBuy2 amount and final invoice amount must be processed for approval. The eBuy2 request justification must include the reason for the price difference.

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# 5 Cardholder Reconciliation and CCAO Review and Certification Procedures

## 5-1 Cardholder and Responsibilities of Credit Card Approving Official

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The cardholder and the credit card approving official (CCAO) play an important role in the payment process. On a monthly basis, the cardholder is responsible for electronically reconciling the bank-provided Purchase Card electronic Reconciliation System (PCeRS) statement of account with his or her purchase card documentation. The CCAO is then responsible for reviewing the cardholder's transactions and determining whether to final approve or reject each transaction in PCeRS. The CCAO is also responsible for approving his or her electronic monthly managing account statement. Cardholders and CCAOs are responsible for completing all required PCeRS activities no later than the 18th of the current month for the previous month's card activity. Certification is critical considering that the San Mateo Accounting Service Center (ASC) automatically pays the bank provider the total amount invoiced before any certification is made by the cardholder or CCAO. If the certification is not completed, billing errors may go undetected, the cardholder's finance number may be charged for goods and services not received, and the bank may be overpaid.

## 5-2 Bank Provider's Consolidated Invoice and Notifications

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### 5-2.1 Single Invoice

The bank provider pays suppliers/merchants within 3 business days after each charge transaction. After the close of each billing cycle, the bank provider consolidates all Postal Service purchase card transactions and sends one electronic invoice to the San Mateo ASC. This invoice contains a record of all Postal cardholders' transactions by finance number and purchase card account number.

### 5-2.2 **CCAO Monthly Managing Account Statement Notification**

After the close of the billing cycle, the bank provider automatically sends an email to CCAOs notifying them that their monthly managing account statement is ready for their review, final approval, and certification of the individual transactions made by each cardholder assigned to that CCAO. The monthly managing account statement covers only their assigned cardholders who had purchase activity in the billing cycle. If there is no cardholder activity in the billing cycle, the CCAO will not receive an automated email from the bank provider. The bank provider automatically reconciles the cardholder's monthly zero balance account and no action is required by the CCAO.

### 5-2.3 **Cardholder Statement of Account Notification**

After the close of the billing cycle, the bank provider automatically sends cardholders an email notifying them that their statement of account reflecting their transactions (debit or credit) for the monthly billing cycle is available and they must now reconcile their account activity. If there is no cardholder activity for the billing cycle, the cardholder will not receive an automated email from the bank provider. The bank provider automatically reconciles the cardholder's monthly zero balance account and no action is required by the cardholder.

### 5-2.4 **Disputed Transaction Status Report Notification**

The bank provider may also send a hardcopy disputed transaction status report to a cardholder. This report is generated after the close of the billing cycle and lists all outstanding disputes by cardholder account number, name, transaction reference number, dispute reason, and amount. The report also lists recently resolved disputes along with the resolution date and the status of the resolution.

### 5-2.5 **Other Bank Provider Management Reports**

A variety of reports are available through the bank provider's secured website. Additional information about these reports can be obtained by contacting the Purchasing Shared Service Center (PSSC) at 877-293-2410.

### 5-2.6 **Billing Cycle Date**

The purchase card billing cycle closing date is the 18th of the month. The bank provider generates the cardholder electronic statement of account, the electronic CCAO monthly managing account statement, and the single Postal Service invoice covering all charges processed on/after the 19th of the previous month, through the 18th of the current month.

**Note:** Email notifications concerning available electronic statements of accounts are sent on the 19th of the month, or the previous business day if the 19th falls on a weekend or holiday. As of August 2013, the bank provider no longer sends hardcopy monthly statements to cardholders and CCAOs. It is the responsibility of the cardholder and the CCAO to

review their monthly statement of accounts online.

## 5-3 San Mateo ASC Payment and Data Access

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### 5-3.1 **Payment**

San Mateo ASC is responsible for making timely payments to the bank provider.

### 5-3.2 **Purchase Card Payment Data Access**

After payment is processed to the bank, purchase card charges/payments are posted in the Accounting Data Mart (ADM), with access available via the ADM/Shared Reports/Accounts Payable/Purchase Card (request access through eAccess). For more information, visit the Finance/Accounting website on Blue to access purchase card ADM reports.

### 5-3.3 **Online Access to Bank Provider Master File**

In order to assist with correcting invalid finance or general ledger account numbers prior to payment, the ASC has online access to the bank provider's electronic access system. Before making corrections, the accuracy of the updated master accounting code is verified by the ASC or the bank provider with the SMI APC.

## 5-4 Reconciliation Procedures

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### 5-4.1 **Reconciliation Process Cycle Time**

Cardholders and CCAOs must complete all required PCeRS activities no later than the 18th of the month for the previous month's card activity. For example, all reconciliation activities for statements issued with a closing date of October 18th must be completed no later than the 18th of the following month (in this example, November 18th).

#### 5-4.1.1 **Guidelines to Ensure Timely Processing**

The purchase card billing cycle closing date is the 18th of the month. The bank provider sends each cardholder that had transactions (debit or credit) an automated email notifying them that their electronic statement of account is available. The statement includes all transactions processed on or after the 19th of the previous month, up to the 18th of the current month.

#### 5-4.1.2 **Approval and Certification**

The cardholder must then electronically approve their pending transactions and electronically certify their reconciliation in PCeRS (suggested within 3 to 5 working days upon bank email notification). The CCAO must then complete the required electronic review, final approval/rejection function, and certification in PCeRS. A CCAO account will be suspended after 90 days if the required electronic review, final approval and certification activities have

not been completed in PCeRS. A CCAO account suspension will result in the denial of all cardholder purchase card use under that CCAO account until both the past due reconciliation/certification activities, and the purchase card refresher training have been completed (see [2-8.1](#)). When a CCAO account is suspended, the CCAO must contact the PSSC to reactivate their CCAO account. A suspended CCAO account is reactivated one business day after the CCAO verification process has been confirmed by the APC in the PSSC.

#### 5-4.2 **Cardholder Procedures**

Cardholder electronic reconciliation is required to ensure the accuracy of the statement and to identify any potential billing discrepancies. As a cardholder, you are responsible for timely monthly reconciliation of the bank-provided electronic statement of account in PCeRS. After the close of the billing cycle, the bank provider will send you an automated email notifying you that your statement of account is available. Cardholders must:

- a. Log into PCeRS with your user identification and password.
- b. Review all transactions for accuracy.
- c. Approve transactions in PCeRS with the purchase card documentation for that billing cycle.
- d. Electronically dispute questioned items if applicable.
- e. Certify completion of the reconciliation by selecting the “Agree” button in the Card Account Statement Confirmation section.
- f. Cardholder’s approved statement is automatically available to the responsible CCAO for review, final approval and CCAO certification.

##### 5-4.2.1 **Cardholder’s Disputed Transactions**

Log into the bank provider’s secured website; select the purchase card transaction that you would like to dispute. Cardholders have 60 days from the date the transaction was posted to the account to dispute a transaction. Select a dispute reason from the bank’s list. Depending on your selection, you may be required to submit additional documentation to the bank provider’s dispute department; and depending on the type of dispute you selected, you may be required to print, sign, and mail or fax other documentation to the bank provider’s dispute department. An address prompt (pop-up window) will be provided by the bank provider and will instruct cardholders where to send the additional documentation. Disputes on sales tax and shipping/handling charges may not be reported under the bank dispute process. They must be resolved with the supplier/merchant.

**Note:** After a cardholder electronically disputes a transaction, the cardholder must still approve the transaction in order to complete the cardholder electronic reconciliation activities. It is highly recommended that the cardholder inserts notes/comment in the comments tab describing why the transaction was disputed.



**5-4.2.2 Disputes That Cannot Be Resolved**

If you cannot resolve a dispute, ask your CCAO or contact the PSSC for assistance. Your SMI APC in the PSSC has online access to the status of disputed transactions via the bank's electronic accounting system.

**5-4.2.3 Multiple Accounts**

If you have more than one purchase card account, the bank provider will email separate statement notifications after the close of the billing cycle for each account.

**5-4.2.4 Electronic Statement not eMailed to Cardholders**

If you made no purchases during a billing cycle, you will not receive an automated email notification from the bank provider unless payment or adjustments for previously billed transactions are processed during that billing cycle. If you made purchases during a billing cycle and you do not receive an automated email notification, contact US Bank Customer Service at 888-994-6722.

**5-4.2.5 Statement of Account Overview**

The cardholder's statement of account will contain both the cardholder and CCAO name, billing address, and account information. The billing address will reflect Finance at Headquarters and is the same for every Postal statement considering payment is made through one consolidated electronic monthly invoice. Transaction details provided by the merchant/supplier will be included along with total amount of transactions for the billing cycle.

**5-4.2.6 Incorrect Statement of Account Information**

If the cardholder's statement of account contains incorrect account information, including your finance number, notify the PSSC. You must reconcile the statement just as you would if it had the correct account information. The statement you receive at the following billing cycle should have your corrected information.

**5-4.2.7 Notification from the Bank Provider**

The bank provider's dispute department will mail a hardcopy dispute resolution decision to the cardholder when the dispute has been approved or rejected. If the dispute is rejected by the bank provider, the purchase cardholder must contact the bank provider's Customer Service Department for further instructions.

**5-4.2.8 Credit on Statement of Account**

Once all necessary information (including supporting documentation from the supplier/merchant, when applicable) is received by the bank provider, if a chargeback is warranted, a credit will appear on your electronic statement of account, and the amount of the chargeback will be included in that month's balance.

**5-4.2.9 Cardholder Documentation Retention Period**

Retain all supporting purchase documentation for 3 years from the date of each statement. If your cardholder account is canceled, turn this documentation over to your CCAO.

**Note:** Cardholder monthly bank statements are available for 18 months online. A cardholder may request a copy of a monthly bank statement that is older than 18 months by contacting U.S. Bank Customer Service at 888-994-6722.

**5-4.3 Credit Card Approving Official Procedures**

As the CCAO, you must perform the tasks discussed in [2-6.6](#) to ensure that all cardholder's transactions have been transacted for goods/services that are consistent with purchase card policy requirements, and as such are neither prohibited nor restricted (see [1-15](#)). The CCAO must final approve or reject all cardholder's transactions in the bank provider's secured website.

**5-4.3.1 Purchase Verification and Cardholder Transaction Review**

CCAOs are responsible for reviewing all of the cardholder's monthly transactions in the bank provider's secure website and for ensuring that the cardholder completed their required monthly electronic reconciliation. The CCAO may request supporting documentation from the cardholder at any time to verify the accuracy of each cardholder's transaction and to ensure that the cardholder's charges were transacted for goods/services that are consistent with purchase card policy requirements, and as such are neither prohibited nor restricted (see [1-15](#)).

**5-4.3.2 Questionable Purchases**

If a cardholder's purchase is questionable for any reason, the CCAO must discuss the purchase with the cardholder. If the cardholder cannot demonstrate through supporting documentation that the purchase was authorized and for official use, the CCAO must notify the Office of Inspector General (OIG) at 888-877-7644 or at [hotline@usps.gov](mailto:hotline@usps.gov) and take other appropriate action as may be warranted. Contact the PSSC for guidance. Depending on the severity of the infraction, it may warrant disciplinary action, immediate cancellation of the purchase card account, repayment of the purchase, or all three.

**5-4.3.3 Intentional Credit Card Misuse**

Within 2 working days of notifying the OIG of a cardholder's intentional misuse of the credit card, the CCAO must send a brief written report to SMI Purchase Card Team in the PSSC. Provide an explanation of the misuse, the date you notified the Office of Inspector General, and any administrative actions that have been taken or are contemplated.

**5-4.3.4 CCAO Documentation Retention Period**

CCAOs retain an electronic copy of the monthly managing account billing statement for 3 years from the date of each statement. When applicable, CCAOs are responsible for retaining closed cardholder supporting documentation locally for 3 years (see [5-4.2.4](#)).

**Note:** CCAO monthly bank statements are available for 18 months online. A CCAO may request a copy of a monthly bank statement that is older than 18 months by contacting U.S. Bank Customer Service at 888-994-6722.

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