

NIH Purchase Card Frequently Asked Questions (FAQs)

Q: What documents need to be in the monthly acquisition file?

A: A printed copy of the NBS NIH Purchase Card Report after the reconciliation has been completed for the month. This monthly report should include a section of matched (i.e. reconciled) transactions and a second section for unmatched transactions. Also, required in the monthly files are: original supporting documentation received from the vendor and/or cardholder, e.g. charge slips, credit slips, packing slips, cash register receipts, etc.; a copy of all require clearances in accordance with NIH Manual 26307-3/6307-3; special clearance and other acquisition procedures; a copy of all additional forms required by IC procedures; "I.M.P.A.C. Cardholder Statement of Questioned Item" form, if applicable.

Q: How should I be maintaining my monthly purchase card files?

A: Monthly purchase card files are to be maintained by MATCHED DATE. Prior to NBS' implementation the CHs were required to file by purchase date, but that policy has changed, and now CHs are required to file by matched date. For example, if a CH's March 2008 NBS NIH Purchase Card Report lists 12 matched transactions for that month, the supporting documentation for those 12 purchases should be in the March 2008 file.

Q: "Sometimes I can't get a copy of a Packing Slip or Invoice from the purchase requestor/vendor. What should I do?"

A: Thoroughly document your attempts to track documentation down (date, time, who you spoke with, etc.) and attach this information into your monthly acquisition file to justify why this information is missing.

Q: Is it better to contact the P-Card Program via email or the Help Line? Should we be keeping a copy of responses we've received, handwritten or copies of emails, to verify the information we were given? How fast is the typical response time?

A: Depending on how quickly the response is needed, it would be better to email the P-Card Program at creditcard@od.nih.gov, or in the Global Address List as *Help, Creditcard*. Any policy issues that the helpline has given you should be included in the monthly acquisition file. The average response time is 24-48 hours.

Q: I have Convenience checks and never use them. What is the correct procedure for returning them to the P-Card Program?

A: The checks must be destroyed by the cardholder and/or the Card Approving Official. In addition, the NIH Purchase Card Program must be notified that the checks have been destroyed and should be cancelled with US Bank. The notification must be sent via email to creditcard@od.nih.gov.

Q: What training am I responsible for taking as a cardholder and CAO?

A: As a new cardholder and/or CAO you must complete the purchase card classroom training, online refresher training, green purchasing training, and Section 508 training. The purchase card classroom training and 508 training only needs to be completed once by cardholders and CAOs, but the refresher, and green purchasing must be successfully completed once a year.

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Q: "How should I properly document receiving information?"

A: When the items are received, record the receiving information (date and signature of the individual accepting the supplies or services) on the shipping document and/or the monthly Purchase Log.

Q: What are the dates that the reconciliation should be completed by? What happens to my card if we can't get them done on time?

A: The cardholder must complete reconciliation by the 13th. The CAO must reconcile the cardholder's purchases monthly by the 18th of each month. (If these dates fall on a Holiday or a Weekend, the due date is the next business day.) Failure to do so will result in the cardholder's account being suspended. If an extension is needed, email the helpdesk at creditcard@od.nih.gov or in the Global Address List at *Help, Creditcard*.

Q: What are the timeframes for logging purchases?

A: Purchases made on the P-Card should be logged within the week of purchase.

Q: Why does there need to be documentation of mandatory sources? I know that most of the items I buy aren't available from NIH Stock.

A: Mandatory or Priority sources are areas required by statute to acquire supplies and services from when available. Sources such as NIH inventories, other government agencies excess personal property, Federal Prison Industries (UNICOR) GSA, etc, must be checked first to see if the need may be satisfied. The buyer may then purchase the item commercially if the aforementioned sources are not able to meet the need.

Q: "What should I do when a vendor charges sales tax?"

A: If taxes or surcharges are added to a government purchase, the cardholder should ask the merchant to remove the tax or surcharge and, if requested to provide documentation or a tax exempt number. The cardholder should provide the merchant with the OPDIV's employer identification number (EIN) or a copy of the state's tax exempt letter <http://www.gsa.gov/>. If the merchant refuses to remove the tax, and the cardholder and AO are unable to resolve the matter, the cardholder should attempt to locate another merchant that does not add tax to the purchase price. If no other merchant is available, the cardholder may make the purchase from the original merchant, and document the file that an attempt was made to have the tax removed.

Q: "What is the required NAICS code information and how should I document it?"

A: NAICS Code lookups: <http://epic.od.nih.gov/naics/index.asp>; <http://www.arnet.gov/far/>. There are two parts to the NAICS Code documentation requirement: 1) the 5 digit NAICS code; and 2) the business size standard (size standards by either the dollar amount or by the number of employees that a business may not exceed to qualify as a small business). For purchases over the micro-purchase threshold, CHs should document the Code and the Business Size Standard on the form provided under FAR 52.219, http://www.arnet.gov/far/current/html/52_217_221.html, or note this information on the purchase request form.

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Q: Why is it prohibited to fax credit card information to a vendor? Are there any exceptions to the rule?

A: Visa requirements state that faxing a copy of the card or faxing the card number is prohibited.

Q: How do I know if my purchase transactions are considered split purchases?

A: The following examples illustrate several cases.

Situation Assume cardholder has a \$3,000 single purchase limit	Determination	Rationale
Cardholder receives a requirement for an item costing \$2,000 today and makes the purchase. Later in the day, the cardholder receives another requirement for the same item. The cardholder was not aware of the second requirement at the time the first purchase was made.	Not a split purchase	The cardholder was not aware of the second requirement when the first purchase was made. Had the cardholder received both requisitions at the same time, the proper action would have been to consolidate the requirements, and forward to the contracting office if the cost exceeded the cardholder's single purchase limit.
Cardholder receives a request for multiple items. The total exceeds \$3,000, but not all items are available from a single vendor. When making the purchases from each vendor, the individual purchases will not exceed \$3,000. The cardholder makes the purchases from different vendors.	Not a split purchase	Although the single requirement exceeded the cardholder's limit, the cardholder could not obtain all of the items from the same vendor. There was no intent on the part of the cardholder to split the purchase just to avoid the single purchase limit, therefore, this is not considered a split purchase.
The cardholder has a requirement to have three office areas painted. Each area will cost \$2,000. The cardholder decides to issue three separate purchases for the work.	Split purchase	The cardholder split the purchase requirement, which totaled \$6,000, into three smaller purchases solely for the purpose of allowing the purchases to be made under the cardholder's purchase limit. The proper course of action would have been to forward the requirement to the contracting office for purchase.
Cardholder receives a requirement for five identical products, each costing \$1,000 and available from the same vendor, but needing delivery to five different locations. Cardholder elects to make five separate purchases.	Split purchase	The shipping destination alone is not a valid reason to split a requirement into multiple purchases. The proper course of action would have been to consolidate the requirements and forward to the contracting office for purchase.
Cardholder has a requirement for two products, each of which is available from the same vendor. The total cost will be \$4,000. However, the cardholder knows that one of the items can be obtained from another vendor at substantially less cost. If the cardholder purchases from two vendors, the total cost will be \$3,000.	Not a split purchase	The cardholder made a good business decision by using two vendors instead of one, saving \$1,000. Because the cardholder had no intent to split the purchase just to avoid the single purchase limit, this is not considered a split purchase.

Cardholders who are unsure whether they have a split purchase should contact their CAO for additional guidance.

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Q: What purchases are considered Personal Appeal items? And why is a justification needed if it's under \$3k on those purchases?

A: Personal appeal items are those items which can be used for official duties as well as for personal use. When buying such items: (a) type a short justification on the ordering form which will demonstrate that this item is needed for a legitimate NIH purpose, and (b) have the responsible approving official sign the ordering form authorizing the purchase. The following are some examples of personal appeal items that have legitimate NIH use: adding machines; calculators; typewriters; Brief cases (attaché and similar type items); cameras and accessories; hair dryers; radios; thermos; carafes, etc.

Q: Why are AutoPay and EasyPay considered an unauthorized purchase, when it's being paid directly to the vendor? This item is not stated on the Unauthorized List, so it was not clear that it could not be done.

A: Technically, when paying a merchant through a third-party processor, the buyer is actually completing the transaction with the processor, not the merchant. The name of the processor will appear on the monthly statement of account instead of the merchant.

HHS policy prohibits using the Government purchase card to pay merchants through a third-party processor because of the greater risk of abuse, issues involving disputed transactions, and difficulty identifying and reconciling transactions. There are two exceptions to this prohibition:

- *No other merchants can supply the product or service or meet delivery, quantity, or quality requirements, and the merchant in question will accept payment only through the third-party processor.* In this case, the cardholder may use the card to purchase the product or service but must document the purchase file with the name of the merchant, the name of the third-party processor, the amount of the transaction, and a brief statement explaining why it was necessary to purchase the product or service from that merchant.
- The cardholder used the card to purchase from a merchant but was unaware that the merchant was using a third-party credit card processor. In this case, the cardholder may not know that a third-party processor was used until he or she receives the bank statement. It may be difficult to reconcile the purchases because the transaction may appear under the name of the third-party processor instead of the merchant name. Before contacting the bank to dispute a transaction that, on the surface, may appear to be invalid, the cardholder should attempt to match the purchase amount on the bank statement with the purchase log and records, contacting the merchant if necessary to confirm whether it uses a third-party processor.

The cardholder should document the purchase file and send an informational e-mail to the A/OPC indicating the names of the merchant and third-party processor. A/OPCs must keep a list of merchants using third-party processors and periodically advise their cardholders to avoid these merchants if possible.

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Q: How should warranties and protection plans be purchased, when it can't be done on the P-card? This item is not stated on the Unauthorized List, so it was not clear that it could not be done.

A: Cardholders may use the purchase card to pay for maintenance agreements if all of the following conditions are met:

- The annual cost of the agreement does not exceed the cardholders single purchase limit.
- The company will accept monthly and/or bi monthly payments.
- The card will not be used to pay for services that have not been rendered.

All three of the above mentioned conditions must be met in order to use the purchase card to pay for maintenance/service agreements. If the cardholder is unable to meet all three conditions, they may not use the purchase card and the requirement must be submitted to your contracts office.

NOTE: NIH does not allow the purchase card to be used as a payment mechanism against an established Indefinite Delivery Indefinite Quantity (IDIQ) Contract.

Q: Why should subscriptions be in the office's name?

A: NIH does not pay for individual subscriptions. Subscriptions and memberships in organizations or clubs in the name of or for an individual are not authorized. However, if it is in the name of an NIH organizational component (i.e., Director, Division of Acquisition Programs; Assistance and Review Branch; etc.), then it is permissible.

Q: What kind of property needs to be entered into the property system?

A: Any type of equipment or property must be reported to the IC property custodian. HHS and NIH defines accountable personal property as items classified as capital or non-capital, non-expendable property (two years or longer expected life), with an acquisition cost of \$25,000 or greater and items classified as sensitive, regardless of acquisition value. Sensitive items require special control or are subject to unusual rates of loss, theft, or misuse. (The NIH Property Management Officer maintains the Sensitive Property List. Please refer to the Personal Property Management Guide - NIH Manual Chapter 26101-25-2 for list of sensitive items as well as the time frame required for their submission for inclusion into the NIH Property Data Base.) Cardholders are required to print a copy of the completed property screen for their files.