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# GSA SmartPay Purchase Training (Account Holders/ AOs)

Welcome to the GSA SmartPay Purchase Training for Account Holders and Approving Officials (AOs). This training course is intended to teach you the basics about your roles and responsibilities as an Account Holder/ AO and can be used as refresher training as required by your agency. We encourage you to also learn about your agency's specific purchase program requirements and policies.

To print or save the training, please follow the following steps:

1. Click below on the "Download Purchase Training for Account Holders/ AOs PDF" link.
2. Select "Ctrl P" or Print from the menu on your web browser.
3. Select a printer name to print OR select "Adobe PDF" from the dropdown menu to save a copy to your computer.

[Download Purchase Training for Account Holders/ AOs PDF](#) <sup>[1]</sup>

## Section 508 Compliance

Section 508 of the Rehabilitation Act requires that Federal agencies' purchase electronic and information technology that is accessible to people with disabilities. Visit <http://www.section508.gov> <sup>[2]</sup> for more information.

## Purchase Program Overview

## **What is the GSA SmartPay Program?**

The GSA SmartPay Program is the largest government charge card and related payment solutions program in the world. The Program has more than three million Purchase, Travel, Fleet, and Integrated accounts and supports more than 560 agencies/organizations. Since the award of the inaugural GSA SmartPay Master Contract in 1998, the GSA SmartPay Program has provided convenient, efficient, and effective payment solutions for the Federal Government, Tribes and Tribal Organizations with a comprehensive portfolio of payment solutions including Purchase, Travel, Fleet, and Integrated charge card services.

Specific to purchase, the GSA SmartPay program:

- Provides commercial payment solutions and associated services in support of official government purchases;
- Streamlines ordering, payment and procurement procedures;
- Reduces administrative costs under the simplified acquisition threshold;
- Improves government operations by simplifying the financial process; and
- Allows a platform to improve government operations and accountability.

Through a master contract with multiple banks, the GSA SmartPay program enables agencies/ organizations across the Federal Government to obtain payment solutions to support mission needs. The GSA SmartPay Master Contract, administered by GSA, is a fixed price, indefinite delivery/ indefinite quantity (ID/IQ) type contract. The maximum base period for the initial order is four years with three, three-year options.

To participate in the program, Agencies/ Organizations issue a task order under the GSA SmartPay Master Contract and award their program to one of the GSA SmartPay contractor banks (Citibank or U.S. Bank). Your agency/organization receives accounts and related services through the task order with the contractor bank selected. The task order enables your agency/organization to directly work with one of the two GSA SmartPay contractor banks that provide purchase account services. Through the task order, A/OPCs set up accounts for account holders, manage accounts using the bank's Electronic Access System (EAS), and resolve issues or questions by working directly with a bank representative.

To become a GSA SmartPay Purchase Account holder, your personal credit history is not a criterion for receiving a purchase account. In addition, use of the purchase account will not affect your personal credit history. Any government employee authorized to use the GSA SmartPay program who has a responsibility to make purchases and completes the necessary training is eligible to become an account holder. Account holders are either appointed by their Agency/Organization Program Coordinator (A/OPC) or designated by an Approving Official (AO).

## **What are the Benefits to using the GSA SmartPay Master Contract for obtaining payment services?**

The GSA SmartPay Program has continued to grow through increased adoption as

agencies/organizations realize benefits afforded under the program.

Utilizing the GSA SmartPay Master Contract means

- A faster contract acquisition process and reduced risk of protest, as compared with a full and open competitive procurement
- Favorable negotiating platform and contract terms
- Awards to contractor banks based on a competitive bidding process
- Established relationships with contract banks
- A broad range of flexible products and services for agencies/organizations as well as, the flexibility to add products and services
- Ongoing support for your agency/organizations

Other Benefits include:

- **Universal Acceptance:** Because GSA SmartPay accounts are either VISA or MasterCard brands, they can be used at any merchant that already accepts these types of payment.
- **Refunds:** Agencies receive monetary payments provided by the contractor based on the dollar or spend volume during a specified time period, which result in millions of dollars back per year for the agency.
- **Electronic Access to Data:** The GSA SmartPay contractor banks all provide an Electronic Access Systems (EAS), which provides account access and a variety of reports for A/OPCs to assist in the effective management of the program.

## Specific to the GSA SmartPay Purchase Account

Use of the purchase account benefits the Government in many ways:

- The GSA SmartPay accounts save the Government time, money and resources.
- The GSA SmartPay purchase program provides the Government with financial and cash management control over low dollar value high volume procurements and can serve as a payment tool for larger transactions consistent with agency policy.
- The Government saves money by making only one payment to the contractor bank rather than thousands of payments to individual merchants.
- The Government improves the use of its resources by freeing up contracting personnel so they are able to focus on more complex activities that derive greater benefit from their expertise.
- Merchants throughout the world accept the GSA SmartPay purchase account because they are familiar with commercial credit cards and they understand how to accept them.

As an account holder, you will have the flexibility to decide what to purchase, when to buy it, and from whom. You will also be able to monitor funds yourself.

The GSA SmartPay Account also benefits merchants because they are paid quickly for the supplies and services they provide.

# What is a GSA SmartPay Purchase Account?

A purchase account is a type of payment solution, issued by a GSA SmartPay contractor bank, and used to pay for supplies or services procured at the direction of a Federal agency/ organization under official purchase authority. Purchase accounts may be established through any payment solution listed in the GSA SmartPay master contract.

The GSA SmartPay purchase program is the preferred method of payment for federal employees to make official Government purchases for supplies, goods, and services under the micro-purchase threshold.

- The GSA SmartPay purchase accounts are both a procurement and payment mechanism for micro-purchases.
- For purchases above the micro-purchase threshold, the GSA SmartPay purchase account may be used as an ordering and payment mechanism, but not a contracting mechanism.

Account holders can purchase any commercially available supply or service within their spending limits and not prohibited by either federal or agency-specific procurement regulations.

Purchases that are STRICTLY PROHIBITED include:

- Long-term rental or lease of land or buildings
- Travel or travel-related expenses (not including conference rooms, meeting spaces, and local transportation services)
- Cash advances (unless permitted by your agency/ organization)

# What is a Centrally Billed Account vs an Individually Billed Account? Why is it important to know the difference?

Because the agency is invoiced for purchases and payments are made directly to the contractor banks by the Federal Government, all purchase accounts are considered **Centrally Billed Accounts (CBAs)**. In contrast, **Individually Billed Accounts (IBAs)** are invoiced directly to the account holder and payment is the responsibility of the account holder, who is then reimbursed by the agency/ organization.

The distinction between CBA and IBA is important when determining state tax exemption.

**All GSA SmartPay CBAs should be exempt from state taxes.** In addition, with a CBA, the Federal Government accepts liability for charges made by an authorized account holder, but is not liable for any unauthorized use. Unauthorized use means the use of an account by a person, other than the account holder, who does not have actual, implied or apparent authority for such use and from which the account holder receives no benefit. When the CBA has been used by an authorized account holder to make an unauthorized purchase, the Government is liable for the charge and the agency is responsible for taking appropriate action against the account holder.

# Key Program Participants

Numerous individuals and offices are involved in the administration of the GSA SmartPay program. Each program participant has unique roles and responsibilities within the program.

## Who are the key program participants in the GSA SmartPay program within my agency/ organization?

**Approving Official (AO)** - The individual (typically a supervisor) responsible for ensuring an account is used properly by the agency/organization. The AO authorizes account holder purchases (for official use only) and ensures that the statements are reconciled and submitted to the Designated Billing Office (DBO) in a timely manner. The AO also makes sure that purchases are necessary for accomplishing the mission of the agency.

**Agency/ Organization Program Coordinator (A/OPC)** - A/OPCs are responsible for the overall management and oversight of the accounts under their span of control. Generally speaking, their responsibilities include:

- Setting up accounts and designating authorization controls;
- Serving as a liaison between account holders and the contractor bank;
- Providing ongoing advice and assistance to account holders;
- Auditing purchase accounts as required by your agency policy; and
- Using the bank's Electronic Access System to perform account management and oversight.

**Account Holder** - The account holder, or also known as cardholder, is the individual or agency/organization component designated by an agency/organization to receive an account to purchase supplies and services for Government use. The account holder is responsible for:

- Securing the account;
- Maintaining records relating to all transactions;
- Using the account ethically and appropriately;
- Performing market research;
- Observing all dollar limits on purchases;
- Complying with green purchasing requirements; and
- Reconciling and documenting transactions.

You, as the account holder are the Government's legal agent for each purchase made with the purchase account, thus legally responsible and accountable for each transaction. You are responsible for complying with all applicable regulations and procedures of your agency.

**Designated Billing Office (DBO)** - The DBO generally serves as the focal point for receipt of official centrally billed invoices. The DBO also serves as the liaison between the agency/organization, the A/OPC and the Centrally Billed Account (CBA) account holder. The

DBO oversees the proper processing of invoices and ensures invoices are paid within the Prompt Payment Act timeframes. Responsibilities include:

- Reconciling invoices;
- Providing feedback to the A/OPC on contractor bank performance;
- Determining whether to pursue faster payment of official invoices in order to take advantage of productivity refunds;
- Providing timely payment to the contractor bank;
- Providing proper interest penalties for payments that exceed Prompt Payment Act timeframes; and
- Making certain that the agency/organization's task order is adequately funded.

**Transaction Dispute Officer (TDO)** - The TDO is an individual or office that may be designated by the ordering agency/organization to assist the agency/organization and the contractor bank in tracking and resolving disputed transactions. The TDO oversees the proper processing of transaction disputes and works with the contractor bank to assure a resolution.

**EC/EDI Office (EO)** - The EO is the focal point for electronic commerce/electronic data interchange (EC/EDI) for the agency/organization. This office also serves as the liaison between the A/OPC, EC/EDI systems staff and the contractor bank. The EO oversees the proper implementation of the agency/organization EC/EDI capabilities and processes.

## **Who are the key program participants in the program that are outside of my agency/ organization?**

There are four key program participants in the GSA SmartPay program that exist outside of your agency/ organization: (1) the contractor bank, (2) the brand, (3) the merchant community, and (4) the GSA Contracting Officer.

**The Contractor Bank's** major duties are:

- Paying merchants for purchase account transactions;
- Establishing accounts;
- Issuing accounts;
- Creating and maintaining an Electronic Access System (EAS) for agencies/ organizations to utilize in managing the program;
- Preparing monthly statements for each account holder;
- Issuing invoices to the DBO for Centrally Billed Accounts (CBA);
- Providing customer service 24/7;
- Preparing reports;
- Participating in an annual training forum, sponsored by GSA, that provides hands-on training on the EAS, sharing best practices and addressing any issues and concerns; and
- Complying with all other terms and conditions of the GSA SmartPay Master Contract.

**The GSA SmartPay Brands** are financial institutions that dictate where payments can be processed and facilitate the payment process between account holders, cardholders, merchants, and issuing financial institutions (for example Visa and MasterCard).

**Merchants** are the source of the supplies and services that the account holder obtains to fulfill your agency/organization's mission using the GSA SmartPay purchase account.

The **GSA Contracting Officer** administers the GSA SmartPay Master Contract on behalf of all authorized users, including your agency/organization. The GSA Contracting Officer is the only person authorized to:

- Make any changes to any of the requirements of the GSA SmartPay Master Contract;
- Legally commit or obligate the Government to the expenditure of public funds for the GSA SmartPay Master Contract; and
- Render a final decision on a dispute pertaining to the GSA SmartPay Master Contract.

## Before Using Your Purchase Account

You have just been selected to become a GSA SmartPay purchase account holder. The agency/organization program coordinator (A/OPC) for your organization will be the one who sets up your account with the contractor bank and assists you with any specific questions about your account or agency specific policy.

New applicants should receive their GSA SmartPay purchase account from the contractor bank within 10-14 calendar days from the time the application is submitted by your A/OPC. Replacements for lost, stolen, broken, or otherwise unusable cards will be sent within 48 hours of the agency/organization request. In the case of an emergency, such as response to a natural disaster, threat to national security and military mobilization, the contractor bank will send the GSA Smartpay purchase account within 24 hours of the request.

**Your GSA SmartPay Purchase Account is issued to YOU for official government business ONLY.** The purchase account can **NEVER** be used for personal reasons. Do not share your account information with anyone - only you are authorized to use the account. This means that no family member or member of your staff, including your supervisor, may use your purchase account. Safeguard your purchase account information at all times. Unauthorized use of the account due to your failure to secure the account may result in disciplinary action.

## Verifying Your Account

After receipt of your account the following steps should be taken:

1. Verify the accuracy of the account information (for example, your name and address).
2. Call the toll-free number provided by the contractor bank to confirm receipt and activate the

account.

3. If you are given a physical card, sign the back of the card.
4. Review the account holder guide provided by the contractor bank.

## Tips for Planning Your Monthly Purchases

As a purchase account holder, it is important to carefully plan your monthly purchases. For example:

- Decide which items are best handled using your purchase account and when is the best time to purchase those items.
- Combine requirements in order to qualify for volume discounts (as long as you remain within the authorized per transaction and monthly spending limits).
- Make small-scale purchases to avoid wasteful stockpiling.
- Purchase items in order of priority, where higher priority items are purchased before lower priority items.

*Note: Many agencies require account holders to obtain management approval before each purchase, double check your agency policy and plan time for the approval process. Tools to help you request and track approvals are available on the GSA SmartPay website under Resources > [For Approving Officials](#) <sup>[3]</sup>*

## Ensure Availability of Funds

Establish the amount of available funds BEFORE making any purchases. Some agencies require account holders to verify the amount of available funds before each purchase.

Also, track purchases throughout the month to ensure that there remains sufficient funds available to make all required purchases. Using a system to record purchases and dollar amounts committed can be very helpful in tracking. It will allow you to know at a glance the amount of your unobligated funds or certified fund availability.

## Conduct Market Research

Market research allows you to make an informed, responsible and reasonable purchase. Do enough market research to ensure that the Government gets the best value for its money in terms of a reasonable price and timely, reliable, quality service. Each purchase should represent the best value that meets the Government's minimum requirements.

Use the [Green Procurement Compilation](#) <sup>[4]</sup> (GPC), a comprehensive green purchasing resource designed for federal contracting personnel and program managers, to identify environmental attributes applicable to your purchase, such as energy efficiency or recycled content. The GPC also identifies GSA Sources (Multiple Award Schedules (MAS) or GSA Global Supply) and links to the GSA Advantage website.

**Who can assist with your market research?** Your contracting activity can provide information



on required sources of supply, existing contracts, good merchants and support in many other areas.

In addition, compare prices and check with your contracting activity to see if there are existing contracts that offer a good price, service, and quality. These existing contracts have been negotiated at your agency or by other agencies and can sometimes offer advantages and money savings.

## Select the Best Value

When making micro-purchases, identify the supply or service that best satisfies the requirement, weighing both price factors and non-price factors. For example, you can purchase a higher priced item if it represents a better value. It is your responsibility as the account holder to perform basic comparison-shopping and to briefly document the basis for your purchase decisions.

- Check the vendor's schedule price list at [GSA eLibrary](#). [5]
- Check the [Green Procurement Compilation](#) [4] for life cycle cost information, especially for energy using products.

## Seek State Tax Exemption

Each state handles tax exemption a little differently. Be sure to visit the [GSA SmartPay Website](#) [6] to find out more about requirements in your state. Centrally Billed Accounts (CBAs) are exempt from state taxes in EVERY state but there may be special requirements or required forms in order to obtain state tax exemption in some states.

## Talk to Merchants

Create a checklist when talking to merchants and be as specific as possible. Ask about:

- Price
- Shipping costs
- Time of delivery
- Discounts for Government purchases
- Merchant's return policies (if different)
- Product/ Service warranty

When you have all the necessary information, make a decision.

*Note: Never fill out a postcard or similar device that includes the account number, card expiration date, CVV, signature, or any other account data in plain view.*

## What Are Point of Sale Discounts?

Point-of-Sale (POS) is the point where a transaction is finalized or the moment where a customer tenders payment in exchange for goods and services. Certain merchants offer

automatic discounts when you use the purchase account to make purchases. These merchants have the ability to recognize the GSA SmartPay purchase account based on the account number and apply a discount at the time of the sale.

## **Is It Necessary to Distribute Purchases? For example, if you are not required to get quotations, can you always buy from the same source?**

FAR Part 13.203(a)(1) of the Federal Acquisition Regulations recommends that micro-purchases be equitably distributed among qualified merchants to the extent practicable.

## **Spending Limits and Account Restrictions**

Spending limits are determined by the agency program coordinator for each individual account and established when the account is set up. They are based on your delegation of authority and the budgetary limits of your office.

There are two types of spending limits applied to the purchase account:

- **Single purchase limit**, or the dollar limit for an individual transaction.
- **Monthly purchase limit**, or the cumulative dollar limit for purchases in one month. The monthly purchase limit may be set to any dollar amount equal to or greater than the single purchase limit.

Verify both your single purchase limit and your monthly purchase limit with the AO or A/OPC.

In addition to spending limits, other restrictions such as the number of transactions and merchant category codes (MCC) blocks may apply to your account. An MCC is a four-digit code used to identify the type of business a merchant conducts (gas stations, restaurant, airlines, etc). MCCs may be blocked to prevent fraud and misuse.

## **Exceeding Your Spending Limit**

Prior to processing your purchase, the merchant will check if the transaction exceeds any spending limits on your account. All attempted transactions that exceed either the single or monthly spending limit will be automatically declined at the point of sale.

As an account holder, it is your responsibility to plan ahead and keep track of how much has been spent against your limit before you make the purchase. Do not rely on the authorization system to do this for you. Contact your A/OPC or contractor bank immediately if your account is declined. The contractor bank customer service phone number can be found on the [GSA SmartPay website](#) [7] and is listed on the back of the charge card.

# What are the required sources of supply?

Use of the GSA SmartPay purchase account should be consistent with established guidelines for required sources of supply and acquisition procedures, such as those applicable to micro-purchases or to acquisitions below the simplified acquisition threshold. Procurements paid for with the GSA SmartPay purchase account are subject to the acquisition rules established in the Federal Acquisition Regulations (FAR) as well as your Agency/Organization policies and procedures.

The Federal Acquisition Streamlining Act did not abolish the priorities for use of the Government supply sources as stated in FAR Part 8 (Required Sources of Supplies and Services) of the FAR. Micro-purchases are not exempt from this requirement. The following information from FAR Part 8 lists the priorities for use of Government supply sources:

## **8.002 Priorities for use of Government supply sources** <sup>[8]</sup> :

Except as required by 8.003, or as otherwise provided by law, agencies shall satisfy requirements for supplies and services from or through the sources and publications listed below in descending order of priority:

### 1. Supplies

- Existing Inventories
- Excess from other agencies
- Federal Prison Industries, Inc.
- Supplies which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled
- Wholesale supply sources, such as stock programs of the General Services Administration (GSA), the Defense Logistics Agency, the Department of Veterans Affairs, and military inventory control points.

### 2. Services

- Services that are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled

Sources other than those listed above may be used as prescribed in 41 CFR 101-26.301 and in an unusual and compelling urgency as prescribed in 6.302-2 and in 41 CFR 101-25.101-5.

The statutory obligation for government agencies to satisfy their requirements for supplies or services available from the Committee for Purchase From People Who Are Blind or Severely Disabled also applies when contractors purchase the supplies or services for Government use.

## **8.003 Use of other mandatory sources** <sup>[9]</sup> :

Agencies shall satisfy requirements for the following supplies or services from or through specified sources, as applicable:

- Public utility services
- Printing and related supplies
- Leased motor vehicles
- Strategic and critical materials (e.g., metals and ores) from inventories exceeding Defense National Stockpile requirements
- Helium

#### **8.004 Use of other sources** <sup>[9]</sup>

If an agency is unable to satisfy requirements for supplies and services from the required sources of supply, agencies are encouraged to consider satisfying requirements from or through the following non-mandatory sources:

##### 1. Supplies:

- Federal Supply Schedules
- Governmentwide acquisition contracts
- Multi-agency contracts
- Any other procurement instruments intended for use by multiple agencies, including blanket purchase agreements (BPAs) under Federal Supply Schedule contracts (e.g., Federal Strategic Sourcing Initiative (FSSI) agreements)

##### 2. Services:

- Agencies are encouraged to consider Federal Prison Industries, Inc., as well as the sources listed under Supplies above.
- Commercial sources (including educational and nonprofit institutions) in the open market

When satisfying requirements from non-mandatory sources, give consideration to small business, veteran-owned small business, service-disabled veteran-owned small business, HUBZone small business, small disadvantaged business (including 8(a) participants), and women-owned small business concerns.

*GSA Advantage!* <sup>[10]</sup> is an online shopping mall with thousands of commercial products and services including JWOD/NIB/NISH and UNICOR products, designed to link GSA schedule products and services, stock items, catalog descriptions, current pricing, and delivery information in a single location to make ordering easier for you. To place an order, you can use your GSA SmartPay purchase account.

## **Shop Small Business**

Increasing opportunities for small businesses in federal contracting is a top priority. The Office of Management and Budget (OMB), along with the Small Business Administration (SBA), are working to improve access for small businesses to the Federal market and boost

communications about federal business opportunities. Remember, it is important to consider small businesses when buying goods and services at or below the micro-purchase threshold.

## Shop American Products

### Presidential Executive Order on Buy American and Hire American <sup>[11]</sup>

It shall be the policy of the executive branch to buy American and hire American.

- Immediate Enforcement and Assessment of Domestic Preferences According to Buy American Laws: Every agency shall scrupulously monitor, enforce, and comply with Buy American Laws, to the extent they apply, and minimize the use of waivers, consistent with applicable law.
- Judicious Use of Waivers: To the extent permitted by law, public interest waivers from Buy American Laws should be construed to ensure the maximum utilization of goods, products, and materials produced in the United States.
- Ensuring the Integrity of the Immigration System in Order to "Hire American.": The Secretary of State, the Attorney General, the Secretary of Labor, and the Secretary of Homeland Security shall, as soon as practicable, and consistent with applicable law, propose new rules and issue new guidance, to supersede or revise previous rules and guidance if appropriate, to protect the interests of United States workers in the administration of our immigration system, including through the prevention of fraud or abuse.

## Shop Smarter

The FAR states that use of the Government-wide GSA SmartPay purchase account is the preferred method for buying small purchases.

Here are some tips to help you shop smarter when using your GSA SmartPay Purchase Account:

- Use GSA Advantage! to conduct quick and easy market research and to order already negotiated low-price items;
- Take advantage of the Blanket Purchase Agreements (BPAs) your agency has negotiated to get better prices;
- Always ask for discounts at the register - whether or not point-of-sale discounts are given;
- Locate merchants that accept MasterCard and VISA by using merchant/ supplier locator tools at <http://www.mastercard.com/> <sup>[12]</sup> and <http://www.visa.com/> <sup>[13]</sup>.

## Buy Green

**Sustainable Acquisition or Green Purchasing** refers to the procurement of products and services that have a lesser or reduced effect on human health and the environment when

compared with competing products or services that serve the same purpose.

Benefits to using your purchase account to buy green products are that you help your agency to perform its mission while:

- Saving money,
- Enhancing energy security,
- Protecting public health,
- Promoting environmental stewardship,
- Reducing greenhouse gas emissions, and
- Fostering markets for sustainable technologies, materials, products and services.

In addition, regulations require federal buyers to purchase products with specific environmental or energy attributes and services under which those products will be used or supplied.

There are multiple components to the federal green purchasing program:

- Recycled content products
- Energy Star and FEMP-designated energy efficient products, low standby power devices, and renewable energy
- Alternative fuel vehicles/alternative fuel
- Biobased products
- WaterSense and other water efficient products
- Environmentally preferable products and services
- Alternatives to ozone-depleting substances
- EPA Safer Choice-labeled products (formerly Design for the Environment)

Green purchasing is required by law or executive order unless the products do not meet your performance needs, are not reasonably available, or are only available at an unreasonable price. However, most green products are commercially available off-the-shelf items and can be purchased through the GSA stock and schedule programs, Federal Strategic Sourcing Initiative solutions, the Defense Logistic Agency, mandatory sources such as the National Industries for the Blind, and commercial open market sources.

GSA assists you with identifying which products have environmental requirements by consolidating federal green purchasing information into one location where you can identify applicable green purchasing requirements, legal references, potential purchasing options such as GSA's Multiple Award Schedules and GSA Global Supply, as well as other guidance for purchasing green products and services.

## **Buying Recycled Content Products**

Recycled content products, also known as Comprehensive Procurement Guideline or CPG items, are designated by the U.S. Environmental Protection Agency (EPA). Under the CPG program, EPA designates products that are or can be made with recovered materials and recommends minimum recycled content levels you should specify when buying these products. Examples of recycled content products include copier paper, file folders, and other office paper products,

notebook binders, and remanufactured toner cartridges. Refer to the GPC for the current list of EPA-designated CPG products or go to [www.epa.gov/cpg](http://www.epa.gov/cpg) <sup>[14]</sup> for EPA's recommendations and additional information.

## Buying Energy Efficient Products

Energy efficient products include:

- Energy Star products,
- Federal Energy Management Program (FEMP) low standby power devices, and
- Electronic Product Environmental Assessment Tool (EPEAT)-registered products.

Energy efficient products typically include desktop computers, laptops, printers, and small appliances. As of early 2015, the EPEAT registry includes computers and displays (including tablets), printers and copiers, and televisions. Refer to the GPC for the current list of designated energy efficient products. In addition, refer to [www.energystar.gov](http://www.energystar.gov) <sup>[15]</sup> and <http://energy.gov/eere/femp/energy-and-water-efficient-products> <sup>[16]</sup> for efficiency recommendations, cost-effectiveness examples, buyer tips, and product sources. Refer to [www.epeat.net](http://www.epeat.net) <sup>[17]</sup> for additional information about EPEAT-registered electronic products.

## Buying Biobased Products

Biobased products, also known as BioPreferred products, are designated by the U.S. Department of Agriculture (USDA). They are made from agricultural materials like soy and corn and wood by-products. As with EPA's CPG Program, USDA designates biobased products and recommends minimum biobased content levels you should specify when buying these products. USDA also manages a "USDA Certified Biobased Product" labeling program for both the designated BioPreferred products and other products that contain biobased materials. Examples of BioPreferred products typically include hand sanitizers, glass cleaners, and dish detergent. Refer to the GPC for the current list of BioPreferred products. Visit <http://www.biopreferred.gov/BioPreferred/> <sup>[18]</sup> ] for the USDA's recommendations and additional information.

## Buying Water Efficient Products

Products labeled with EPA's WaterSense label are 20% more efficient than similar products. Water efficient products include bathroom sink faucets, shower heads, low flow toilets, and urinals. Refer to the GPC for the current list of water efficient products. In addition, refer to [www.epa.gov/watersense](http://www.epa.gov/watersense) <sup>[19]</sup> for efficiency recommendations and information, qualified products, case studies, and a water savings calculator.

## Buying Environmentally Preferable Products

President Obama's Executive Order 13693, Planning for Federal Sustainability in the Next Decade, directs agencies to purchase environmentally preferable products or services that:

- Meet or exceed specifications, standards, or labels recommended by EPA
- Meet other open and voluntary standards for environmental performance criteria

Environmentally preferable means "products or services that have a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose," according to the Implementing Instructions for Executive Order 13693. This comparison applies to raw materials, manufacturing, packaging, distribution, use, reuse, operation, maintenance and disposal. To help purchasers meet this requirement, EPA's EPP Program issued Recommendations of Specifications, Standards and Ecolabels for Federal Purchasers [<https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing> <sup>[20]</sup>] for six product and service categories: cafeteria, construction, custodial, electronics, grounds/landscaping, and office/furniture. There are hundreds of standards and ecolabels in the marketplace today claiming to validate environmental and human health benefits. The recommendations help federal purchasers select credible, effective standards and ecolabels relevant to each procurement. In general, the recommendations give preference to multi-attribute (i.e., life-cycle based) standards and ecolabels for which EPA has been able to confirm the availability of a competent certification body.

## **Buying Alternatives to Ozone Depleting Substances**

Although the United States has been very successful in reducing releases of ozone-depleting substances (ODSs), the amount of ozone-depleting substances in the atmosphere is still significant and will be for decades to come. EPA identifies alternatives to ODSs through its Significant New Alternatives Policy (SNAP) program and provides recommendations for specific products, such as refrigerants and chemicals used in fire extinguishers. Refer to the GPC for products such as appliances that use alternatives to ODSs. Refer to [www.epa.gov/ozone/snap/lists/index.html](http://www.epa.gov/ozone/snap/lists/index.html) <sup>[21]</sup> ] for the latest list of products and alternatives approved by EPA.

## **Buying Safer Choice-Labeled Products**

President Obama's Executive Order 13693, Planning for Federal Sustainability in the Next Decade, directs agencies to purchase products labeled with EPA's Safer Choice label. Safer Choice helps consumers, businesses, and purchasers find products that perform well and are safer for human health and the environment. Refer to the GPC for the current list of Safer Choice products. Visit <http://www2.epa.gov/saferchoice> <sup>[22]</sup> for the list of Safer Choice products by product name and manufacturer.

For more information on buying green products and how GSA can help you buy green, please contact Brennan Conaway at [brennan.conaway@gsa.gov](mailto:brennan.conaway@gsa.gov) <sup>[23]</sup>.



# Making Purchases

## What Can I Buy Using my GSA SmartPay Purchase Account?

It is important to understand the limits on purchase account use and to manage your purchases against those limits.

You are allowed to purchase any commercially available supply or service not prohibited by either Federal or agency-specific procurement regulations. To find out your agency specific procurement requirements regarding purchase amounts, receipt documentation and approvals contact your A/OPC or contracting officer. An approval may be required prior to purchase and may be needed in conjunction with a subsequent review of the purchase activity. If a purchase appears questionable, consult your A/OPC or contracting office.

There are a number of purchases that are **STRICTLY PROHIBITED**. The purchase account shall not be used for:

- Long-term rental or lease of land or buildings
- Travel or travel-related expenses (However, conference rooms, meeting spaces, local transportation services such as metro fare cards, subway tokens, and shuttle services can be properly acquired on a purchase account)
- Cash advances (unless permitted by Agency/Organization)

## Government-to-Government Transactions

**Government-to-Government Transactions** are payments between different agencies (inter-governmental) or within the same agency (intra-governmental). In most instances, these transactions are classified under Merchant Category Code 9399, Miscellaneous Government Services. See [\*Treasury Financial Manual Announcement A-2014-04\*](#) <sup>[24]</sup>, *Limitations on Credit Card Collection Transactions and Policy for Splitting Transactions*.

Effective June 1, 2015 the Treasury Department lowered the maximum dollar amount allowed for intergovernmental transactions to \$24,999 per day (not per single transaction). This change does not impact agency purchases from commercial vendors, either via open market or through GSA Advantage. It does apply to purchases from GSA Global Supply or GSA's retail stores, as well as purchases from Personal Property or GSA Fleet. A few notes to keep in mind:

- Customers cannot divide transactions into smaller pieces to evade this limit. For example, a buyer cannot make two purchases of \$15,000 each, because that total on a given day

would exceed the \$24,999 limit.

- Transactions that exceed the limit will be denied by Vantiv, the contractor Treasury uses to manage transactions.
- Treasury retains the option to lower the limit further at a later date. One goal is to reduce the fees government pays when it accepts the purchase account for large transactions.

## Placing Your Order

There are two basic types of transactions when placing your order: Card-present and card-not-present transactions.

### Card Present Transactions

Card Present Transactions means that you purchase an item in person using your GSA SmartPay charge card as payment. You physically choose your item in the shop and take the item to the sales clerk, identifying it as an OFFICIAL GOVERNMENT PURCHASE. All GSA SmartPay Purchase Accounts are centrally billed (CBA) and should be exempt from State taxes. However, there may be additional requirements in your state, such as a form or presenting a Federal ID. Review the [GSA SmartPay Website](#) <sup>[25]</sup> for any additional state tax exemption requirements before making your purchase.

When making a card present transaction, double check that:

- You received an itemized receipt
- Sales tax was not charged
- You signed the receipt
- You safeguard the receipt for reconciling your monthly invoice statement, and
- You record the purchase in your purchase log.

*Note: All purchase documentation should be kept for your records, in accordance with agency policies and [NARA's GRS 1.1](#) <sup>[26]</sup>*

### Card Not Present Transactions

A Card-Not-Present Transaction is a transaction conducted without a physical card. Examples include purchase by phone, fax, or online.

#### By Phone or Fax

To place your order by phone or fax:

1. Contact the merchant and identify yourself as a Federal Government employee who is making a purchase with a GSA SmartPay Purchase Account.

2. Indicate that the purchase will be tax exempt on a Centrally Billed Account (CBA).
3. Review the price of individual items as well as the total purchase price.
4. Be careful in giving out your account number. If placing an order by fax, we recommend the fax requests for the vendor to contact the account holder for account information.
5. Identify the items to be purchased and reach an agreement as to the price of each item and any shipping charges.
6. Record the purchase in your purchase log.
7. Give your name and address for shipment, making sure your name appears on the mailing label and that an itemized shipping document or invoice is included in the shipment.
8. When the item arrives, make sure you have what you ordered, at the price you agreed to pay.
9. If there is any discrepancy, call the merchant immediately.
10. Keep all purchase documentation for your records, in accordance with agency policies and NARA's GRS 1.1 <sup>[26]</sup>

## Online Orders

Before placing an order online, review the merchant's policies for placing orders and processing returns, as well as their security and privacy policies. If the site's terms of use appear acceptable, proceed to place your order.

*Note: If the website is not government managed (such as GSA Advantage! or DoD eMall), registering your account is not recommended.*

To place an online order:

- Identify the merchant you wish to use and bring up the merchant's ordering screen
- Make sure the site is a secure website before transmitting any information (Hyper Text Transfer Protocol Secure (HTTPS) is the secure version of HTTP, the protocol over which data is sent between your browser and the website that you are connected to. The 'S' at the end of HTTPS stands for 'Secure'. It means all communications between your browser and the website are encrypted.)
- Enter the requested data and indicate that you are a Federal Government employee and your purchase will be tax exempt
- Use your business address only
- Make sure the merchant will include an itemized shipping document or invoice with the shipment
- Record the purchase in your purchase log
- When the items arrive, make sure you are satisfied with the purchase. If not, notify the merchant immediately
- Keep all purchase documentation for your records, in accordance with agency policies and NARA's GRS 1.1 <sup>[26]</sup>

## Get an Accurate Quote

It's important to ask the right questions when making your purchase. Sometimes you will encounter problems in reconciling the statement. Price differences between quotes and the

invoice occur most often because the price billed includes shipping/ handling and/or a tax charge. Price differences between quotes and statement amounts cannot be disputed with the contractor bank. You must contact the merchant and ask for a credit. The charge must be paid as it stands on your monthly invoice.

## **Avoid "Splitting the Requirement"**

It might seem logical for you to divide a purchase into parts so each purchase would then be below your agency limits. But, it is NEVER permissible to intentionally divide purchases into parts just to get under your limits. This is called "splitting the requirement." When you have a defined need, all the parts of that need are considered one purchase.

For example, Joe, an account holder, needs to buy one hundred widgets, and the total value of the transaction is above the micro-purchase threshold. In order to make the transaction fit under the micro-purchase limit, he asks the store to split his order into two separate transactions. This action is called a split transaction and is a violation of Federal procurement regulations.

## **Maintaining Your Records**

Keep all necessary information on each transaction. FAR 4.805 <sup>[27]</sup> states that agencies must prescribe procedures for the handling, storing, and disposing of contract files in accordance with the National Archives and Records Administration (NARA) General Records Schedule 1.1 <sup>[26]</sup> and the Financial Management and Reporting Records <sup>[26]</sup> . These procedures must take into account documents held in all types of media, including microfilm and various electronic media.

At a minimum, you must have the following information:

1. Description, Unit Number and Quantity of the items purchased
2. Amount of the purchase
3. Name of the merchant
4. Date you received the item purchased

And don't forget to - keep your receipts!

Add supporting documentation to any receipts that are too general in the product description area so that it is very clear what you purchased. Your agency procedures along with NARA's GRS 1.1 <sup>[26]</sup> will tell you how long you must keep the documentation on your purchases. For example, some agencies require you to keep all documentation on your purchases and others, require you to forward your records to a central location. Failure to retain records can result in excess administrative burden when you attempt to reconcile your monthly invoice statement.

Tip: When Mary makes purchases at or above the micro-purchase threshold, she enters the contract number into the "Comments" field in the bank Electronic Access System (EAS) and her agency's financial system. Taking this additional step strengthens the internal control processes and traceability of purchases.

# After Your Purchase

## Inspection and Acceptance (Receipt of Supplies and Services)

Account holders, when possible, should use a third party to document independent inspection and acceptance of supplies and services they order or obtain in person. This simply means having another government employee sign off on the receipt or other purchase documentation verifying that the supplies/services were inspected and accepted. In some cases, such as when making an emergency purchase or when no other government employee is available, independent inspection and acceptance may be impossible. If that is the case, the account holder must document that independent inspection and acceptance was not possible and why.

Inspect each product to verify that it is in good condition with no visible damage or defects and the items meet the requirements of the purchase (color, size, quantity, etc.). Account holders should also verify that the purchase documentation (receipts, packing lists, shipping documents, etc.) matches what is provided by the merchant and that all requirements of the purchase are fulfilled. For services, verify that the work done is satisfactory. If upon inspection, all terms of the order as described above are fulfilled, the products or services may be accepted.

In the event the items purchased are defective, damaged, or otherwise do not comply with the account holder's order, the account holder shall attempt to resolve these issues as soon as possible directly with the merchant. Similarly, if services provided are not satisfactory, the account holder shall address deficiencies immediately and directly with the merchant and prior to payment, if possible.

## Disputes

If the payment has already been made on the GSA SmartPay purchase account and the merchant has failed to resolve issues satisfactorily, the account holder should dispute the transaction with the contractor bank as soon as possible. According to the GSA SmartPay Master Contract, the account holder is responsible for notifying the contractor bank of any

items in dispute and shall have 90 calendar days from the transaction date to initiate a dispute, unless otherwise specified by the agency/organization.

*Note: Account holders who fail to timely dispute erroneous or incorrect purchases may become personally liable for that purchase.*

## Sensitive Property

Because GSA SmartPay purchase accounts are frequently used to obtain sensitive items, an accurate property tracking system should be in place. Sensitive property includes items that are

susceptible to loss, misuse or theft, such as mobile phones, laptops, monitors and printers.

## **Accountability for Items Purchased**

Each year, agencies acquire billions of dollars of property with GSA SmartPay purchase accounts. This means that the account holder's responsibilities do not end when an item they purchased is inspected and accepted. The purchased item must be properly accounted for in accordance with applicable federal and agency policies and regulations.

Supplies and services purchased with a GSA SmartPay purchase account are for official use only. For example, an iPad purchased to view podcasts of work-related presentations and lectures should not also be used to store personal music and photos, nor should it be engraved with the user's name. At any time, property could be taken back by the issuing activity or program and re-issued to another person within that program.

Check with your agency policy on governing accountability for sensitive property. Account holders shall ensure applicable Federal and agency accountability procedures are followed for property for which they are responsible. This activity includes providing information to agency/organization property officers and/or systems on items purchased, excluding consumables.

If the account holder is purchasing an item for another government employee, that employee is the user of that property and is therefore responsible for ensuring the proper accounting of that property. However, account holders should ensure they have documentation in their file demonstrating that the property acquired was delivered to another party and is no longer their responsibility.

Account holders must be familiar with and comply with their organization's policies regarding property management. This includes coordinating with your servicing property officer and appropriate custodians to ensure that all sensitive and otherwise accountable property is recorded in the applicable property tracking system, consistent with your agency's policies and procedures. Account holders shall also familiarize themselves with agency policies for reporting property they acquired with a GSA SmartPay account that is missing, stolen or damaged after the initial receipt process.

## **Order Cancellation**

If you need to cancel an order, immediately contact the merchant. Immediately contacting the merchant allows you to cancel before the item has been shipped. If the merchant has already processed the transaction, a credit should be issued. If the merchant has not processed the transaction, simply cancel the order. Special order items may include a restocking charge.

## **Returning a Purchase**

Return policies can vary by merchant. Merchants are responsible for establishing their own return and adjustment policies with their customers. If the return policy is unclear when making a

purchase, please ask the merchant for clarification to avoid future misunderstandings. Merchants are required to disclose their return policies to the customer before the completion of a transaction.

## **Obtaining Redress**

By accepting the GSA SmartPay purchase account as payment, merchants agree to refund or replace any defective items. The first step to obtaining redress is to work with the merchant on a resolution. This is usually a refund or replacement of the defective item. If the merchant refuses to issue a credit voucher, you must dispute the transaction through the issuing contractor bank.

## **Obtaining Sales Receipt Copies**

Obtain and save a copy of your sales receipts. You need a copy of a sales receipt in order to verify the purchase when reconciling your statement. If you misplaced the sales receipt and need a copy to verify an item on your statement, contact the merchant directly. If getting a reprinted receipt isn't an option, contact your contractor bank to send you a copy.

## **What happens if you make a purchase that was not approved?**

If it has been determined that the item cannot be returned, the Government must pay for the purchase and recoup the amount of the purchase from YOU! That is why it is important to fully understand what can and cannot be purchased with the GSA SmartPay purchase account, and ensure that your Approving Official is aware in advance of what you are purchasing.

## **Reconciling a Credit**

On occasion your statement will show a credit for a transaction that took place in a prior billing period. An example would be a credit for a returned item. When you get a credit several months after the original purchase, reconcile back to the original purchase documentation and note that the credit was received.

## **Convenience Checks**

Some agencies allow for the use of convenience checks. Convenience Checks are a contractor-provided instrument that is written, dated and signed against an account within established dollar limits. Convenience checks are intended only for the use with merchants that do not accept the GSA SmartPay purchase account. Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the GSA SmartPay purchase account.

If your agency/organization determines a need for convenience checks, your contractor bank will provide a supply of checks to the designated account holder drawn on the account holder's purchase account. The checks will be processed as they are presented for payment.

Convenience checks are multi-copied (one copy for the account holder's records; the original for the merchant). Due to the increased potential of fraud and abuse, specialized training on

convenience checks is required prior to being authorized to write checks. If any misuse or abuse is discovered, the employee will lose convenience check and purchase account privileges. That employee will then be referred for disciplinary action in accordance with agency procedure.

Convenience checks may NOT be written for purchases above the maximum dollar limit established by your agency. In addition, convenience checks may NOT be written to:

- Vendors who accept the GSA SmartPay purchase account;
- Vendor transactions already under another method of acquisition (purchase orders, contracts, etc);
- Employee reimbursements;
- Cash advances;
- Salary payments, cash awards, or any transaction processed through the payroll system;
- Travel-related transportation tickets;
- Meals or lodging related to employee travel except as related to emergency incident response; and
- Other restrictions as determined by agency policy.

Checks must be used in sequential order. Each convenience check must be entered in a check register or log for tracking purposes. The following information must be written on each check:

- Date the check is being issued
- The name of the payee
- Amount of the check
- An original signature

The IRS requires that information be collected for reporting income to the IRS when a convenience check is used for purchases of services. If a person is “engaged in a trade or business and, in the course of that trade or business, pays any person \$600 or more of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits and income during a calendar year, Internal Revenue Service (IRS) Code Section 6041 generally requires them to file an information return with the IRS and to furnish an information statement to the payee.”

The IRS states that Agencies may rely on the merchant category code (MCC) in determining whether a transaction is subject to Form 1099 reporting. Failure to file a correct information return (Form 1099) by the due date may result in a penalty imposed by the IRS.

## **Billing Concerns**

### **How should I handle questionable charges on the bill?**

As an account holder, you are responsible for reviewing all charges on your statement. One of the first signs of fraud is at least one “mystery expense” showing up on your statement. Verify



your statement by:

- Looking for transactions or account withdrawals you do not recall making; and
- Checking for unknown vendors.

If you do notice a questionable charge, act promptly so that you will have the necessary information before payment is due.

1. **Contact the merchant** for clarification on the charge. If you need help identifying the merchant, call the contractor bank's customer service number. If the charge is erroneous, generally the merchant will reverse it, and it will appear as a credit on your next statement. Be sure to follow up and make sure the credit was posted to your account and deduct the credited amount from your payment. If the credit is not posted in a reasonable amount of time, dispute the charge with the bank. If the merchant says it is a legitimate charge to your account, ask for proof, such as a signed receipt. If, after receiving the additional information from the merchant, you do not agree that it is a legitimate charge, dispute the charge with the bank.
2. A **dispute** is a disagreement between the account holder and the merchant with respect to a transaction. **Disputable charges** include double billings and charges to your account that belong to another account. Non-disputable charges include sales tax and shipping. You, the account holder, are responsible for notifying the contractor bank of any items in dispute and shall have 90 calendar days from the transaction date to initiate a dispute, unless otherwise specified by the agency/organization.
3. **Payment of the undisputed charges** must be made by the payment due date. Once you have submitted the dispute to the bank, delinquency of the disputed amount will be held in abeyance until the matter is resolved.

**Note:** *You relinquish your right to recover a disputed amount if you do not dispute it before 90 calendar days from the transaction date.*

### **I have been billed for an item, but I have not yet received it.**

If you have been billed for an item that has not yet been delivered, you should first contact the merchant to determine if the item has been shipped. Try to resolve any issues with the merchant directly by arranging either receipt of the item or by requesting a credit. Also, double check your agency's policy - some agencies will authorize payment of any item that has been shipped but not received.

### **I returned an item, but it has not been credited.**

If you have returned merchandise, but have not received a credit on your statement within a reasonable period of time and could not resolve the issue with the merchant, dispute the transaction.

### **There are multiple billings on my statement.**

If you have confirmed a double billing and could not resolve the issue with the merchant, dispute the duplicate transaction.

### **I was billed for an item I did not order.**

If you have been billed for an item that you never ordered, dispute the transaction.

## **Administration**

### **How do I request higher single and monthly spending limits?**

After using your GSA SmartPay purchase account, it is a good idea to review your single and monthly spending limits. You may discover that you need permanent higher spending limits to meet the needs of your agency. You can submit a request for either temporarily or permanently increasing your spending limits through your Approving Official or A/OPC.

Be sure to obtain approval from your Approving Official or A/OPC BEFORE using the purchase account for any purchase which exceeds your limit. If the request to increase your spending limits is approved, the A/OPC will submit it to the contractor bank. **Neither permanent nor temporary single and monthly spending limits can ever be higher than your Delegation of Authority.**

### **Mandatory Reporting to FPDS-NG**

The Federal Procurement Data System Next Generation (FPDS-NG) provides a comprehensive mechanism for assembling, organizing and presenting contract placement data for the Federal Government. In accordance with [FAR 4.603\(b\)](#) <sup>[28]</sup> and [FAR 4.606\(a\)](#) <sup>[28]</sup>, agencies must report all transactions over the micro-purchase threshold and modifications to those transactions regardless of dollar value. The [FPDS-NG website](#) <sup>[29]</sup> provides instructions for submitting data.

### **Regulations That Govern Use of the Purchase Account**

The GSA SmartPay purchase account has a solid grounding in key statutes and regulations. Although many small-scale purchases are low in dollar amount, taken together, small-scale purchases account for billions of dollars in contracting and are a critical part of the Government's acquisition process.

- [Treasury Financial Manual, Chapter 4500 Government Purchase Cards](#) <sup>[30]</sup> prescribes procedures that apply to all departments and agencies that use the GSA SmartPay purchase account.
- Purchases of supplies and services are covered by [Federal Acquisition Regulations \(FAR\)](#) <sup>[31]</sup>.
- Management of property is covered by [Federal Management Regulations \(FMR\)](#) <sup>[32]</sup>.

- OMB Circular A-123, Appendix B <sup>[33]</sup> , contains Government-wide guidelines on account management.

*Note: Your agency also may have supplemental policy governing account use .*

## Reconciling Your Statement

You will receive a statement notification, either electronically or through the mail, from the contractor bank once a month for your GSA SmartPay purchase account. The statement is mailed directly to your business address unless the agency is using the service provider's Electronic Access System (EAS).

When you receive your monthly statement:

- Identify and annotate any erroneous charges and work with the merchants and the issuing bank contractor on a resolution.
- Review and reconcile your statement within the timeframes required by your agency (usually 3 to 5 days). Reconciling your statement includes reviewing receipts, citing proper accounting codes, documenting disputed items, and completing any other documentation required by your agency.
- Forward your statement to your Approving Official and the appropriate Payment/Finance office for payment.

## What happens if my account is lost or stolen?

Report a lost or stolen purchase account promptly to:

1. The contractor bank;
2. Your program coordinator (A/OPC); and
3. Your supervisor.

Once an account has been reported as lost or stolen, the contractor bank immediately blocks that account from further usage and a new account number will be issued to the account holder.

Reporting the account as stolen does not relieve the account holder or the Government of payment for any transactions that were made by the account holder prior to reporting it stolen. If you do not recognize a transaction appearing on your statement, you are responsible for notifying the contractor bank within **90 calendar days** from the transaction date to initiate a dispute, unless otherwise specified by the agency/organization. This notification of transaction dispute may occur via the electronic access system, by telephone, or other electronic means (e.g. email).

*Note: You relinquish your right to recover a disputed amount after 90 calendar days from the date that the transaction was processed. It is your responsibility to dispute questionable charges. If you don't, you will be held personally liable for the amount of the questionable charge.*

## How do I renew my account?

Your GSA SmartPay purchase account is issued for a defined period of time and will expire.

- You do not need to initiate any action to get your account renewed
- You will receive your new account before your current account expires
- If you do not receive your new account, contact your A/OPC
- If you possess a physical GSA SmartPay charge card, destroy the expired card; it does not need to be returned.

## What do I do if my information changes?

### Accounting Code Change

When you receive your purchase account, your A/OPC will assign a default accounting code(s) to your account. An **Accounting Code** is the internal number that identifies the funds to be used to pay for your purchase. Check with your A/OPC to understand the process for:

- Changing Offices,
- Updating your accounting code, or
- How to cite a different accounting code if you are acquiring items for other offices or projects/organizations.

### Account Holder Name Change or Business Office Address Change

Changes in information occur from time to time. Report all changes and the dates of the changes to your A/OPC. Your A/OPC will make the appropriate updates to your account information using the contractor bank's EAS.

### Account Suspension/Cancellation

Accounts may be suspended and/or cancelled by the contractor banks due to non-payment. If your account is suspended or cancelled due to failure of the agency to make payment, you will be unable to use the account. If you are advised by the merchant or contractor bank that your account has been suspended or cancelled, contact your A/OPC immediately. The contractor bank is required to notify your A/OPC prior to suspending or cancelling accounts.

### Closing the Purchase Account

Your agency has specific procedures on closing account. The GSA SmartPay purchase account must be transferred or closed when:

- You change jobs,
- You leave the employment of the Government,
- You change agencies, or
- You are no longer required to purchase items in support of your agency's mission.

To close or transfer your account, notify your A/OPC. The A/OPC will contact the contractor bank to close or transfer your account.

# Rules about Gifts

## Accepting Gifts

A **gift** is considered to be anything of monetary value. Examples include gratuities, favors, discounts, entertainment, hospitality, loan, forbearance (forgiveness of a loan), services, training, transportation, travel, meals, lodging, etc.

An employee shall not, directly or indirectly, solicit or accept a gift from a prohibited source or a gift that is offered because of the employee's official position.

- Direct acceptance means you, the account holder, accept the gift.
- Indirect acceptance means that someone gives a gift, with your knowledge and acquiescence, to your spouse or child, a sibling or other dependent relative because of that person's relationship to you. A gift could also be indirectly given to a charitable organization, at your recommendation or designation.

Gift rules specifically exclude certain things from being classified as gifts. The gift EXCLUSIONS include:

- Modest items of food and refreshments, such as soft drinks, coffee, and donuts, offered other than as part of a meal
- Greeting cards and items with little intrinsic value, such as plaques, certificates and trophies, which are intended solely for presentation
- Loans from banks and other financial institutions on terms generally available to the public
- Opportunities and benefits, including favorable rates and commercial discounts, available to the public or to a class consisting of all Government employees or all uniformed military personnel, whether or not restricted on the basis of geographic considerations
- Rewards and prizes given to competitors in contests or events, including random drawings, open to the public - unless the employee's entry into the contest or event is required as part of his official duties
- Pensions and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer
- Anything which is paid for by the Government or secured by the Government under Government contract
- Any gift accepted by the Government under specific statutory authority, including travel, subsistence, and related expenses accepted by an agency under the authority of 31 U.S.C. 1353 in connection with an employee's attendance at a meeting or similar function relating to his/her official duties which takes place away from his/her duty station. The agency's acceptance must be in accordance with the implementing regulations at 41 CFR Part 304-1

- Other gifts provided in-kind which have been accepted by an agency under its agency gift acceptance statute
- Anything for which market value is paid by the employee

## Basic Gift Rules

The basic gift rules are written to ensure that you do not accept gifts inappropriately. There are circumstances under which you may accept a gift even when it is from a prohibited source or given because of your official position.

Gift exceptions include:

- Gifts of \$20 or less
- Gifts based on a personal relationship
- Discounts and similar benefits
- Awards and honorary degrees
- Gifts based on outside business or employment relationships
- Gifts in connection with political activities permitted by the Hatch Act Reform Amendments
- Widely attended gatherings and other events
- Social invitations from persons other than prohibited sources
- Meals, refreshments and entertainment in foreign areas
- Gifts to the President and Vice President
- Gifts authorized by supplemental agency regulation
- Gifts accepted under specific statutory authority

### Gifts of \$20 or Less

Under the \$20 rule, an employee may accept an unsolicited gift of \$20 or less per occasion and no more than \$50 in a calendar year from one person. If the market value of a gift offered on any single occasion exceeds \$20, the employee may NOT pay the excess value over \$20 in order to accept the gift.

For example, if Tim was offered a \$55 item by a prohibited source, he could not apply the \$20 rule to the gift and pay the other \$35 to account for the total \$55.

*Note: If the aggregate value of tangible items offered on a single occasion exceeds \$20, the employee may decline any distinct and separate item in order to accept those items aggregating \$20 or less.*

Further information regarding the ethical conduct of Federal Government employees can be found on the [Office of Government Ethics Website](#) <sup>[34]</sup> or refer to your agency ethics training.

## Understanding Misuse/ Abuse and Fraud

## What are some examples of misuse/abuse?

GSA SmartPay Purchase Account misuse/ abuse can take many different forms, but here are some of the most common examples:

- Purchases exceed the account holder's authorized limit. Account holders may be limited to a specific spending limit per transaction, per day, or per monthly billing cycle.
- Purchases for which no funding is available. Federal law requires that funds must be available before any government purchase is made. It is up to the account holder to ensure that the funds are available prior to making any transaction.
- The account holder allows other people to use his/her purchase account. Account holders must take steps to ensure the security of their account. This means the purchase account must be used only by the account holder and only for official government business. If the account holder allows others to use the purchase account, the account holder will be held personally liable to the Government for any unauthorized transactions.
- Split Transactions. The FAR limits the dollar threshold for micro-purchases. Any purchase that, as a whole, would exceed the micro-purchase limit but is separated into smaller transactions in order to avoid the micro-purchase limit is considered to be a split transaction.
- Products or services that do not meet the government's requirements. Account holders must use discretion when making purchases to ensure that they meet the government's requirements. Due to the wide array of products and services available, there may be occasions when account holders may be requested or tempted to buy luxury or deluxe versions of products and services that exceed the government's actual requirements. For instance, it would be questionable for an account holder to buy a \$500 designer fountain pen when there are many quality fountain pens available for \$50 or less.
- Purchases for personal consumption. All purchases must be for official government use only. Thus, any purchase made that is for the account holder's personal use rather than for official government purposes is considered to be misuse. For example, an account holder who uses the purchase account to buy himself lunch because he had no cash available that day is misusing the purchase account.
- Purchases that are not authorized by the agency/organization. Your agency/organization may have additional limits on the use of the purchase account, such as limiting certain categories or types of products or services.

**Consequences** for misuse/abuse may include:

- Reprimand;
- Purchase account cancellation;
- Counseling;
- Suspension of employment;
- Termination of employment; and
- Criminal prosecution.

*Note: Some agencies have agency-specific penalties and consequences for misuse/abuse of the purchase account.*

## What is fraud?

**Fraud** is a deception deliberately practiced with the motive of securing unfair or unlawful gain. Fraud can be an attempt to cheat the Federal Government and corrupt its agents by using GSA SmartPay payment solutions for transactions not part of official government business. Like any deception, fraud has its fair share of victims.

Some of the different types of fraud include:

- Counterfeit Accounts — To make fake cards, criminals use the newest technology to “skim” information contained on magnetic stripes of cards, and also to pass security features (such as holograms).
- Lost or Stolen Accounts — Often physical cards are stolen from a workplace, gym or unattended vehicle.
- Card Not Present (CNP) Fraud — Internet fraud occurs whenever account information is stolen and used to make online purchases. Usually, a merchant will ask for the CVC code (located on the back of the card itself) to help prevent this type of fraud.
- Phishing — Phishing occurs whenever an account holder receives a fake email directing him or her to enter sensitive personal information on a phony website. The false website enables the criminal to steal information from the account holder.
- Non-Receipt Fraud — This occurs whenever new or replacement cards are mailed and then stolen while in transit.
- Identity Theft Fraud — Whenever a criminal applies for an account using another person’s identity and information

As an account holder, you must:

- Be alert to the indicators of fraud (including false charges/ transactions, mischarging, bribes, gratuities, and kickbacks)
- Report suspected fraud immediately through the proper channels at your agency (AO, A/OPC, Financial Officer, Office of the Inspector General or Office of Special Investigations)

*Note: Any intentional use of the GSA SmartPay purchase account for other than official government business is considered an attempt to commit fraud against the U.S. Government and may be cause for disciplinary actions. The account holder is held personally liable to the Government for the amount of any non-Government transaction. Under 18 U.S.C. 287, misuse of the purchase account could result in fines or imprisonment or both. Military members who misuse the purchase account may be subject to court martial under 10 U.S.C. 932, UCMJ Art. 132.*

## Approving Officials

### What is an Approving Official?



Specific to the purchase programs, the Approving Official is an individual (typically a supervisor) responsible for ensuring that the purchase account is used properly by the agency. The Approving Official also authorizes account holder purchases (for official use only) and ensures that the statements are reconciled and submitted to the Designated Billing Office (DBO) in a timely manner.

## **What is a Certifying Official?**

A Certifying Official is an individual who has been charged with the responsibility of authorizing certified vouchers for payment and ensuring that funds are available for obligation before payment. The Certifying Official is held accountable for public funds in civilian agencies.

Note: OMB Circular A-123, Appendix B and the GSA SmartPay Master Contract language utilize the terms Approving Official and Certifying Official synonymously. In the case of many agencies/organizations, the individual that holds the title of Approving Official also holds the title of Certifying Official. However, the roles of Approving Official and Certifying Official may be separate functions in some agencies/organizations.

## **What is my role as an Approving Official?**

There are many important responsibilities entrusted to the Approving Official, including:

- The Approving Official is responsible for ensuring that all purchases made by the account holder(s) within his/her span of control are appropriate and the charges are accurate. Purchases should not only be legal and proper, but also should be considered “mission essential”. In order to ensure proper purchases, the Approving Official must review and approve account holder statements belonging to all account holders within their purview. The Approving Official’s review should include looking at all required receipts and account holder logs.
- The Approving Official is responsible for counseling account holders within his/her span of control regarding regulations, misuse, and delinquency.
- The Approving Official is responsible for resolving all questionable purchases with the account holder. Upon review of receipts and account holder logs, if the Approving Official finds a questionable purchase, the Approving Official must work with the account holder to receive more information regarding the purchase in order to determine the legitimacy of the purchase.
- The Approving Official is responsible for elevating unresolved questionable purchases to the Agency/Organization Program Coordinator (A/OPC). In the event an unauthorized purchase is detected or there is a purchase that is still in question after review of supporting account holder documentation, the Approving Official must notify the A/OPC as well as any other appropriate personnel in accordance with agency policy. This may include notifying the agency’s Office of the Inspector General (OIG) for further investigation relating to potential misuse.
- The Approving Official is responsible for ensuring monthly billing account accuracy. The Approving Official signs the account statement and maintains documentation regarding the

account in accordance with agency procedures.

- The Approving Official is responsible for conducting informal compliance reviews for all account holders under their span of control. These reviews should be completed in accordance with the agency's specific policies (i.e. frequency, format).
- The Approving Official is responsible for ensuring that account holders follow the mandatory source requirements established in Part 8 of the Federal Acquisition Regulation (FAR), otherwise known as the Required Sources of Supplies and Services.
- Assist A/OPCs and account holders with their responsibility to obtain, maintain and retain complete documentation of all purchases, particularly when pre-approval is required. This can be done by ensuring the proper documentation is sent and received through the approval chain. Tools, logs, and templates for the AO can be found on the GSA SmartPay website at: <https://smartpay.gsa.gov/content/resources#sa864> <sup>[3]</sup>

Note: Approving Officials may be held financially responsible for payments made on accounts because of failure to ensure billing account accuracy.

**Remember, it is important to review your agency's specific policy regarding reimbursement and disciplinary actions.**

OMB Circular A-123, Appendix B provides multiple recommendations with regard to the Approving Official function. OMB Circular A-123, Appendix B recommends:

- Compliance reviews, or agency audits of account holder files, should be conducted at a minimum on an annual basis.
- The span of control, or number of account holders assigned to each Approving Official, is no greater than between 1:5 or 1:10 (i.e. each Approving Official is responsible for between 5 and 10 account holders).
- An Approving Official is able to act independently. For example, an employee should not be the Approving Official for a supervisor. This type of arrangement may put the employee in a compromising position and jeopardize their role as an Approving Official.

In addition to the above recommendations provided in OMB Circular A-123, Appendix B, many agencies may provide additional responsibilities for the Approving Official within their agency's policies. It is important that the Approving Official reviews the agency's specific policies before beginning their official duties.

## **What is my role as a Certifying Official?**

United States Code Title 31 Section 3528, states the roles and responsibilities of a Certifying Official. These roles and responsibilities include:

- Certifying a voucher is responsible for the information contained in that voucher and the supporting records.
- The Certifying Official is responsible for the computation of the certified voucher.

**The Certifying Official must ensure that all line items contained in the voucher and the total amount for payment has been computed correctly and that there are no mathematical errors in the voucher.**

- The Certifying Official is responsible for the legality of the proposed payment under the appropriation or fund involved in the payment. In other words, the Certifying Official must make sure that the line of accounting that is utilized to pay the voucher aligns with the type of items purchased.

**In the case of the purchase program, the Certifying Official will most often rely on other members of the Government Purchase Team to review the supporting records (i.e. the account holder and the Approving Official). However, the Certifying Official still has a responsibility to assess the accuracy of the data while performing the certification process and to report suspect transactions to the A/OPC and appropriate investigative office.**

- The Certifying Official is financially responsible for repaying a payment if the payment was certified and was illegal, improper, or incorrect due to negligence on the part of the Certifying Official or was not paid out of the correct appropriation due to negligence on the part of the Certifying Official.

**See United States Code 31, Section 3528 for a full explanation of the financial responsibilities of a Certifying Official.**

In addition to the roles and responsibilities stated above, many agencies may provide additional responsibilities for the Certifying Official within their agency's policies. It is important that the Certifying Official reviews the agency's specific policies.

## **Additional Resources**

Additional resources including tools, logs, and templates for the AO can be found on the GSA SmartPay website at: <https://smartpay.gsa.gov/content/resources#sa864> <sup>[3]</sup>

# **Quiz on GSA SmartPay Purchase Account (Account Holders/AOs)**

Now that you have completed the training portion of the GSA SmartPay Purchase Account Online Training, you are ready to take your quiz. Once you have completed and successfully passed your quiz, you will receive your completion certificate. The certificate can be saved or printed from the training website.

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**Source URL:** <https://training.smartpay.gsa.gov/content/gsa-smartpay-purchase-training-account-holders-aos>

**Links**

- [1] <https://training.smartpay.gsa.gov/printpdf/book/export/html/259>
- [2] <http://www.section508.gov/>
- [3] <https://smartpay.gsa.gov/content/resources#sa864>
- [4] <https://sftool.gov/greenprocurement>
- [5] <https://www.gsaelibrary.gsa.gov/>
- [6] <https://smartpay.gsa.gov/content/state-tax-information>
- [7] <https://smartpay.gsa.gov/contact>
- [8] [https://www.acquisition.gov/far/current/html/Subpart%25208\\_1.html#wp1082288](https://www.acquisition.gov/far/current/html/Subpart%25208_1.html#wp1082288)
- [9] [http://www.acquisition.gov/far/current/html/Subpart%25208\\_1.html#wp1082288](http://www.acquisition.gov/far/current/html/Subpart%25208_1.html#wp1082288)
- [10] [https://www.gsaadvantage.gov/advantage/main/start\\_page.do](https://www.gsaadvantage.gov/advantage/main/start_page.do)
- [11] <https://www.whitehouse.gov/the-press-office/2017/04/18/presidential-executive-order-buy-american-and-hire-american>
- [12] <http://www.mastercard.com/>
- [13] <http://www.visa.com/>
- [14] <http://www.epa.gov/cpg>
- [15] <http://www.energystar.gov/>
- [16] <http://http/energy.gov/eere/femp/energy-and-water-efficient-products>
- [17] <http://www.epeat.net/>
- [18] <http://www.biopreferred.gov/BioPreferred/>
- [19] <http://www.epa.gov/watersense>
- [20] <https://www.epa.gov/greenerproducts/recommendations-specifications-standards-and-ecolabels-federal-purchasing>
- [21] <http://www.epa.gov/ozone/snap/lists/index.html>
- [22] <http://www2.epa.gov/saferchoice>
- [23] <mailto:brennan.conaway@gsa.gov>
- [24] <https://tfm.fiscal.treasury.gov/v1/announc/a-14-04.html>
- [25] <https://smartpay.gsa.gov/smarttax>
- [26] <https://www.archives.gov/files/records-mgmt/grs/grs01-1.pdf>
- [27] [https://www.acquisition.gov/far/html/Subpart%25204\\_8.html](https://www.acquisition.gov/far/html/Subpart%25204_8.html)
- [28] [https://www.acquisition.gov/far/html/Subpart%25204\\_6.html](https://www.acquisition.gov/far/html/Subpart%25204_6.html)
- [29] <https://www.fpbs.gov/>
- [30] <https://tfm.fiscal.treasury.gov/v1/p4/c450.html>
- [31] <https://www.acquisition.gov/>
- [32] <http://www.gsa.gov/federalmanagementregulation>
- [33] [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A123/a123\\_appendix\\_b.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A123/a123_appendix_b.pdf)
- [34] <http://www.oge.gov/>