

For: FAS, RMA, and FSA Employees except County Office Employees

Convenience Check Policy Changes

Approved by: Acting Deputy Administrator, Management

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1 Overview

A Background

Office of Management and Budget conducted several studies on using convenience checks associated with the purchase card. These studies identified several serious risks with using convenience checks as well as widespread misuse of the checks by cardholders. Therefore, the Department is implementing new policies to safeguard the future of the USDA Purchase Card and Convenience Check Program.

B Purpose

This notice informs cardholders that:

- convenience checks issued between July 1, 2003, through June 30, 2004, will be subject to an agency wide total annual dollar cap
- they will be required to find alternative sources for those vendors who do not presently accept the VISA purchase card
- they must greatly reduce the number and amount of checks currently being issued
- checks cashed after September 30, 2003, will be subject to a convenience check fee of 1.9 percent of the check amount.

Disposal Date

July 1, 2004

Distribution

FAS, FSA, and RMA employees

Notice AS-2068

2 Convenience Check Elimination Policies

A Effective Date

Beginning July 1, 2003, through June 30, 2004, cardholders will be limited in the number and dollar amount of convenience checks issued per office. This limit will be based on the office's previous amount of checks issued during the same period in 2002 and 2003, with a slight reduction in that total.

B Alternative Sources

Cardholders are required to find alternative sources of supply for those vendors who currently do not accept the VISA purchase card. Vendors who may be interested in accepting the card for payment should be encouraged to contact Bank of America Merchant Services at 1-800-228-5882.

C Unauthorized Uses of the Convenience Check

Cardholders shall **not** issue checks in the following circumstances:

- to vendors who accept the VISA purchase card
- contract payments
- purchases exceeding \$2,500
- indemnity payments
- imprest fund replenishments
- employee reimbursements

Note: Employee reimbursements shall be processed according to paragraph 4.

- utility payments (except when UTVN cannot be used)
- when prohibited by agency policy
- vehicle maintenance and repair
- telecommunication services, supplies, or equipment in excess of \$10.

2 Convenience Check Elimination Policies (Continued)

D Authorized Uses of the Convenience Check

The following are examples when using a convenience check is legitimate, but **only** when VISA is not accepted:

- honoraria
- State and local government fees and services
- trade associations
- colleges and universities
- training vendors who do not accept SF-182 or the card
- postage meter refills
- purchases from overseas/foreign vendors
- purchases from small local vendors who either do not yet accept the card or are unable to accept the card.

3 Convenience Check Policies

A Convenience Check Fee Increase

Beginning October 1, 2003, all checks cashed will be subject to an increased convenience check fee of 1.9% of the check amount. This amount will automatically be calculated by the bank and entered in Purchase Card Management System (PCMS). Cardholders will be responsible for properly matching up checks and check fees in PCMS.

B PCMS Reconciliation

Cardholders will be expected to ensure that the:

- Taxpayer Identification Number (TIN) is correctly entered for each and every check written to domestic entities
- item description entered into PCMS is accurate.

Cardholders who fail to reconcile transactions within 60 calendar days after each transaction appears in PCMS shall have their account suspended and it will not be reactivated until all transactions in the account are reconciled.

Notice AS-2068

3 Convenience Check Policies (Continued)

C Card Suspension

Cardholders who misuse the convenience check will automatically have their purchase card suspended and will no longer have convenience check authority.

D Contact

Contact the Agency Program Coordinator, Diane M. Cudd, by telephone at 202-690-1061 or e-mail to diane.cudd@wdc.usda.gov, with questions or if additional information is needed.

4 Requesting and Processing Employee Reimbursements

A Local Travel Reimbursements for FSA Employees

Local travel reimbursements for employees shall be processed through the NFC on-line travel system according to the FSA/FAS Travel Policies and Procedures Manual and 97-FI, Part 2, Section 3

B Local Travel Reimbursements for FAS Employees

Request reimbursement for local travel out-of-pocket expenses paid by the employee for official purposes by submitting a completed, signed, and approved SF-1164, according to 97-FI, Exhibit 5, showing the amount to be reimbursed and the purpose of the expenses. The local travel reimbursement can either be processed through the NFC on-line travel system according to the FSA/FAS Travel Policies and Procedures Manual and 97-FI, Part 2, Section 3, or be sent to FMD, International Accounting and Exports Programs Branch (IAEPB), International Fiscal Operations Section (IFOS) for processing.

Notice AS-2068

4 Requesting and Processing Employee Reimbursements (Continued)

C Non-Travel Out-of-Pocket Expense Reimbursements for FSA and FAS Employees

Request reimbursement for authorized training fees and related costs, purchases of goods or services, or shipping costs paid by the employee for official purposes, by submitting a signed and approved AD-700 or SF-1164, showing the amount to be reimbursed and the purpose of the expenses.

Note: See 97-FI, Exhibit:

- 5, for an example of completed SF-1164 for training fees and related costs
- 9, for an example of completed AD-700 for authorized purchases and shipping costs.

Submit completed and approved SF-1164 and/or AD700 for processing according to the following:

- **FSA** employees shall send the completed and approved SF-1164 and/or AD-700 to KCFO, Financial Accounting Division, Administrative Accounting Operations Branch
- **FAS** employees shall send the completed and approved SF-1164 and/or AD-700 to FMD, IAEPB, IFOS for processing.

FSA and FAS employees will receive the reimbursement electronically in his or her salary bank account usually within 3 workdays of being processed by either KCFO or FMD.

RMA employees shall continue their current process for employee reimbursements since convenience checks are not used in that process.