

## UNFPA PURCHASING CARD POLICY

### **Table of Contents**

A. PRINCIPLES OF UNFPA PURCHASING CARD PROGRAMME POLICY .....	2
A.1 DEFINITIONS .....	2
A.2 PURPOSE .....	2
A.3 SCOPE .....	2
A.4 DELEGATION OF AUTHORITY .....	2
A.5 GENERAL PRINCIPLES .....	3
B. PROGRAMME STRUCTURE AND ADMINISTRATION .....	4
B.1 GENERAL OVERVIEW .....	4
B.2. PROGRAMME ADMINISTRATION AND STAFFING REQUIREMENTS .....	4
B.3. ROLES AND RESPONSIBILITIES .....	5
C. ESTABLISHING ACCOUNTS .....	11
C.1. CARD ISSUANCE.....	11
C.2. CARDHOLDER PROFILE.....	11
D. ACCOUNT MAINTENANCE.....	13
D.1. CARDHOLDER PROFILE CHANGES .....	13
D.2. LOST OR STOLEN CARDS .....	13
E. CARD USAGE POLICIES .....	14
E.1. GENERAL CARD USAGE.....	14
E.2. SUPPLIER SOURCES.....	14
E.3. LIMITATIONS AND RESTRICTIONS.....	14
E.4 SALES AND EXCISE TAX .....	17
F. AGENCY RISK MANAGEMENT POLICIES .....	18
F.1. SCOPE OF RISK MANAGEMENT .....	18
F.2. GROUP LIMITS PER CARD AND CARDHOLDER .....	18
F.3. MISUSE OF THE PURCHASE CARD AND PENALTIES .....	18
G. AGENCY ACTIONS AGAINST FRAUD, MISUSE AND ABUSE.....	19
G.1. MISUSE, ABUSE AND FRAUD .....	19
H. ANNEXES.....	20
I. GLOSSARY .....	52

*This policy overrides the UNFPA Purchasing Card Programme: Policies and Guidelines for Administrators, Cardholders and Managers from 2008, and should be used as the document of reference for all Purchasing Card transactions.*

## **A. PRINCIPLES OF UNFPA PURCHASING CARD PROGRAMME POLICY**

### **A.1 Definitions**

A.1.1. UNFPA “Corporate Purchase Card” (hereinafter ‘P-Card’) Programme, is a programme that manages a corporate purchase card issued to UNFPA staff members for official use related to official UNFPA business (see A.1.2 and A.1.3).

A.1.2. “Official use” refers to the authorised use of a UNFPA Purchasing Card (hereinafter ‘P-Card’) to conduct official UNFPA business.

A.1.3. “Personal use” is all other use not related to official UNFPA businesses; P-Cards shall only be used in relation to official use.

### **A.2 Purpose**

A.2.1. The overall objective of this manual is to outline the policies and procedures of the UNFPA P-Card for all existing and potential card users, administrators, and managers.

A.2.1.1. This policy also defines the responsibilities of the Procurement Services Branch (PSB) and the Finance Branch as managing and supervising entities of the P-Card Programme.

### **A.3 Scope**

A.3.1. Topics covered in this policy manual include: a general overview of corporate credit cards and their benefits; definitions of commonly used terms; administration of the Corporate Purchase Card Programme; policies on risk management; reconciliation and record keeping procedures; and customer service information.

### **A.4 Delegation of Authority**

A.4.1. The UNFPA Executive Director has delegated management and approval authority for the P-Card Policy to the Deputy Executive Director (External Relations, United Nations Affairs and Management), hereafter referred to as DED(M), who has further delegated his/her authority to the Director, Division for Management Services (DMS).

The Director, DMS has delegated his/her authority to UNFPA regional directors, UNFPA sub-regional office directors, UNFPA representatives, UNFPA country directors, UNDP resident representatives/UNFPA representatives, and to chiefs of liaison offices, hereafter collectively referred to as “heads of office”. UNFPA heads of office are responsible for ensuring that P-Card use is carried out in full compliance with this policy.

## **A.5 General Principles**

### **A.5.1. Application of P-Card Management Principles:**

Those responsible for UNFPA P-Card management are to be guided by the following principles:

- i. Ensure integrity and accuracy in financial and administrative recording and use of P-Cards;
- ii. Promote due care and attention to the control, and maintenance of P-Cards accounts;
- iii. Safeguard UNFPA interests in the management and disposal of P-Cards.

### **Compliance with Financial Regulations and Rules and Other Instruments:**

All P-Card management must strictly comply with UNFPA financial regulations and rules, procurement procedures, and all administrative policies and procedures. As outlined, the delegation of P-Card management authority is granted on an individual basis and requires delegated authorities to adhere to the relevant portions of the controlling legal instruments. In the case of any inconsistency or ambiguity between them, these instruments must be applied in the following order of priority:

- i. 100 of the **Charter of the United Nations**  
[<http://www.unfpa.org/admin-resource/hr-framework>];
- ii. a. **UNFPA Financial Regulations and Rules**  
[<http://www.unfpa.org/admin-resource/financial-framework>];  
b. **Staff Regulations and Rules of the United Nations**  
[<http://www.unfpa.org/admin-resource/policy-personnel-staffing>]; and
- iii. The applicable policies and procedures.

## B. PROGRAMME STRUCTURE AND ADMINISTRATION

### B.1 General Overview

B.1.1. The UNFPA Corporate Purchase Card programme, uses a MasterCard Corporate Card and is serviced by JP Morgan Chase. The programme was initiated as a pilot in 2005 as a means to streamline, expedite and simplify the requisitioning, purchasing and payment processing of small-dollar business transactions.

B.1.2. The P-Card is designed to shorten the approval process and reduce the paperwork of the procurement procedures such as purchase orders, petty cash, check requests and expense reimbursements.

B.1.2.1. The P-Card programme aims to reduce the number of low value Purchase Orders (PO). Therefore the policy should be a tool to assist this objective while maintaining the required compliance with the P-Card policy.

B.1.2.2. The P-Card Programme provides many benefits to UNFPA as a whole as well as to individual staff members involved in procurement and payment processing of small-dollar transactions. Specifically, the programme can:

- Reduce the administrative costs of processing small dollar transactions;
- Lead to faster delivery of required goods and/or services;
- Simplify the payment process
- Empower designated cardholders with the option to purchase authorized goods in an expeditious manner;
- Provide an effective audit trail of expenses

B.1.3. The P-Card is used primarily for the procurement of general supplies and services within individual spending limit (see Annex I b) and is not used for official travel-related expenses, unless exceptional circumstances apply (see Annex II a).

B.1.4. The programme follows a ‘corporate liability’ model, where Finance Branch rather than the individual cardholder is responsible for the payment of all bills to JP Morgan Chase, and by no means is the individual’s credit score taken into account or affected by the transactions of this card.

B.1.5. All bills generated by the use of the card are paid immediately by Finance Branch, charging a temporary account. When Finance Branch gets the correct Chartfield of Accounts (COA), Finance Branch will charge it and clear the temporary account (see B.3.1.2).

### B.2. Programme Administration and staffing requirements

B.2.1 The P-Card programme is managed by a head programme administrator. The head programme administrator is responsible for the overall management, training, planning, and monitoring of the programme. In addition, the head programme administrator supervises and coordinates the day-to-day administration of the programme, including ongoing support and

assistance to cardholders, closing of accounts, liaising with JP Morgan Chase, and other day-to-day tasks (see B.3).

B.2.2. To ensure a continuity of services and support to cardholders and the P-Card programme, the Head Programme Administrator, assigned in Copenhagen has a Sub Programme Administrator, and there is one back-up Programme Administrator in New York. The Sub Programme Administrator will hold the same responsibilities as the Head Programme Administrator during his/her absence and the New York back up Programme Administrator will have full Head Programme Administrator responsibilities after Copenhagen business hours and in absence of both Head Programme Administrator and Sub Programme Administrator.

B.2.3. The P-Card programme staffing is structured as follows:

- Head Programme Administrator - Copenhagen
- Sub Programme Administrator to be nominated in writing by the Head Programme Administrator – Copenhagen
- Back up Programme Administrator - New York. This person manages responsibilities during the absence of both Copenhagen-based Programme Administrators and/or after close of business in Copenhagen, Denmark (after 5:30 pm in Copenhagen). This staff must be approved in writing by the Head Programme Administrator /coordinator.
- Finance Associate in Finance Branch (New York) handles the approval of payments to JP Morgan Chase, the Journal recording of the expenditures and the reversals of COA in Atlas.

### **B.3. Roles and Responsibilities**

B.3.1. Responsibilities for the management and administration of the Programme are divided between PSB in Copenhagen, Denmark and the Finance Branch in New York, USA as defined by their staffing listed in B.2.3, and by the activities listed below:

B.3.1.1. The Head Programme Administrator of PSB (Copenhagen), is responsible for the overall management and coordination of the P-Card programme, and his/her tasks include:

#### **General Management:**

- liaison with JP Morgan Chase on all P-Card issues
- approval of nominated cardholders
- applying for new cards
- provide cardholders and their supervisors with the list of allowable purchases and authorized spending limits, and ask the card holder and supervisor to sign the list as evidence that they understand these requirements
- approval of temporary and permanent limit increase requests
- support to cardholders
- supervising the Sub Programme Administrator to pre-populate the JP Morgan **PaymentNet** [[www.paymentnet.com](http://www.paymentnet.com)] system with valid UNFPA COAs and create Logins and Passwords for each user

#### **Monitoring:**

- establishing and reviewing of limits/thresholds for each card user and their respective P-Card
- maintaining the monthly spending limits and authorised spending categories for each card holder (Annex I a)
- annual updating of limits/thresholds for each card user and their respective P-Card
- overall monitoring of active card user accounts, including supervisory approval in [PaymentNet](http://www.paymentnet.com) [www.paymentnet.com], as well as disabling accounts when user changes jobs, based on mobilization information obtained from the Department of Human Resources (DHR)
- quarterly monitoring of programme trends, card user trends, purchasing trends purchase declines, disputes (resolved and unresolved), erroneous charges etc. – this will generate a report that will be shared with Chief Finance Branch
- arrange biannual reviews with Finance Branch, and if necessary with JP Morgan Chase, to review programme activity, progress, and make modifications
- annual updating of the P-Card policy manual
- facilitating an internal audit review by the Division for Oversight Service (DOS), or an external audit by the UNFPA External Auditors.

**Training:**

- development of training materials for the P-Card programme
- training of new card holders and their respective managers (see Annex VIII)

B.3.1.2. The Chief Finance Branch (New York) is responsible for supervising the managing of all financial and accounting aspects of the P-Card programme which will be carried out by the Finance Associate in the Finance Branch (see B.2.3), including:

**Payment:**

- reviewing of the consolidated billing statement received by UNFPA Accounts Section at the conclusion of the billing cycle
- reviewing cardholder monthly statements for complete Code in the Chart of Accounts (COA) information
- receiving, matching/verifying and approving original receipts with monthly statements submitted by cardholders - in the case information is missing the Finance Associate from the Finance Branch will notify the card user and prompt them for resubmission, following up on late reconciliation of monthly card statements
- verifying supervisory approval in [PaymentNet](http://www.paymentnet.com) [www.paymentnet.com]
- charging purchases and card fees to a temporary COA
- making disbursement to JP Morgan Chase
- reliving temporary COA and replacing it by the information provided by the cardholder (which has been already approved by the cardholder supervisor), thus making a reversal from the temporary COA to the final and approved COA (this takes place after 15 days of statement date)

**Monitoring:**

- monitoring the card use to be in compliance with P-Card policy (through its review of the supporting documentation attached to the statement), and notifying the Head Programme Administrator of P-Card purchases that are not in compliance with the P-Card Policy
- participate in the biannual reviews organized by PSB, with the possible inclusion of JP Morgan Chase, for programme activity, progress, and make necessary modifications, if any.

**Managing Purchasing Errors:**

- applying the credit to the same COA where the disputed charge was originally debited

**Management related to Management Information Services (MIS) cardholders with customized special approval:**

- monthly updates to the Chief, Facilities and Administrative Services Branch (FASB) of all the IT-related fixed assets procured with the P-Card on a monthly basis, for him/her to verify entry in Asset Management Module in Atlas with Asset Management Associate.
- monthly updates to the Chief Management Information Services (MIS) of all the intangible assets<sup>1</sup> procured with the P-Card, for him/her to verify entry in Asset Management Module in Atlas with Administrative Associate.
- monthly updates to the Chief FASB of all the attractive items (as defined by the [Asset Management Policy](#) [<https://docs.myunfpa.org/docushare/dsweb/View/Collection-210>]) procured with the P-Card , for him/her to verify entry in Asset Management Module in Atlas with Asset Management Associate.

B.3.1.2.1 For monthly statements within the purchasing authority level (Annex I a), the designated Finance Associate in the Finance Branch (New York) may approve payments to JP Morgan Chase.

B.3.1.2.1.1. For monthly statements above the authorized spending levels (Annex I a), the Chief Finance Branch shall notify the Head Programme Administrator.

B.3.1.3. Supervisors of cardholders and heads of office also have specific responsibilities to ensure appropriate internal controls on purchasing. This separation of duties is a means to minimize risks of fraud, abuse, and misuse which could occur without appropriate checks and balances, as listed below:

B.3.1.3.1. Supervisors and managers of cardholders are responsible for authorizing card usage by cardholders under their direct supervision. This includes:

---

<sup>1</sup> Intangible Asset complete definition still pending from IPSAS team. For this Policy software will be considered as an intangible asset.

- nominating and authorising in writing cardholders within the department and/or under their supervision
- In the case the supervisor is not also the Budget Holder for the budget where the P-Card purchases are going to be charged, an additional approval from the budget holder is needed (see Annex V a).
- reviewing and authorizing of COA codes uploaded into the [PaymentNet](http://www.paymentnet.com) [www.paymentnet.com] system by their supervisees
- approving in writing use of P-Card for travel and/or hospitality (See Annex II a)
- allocating and monitoring procurement budgets and ensuring adequate level of funding available, where the supervisor is also the budget holder
- requesting in writing temporary or permanent limit increases for cardholders under their supervision, with the approval of the head of office.

\* An email may count as an approving signature

B.3.1.4. The cardholder is responsible of adhering to the rules and procedures outlined in this guide and for ensuring proper maintenance of his/her account. The cardholder must comply with the following requirements:

**General Management and Maintenance:**

- Use the UNFPA P-Card for official expenditures only
- **Not** transfer a P-Card issued under his/her name to another individual
- **Not** use the P-Card for personal benefit
- **Not** use the P-Card for purchase of fixed and intangible assets, as well as attractive items as defined in the [Asset Management Policy](https://docs.myunfpa.org/docushare/dsweb/View/Collection-210)<sup>2</sup> [https://docs.myunfpa.org/docushare/dsweb/View/Collection-210], with the exception of cardholders in MIS with customized special approval
- **Not** split a single large transaction into multiple small transactions so as not to exceed the individual transaction limit
- reviewing all documentation received from JP Morgan Chase
- appropriate maintenance of the P-Card accounts (verification and reconciliation of all account activity and expenditure, reporting lost or stolen cards, change of profile information, etc.)
- request and retention of all receipts and documentation, and submission to the Finance Associate of the Finance Branch (the invoice must show the total cost of purchase i.e. price, sales/use tax, freight, etc. All receipts for hospitality purchases must include the date of the purchase, the participants, and purpose of the meeting, and the approved Hospitality Form (which is Annex II of the [Policy for Hospitality Events](http://www.unfpa.org/admin-resource/policy-hospitality-events) [http://www.unfpa.org/admin-resource/policy-hospitality-events]) should be attached.
- request signature of the direct supervisor whenever goods or services are received, as proof that these were indeed delivered or physically received by UNFPA. In case the

---

<sup>2</sup> The current Asset Management Policy defines asset as any item that costs \$1,000 or more. This limit may be revised upward in the future and all cardholders shall be informed

supervisor is not also the budget holder, then the budget holder's signature would be needed in the receipt as well.

- uploading of all purchases and respective COA into the [PaymentNet](#) [www.paymentnet.com] system, including those for disputed charges
- submitting the statements to his/her supervisor for approval and ensuring that approval is made in the [PaymentNet](#) [www.paymentnet.com] system within two weeks of receiving the charge (Note: The supervisor is not aware of the charges until informed by the cardholder)
- following appropriate procedures for receiving technical support, including contacting JP Morgan Chase Customer Service lines, prior to contacting the Programme Administrators.
- contacting the Programme Administrators either in Copenhagen or in New York (depending on business hours) for service and support.

**Managing Purchasing Errors:**

- resolving credit errors and disputed charges in a timely manner; if a problem arises, the cardholder would have a maximum of 15 days to contact Sub Programme Administrator in PSB, Finance Branch and J.P Morgan Chase to resolve the issue
- contacting the supplier and attempt to resolve the error or problem when the supplier has processed an incorrect charge or if an unresolved issue with respect to quality or service
- submitting a dispute claim online through the online [PaymentNet](#) [www.paymentnet.com] system and request a credit adjustment through JP Morgan Chase Customer Service (number found at the back of the card) if the supplier does not resolve this to the satisfaction of the cardholder, and the error involves an overcharge
- communicating the dispute to JP Morgan Chase in writing on official UNFPA stationery, with a copy to the Head Programme Administrator
- highlighting the disputed item on the statement as a reminder for the Finance Associate Finance Branch that correct credit has been received and it has to be applied to the same COA where the disputed charge was originally debited
- notifying the Head Programme Administrator for escalation if the cardholder believes that the dispute is not resolved to their satisfaction, or they have been treated unfairly by the supplier

**MIS cardholders with customized special approval only:**

- ensuring appropriate direct supervisor's approvals have been received, particularly for fixed and intangible assets (MIS staff with customized approval) and attractive items (See Annex III for allowed items)
- informing Asset Management Associate FASB of all IT-related fixed assets (laptops, computers) that have been purchased with the card (MIS staff with customized approval only), so he/she can enter them into the Asset Management Module in Atlas
- informing the Administrative Associate MIS of all intangible assets (software) that have been purchased with the card, so he/she can enter them into the Asset Management Module in Atlas

- informing Asset Management Associate FASB of all attractive items that have been purchased with the card, so he/she can enter them into the Asset Management Module in Atlas

\*For more details on who to contact for different actions, see Annex IV.

B.3.1.4.1. If the cardholder expects to be on leave or will be travelling and is not expected to have internet access during their travel or absence, they must approve the charges before travel/leave is commenced.

B.3.1.4.2. Each cardholder will have only one chance for late reconciliation of procurement records. The P-Card will be cancelled and withdrawn after the second incident of late reconciliation activity by the Head Programme Administrator.

B.3.1.4.2.1. All purchases made with the card and all card fees will be paid for by the budget of the cardholder.

B.3.1.5. JP Morgan Chase is responsible for providing overall technical and functional support to the Programme Administrators and cardholders. This includes support for:

- development of training materials and training for Programme Administrators
- technical support for [PaymentNet](#) [[www.paymentnet.com](http://www.paymentnet.com)]
- strategy development assistance to UNFPA
- timely functional support to cardholders having technical difficulties with the card or [PaymentNet](#) [[www.paymentnet.com](http://www.paymentnet.com)]
- timely issuance of cards to cardholders
- temporarily crediting the cardholder's account for the amount of a disputed transaction while pending resolution (this credit adjustment will appear on the next statement)

## C. ESTABLISHING ACCOUNTS

### C.1. Card Issuance

C.1.1. Card issuance is based on a nomination and application process. Staff members who wish to have a P-Card must be nominated by their supervisors and approved by the head of office. Nominations of staff members will be based on the conditions and criteria described in section C.2. Cardholder Profile.

C.1.2. As a Corporate Liability P-Card, a cardholder's personal credit history is not considered when a card is issued in their name. However, a supervisor or head of office should consider staff performance when nominating applicants.

C.1.3. The nominating supervisor must complete a P-Card cardholder Nomination and Application Form (Annex V a.), to be signed by the her/himself, the nominated cardholder, and the head of Office.

C.1.3.1. In case the supervisor is not also the budget holder of the budget where P-Card purchases are going to be charged, the signature of the appropriate budget holder is needed in the Application Form (Annex V a.).

C.1.4. When completing the form, the nominating supervisor must specify merchant categories required for the cardholder by checking the options in the fields for Checklist of Additional Allowable Merchant Categories for Cardholders (Annex V b.).

C.1.5. Applications must have signature approval by the Head Programme Administrator.

C.1.6. Each card is to be issued under the name of the approved individual. These individuals are hereinafter known as 'cardholders'. P-Cards cannot be transferred from one staff member to another as stated on section B.3.1.4.

C.1.7. On receipt of the card, each cardholder and his/her supervisor are to sign a receipt and acknowledgement form. (Annex VI. Cardholder Receipt Form). By activating and signing the P-Card, the staff member (cardholder) agrees to participate in the UNFPA Corporate P-Card Programme and assumes the responsibilities outlined in this policy as defined in section B.3.1.4.

### C.2. Cardholder Profile

C.2.1. This section outlines general conditions when determining who shall be approved to receive a card. In general, the cardholder shall be a staff member who falls into any of the following categories:

- holds a fixed term contract
- is endorsed by the head of office

- is normally responsible for issuing requisitions (or managing contracts) or routinely makes small-dollar purchases for the office
- is the Director of a Department or Branch Chief
- is the Assistant to the Director of the Department or to the Branch Chief
- is the Special Assistant to the Executive Director or the Administrative Assistant to the Executive Director's Office

C.2.2. Staff members who are new to the Agency and new with the United Nations system will require a three month probation period before submitting an application for a P-Card. However, staff members who are new to the agency but not new to the United Nations System can be allowed to apply for a card if the supervisor gives approval.

C.2.3. Heads of office who wish to nominate staff members who fall outside of the above categories shall be required to provide a written justification for nominating such staff. This application shall be reviewed and approved if deemed justified solely by the Chief PSB.

C.2.4. Temporary employees and employees on consultancy contracts shall not be issued a P-Card.

## **D. ACCOUNT MAINTENANCE**

### **D.1. Cardholder Profile Changes**

D.1.1. Cardholders must inform the Sub Programme Administrator of any and all changes to their account information, such as mailing address, name change due to marriage, or expense accounting code. These changes should be managed by completing the Purchasing Card Cardholder Account Maintenance Form (Annex VII) and sending it to the Sub Programme Administrator.

### **D.2. Lost or Stolen cards**

D.2.1. The cardholder is responsible for the security of the card and any purchases made on the account. Lost or stolen cards should be immediately reported to the 24-Hour JP Morgan Chase Customer Service Unit (number found on the back of the card). Reports should also be addressed to the Head Programme Administrator in UNFPA through the contact at the [PSB Intranet page](#) [<https://portal.myunfpa.org/web/psb>]. It is extremely important to act promptly in the event of a lost or stolen card to avoid UNFPA's liability for fraudulent transactions.

D.2.2. Once a card has been reported lost or stolen it will be deactivated and cannot be used again. A replacement card will be issued within 48 hours of notice to JP Morgan Chase.

## **E. CARD USAGE POLICIES**

### **E.1. General Card Usage**

E.1.1. The P-Card can be used at any supplier that accepts MasterCard except if directed otherwise by UNFPA. It may be used for in-store purchases as well as phone, fax, on-line, or mail orders. No special terminal or equipment is needed by the suppliers to process P-Card transactions.

E.1.2. If payment is made through the P-Card suppliers should not send an invoice to Accounts Payable, as this will cause a duplicate payment. However, cardholders should obtain a receipt from the supplier.

### **E.2. Supplier Sources**

E.2.1. Any supplier that accepts MasterCard will accept the UNFPA P-Card.

### **E.3. Limitations and Restrictions**

E.3.1. The default single-purchase limit is tailored for each card user, as is the monthly limit (see Annexes I a and I b). The card will automatically reject single purchases above the set single-transaction limit and the cumulative monthly total as applicable.

E.3.2. Additional spending limits and allowable merchant categories will depend on an employee's grade level within UNFPA, number of years in the organization if relevant, job function and procurement needs (see Annexes I and III). All of these items shall be consulted and approved by a direct supervisor and/or head of office.

E.3.3. Single purchase and monthly limits are to be established per category group and per cardholder. For example, where hospitality purchases are allowed, a monthly or single-purchase threshold limit is to be customized for each cardholder; the Executive Director is entitled to higher threshold limits for hospitality purchases than other staff. Refer to Annex I a - c for a detailed breakdown of monthly and single-transaction spending limits per job occupation category and grade level.

E.3.4. PSB will assess and review standard single-purchase and monthly limits, as well as cardholder specific limits, on an annual basis and make adjustments (downward or upward) where applicable (see B.3.1.1)

E.3.5. If a cardholder must make a purchase which exceeds the single purchase limit, or where a single purchase will cause the cardholder to exceed the monthly limit, the cardholder must request in writing for a temporary increase in the monthly limit and/or single transaction limit and should include the following:

- Justification for procuring the service or product
- Proof of compliance with UNFPA procurement procedures (if applicable)

This request must be made first to the cardholder's immediate supervisor, who shall sign/approve and forward the request to Chief of PSB in Copenhagen or other Delegated Authority as approved by the Chief PSB.

E.3.5.1. It is the cardholder's responsibility to know his/her credit card balance and remaining monthly spending limit as stated in B.3.1.4.

E.3.5.2. Where repeated requests for temporary increases have been made, the Head Programme Administrator shall conduct an investigation into the cardholder's purchasing activity relevant to his/her job function (see Section G. Agency Risk Management Policies). If misuse or abuse has been excluded, the Head Programme Administrator may approve a permanent increase in the single purchase or monthly limit if requested and approved by the cardholder's supervisor.

E.3.6. The P-Card shall be used to purchase business-related goods and/or services that are within the scope of this policy and the limits assigned to the card. For a complete list of allowable merchant categories see Annex III.

E.3.6.1. The purchase of fixed assets, intangible assets and attractive items shall only be allowed by staff in MIS who have pre-authorization and direct supervisor's approval to purchase such items.

E.3.6.1.1. Chief MIS shall supervise the Administrative Associate MIS in the recording of all intangible assets, purchased with the P-Card, into the Asset Management Module in Atlas.

E.3.7. To minimize the risk of misuse, abuse and fraud, the P-Card programme has a built-in Merchant Category blocking system. If a particular Merchant Category is blocked, any purchase made at a blocked supplier will be declined.

E.3.7.1. However, to increase use of the card and increase cost-savings and benefits of the P-Card programme, while at the same time minimizing agency risk, the following procedures will apply:

E.3.7.1.1. All groups of suppliers will be allowed or customized to the cardholder with the exception of groups and specific merchants that have no professional purpose, including the following:

- ATM, Cash advances, courtesy checks
- Most entertainment merchants i.e. gambling, tourist attractions, video games/arcades, etc.<sup>3</sup>
- Government services i.e. court costs/alimony/support, fines, bail and bond payments, taxes, etc.

---

<sup>3</sup>The Entertainment Category will remain open while most Merchant Category Codes (MCCs) within the entertainment group will be blocked. Only those with explicit approval and pre-authorization can use the card in this category.

- High risk industry merchants i.e. furriers and fur shops, pawn shops, dating and escort services, jewellery shops, etc.<sup>4</sup>
- Transportation dealers
- Home furnishings and improvement dealers
- Household appliances and wholesale traders

E.3.7.1.2. Merchant Categories (Annex III) will be customized to the cardholder. This shall be determined by the Head Programme Administrator based on a cardholder's request and direct supervisor's approval at the time of the cardholder application submission.

E.3.7.1.3. Categories that are not relevant to the cardholder's procurement role or job function may be blocked such as hospitality, travel and hotel (see Annex II b). Options shall include:

- Standard purchasing which includes basic allowances for all cardholders, not including hospitality, travel and other categories not relevant to the cardholder's procurement role or job function
- Standard purchasing, plus hospitality/catering
- Standard purchasing, plus hospitality/catering, plus travel
- Additional customized categories defined by the supervisor and Programme Administrator

E.3.7.1.3.1. Within allowable Merchant Categories/Groups, specific merchant category codes (MCCs) may be blocked if deemed to have no professional purpose for any employee type or category.

E.3.7.1.4. Suppliers or stores that sell multiple products that may fit under different categories, or miscellaneous, will be standard allowable, but from where purchases should be routinely monitored, such as for Medium Risk Industries (see Section G. Agency Risk Management Policies).

E.3.7.1.5. If a merchant category is blocked, or if the employee is uncertain whether the purchase would fall under allowable purchases, the supervisor shall send a request to the Head Programme Administrator at PSB to unblock and allow the purchase. This request should include a written justification for the purchase.

E.3.7.1.6. The Head Programme Administrator will make an effort to ensure that suppliers used during normal course of business are not restricted. If the cardholder believes that the card has been inappropriately refused or turned down by a supplier, they are requested to first contact JP Morgan Chase Customer Service (number found at the back of the card) to determine the reason for refusal. Thereafter, this

---

<sup>4</sup>The High risk industry category will be blocked for all staff, except for the Executive Director's Office, and most MCCs within the group will be blocked. In addition, there will be a limit of \$500 per transaction and a \$1,000 overall limit.

may be escalated to the Head Programme Administrator in PSB who is empowered to modify or lift the restrictions on the use of cards.

**E.4 Sales and Excise Tax**

E.4.1. UNFPA corporate credit cards are issued by a commercial bank in the United States. A tax free identification number issued by the United States State Department indicating that UNFPA is exempt in the United States from the payment of any form of sales tax is embossed on the credit cards.

E.4.1.1. It is the responsibility of the cardholder, before completing the transaction, to advise a merchant located in the United States that the proposed transaction is exempt from sales tax and to provide the merchant with the tax exempt identification number featuring on the card. The cardholder may conclude the transaction only if the merchant has acknowledged that the transaction would be free from sales tax. Should the merchant refuse to honour the exemption from sales tax of the proposed transaction, the card holder should not conclude the transaction.

E.4.1.2. If the merchant acknowledged that the transaction would be free from sales tax but, in fact, applied a sales tax to the transaction contrary to his previous acknowledgment; the cardholder should dispute the charge and seek a reimbursement (credit) to the credit card in respect of the amount representing the sales tax applied to the transaction.

## **F. AGENCY RISK MANAGEMENT POLICIES**

### **F.1. Scope of Risk Management**

F.1.1. The purpose of this section is to outline additional risk management procedures UNFPA must take for preventing and identifying P-Card fraud, abuse and misuse. In addition, this section outlines actions that UNFPA must take against cardholders that have abused their P-Card privileges.

F.1.1.1. The primary task for risk management and monitoring are detailed in Section B.3 and the respective actions of each part delineated in the subsections.

### **F.2. Group limits per card and cardholder**

F.2.1. Separate single-transaction and monthly purchase limits will be placed on certain merchant category groups, such as hospitality, travel, and other groups as necessary. These limits shall not exceed the standard maximum single-transaction or monthly limits unless otherwise authorised (See Annex I a and I b).

### **F.3. Misuse of the Purchase Card and Penalties**

F.3.1. The P-Card is intended to increase efficiencies in the procurement and payment processes and to complement the existing procurement systems. It is not, however, intended to bypass required procurement regulations and procedures. It is understood that the cardholder is responsible for adhering to the established UNFPA policy and procedures for procurement and finance (see [UNFPA Procurement Procedures](https://docs.myunfpa.org/docushare/dsweb/View/Collection-206) [<https://docs.myunfpa.org/docushare/dsweb/View/Collection-206>] section in the UNFPA Policies and Procedures Manual) and for observing the guidelines contained in this document. Even though an individual's name appears on the P-Card, the P-Card belongs to UNFPA and can only be used for official purchases as defined in this policy.

F.3.2. Any infringement of these rules and regulations will be considered a serious infraction and will be dealt with as per the guidelines contained in section H of this manual.

## **G. AGENCY ACTIONS AGAINST FRAUD, MISUSE AND ABUSE**

### **G.1. Misuse, abuse and fraud**

G.1.1 Where abuse, misuse or fraud is found by Finance Branch, Chief Finance Branch will inform the Head Programme Administrator, and he/she will refer the matter to the Director of the Division for Oversight Services (DOS) to carry out a full investigation.

G.1.2. Where the investigation by DOS finds that cardholders have misused or abused the P-Card, or committed fraud, actions shall be taken, the level of which will depend on the level of misuse, abuse or fraud, and will be sanctioned as per the [UNFPA Fraud Policy](#) rules [[https://docs.myunfpa.org/docushare/dsweb/Get/UNFPA\\_Publication-23256](https://docs.myunfpa.org/docushare/dsweb/Get/UNFPA_Publication-23256)] and to section 13 of the [Policies and Procedures Manual: Conduct, Misconduct, Disciplinary Measures and Procedures](#) [<http://www.unfpa.org/admin-resource/disciplinary-framework-0>].

## **H. ANNEXES**

### **Annex I. Spending limits by job function and grade level**

Annex I a Monthly spending limits by job function and grade level

Annex I b Single transaction spending limits by job function and grade level

Annex I c Description of occupational categories

### **Annex II. Hospitality Limits**

Annex II a. Table I. Travel and Hospitality

Annex II b. Hospitality/Catering Limits

### **Annex III. Allowable Merchant Categories**

### **Annex IV. Actions and Focal Point Matrix**

### **Annex V a. Cardholder Nomination and Application Form**

### **Annex V b. Checklist of Requested Allowable Merchant Categories for Nominated Cardholder**

### **Annex VI. Purchasing Card Cardholder Receipt Form**

### **Annex VII. Purchasing Card Cardholder Maintenance Form**

### **Annex VIII. Training**

### **Annex IX. UNFPA's Purchasing Card – Key Processes Flowcharts**

### **ANNEX I a. Monthly Spend Limits by Job Function**

<b>Job Category/Limits by Grade level</b>	ICS-12	ICS-11	ICS-10	ICS-9 <sup>a</sup>	ICS-8 <sup>a</sup>	ICS-7 <sup>b</sup>	ICS-6	ICS-5	ICS-4 <sup>a</sup>	ICS-3 <sup>a</sup>	ICS-2 <sup>a</sup>	ICS-1
Procurement Services	\$20,000	\$15,000	\$10,000	\$5,000	\$5,000	\$8,000	\$10,000	\$8,000	\$5,000	\$5,000	\$5,000	N/A
Facilities and Management services, <sup>bc</sup>	\$20,000	\$15,000	\$10,000	\$5,000	\$5,000	\$8,000	\$10,000	\$8,000	\$5,000	\$5,000	\$5,000	N/A
Public Information services (Media, PR) <sup>d</sup>	\$20,000	\$15,000	\$10,000	\$5,000	\$5,000	\$8,000	\$10,000	\$8,000	\$5,000	\$5,000	\$5,000	N/A
IT services	\$20,000	\$15,000	\$10,000	\$5,000	\$5,000	\$8,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	N/A
Library services	\$15,000	\$10,000	\$5,000	\$5,000	\$5,000	\$8,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	N/A
All other technical, financial, translation services, and the EXD office	\$15,000	\$10,000	\$5,000	\$5,000	\$5,000	\$8,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	N/A

### **NOTES**

- ❖ Temporary increases in standard monthly limits must be authorized based on written request to the Head Programme Administrator, justification, and direct supervisor approval (in the case the direct supervisor is not also the budget holder, the authorisation from the budget holder is also needed)-emails count as written request

---

<sup>a</sup> ICS-8 and ICS-9/ ICS-2- ICS-4: New employees require a probation period of 3 months minimum with Organization before employee can submit an application for P-Card; they will not receive hospitality unless direct supervisor has requested it (both permanent or temporary authorization)

<sup>b</sup> May depend on number of years with the Organization as well as procurement needs for department; frequency of card use. Supervisor/head of office must request limit.

<sup>c</sup> Supervisor/ head of office can request increases for staff depending on procurement needs within the department. These increases can be temporary or permanent.

<sup>d</sup> See Annex I c for description of Public Information services function.

- ❖ ICS-9 staff have lower levels of technical and other responsibilities, and may not be managing activities requiring significant use of the corporate credit card. In addition, ICS-9 professionals are often new employees within the UN system. However, special circumstances may exist where the supervisor may approve higher spending limits or hospitality transactions for these staff members.
- ❖ ICS-7 staff often have been employees within the system for several years, and are performing high level administration services for the Agency. The supervisor may approve a higher limit (than specified in the previous chart) depending on the specific needs; a staff with the agency for a minimum of 3 years at ICS-7 level can automatically be provided with a spending limit of \$8,000.00 per month.



### **ANNEX I b. Single-Transaction Spend Limits by Job Function<sup>a</sup>**

<b>Job Category/Limits by Grade level</b>	ICS-12	ICS-11 <sup>b</sup>	ICS-10	ICS-9	ICS-8	ICS-7 <sup>b,c</sup>	ICS-6	ICS-5	ICS-4	ICS-3	ICS-2	ICS-1
Procurement Services	\$5,000	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	N/A
Facilities and Management services	\$5,000	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	N/A
Public Information services (Media, PR) <sup>d</sup>	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	N/A
Library services <sup>e</sup>	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	N/A
IT services	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	N/A
All other technical, financial services, and EXD office	\$3,000	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	N/A

---

<sup>a</sup> Any transaction that needs to be made that exceeds the set per transaction limit requires written authorization; it is not to exceed \$5,000.00 per transaction. This could be useful for example for the emergency procurement of a single computer server to reduce time to process a PO.

<sup>b</sup> For higher transaction limits, supervisor and/or head of office must make a written request to Head PA – emails count as written request.

<sup>c</sup> Depends on number of years with Organization, as well as procurement needs for the department, frequency of card use. Supervisor must request the limit.

<sup>d</sup> See Annex I c for a description on public information services.

<sup>e</sup> It would be unlikely that library information specialists would require a single transaction purchase for a significant amount. More likely, purchases would be made from a variety of suppliers for a combination of materials and supplies.

### ANNEX I c. Description of Occupational/Service categories

**\*Public Information services include the following:** Plan and conduct promotional events, coordinating media coverage, assess effectiveness of UNFPA's media relations activity, update and revise information techniques, editorial production, review of public information, plan and represent meetings and conferences. Staff categories include press officers, public information specialists, external relation officers, printed media specialists, radio media specialists, writers, and administrative staff. Card uses would include purchase of materials, copy and printer services, print media services, conference organization, and hospitality particularly at high professional levels.

**Library Services:** Management of library information services, including collection and acquisition of information in all formats, such as books, documents, audio-visual materials, periodicals, maps, diskettes, magnetic tapes, CD-ROMs, commercial databases, etc; develop guidelines and monitor the needs of the organization; select vendors, negotiate services, and establish gift or exchange programmes; manage physical organization of the information collection; cataloguing, indexing and abstracting materials; develop classification systems, files and thesauri; design, organize and maintain reference collections and information services; create general and specialized information products in all formats for dissemination. General service library jobs require support for operations, including procurement, maintenance, cataloguing; utilizing software, retrieval and distribution of materials, etc. Card uses include: procurement of reference materials, books, periodicals/journals, cataloguing systems such as software and other systems, etc.

**IT Services:** procurement, maintenance and support for IT-related hardware, including printers, faxes, scanners, computers, services, backup systems, videoconferencing equipment etc; procurement and troubleshooting of general software and business applications; programming; procurement of general consumables and supplies for IT-related uses. Card uses include acquisition of hardware (i.e. For emergency purposes), supplies such as cables, CD-ROMs, hardware parts, USB drives, speakers, cartridges, bulbs for projectors; procurement of software and database applications.

**ANNEX II a. Travel and Hospitality****Table I****Travel and Hotel**

All travel must be in line with pre-approved travel plans as per [Travel Policy](https://docs.myunfpa.org/docushare/dsweb/View/Collection-210) [<https://docs.myunfpa.org/docushare/dsweb/View/Collection-210>]. Travellers must submit signed travel authorizations and an F10 form at the end of travel, along with receipts during the payment reconciliation process. UNFPA shall allow employees who travel to use the P-Card for travel in exceptional circumstances and where there is a clear financial advantage for the agency.

Examples of exceptional circumstances may include a situation where a travellers' itinerary has been changed and a new ticket must be issued but can only be issued in paper, or where traveller's personal credit card does not work, has been lost or stolen.

If the card was used for unplanned but necessary purchases during travel, the traveller must notify his/her supervisor immediately by email or telephone with a request for authorization to use the card. Where it is not feasible to reach the supervisor, the cardholder must notify as soon as possible after travel that the card has been used for travel payments. In certain cases, it may also be necessary to request a temporary increase in the monthly limit and/or single purchase transaction limit. The supervisor must send a written request for increase to the Head Programme Administrator.

Employees are strongly discouraged from using the P-Card for hotel and restaurant payments during travel, as all employees receive Daily Subsistence Allowance (DSA). Should an employee choose to use his/her P-Card to pay hotel and restaurant expenses, the traveller must reimburse the appropriate portion of the DSA to UNFPA for these bills within 14 days.

**Hospitality/Catering**

Many UNFPA employees require the P-Card for legitimate hospitality or catering activities, such as the Front office of the Executive Director and other staff working in advocacy and dealing with external stakeholders. In addition, employees who organize meetings of any size may need to use the card to buy coffee or other beverages for catering purposes. The Programme Administrators will allow hospitality purchases for staff based on job function, procurement function and direct supervisor's approval.

Refer to Annex II b on hospitality spending limits for additional details.

**NOTE:** Employees must adhere to UNFPA's policy on hospitality purchases regardless of allowable purchases and spending authority.

There is, however, greater opportunity for abuse or misuse regardless of an employee's intention to do so.

**The following would be considered abuse or misuse of the hospitality or catering category:**

- Using the P-Card for personal dining regardless of intention to reimburse
- Using the P-Card for lavish or excessive dining for professional purposes (see Glossary for definitions of lavish and excessive), without prior authorization
- Using the P-Card for dining expenses beyond the authorized amount without prior authorization to do so.
- Holding frequent or excessive number of luncheons or dining events for professional purposes.

To prevent abuse or misuse of the P-Card, spending limits will be placed on each hospitality transaction as well as the total of hospitality transactions. This will depend on the cardholder function and frequency of hospitality events. The following limits shall be set:

The standard hospitality limit will be \$500 per billing statement and \$500 maximum per hospitality transaction

The Executive Director's Office and other offices approved by the Chief PSB shall have a standard limit of \$500.00 per hospitality transaction, and a \$2,500.00 monthly limit, unless increases have been approved.

**In addition:**

No ICS-1 or ICS-2 level staff shall have access to hospitality purchases.

ICS-8 and ICS-9 level staff shall be on 3 month probation before being allowed to use the P-Card for hospitality purposes, after which time, the supervisor must make a request in writing to the Head Programme Administrator.

**ANNEX II b. Hospitality/Catering Limits**

<b>GRADE<sup>a</sup></b>	<b>Hospitality monthly limit (USD)</b>	<b>Hospitality Per transaction</b>	<b>Pre-supervisor's approval required<sup>b</sup></b>
ICS-12	\$1,000.00 per month	\$500.00	No
ICS-11	\$500.00 per month	\$500.00	No
ICS-10	\$500.00 per month	\$500.00	Yes
ICS-9	\$500.00 per month	\$500.00	Yes
ICS-8	\$500.00 per month	\$500.00	Yes
ICS-7	\$500.00 per month	\$500.00	No
ICS-6	\$500.00 per month	\$500.00	Yes
ICS-5	\$500.00 per month	\$500.00	Yes
ICS-4	\$500.00 per month	\$500.00	Yes
ICS-3	\$500.00 per month	\$500.00	Yes
ICS-2 <sup>c</sup>	N/A	N/A	N/A
ICS-1	N/A	N/A	N/A

<sup>a</sup> Hospitality monthly and single-transaction limits will be customized to the cardholder depending on the Grade of the cardholder, number of years of experience, and job function. For example, assistants to the EXD office will be granted higher monthly and single-item transaction limits due to high levels of hospitality activities.

<sup>b</sup> Supervisory pre-approval for use of the P-Card for hospitality purposes shall be required for ICS-8-ICS-10 and ICS-3 – ICS-6 grade levels. During the application process, supervisors must explicitly request for hospitality access for those categories.

<sup>c</sup> ICS-2 and ICS-1 will not have hospitality access

**ANNEX III List of Allowable Merchant Categories**

	<b>Merchant Category/ Group*</b>	<b>Group Access category</b>	<b>Authorization category**</b>	<b>Group and MCC limits apply</b>	<b>Specific MCCs not allowed (unless specific temp. authorization)</b>	<b>Potential employee users where not standard</b>
1	Airlines	Allowed	Approval required by supervisor	Customized		UNFPA travel staff (if app.), travellers, FASB, Admin staff
2	Car Rental	Allowed	Approval required by supervisor	Customized		Logistics staff and manager, travellers, FASB
3	Hotels	Allowed	Approval required by supervisor	Customized		Staff travellers, administrative staff in certain offices (i.e. front office), staff involved in coordinating meetings or conferences at hotels, personal assistants to the head office  Note: As travellers receive DSA, it is discouraged from using the card to pay for lodging during travel. If travellers use the card for hotel payment, they will be required to reimburse the organization, <u>unless in situations where travel days are extended and exceed DSA</u> .
4	Restaurants	Allowed	Approval required by supervisor	Customized See Annex II on limits for hospitality		Travellers, staff who purchasing take-away for business purposes, staff requiring use for hospitality purposes, catering, personal assistants to the head office, OED
5	Travel	Allowed	Approval	Customized	Package tour operators	Travellers, FASB

	<b>Merchant Category/ Group*</b>	<b>Group Access category</b>	<b>Authorization category**</b>	<b>Group and MCC limits apply</b>	<b>Specific MCCs not allowed (unless specific temp. authorization)</b>	<b>Potential employee users where not standard</b>
	agencies/services		required by supervisor			
6	Other travel	Allowed	Approval required by supervisor	Customized \$300/month  \$100/transaction	Bus lines/charter/tour; steamship/cruise lines	Professional staff attending meetings in town or outside, using personal vehicle for professional purposes, and taking taxicabs for business purposes, FASB, Admin staff
7	Auto maintenance, repair	Allowed	Approval required by supervisor			Vehicle maintenance and mechanic staff, logistics staff, FASB, Admin staff
8	Fuel	Allowed	Approval required by supervisor	Customized  \$200/month  \$75/transaction		UNFPA Drivers, Admin staff, FASB, Security Coordinators
9	Telecommunications	Allowed	Approval required by supervisor			FASB, MIS, Admin staff
10	Medical/ambulance	Allowed	Approval required by supervisor		All MCCs <b>not</b> allowed <b>EXCEPT FOR</b> purchasing of medical equipment and supplies	For routine medical problems which occur on-site/UN physician, Security Coordinators
11	Miscellaneous services	Allowed	Standard		Tailor/seamstress/alteration stores, laundry/cleaning/garment stores, barber/beauty shops, clothing/rental stores	General
12	Entertainment	Allowed for EXD	Approval required by	\$250/transaction, \$500 monthly		Public information, Media relations staff, EXD office

	<b>Merchant Category/ Group*</b>	<b>Group Access category</b>	<b>Authorization category**</b>	<b>Group and MCC limits apply</b>	<b>Specific MCCs not allowed (unless specific temp. authorization)</b>	<b>Potential employee users where not standard</b>
		and D2 level only	supervisor	Customized		<b>It is highly discouraged to procure services in this category. Written justification must be provided for procuring services within this merchant category.</b>
13	Florists	Allowed	Standard			General
14	Misc. Non T&E	Allowed	Standard			General
15	Charitable Organizations, Schools	Allowed	Approval required by supervisor	Customized		Executive Director's office
16	Memberships, etc	Allowed	Standard			General
17	Contracted services	Allowed	Approval required by supervisor	Customized		FASB, logistics
18	Auto dealers, parts, service stations	Allowed	Approval required by supervisor	Customized		Vehicle maintenance and driver staff/managers, Admin staff, FASB, Security Coordinators
19	Other transportation dealers	Not Allowed	N/A	N/A	All MCCs not allowed	None
20	Other transportation providers	Not Allowed	N/A			None
21	Telecomm services and utilities	Allowed	Approval required by supervisor			FASB, MIS Admin staff
22	Misc. service providers	Allowed	Standard		Timeshares, sport/recreational camps, trailer park/camp sites, funeral service/crematories,	General

	<b>Merchant Category/ Group*</b>	<b>Group Access category</b>	<b>Authorization category**</b>	<b>Group and MCC limits apply</b>	<b>Specific MCCs not allowed (unless specific temp. authorization)</b>	<b>Potential employee users where not standard</b>
					counselling service - all	
23	Misc. Business services	Allowed	Standard		Detective/protective agency	General
24	Misc. Repair Services	Allowed	Standard			General
25	Professional services	Allowed	Approval required by supervisor		Legal services/attorneys fees	Finance Branch, FASB, PSB
26	Home furnishings and improvements	Not Allowed	N/A	N/A	All MCCs not allowed	None
27	Household Appliances	Not Allowed	N/A	N/A	All MCCs not allowed	None
28	Mail order, catalogue order, telemarketing	Allowed	Approval required by supervisor		.	Personal Assistants to Head of Office, Admin staff, Programme staff, FASB, PSB, DHR, IERD, Technical Staff
29	Discount stores	Allowed	Standard		Hobby, toy and game shops (i.e. Toys R Us)	General
30	Grocery and convenience stores	Allowed	Approval required by supervisor	\$1,000/month \$500/transaction		Food services (catering purposes), Personal Assistants to Head of Office, OED
31	Misc. and Specialty Retail I	Allowed	Standard		Hearing Aid/Sales/service; orthopaedic goods; pet stores/food and supply; swimming pools/sales/services; electric razor stores/sales/services	General
32	Wholesale Trade	Not Allowed	N/A	N/A	All MCCs not allowed	None
33	Medium Risk	Allowed	Standard		Health and beauty spas, sporting	General

	<b>Merchant Category/ Group*</b>	<b>Group Access category</b>	<b>Authorization category**</b>	<b>Group and MCC limits apply</b>	<b>Specific MCCs not allowed (unless specific temp. authorization)</b>	<b>Potential employee users where not standard</b>
	Industries***				goods stores, music stores/pianos, shoe stores, precious stones and metals, family clothing stores, sports/riding apparel store;	
34	Misc. financial services	Allowed	Approval required		Security brokers/dealers; insurance sales/underwrite	FASB, Finance Branch, Admin staff, PSB
35	Manual/ATM Cash/Courtesy checks	Not allowed	N/A	N/A	All MCCs not allowed	None
36	Government Services	Not allowed	N/A	N/A	All MCCs not allowed	None
37	High Risk Industries	Only EXD office allowed		Y (\$500 per transaction, \$1,000 monthly)		EXD office

\***Group:** defined as the group of merchants and suppliers as a whole, and which is comprised of separate Merchant Category Codes (MCCs). The Group may be allowed (open), while specific MCCs may be blocked.

\*\***Authorization category:** (1) standard allowable - all cardholders may purchase under this Merchant category; (2) pre-approval or authorization required - merchant group category open to staff only if approved by supervisor, which may depend on job function and authority.

\*\*\***Medium Risk industries:** Requires a certain degree of scrutiny

The Corporate Card may **NOT** be used for any of the following categories:

- Personal use not associated with business
- Cash advances
- Temporary employee services
- Casinos...Fixed and intangible assets (with the exception of authorised staff in MIS)
- Laptops (with the exception of authorized staff in MIS)

#### **ANNEX IV. Card Related Events and Points of Contact for Resolution**

Action	Procedures and point of contact	Comments
Card Nomination	To be completed by nominating supervisor Send to Head Programme Administrator, PSB/Copenhagen	Requires approval from supervisor, budget owner, head of office
Card Application	To be completed by nominated cardholder Send to Head Programme Administrator, PSB/Copenhagen	Requires approval from supervisor, budget owner, head of office
Delays in Card issuance (greater than 1 month)	First contact the JP Morgan Chase Customer Service. If delays continues: Contact Head Programme Administrator, PSB/Copenhagen	JP Morgan Chase Customer Service has a 24-hr, toll free access number found on the back of the each card. PSB/Copenhagen Office Hours: M – F, 8:30 – 5:30 Outside of PSB office hours, contact the Programme Administrator in NY.
Obtaining a log in for PaymentNet	1. Contact Sub Programme Administrator, PSB/Copenhagen	PSB/Copenhagen Office Hours: M – F, 8:30 – 5:30 Outside of PSB office hours, contact the Programme Administrator in NY.
Difficulties logging in	Contact JP Morgan Chase Customer Service. <b>If unresolved:</b> 2. Contact Sub Programme Administrator, PSB/Copenhagen	PSB/Copenhagen Office Hours: M – F, 8:30 – 5:30 Outside of PSB office hours, contact the Programme Administrator in NY.
Rejection of purchase	<b>1. Cardholder is to ensure spending limits and allowable purchases</b> Review single purchase and monthly limits Review PaymentNet for monthly balance Review list of allowable merchant categories (Annex III)  <b>If the card user is within single purchase and monthly balance limits, and using an allowable MCC</b> Contact JP Morgan Chase Customer Service to identify problem and reason for refusal	Cardholders should monitor their monthly balances and ensure that they do not exceed their monthly limits.

Action	Procedures and point of contact	Comments
	<b>If unresolved</b> , contact Sub Programme Administrator	
Lost/Stolen card	Contact JP Morgan Chase Customer service Inform Head Programme Administrator and supervisor of Lost/Stolen card	JP Morgan Chase Customer service should be contacted as soon as possible from the time the card had been realized lost or stolen (number at the back of the card)
Charge Dispute	Inform Head Programme Administrator, and supervisor within 15 days of identifying dispute Contact supplier. <b>If unresolved:</b> Contact JP Morgan Chase Customer Service for initial clarification of disputed charge and request credit Enter dispute into PaymentNet system and send official statement of dispute in writing to JP Morgan Chase. <b>If unresolved:</b> Escalate to Chief Finance Branch and supervisor with copy to Head Programme Administrator	Cardholders should contact the supplier first to identify any errors before contacting JP Morgan Chase.
Profile changes	Contact Sub Programme Administrator, PSB/Copenhagen, by email or memo	Any changes in address, name, etc. are considered profile changes. The Sub Programme Administrator must be informed of these changes.
Cancellation of card	Contact Head Programme Administrator	The cardholder or his/her supervisor may contact the Head Programme Administrator by email.
Request limit increase	1. The cardholder's supervisor and head of office must approve and send this request <b>in writing by email or memo</b> to the Head Programme Administrator	The request must include justification for the increase and relation to the job function of the cardholder. The head of office must be made aware.

**ANNEX V a.**



**CARDHOLDER NOMINATION AND APPLICATION FORM**

This form is to be completed by nominating supervisors and nominated cardholder in order to receive a UNFPA P-Card.

**Nominated Applicant Information**

Name of nominated employee \_\_\_\_\_

Title \_\_\_\_\_ Index # \_\_\_\_\_ Dept/Section\_\_\_\_\_

Employee Grade and Series \_\_\_\_\_ Years of service with UNFPA \_\_\_\_\_ UN \_\_\_\_\_

**The following should be completed by the Nominating Supervisor:**

Job functions (check all that apply):

- |  |   |
|--|---|
| <input type="checkbox"/> Routine procurement of goods/services             | <input type="checkbox"/> Library Services                       |
| <input type="checkbox"/> IT Services/Computer                              | <input type="checkbox"/> Public Information Service (Media, PR) |
| <input type="checkbox"/> Management  | <input type="checkbox"/> Financial services and EXD Office      |
| <input type="checkbox"/> All other Technical                               |   |
| <input type="checkbox"/> Facilities/Administrative and Management Services |   |
| <input type="checkbox"/> Other (specify) _____                             |   |

Monthly credit limit: \_\_\_\_\_

Single transaction credit limit: \_\_\_\_\_

The following is a standard list of categories that the supervisor believes should be allowed for purchase by the nominated cardholder. Please check all that apply. For additional categories, check options in the Merchant Category Checklist and submit with this form. **Refer to Annex 3 of the UNFPA Corporate Credit card policy for details on allowable merchant categories and Annex 2 on hospitality allowances.**

Standard (no hospitality or travel)

Hospitality/Catering

Travel

Other from MCC checklist

**Nominating Supervisor Information**

Name of Nominating Supervisor \_\_\_\_\_

Title \_\_\_\_\_ Dept/Section \_\_\_\_\_

Grade and Supervisory relationship: \_\_\_\_\_

Supervisor Signature \_\_\_\_\_ Date \_\_\_\_\_

Budget Holder Signature \_\_\_\_\_ Date \_\_\_\_\_  
(in case the supervisor is not the budget holder of the budget where P-Card purchases are going to be charged)

Nominated Cardholder Signature \_\_\_\_\_ Date \_\_\_\_\_

Head of Office Signature \_\_\_\_\_ Date \_\_\_\_\_

**ANNEX V b.****CHECKLIST OF ADDITIONAL ALLOWABLE MERCHANT CATEGORIES FOR CARDHOLDERS**

This list includes all merchant categories that are not included in the standard list of allowable merchant categories and must be approved and requested by the nominated cardholder's supervisor at the time of nomination and application submission.

**Please refer to Annex 3 for more details as well as on group and MCC limits.**

To be completed by nominating supervisors or department heads ONLY. Kindly submit with Cardholder Nomination and Application Form.

<b>Check</b>	<b>Merchant Category/group</b>	<b>Potential employee users</b>
	Airlines	UNFPA travel staff, UNFPA travellers, Admin staff, FASB
	Car rental	Logistics staff and managers, travellers
	Hotels	Staff travellers, Assistants to department chiefs, administrative staff coordinating meetings, FASB
	Restaurants	Travellers, staff purchasing carry-out for business purposes, staff with hospitality or catering job functions
	Travel agencies/services	Travellers, FASB
	Other travel	Professional staff, Admin staff, and FASB attending meetings in town or outside, using personal vehicle for professional purposes, taxicabs for professional purposes
	Auto maintenance	Vehicle maintenance and mechanic staff, logistics staff, Admin staff, FASB, Security Coordinators
	Fuel	UNFPA drivers and logistics managers, Admin staff, FASB, Security Coordinators
	Telecommunications	FASB staff, Admin staff, MIS
	Medical/ambulance (for medical supplies only)	UN physician for routine medical problems on site
	Entertainment	EXD Office, media relations staff, public information staff
	Charitable Organizations, Schools	EXD Office only
	Contracted Services	FASB staff, logistics staff
	Auto dealers/parts, service stations	Vehicle maintenance and driver staff/managers, Admin staff, FASB, Security Coordinators
	Telecomm services and utilities	FASB staff
	Professional services	Finance Branch, FASB, PSB

**UNFPA**

Policies and Procedures Manual  
Purchasing Card Policy

---

	Mail order, catalogue order, telemarketing	Personal Assistants to the head of office, Admin staff, Programme staff, FASB, PSB, DHR, IERD, technical staff
	Grocery and convenience stores	Food services (catering), Personal Assistants to the head of office, Admin staff, OED
	Misc. financial services (i.e. insurance premiums)	Finance Branch, FASB, PSB, Admin staff
	High risk industries	EXD Office only

**Signature of Nominating Supervisor** \_\_\_\_\_ **Date** \_\_\_\_\_

**ANNEX VI**
**PURCHASING CARD  
CARDHOLDER RECEIPT FORM**
**PLEASE COMPLETE THE FOLLOWING INFORMATION**

**Cardholder Name:** \_\_\_\_\_ **Department** \_\_\_\_\_

**Title** \_\_\_\_\_ **Card Number** \_\_\_\_\_

**BY ACCEPTING AND ACTIVATING THIS CARD, THE CARDHOLDER AGREES TO THE FOLLOWING:**

Please Check Yes or No to each question.

1	The cardholder certifies that he/she has read and understood the requirements of the UNFPA Corporate Purchasing Card Policy Manual.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
2	The cardholder certifies that he/she has reviewed and understood the following: Annex I (Spending limits), Annex II (Hospitality requirements, if applicable), and Annex III (Allowable merchant categories)	<input type="checkbox"/> YES	<input type="checkbox"/> NO
3	The cardholder certifies that he/she has reviewed Annex IV: Card Actions and contacts.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
4	The cardholder agrees to be bound by the requirements of the UNFPA Corporate Purchasing Card Policy.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
5	The cardholder understands that he/she is fully and personally accountable for any misuse of the card or departure from these guidelines.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
6	The cardholder accepts that UNFPA reserves the right to invoice staff and recover costs associated with any illegal/ unauthorized purchases from payroll.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
7	The cardholder undertakes to surrender the Purchasing Card in event of separation from the funds and to notify UNFPA Corporate Card Administration.	<input type="checkbox"/> YES	<input type="checkbox"/> NO
8	The cardholder is fully and personally accountable for any misuse of the card or departure from these guidelines.	<input type="checkbox"/> YES	<input type="checkbox"/> NO

SIGNATURE OF CARDHOLDER: \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE OF SUPERVISOR: \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE APPROVED BY: \_\_\_\_\_ DATE \_\_\_\_\_  
**Chief, Procurement Services Branch**

**ANNEX VII**

**PURCHASING CARD CARDHOLDER ACCOUNT MAINTENANCE FORM**

To: \_\_\_\_\_ Date of request \_\_\_\_\_

**PLEASE COMPLETE THE FOLLOWING INFORMATION:**

**Type of Request:**

Name Change

Address Change

Hierarchy Change

Credit Line Change

Account Closure

Single transaction limit change

Monthly transaction limit change

Other (specify) \_\_\_\_\_

Account Number \_\_\_\_\_

Cardholder Name \_\_\_\_\_

Effective Date \_\_\_\_\_

Reason \_\_\_\_\_

Old Information \_\_\_\_\_

New Information \_\_\_\_\_

Name of Corporation \_\_\_\_\_

Signature of cardholder \_\_\_\_\_

Signature of authorizing supervisor \_\_\_\_\_  
(required except for Name and Address Changes)

Signature of Programme Administrator \_\_\_\_\_

**ANNEX VIII****TRAINING**

The training on the use and management of the P-Card is divided in two parts:

- from one side cardholders and supervisors have the training made available to them from PSB on all issues related to the P-Card;
- and on the other side they have the training on [PaymentNet](http://www.paymentnet.com) [[www.paymentnet.com](http://www.paymentnet.com)] system from JP Morgan Chase.

**PSB Training**

To ensure appropriate adherence and compliance to rules and policies, new cardholders and supervisors need to undergo a mandatory training provided by PSB prior to receiving an activated card. This training covers the following components:

- Overview and structure of card programme, objectives, and benefits
- Roles and responsibilities of programme administrator, supervisors, cardholders
- Card issuance, cancellation, and monitoring
- Card restrictions, limits, authorizations, and merchant categories
- Abuse, misuse, fraud
- Reconciliation of payment and reporting
- [PaymentNet](http://www.paymentnet.com) [[www.paymentnet.com](http://www.paymentnet.com)]
- General introduction to risk management

All participants shall receive a Certificate of Training issued by PSB as proof of participation and completion of the training; this certificate is required for activation of the card.

Programme Administrators shall conduct a refresher orientation on an annual basis for all cardholders.

For new managers and staff involved in administering the programme (Finance Branch staff, Programme Administrators, etc), UNFPA may wish to delegate training to the Head Programme Administrator and/or other staff members with experience in administering the programme and using [PaymentNet](http://www.paymentnet.com) [[www.paymentnet.com](http://www.paymentnet.com)].

**JP Morgan Chase**

All staff involved in administering the P-Card programme (designated Programme Administrators, Finance Branch staff involved with submitting payments, etc.) shall receive an in-depth live training by JP Morgan Chase on the [PaymentNet](http://www.paymentnet.com) [[www.paymentnet.com](http://www.paymentnet.com)] system, as well as on best practices for administering the P-Card programme. The following components shall be included in the training:

- Objectives and benefits of a P-Card programme

- Roles and responsibilities of programme administrators and Finance Branch staff
- Best practices for risk management and compliance strategies
- [PaymentNet \[www.paymentnet.com\]](http://www.paymentnet.com)
- Monitoring of overall programme

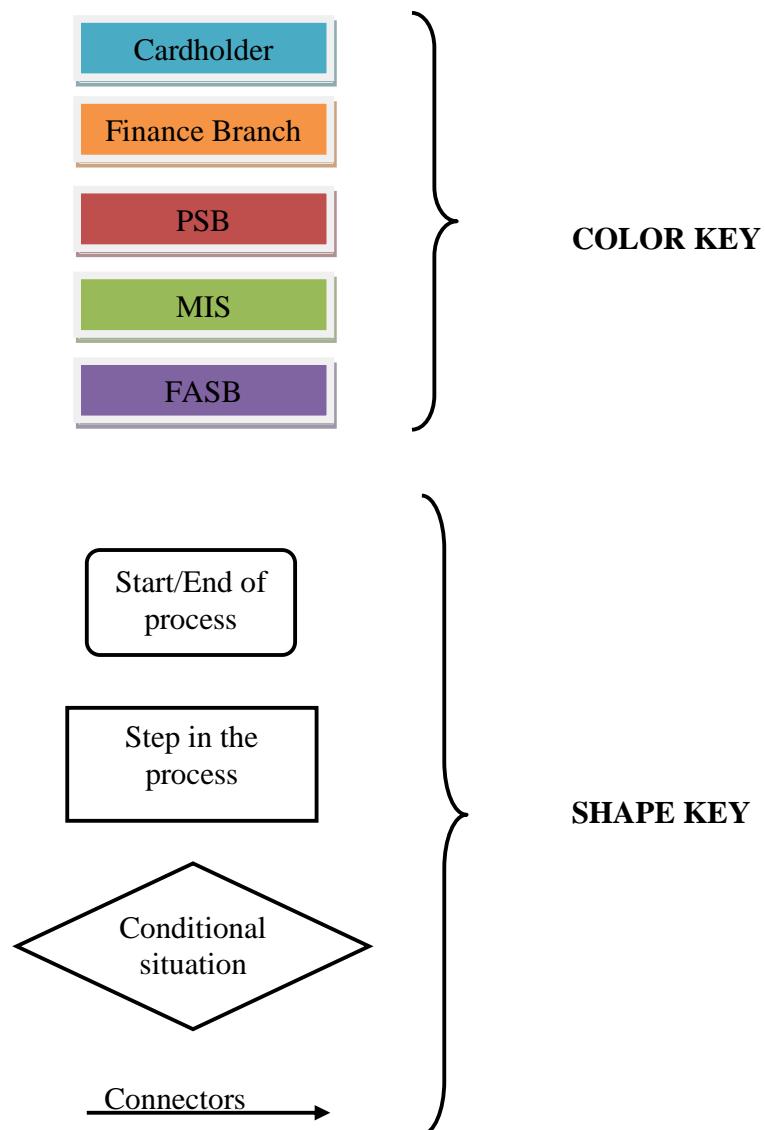
All cardholders can contact JP Morgan Chase to receive training (or refresher training) on the [PaymentNet \[www.paymentnet.com\]](http://www.paymentnet.com) system.

#### **P-Card Programme Modifications**

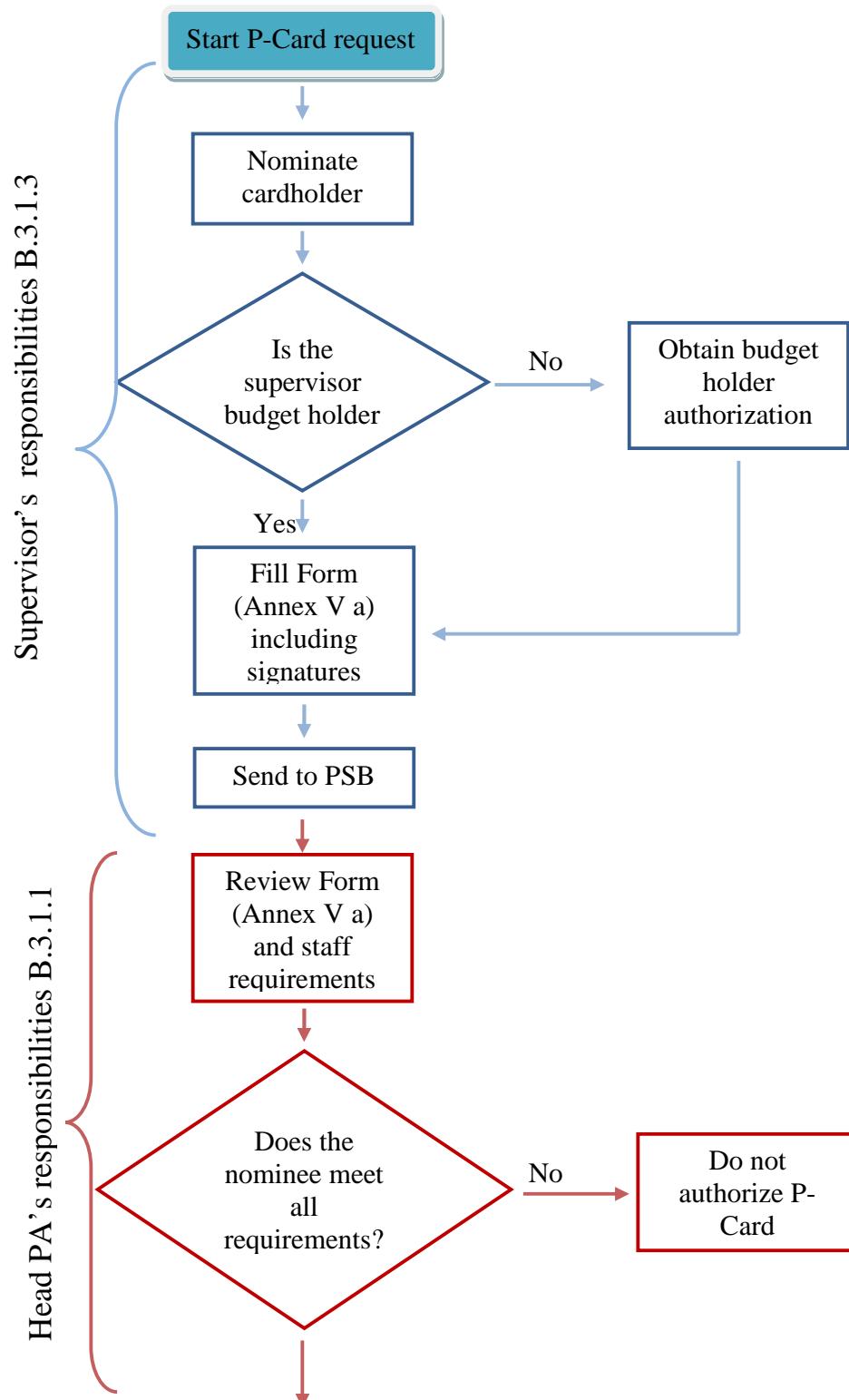
In the event of modifications to the P-Card programme, cardholders and supervisors shall be informed in writing or through an official orientation session of any such modifications, including changes in [PaymentNet \[www.paymentnet.com\]](http://www.paymentnet.com), threshold limits, Programme Administrator changes, and overall changes in the programme structure.

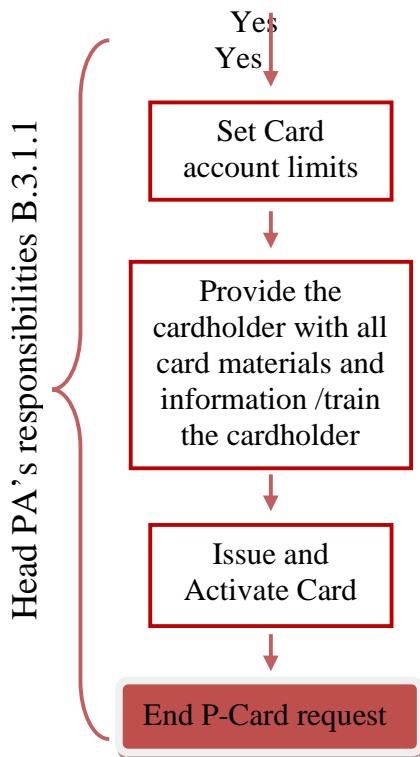
## **ANNEX IX**

### **UNFPA's Purchasing Card – Key Processes Flowcharts**

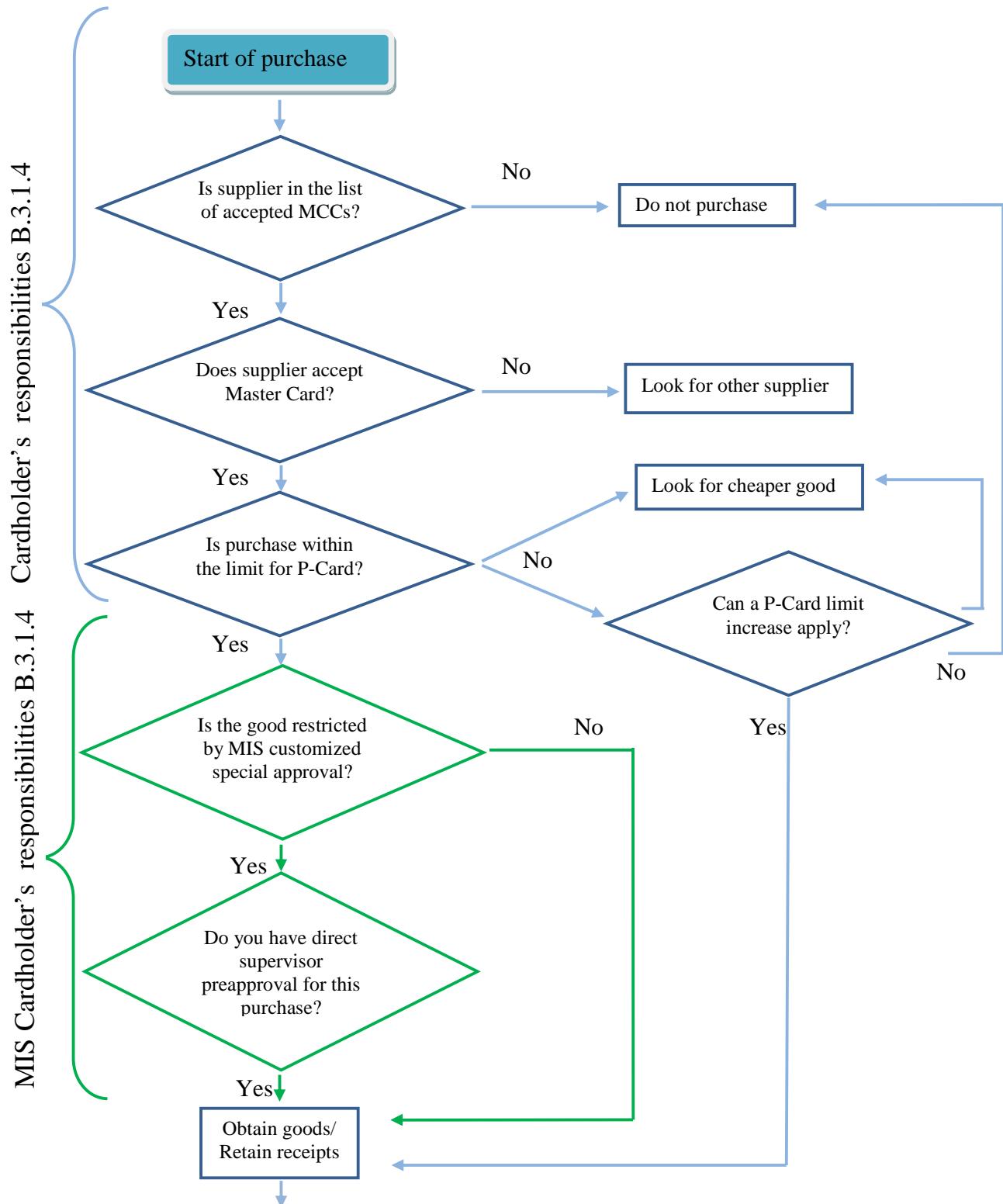


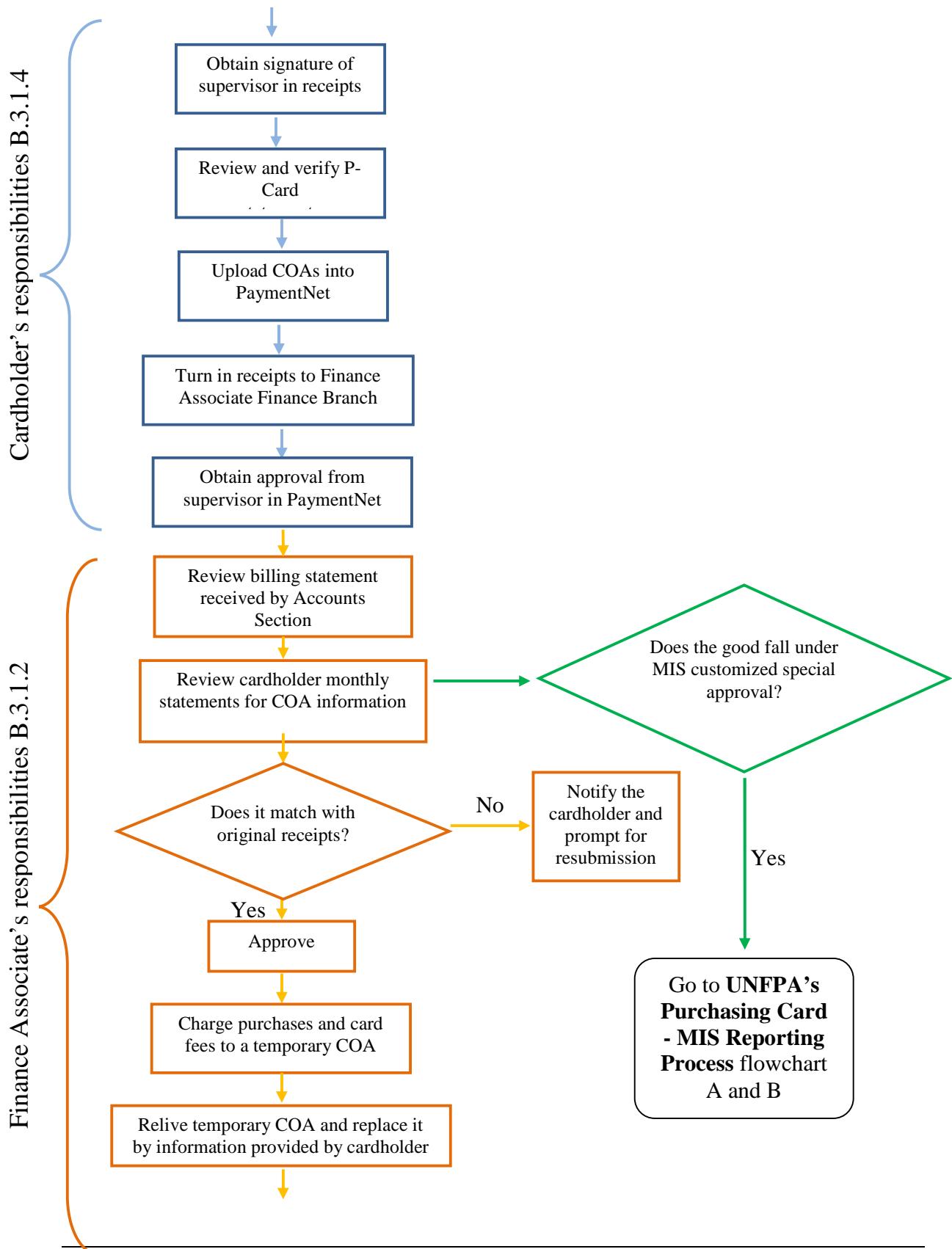
## UNFPA's Purchasing Card – Card Request and Activation Process





## UNFPA's Purchasing Card - Purchase Process





End of purchase

## UNFPA's Purchasing Card - MIS Reporting

### Process Cardholder Reporting

MIS Cardholder's responsibilities B.3.1.4

Come from UNFPA's  
**Purchasing Card - Purchase Process**  
flowchart if applicable

Start MIS Reporting

Is the good  
an attractive  
item?

No

Is the good  
a fixed  
asset?

Yes

No

Is the good  
an  
intangible  
asset?

Yes

Inform Asset  
Management  
Associate FASB

Asset Management  
Associate FASB  
enters information in  
Asset management  
module Atlas

End MIS Reporting

Inform  
Administrative  
Associate MIS

Administrative  
Associate MIS enters  
information in Asset  
management module  
Atlas

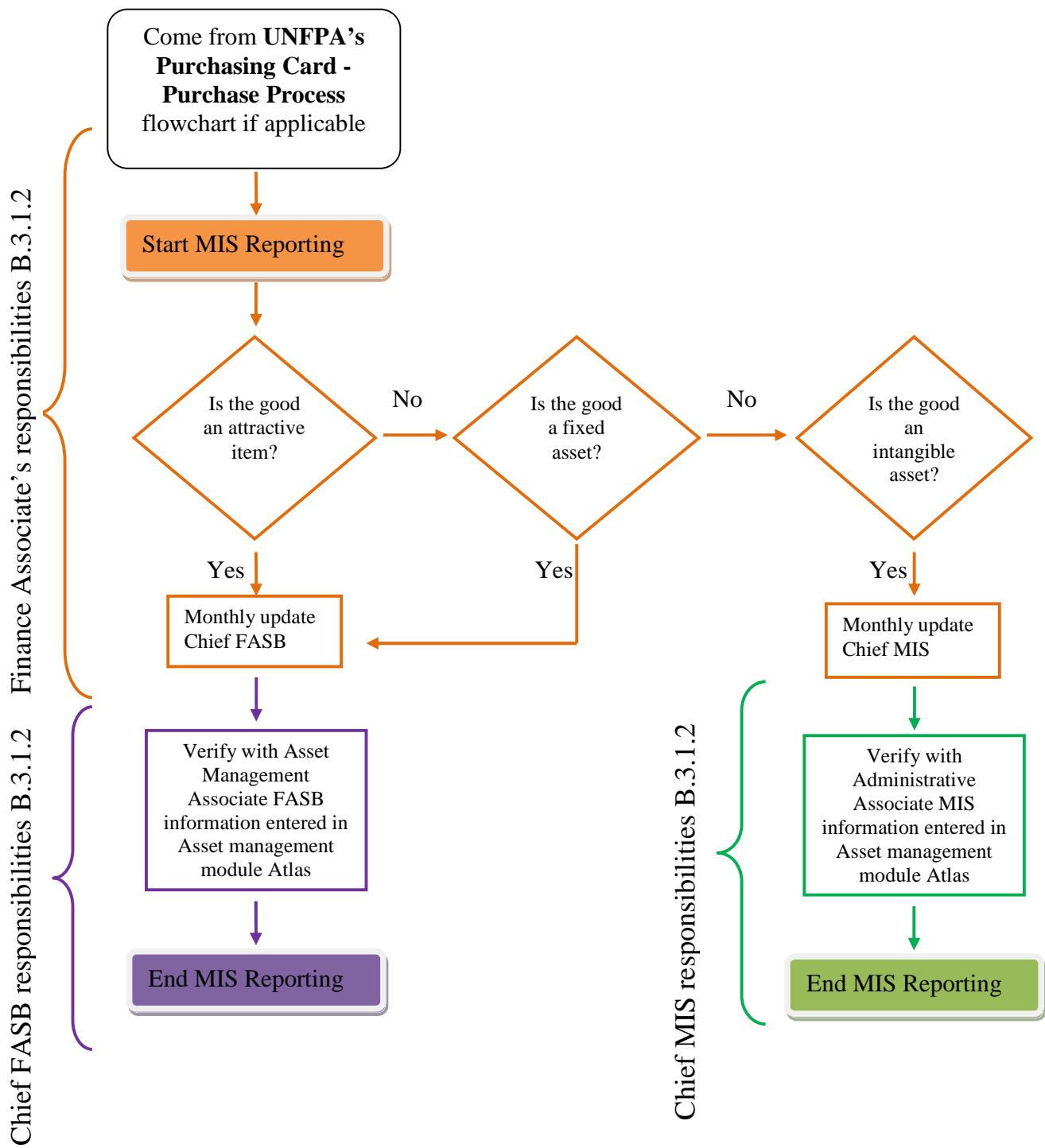
End MIS Reporting

Asset Management Associate FASB responsibilities B.3.1.4

Administrative Associate MIS responsibilities B.3.1.4

## UNFPA's Purchasing Card - MIS Reporting Process

### Finance Associate Reporting





## I. GLOSSARY

The following definitions of terms were obtained from various sources, including the United States Government GSA SmartPay website, the USAID Automated Directive System (ADS), Wikipedia, and the original JP Morgan Chase and UNFPA Contract.<sup>17</sup> In many cases, the definitions were adapted from their original text to meet UNFPA requirements and context.

**Abuse:** Use of an Agency charge card to buy authorized items or items that fall within authorized merchant categories, but at terms (e.g. price, quantity) that are excessive, for a questionable agency need, or both. Examples would include the purchase of a day planner for \$300 rather than \$45; allowable catering (i.e. Coffee, beverages, snacks) at excessive cost. This also includes the purchase of unauthorized items and abusing card privileges, such as the purchase of an airline ticket for personal travel. Also see Misuse and Fraud.

**Access Code:** A user identification code and password provided to each cardholder and Programme Administrator to access PaymentNet.

**Access Role:** In the context of the UNFPA P-Card Programme, refers to the level of access that a user has to the PaymentNet system. Access role, combined with Hierarchy Node (see def. below) determines what transactions can be viewed in PaymentNet by a non-cardholder user.

**Account:** The Visa or MasterCard account assigned to a cardholder and/or UNFPA, the related account, and any card bearing such account number.

**Authorization:** (1) The process of verifying, at the point of sale, that a purchase being made is allowable given the requirements, prohibitions, and controls established by the agency for that card; (2) the process of providing approval in advance for a specific purchase, modifications in credit limits, etc.

**Authorization controls:** A set of rule-based mechanisms that are used to enforce policies governing the allowable use of charge cards for the procurement and payment of products and services (e.g. MCC blocks, daily spend limits, transaction limits).

**Billing cycle:** (1) A specific recurring time period between the time statements of account/invoices are processed. Billing cycles are generally a monthly period ending on the same day each calendar month. If that day is not a Business Day, the period ends on the preceding or next Business Day.

**Billing cycle date:** The cut-off date for which charges are processed for the billing cycle.

---

<sup>17</sup> Primary source of definitions: a) USAID Worldwide Purchase Card Program Manual, October 2007. Mandatory Reference, ADS Chapter 331; b) GSA SmartPay RFP, Schedule of Services, Section C.1.4 Definitions; c) JP Morgan Chase, UNFPA Contract; d) Wikipedia.

**Billing date:** (1) The cut-off date for which charges are processed for the billing cycle; (2) the date the invoice is received by the agency Designated Billing Office.

**Blocking:** The process of setting up a mechanism in the card which automatically prohibits certain purchases (see merchant category blocking).

**Card Administrator:** See Programme Administrator

**Cardholder:** (1) An individual to whom and in whose name a card is issued to buy goods and services for official agency purposes; (2) any other employee, manager, head of office, or person authorized by UNFPA or named cardholder to use a Card or Account. Under UNFPA's P-Card policy, the cardholder is personally responsible for executing the purchases and maintaining the card in line with policies and guidelines. The cardholder is not liable for payment of purchases (see 'Corporate Liability').

**Cardholder application form:** An official Agency form that an employee must complete in order to be issued a card. This form must be signed by the Employee's supervisor.

**Cardholder dispute form:** An official Agency form that is used when a purchase or an amount of a purchase is being disputed by the cardholder.

**Centrally billed account:** A card/account where payments are made directly to the card vendor by the Agency's central financial office, rather than made by the cardholder. P-Cards are generally centrally billed accounts. For example, although employees at UNFPA HQs may be issued a card, Finance Branch at UNFPA HQ is responsible for making monthly payments to JP Morgan Chase (see also Corporate Liability).

**COA codes:** Code in the Chartfield of Accounts which helps identify details about each financial transaction. These codes help identify the following: whose transaction it is, type of transaction, where the money comes from, what the money is being used for, and where applicable which entity is responsible for the transaction. Account codes range from 3 – 8 digits. UNFPA generally uses a 5-digit account code.

**Corporate Liability:** Liability for payment of the outstanding balance of cardholder credit card bills lies with the Company rather than the cardholder. At UNFPA, cardholders must submit their invoices and receipts for purchases; however, it is the Finance Branch of UNFPA/New York that will make a monthly payment to the credit card company (see also Centrally Billed Account).

**Charge Card:** A plastic card, issued to an individual or an entity, with an underlying account that is used for making payments. Similar to a credit card, except that the balance generally must be paid in full upon receipt of the statement, usually on a monthly basis.

**Chartfield:** A chart of Accounts consist of chart fields that when combined define specific transactions. End Users must be familiar with the Chartfields and their definitions for use in procurement, budgeting, month end reporting, etc.

**Credit card:** A plastic card, issued to an individual or an entity, with an underlying account that is used for making payments. Unlike a charge card, a credit card usually does not need to be paid in full upon receipt of the statement.

**Data Mining:** An automated process used to scan databases to detect patterns, trends, and/or anomalies for use in risk management, spend patterns, and other areas of analysis.

**Delegation of authority:** (1)Written authorization or designation of another employee within the hierarchy to authorize, sign and approve actions on behalf of a superior; (2) a written delegation issued by a responsible agency personnel that establishes authorized cardholder(s), specifying spending and usage limitations unique to that cardholder.

**Disputed charge:** A vendor charge that is claimed by the cardholder to be erroneous. This could include a purchase that the cardholder claims to not have made, or an inaccurate charge for a purchase that was made by the cardholder. Where there is a disputed charge, the cardholder must take action within the required time frame (see policy below) and complete a Dispute Claim Form.

**Duplicate payment:** A payment that has been made twice for the same transaction. For example, if a merchant sends an invoice for payment to Accounts Payable for a purchase that paid for by the P-Card, this would result in a duplicate payment.

**Duplicate Transaction:** A transaction that has been processed twice for the same purchase.

**Excessive:** Use of the P-Card for purchases that are beyond Agency needs or normal limits. See Abuse.

**Fraud:** Any felonious act of corruption or attempt to cheat the Agency or corrupt the Agency's agents, including but not limited to the use of Agency charge cards to transact business that is not sanctioned, not authorized, not in one's official Agency capacity, not for the purpose for which the card was issued, or not as part of official Agency business.

**Fraudulent charge:** A charge appearing on a cardholder's card statement which was not authorized by the cardholder.

**FASB:** Abbreviation for Administrative Services Branch

**Hierarchy:** Structure created by UNFPA in PaymentNet, loosely resembling the UNFPA organizational structure, and which drives reporting and user access. It is used for two purposes: 1. to allow reporting at various levels within UNFPA, and 2. to provide system access to non-

cardholder users allowing them the ability to view/report/adjust transactions for only cardholders within their area of responsibility.

**Hierarchy level (Hierarchy Node):** In the context of UNFPA P-Card Programme, this refers to the level at which one can view transactions, and the point within the UNFPA hierarchy normally associated with cardholder's agency or department, in which cardholder transactions reside. For example, a manager with Hierarchy level 3, Accounting Department, will only have access to view transactions made by that department. The designated Card Administrator generally is given Level 1 Hierarchy access, thus access to all purchases made by UNFPA cardholders.

**Hospitality:** A type of purchase associated with entertainment and dining for official purposes, such as lunch meetings and luncheons for colleagues, official visitors, etc.

**Individual liability:** (1) Responsibility of the individual cardholder to make payments to the card vendor (i.e. most travel charge cards). This is the opposite of Corporate Liability. However, in the event of any action of fraud, abuse, misuse or unauthorized use, the individual cardholder may be financially liable to the Agency (i.e. may be required to reimburse the Agency for unauthorized purchases).

**Individual transaction:** Single transaction at one authorized merchant/supplier using the P-Card. An individual transaction may include several items within one purchase but at a single supplier. For example, where a cardholder purchases office supplies and computer equipment from Target Discount at the same time, this would be considered an individual transaction. cardholders are not allowed to split (see Splitting) individual transactions to avoid the single transaction limits (see Limit).

**Invoice:** An invoice or bill is a commercial document issued by a seller to the buyer, indicating the products, quantities, and agreed prices for products or services the seller has provided the buyer. An invoice indicates the buyer must pay the seller, according to the payment terms.

**Lavish:** Use of the P-Card for an item or items that are excessive and unnecessary in cost, and which would be considered wasteful. See Abuse.

**Limit:** The maximum amount that a cardholder may spend on a single transaction or spend on a monthly basis.

**Merchant:** (1) A supplier/vendor of a product or service; (2) the source for an Agency's supplies and services, often a private sector merchant of supplies or services.

**Merchant Category Code (MCC):** A four-digit code used to identify the type of business a merchant conducts (e.g. gas stations, restaurants, airlines). The merchant selects its MCC with their bank. The code controls where purchases are allowable.

**Merchant Category blocking system:** An automated system and a risk management approach that allows agency's to block certain merchant category codes that are deemed unnecessary or high risk (i.e. entertainment). The system is built into the charge card, and can be customized to individual cardholders. When a cardholder attempts to use the card at a supplier that falls within a blocked MCC, the purchase will be rejected.

**Misuse:** The use of an Agency charge card by an authorized user for other than the official Agency purposes for which it is intended. This would include the purchase of unauthorized items or items that fall under authorized codes but purchased for non-professional purposes (i.e. paying lunch for friends or family, purchase of an airline ticket for personal travel).

**Monthly purchase limit:** Limit an individual cardholder may charge on the card within a single month.

**Nominated cardholders:** Cardholders who are nominated by their supervisors.

**Official use:** Use of the P-Card for professional and agency purposes, in line with agency goals and policies.

**Original receipts:** Original documentation of purchase that proves payment for the product or service and provides details on product purchased its quantity and price.

**P-Card:** Name for purchase card (see Purchase Card).

**PaymentNet:** A JP Morgan website which allows review of P-Card activity and retrieval of billing statements. The site is used for P-Card holders to enter applicable COA information for purchases and for supervisors to approve these expenses.

**Personal use:** The use of an agency P-Card for personal use rather than official use/business (for additional information, see Abuse, Fraud, and Misuse).

**Programme Administrator:** One or more individuals who are authorized by UNFPA to create and disseminate additional Access Codes to Authorized users. The Card Administrator has full access rights to the PaymentNet system, and must be appointed by an authorized officer of UNFPA. The Card Administrator may designate additional Programme Administrators within UNFPA.

**PSB:** Abbreviation for Procurement Services Branch

**Purchase Order:** A formal written contract for the acquisition of clearly defined goods and services (quantities and type of product) against defined terms and conditions and at a stated price.

**Purchasing Card:** A type of corporate credit card that is used primarily for small-dollar purchases, such as office supplies, office books, or equipment. While it can be used for travel expenses, companies often issue separate Travel Cards, which usually carry personal liability

(cardholder makes the payment) and require creditworthiness assessments of cardholders, while P-Cards carry corporate liability and do not generally require an assessment of a cardholder's credit rating.

**Reconcilement:** The process of verifying and comparing monthly statements of cardholders and received/submitted receipts to ensure legitimacy of purchases and accuracy of charges. Reconcilement should be done both by the individual cardholder upon receipt of the monthly statement as well as by Finance Branch at UNFPA/HQ.

**Replacement card:** A card that has been issued to replace a previously-issued card, which has been lost or stolen. Replacement cards may not be sent to cardholders whose account have been cancelled or de-activated.

**Risk Management and mitigation:** Agency policies and approaches that reduce (mitigate) the risk of fraud, abuse, and misuse by cardholders of the P-Card. Such policies and approaches include: adequate training; criteria for establishing cardholder accounts; establishment of supervisory and hierarchical controls; establishing single and monthly limits as well as individual merchant group limits; using the built-in merchant category blocking system; and conducting data mining and ongoing monitoring of card holder spending patterns.

**Single purchase limit:** Assigned dollar limitation for a single purchase or transaction (see Individual transaction), which is based on the purchasing authority of the cardholder (see Annex 1 for single purchase limits).

**Splitting:** An illegal tactic to manipulate or avoid the single purchase limits or the monthly purchase limit. For example, if a cardholder has a single purchase limit of \$2,500 and wants to purchase a computer for \$3,000, it would be illegal to split the purchase into two transactions, one for \$2,500 and another for \$500.

**Suspension:** Temporary or indefinite blocking of the card for purchases due to non-payment of bank invoices or other reason.

**Tax exempt:** Any purchase that is not subject to sales, state, or other tax.

**Transaction:** A purchase, cash advance, the use of a convenience check, or any other activity including but not limited to the use of an ATM that results in a debit to an Account.

**Transaction type:** The method by which an order is placed with the P-Card. P-Card transactions may be made in person over the counter, by telephone, fax or through the internet.

**Unauthorized use:** Use of the P-Card by an individual other than the cardholder to which the card has been issued.

**Unauthorized purchase:** The purchase of an item or service that does not fall within the authorized list of purchases or merchant categories, an item which may be considered excessive

relative to agency need and which was not authorized, or an item or service which was purchased for personal, family, household or other non-agency use. Please see Abuse, Fraud, and Misuse.

**Vendor:** The source for the products and services cardholders use to make purchases with their P- Card. The vendor may be a government agency or organization, a required source, a contractor or a merchant.