

# Government Purchase Cards

New Hampshire Procurement  
Technical Assistance Center  
(NH PTAC)

8/5/2021



New Hampshire Department of  
**BUSINESS AND  
ECONOMIC AFFAIRS**

New Hampshire Procurement Technical Assistance Center

[www.nheconomy.com/sell-to-the-government](http://www.nheconomy.com/sell-to-the-government)



# Introduction and Participant Guide

- ▶ NH PTAC –
- ▶ Stuff to know before we start
  - ▶ Muting
  - ▶ Chat function
  - ▶ Slides will be posted at [www.NHEconomy.com/ptac](http://www.NHEconomy.com/ptac) under Training Presentations
  - ▶ Session is being recorded
  - ▶ We will post the recording as soon as we're able



# Why Accept the Government P-card

- ▶ Federally, \$32,523,751,695.67 was spent utilizing Government P-cards in Fiscal Year 2019.
- ▶ It is the preferred method of payment for purchases below the micro-purchase threshold (\$10,000).
- ▶ Reduces (or eliminates) government forms to process
- ▶ Receive payment quickly, usually in 1-3 days (per card industry practice)
  
- ▶ More metrics and information can be found on the Smart Pay website: [Interesting Data Metrics | Smartpay \(gsa.gov\)](#)

# Stepping through the Process

- ▶ Your phone rings...
  - ▶ First question: "Do you accept -
    - ▶ GPC
    - ▶ Government purchase card
    - ▶ P-Cards?"
  - ▶ Good Answers:
    - ▶ YES!
    - ▶ I'm sure that we can.
  - ▶ Bad Answers (conversation ends):
    - ▶ No.
    - ▶ I don't know.
    - ▶ I'll have to check with....
    - ▶ What's that?
  - ▶ For small purchases (<\$10,000!) they may have to use the P-card.

# Stepping through the Process

- Second Question: Can you give me a price quote on X for delivery this Friday?
  - Good answer:
    - I'd be happy to. Would you like to fax or email me a list of what you need, or would you prefer to give me a list over the phone?
  - Bad Answers:
    - Why don't you just come by the store; I'm sure we can fix you up.
    - I'll have to talk to the owner about that.
    - What's a price quote?
    - I don't know, we're really busy....
- As part of their process, they have to get price quotes in advance.

# Stepping through the Process

- Process the transaction exactly as you would any credit card transaction.
- Make sure that the customer is the owner of the P-Card (see ID/verify)
- \$10,000 is the maximum for most (but not all) P-Cards. However, the process is different for making purchases over \$10,000.

# Stepping through the Process

- Provide a receipt for the transaction that clearly indicates the basic content of any transaction:
  - Date
  - Merchant Info
  - Item(s) sold
  - Unit prices & extension.
- Provide the credit card receipt. If there are carbons, give them to the customer.
- If the goods are to be delivered, prepare a packing slip.

# Stepping through the Process

A packing slip must contain:

- Your identifying information (incl. CAGE)
- Cardholder name, organization & title
- Full address of the recipient
- Cardholder's phone #, including extension
- The notation "GPC" – this indicates that it was paid for with a P-Card.
- A breakdown of the items included.

It's helpful to include a copy of the receipt with the goods, also.

# Authorized Purchases

All purchases must be authorized first. That's part of why they need the price quote.

Special authorizations are required for:

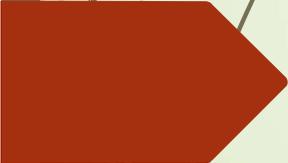
- Chemicals/Paints/Hazardous Materials
- Duplicating Equipment
- Audio/Visual Equipment
- Computer Equipment
- Books/Subscriptions
- Cell Phones
- Construction Services (\$2000 limit)

# Price Reasonableness

They must determine that they are buying at a reasonable price – another part of why they need the price quote.

Source “must be selected impartially”

“Purchases must be distributed equally”



Buyers should “rotate their sources”

These phrases are all taken from standard training given to P-Card holders.

# Hierarchy of Sources

Not rigorously applied to purchases “below the micro-purchase threshold” (<\$10,000)

- Inventories of government agencies
- UNICOR
- NIB/NISH – Ability One – JWODS
- *Mandatory Federal Supply Schedules (FSS)*
- Wholesale (such as DLA, GSA and military inventory control points)
- GSA Schedules & BPAs
- Commercial (YOU!)

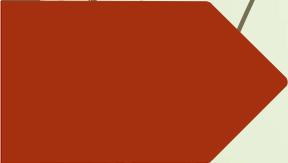
# Purchase Limits

The micro-purchase threshold: \$10,000

Exceptions for Construction: \$2000

SCLS Services: \$2500

Declared Disaster: \$20,000



Contract Officers will have cards with higher authorizations. However, these are used as a means of payment, after a more competitive “shopping” process is undertaken to make the purchase.

# Things you should Know:

- Cards are issued by Citibank or US Bank, under contract to GSA.
- Cardholders are personally liable for their use.
- Cardholders are subject to intensive reporting requirements on their card use. They need the paperwork.
- No one else is authorized to use a cardholder's card for them.
- They may not ask for, or accept, cash or merchant credit in the case of a return. They must secure a refund to the original card.
- They may not obtain cash advances
- They may not purchase gifts or mementos
- Cards can be used via telephone, over the internet, or in person.

# Split Purchases

Limits on purchases are hard & fast.

Gaming the system to get around the purchase limits may be a temptation, but it's a serious infraction for the cardholder.

Don't suggest or encourage this.



# Split Purchases: Examples

- Multiple purchases from the same vendor on the same day are a red flag, especially if the total is >\$10,000.
- Multiple purchases of the same items from different merchants, total >\$10,000.
- A series of purchase over a period of days, of similar or related items, with a single or multiple merchants, totaling >\$10,000.
- Purchase of the same items by a number of cardholders....

# Travel & Entertainment

P-Cards cannot be used for food, lodging, car rentals, air or bus travel, or any other travel-related purposes.

There is a government travel card for this purpose.



# How you can help your customers:

- Show some understanding of the rules they have to live with.
- Be alert to improper, unauthorized, personal or fraudulent use. Ask polite questions if something seems wrong to you.
- Be wary of possible stolen, altered or counterfeit cards.
- Don't participate in anything that involves a kickback.
- Should a government customer accidentally leave their card in your place of business, contact them immediately. Losing a card is a very big deal for them.



# STATE OF NH P-CARDS

- ▶ Bank of America at this time (Visa cards)
- ▶ Per Transaction limit depends on usage
- ▶ “FPO” or Field purchase order cards are most common
  - ▶ \$1,000 limit
- ▶ Statewide Contracts put in place by Division of Procurement and Support Services are mandatory to agencies
  - ▶ No true limit for contract payment cards
  - ▶ Can be high dollar transactions
- ▶ **NO TRAVEL**



# STATE OF NH P-CARDS

- ▶ Although recommended, not required to obtain multiple quotes or determine price reasonableness for FPO purchases
- ▶ Vendor registration with State assists with being 'found' by a buyer (not required for payment by p-card)
- ▶ Many will reach out to those they know
- ▶ Want to be the vendor on their mind, and registered when there is a need



# Contract payments

- Contract payments may be LARGE dollar values
- Dependent upon bid and/or contract
  - READ bid thoroughly, and resultant contract
  - Don't get caught off guard after the fact
- Large Ticket Interchange Program
  - Mastercard/Visa and your card service provider
  - High level of per transaction data
  - Reduced fees for high dollar transactions



# Thank You!

## How do I get started with NH PTAC?

- Go to the website and answer our questionnaire ([www.nheconomy.com/ptac](http://www.nheconomy.com/ptac))
- Give us a call at (603) 271-7581
- email us at: [govcontracting@livefree.nh.gov](mailto:govcontracting@livefree.nh.gov)
- Meet with us in Concord (currently via Zoom)
- Request a site visit – we'll come to you.

The logo consists of the letters 'B', 'E', and 'A' in a bold, green, sans-serif font. The letter 'E' is stylized with a small blue triangle pointing to the right inside its central vertical bar.

New Hampshire  
**PROCUREMENT TECHNICAL  
ASSISTANCE CENTER**