

<p>SOPP # 253 GVI Corporate Line of Credit Accounts and Instruments Authorization, Reconciliation & Payment</p>	<p><u>Prepared By:</u> Treasury Division</p>
<p><u>Effective Date:</u> Sept. 2, 2017</p>	<p><u>Approved By:</u> Commissioner of Finance</p>
<p>Title</p>	<p>Government of the Virgin Islands (GVI) Corporate Line of Credit Accounts and Instruments Authorization, Reconciliation & Payment</p>
<p>Purpose</p>	<p>To institute necessary controls and requirements for establishing and managing credit accounts and credit instruments to ensure proper usage; timely reconciliation and payment of monthly statements relative to authorized purchases.</p>
<p>Scope</p>	<p>Applies to all lines of credit, credit cards and vendor/store charge accounts (i.e.: Cost-U-Less, etc.) established for purchasing goods and services on behalf of the Government of the U.S. Virgin Islands (GVI), irrespective of funding source, i.e. Local, Federal, Special</p>
<p>Policies</p>	<ul style="list-style-type: none"> • A department/agency may establish a line of credit, store charge account or apply for a corporate credit card for the purpose of purchasing office required commodities at the request of the Agency Head; • All requests for Line of Credit, credit card or charge account must be submitted, using form <i>DPP-DOF-2017-07-01</i>, to the Commissioners of Department of Property and Procurement (DPP) and Department of Finance (DOF) for preapproval to ensure compliance with all applicable procurement and account payable standard operating policies and procedures; • Line of Credits, credit cards and store charge accounts shall not exceed a credit limit of Five thousand dollars-\$5,000.00. • Requests for credit cards shall be with a local financial

<p>Policies (Cont'd)</p>	<p>banking institution, and shall include credit card protection insurance. Agencies are prohibited from obtaining additional or supplementary credit cards for any account established;</p> <ul style="list-style-type: none">• Line of Credit or store charge accounts should be established in the name of the Department/Agency, with the purchase authority designated by the Agency/Department Head;• Credit cards are allowed only for the:<ul style="list-style-type: none">○ Governor of the U.S. Virgin Islands<ul style="list-style-type: none">▪ Chief of Staff○ Lieutenant Governor of the U.S. Virgin Islands<ul style="list-style-type: none">▪ Chief of Staff○ Agency/Department Heads• Credit Cards issued may be used to purchase goods that are requested from suppliers who otherwise do not accept Purchase Orders, provided the purchase is in accordance with the GVI procurement policy.• Credit Card purchases may be used to procure goods from an off-island or local vendor to mitigate any delivery delays that the normal procurement terms may create, resulting in a hardship or is unacceptable for the Department or Agency, provided the purchase is in accordance with the GVI procurement policy;• At the opening of each fiscal year, department and agencies are required to validate the credit cards issued to it and any store accounts, submit that listing to DOF. List shall include number of cards assigned with respective card holder, store credit accounts and respective account balances;• Departments/agencies are responsible for reconciling their store charge accounts, line of credit and credit card accounts and ensuring all transactions are legitimate and for official business:<ul style="list-style-type: none">○ Ensure proper reconciliation and submittal of payments are completed timely to avoid late payments, additional interest charges and other penalty fees.○ Ensure all required supporting documentation is
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<p>Policies (Cont'd)</p>	<p>present for transactions entered into the requisition module for securing a purchase order to facilitate payment to vendor.</p> <ul style="list-style-type: none">○ Supporting documents constitute receipts, fixed asset tracking forms, original quotations, proposals and letters of justification executed by the department/agency head, etc.; <ul style="list-style-type: none">● The cardholder is responsible for ensuring the security of the card and its information. Exercise necessary precautions to mitigate any fraudulent use.● The use of the credit card is for bona fide GVI business purposes only. Use for personal expenditures is strictly prohibited<ul style="list-style-type: none">○ The use of corporate credit cards for the following is strictly prohibited:<ul style="list-style-type: none">▪ Airline, bus, boat or train tickets▪ Alcoholic Beverages▪ Cash Advances▪ Purchases of meals, drinks, entertainment or lodging where per diem is issued and/or card holder is not on official GVI business▪ Personal expenditures▪ Products or services available at the DPP Central Stores or other Government entities▪ Similar purchases within any thirty (30) day period▪ Purchases exceeding spending limit● Cash withdrawals from any credit card issued on behalf of the GVI are strictly prohibited;● Expenditures must be within budgetary limitations; the credit card limit shall never be exceeded.● Only purchases for items submitted on Form No. DPP-DOF-2017-07-01, will be approved for payment;● Proper receipts for all expenses must accompany an analysis of expenditure. Copies of credit card receipts alone are insufficient.
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<p>Policies (Cont'd)</p>	<ul style="list-style-type: none"> • The credit card holder and/or authorized personnel on the respective credit account is responsible, at all times, for the proper use in accordance with this policy and all other relative GVI regulations or laws. • All authorized users are required to comply with this policy. It is the cardholder's responsibility to ensure that utilization of the card is only in accordance with this policy. <ul style="list-style-type: none"> ○ The cardholder will be held responsible for any improper or unauthorized use of corporate credit card, store credit account or line of credit. ○ Misuse may be punishable by applicable local and federal laws. ○ Use of a line of credit account or credit card by an employee to knowingly purchase goods intended for personal use or in violation of the established policy or applicable laws, may be subject to disciplinary action; • In the event the cardholder separates from the GVI, or their Department/Agency, use of credit card or credit account shall be immediately terminated and the possession of any issued credit card(s) be released/returned to the Department/Agency head or his/her designee. <ul style="list-style-type: none"> ○ The cardholder is required to submit an expenditure report on the credit account for any outstanding/remaining balances, prior to separation. • Credit cards should not be used beyond 11/30 and payment in full is required by 12/31 of an election year. The account is to be closed and the card turned into the Department of Finance. • Proof-of-purchase documentation must include the following information: <ul style="list-style-type: none"> ○ Name of merchant ○ Location of merchant ○ Date of transaction ○ Description and dollar amount of purchase
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	<ul style="list-style-type: none"> • For purchases where a receipt is not generated, a copy of the associated monthly credit account statement and a complete explanation of the expense is required. • Items being purchased on a store account/line of credit must be clearly identified at the unit level (i.e., there must be a separate line item that includes, quantity and cost per unit, and description for each piece of merchandise). • In the event a credit card is lost or stolen, the Cardholder must contact the Bank’s Credit Card Customer Service immediately. Notification, to include any reference or incident numbers provided to the cardholder, must be provided to DOF within one (1) business day. Also provide: <ul style="list-style-type: none"> ○ Card Number ○ Complete Name on Card ○ Date and location of the loss/theft ○ Date and time bank was notified ○ Last Purchase made prior to card being lost/stolen ○ Any other pertinent information
<p>Procedures</p>	<p><u>Operational Procedures</u></p> <ul style="list-style-type: none"> • Requests for corporate credit cards and store line of credit accounts by a Department/Agency head for procuring goods and services must be pre-approved by the Commissioners of Finance and the Department of Property and Procurement using <i>Form No. DPP-DOF-2017-07-01</i> <ul style="list-style-type: none"> ○ Include the duly filled vendor application/request for line of credit or corporate credit card and a supporting justification letter. • All purchases must satisfy and be in accordance with Title 31, Chapter 23 of the Virgin Islands Code and the rules and regulations promulgated thereunder. • Purchase requests for items “picked up” using a line of

<p>Procedures (Cont'd)</p>	<p>credit or store account must be entered into the requisition module for a duly processed purchase order to facilitate vendor payment;</p> <ul style="list-style-type: none"> ○ A duly signed estimate, quotation or sales order must be received from the vendor detailing items purchased. <ul style="list-style-type: none"> ▪ Purchase document shall include line item detail comprised of: quantity, cost per unit, and merchandise description. ● Process payment for sales order invoices in the Enterprise Resource Planning System (ERP) once a purchase order is received from the Department of Property and Procurement (P&P). ● Submit payment(s) to corporate credit cards or charge accounts to DOF no later than three (3) business days of receipt of the electronic credit card statement or purchase order for approval by the DOF Accounting Analyst for the disbursement of payment. <ul style="list-style-type: none"> ○ Refer to SOPP 105 for payments that qualify for “straight payment”. ○ Attach requisite supporting documentation to facilitate payment. ● Payments will be processed and transmitted via electronic funds transfer (e.g., ACH) directly to the credit card company. ● Departments/Agencies are responsible for ensuring timely payments are submitted to vendor in accordance with terms and conditions of the account; ● A monthly disbursement voucher must be prepared for charges on the monthly credit card statement. The monthly disbursement voucher, credit card statement, and receipts shall be submitted via the financial management system of the GVI. ● All invoices, before submission for payment approval, must show an approved signature by the department’s head or financial officer.
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<p>Procedures (Cont'd)</p>	<ul style="list-style-type: none"> • The submitted documents shall be audited and initialed by the cardholder and the Department/Agency head or his/her designee within each department. • When entering credit card payments into the ERP system, the following fields must be formatted correctly: <ul style="list-style-type: none"> ○ Invoice date: Should be statement date on credit card statement ○ Invoice number: Using the last eight (8) digits of the credit card account number, followed by the month and year in which the statement reflects. In the event more than one payment needs to be made within that particular month, a letter must added at the end of the invoice number. <i>Example: (01310048 10/2016A)</i> ○ Description field: Last four (4) digits of the credit card number prefixed with “CC” as well as name of credit card holder, and statement month and year. <i>Example (CC1234 K. Smith 10/16).</i> • Attach all receipts along with the credit card’s current billing statement to show proof of expenditures. In the event receipts were misplaced, an affidavit of loss must be completed, signed and notarized. • All proof-of-purchase documentation must be legible and statements must clearly indicate payment amounts. • Proof-of-purchase documentation include, but are not limited to: <ul style="list-style-type: none"> ○ Detailed cash or sales receipts ○ Packing slips with a dollar amount ○ Subscription or dues forms ○ Conference registration forms ○ Statement-of-work reports from suppliers ○ Photocopies of software mail-order forms • Departments/Agencies or their designees are to properly follow all GVI purchasing and account payable policies, procedures and applicable laws;
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<p>Responsibilities</p>	<ul style="list-style-type: none"> • Departments/Agencies: <ul style="list-style-type: none"> ○ Ensure compliance of all relative procurement and account payable standard operating policy and procedures ○ Ensure terms and conditions of line of credit account are adhered as outlined and agreed to with vendor; ○ Ensure timely payments are submitted to vendor and account is maintained current. • Department of Finance: <ul style="list-style-type: none"> ○ Authorization/Approval of line of credit account application/request ○ Review and approval of invoice entry transactions; • Department of Property and Procurement: <ul style="list-style-type: none"> ○ Authorization/Approval of line of credit account application/request ○ Approving requisitions that comply with procurement rules and regulations;
<p>Notes:</p>	<ul style="list-style-type: none"> • The Department of Property & Procurement (DPP) is the primary agency responsible for addressing issues relating to vendor records (e.g., new vendors, revisions to vendor address, vendor status and standings); • The DPP is the authorizing agency to address all matters involving the requisition process and procurement policy and procedures; • Department of Finance will monitor all payment transactions and report to DPP those instances where the requisitioning process should be followed.

Revision History

	Revision #	Date	Description of changes	Requested By
0	11/16/11		Initial Release	ELF
1	11/17/11		Review and revisions	ELF
2	11/28/11		Review and revisions	VOC
3	11/21/12		Review and revisions	VOC
4	8/13/2016		Review and revisions	CEB/BAC
5	8/21/2017		Review and revisions	CME/MM
6	9/1/2017		Final review and revision	CME