**UNDP Corporate Purchasing Card Management**

1. The purpose of the **Corporate Purchasing Card Program** is to simplify the requisitioning, purchasing and payment process for transactions that are within the micro purchasing policy limits, and to enable on-line purchasing. The Program is designed to build efficiency and reduce the paperwork required to process low value procurements associated with purchase orders, petty cash transactions, check requests and expense reimbursements. The goal of the Program is thus to:

* Reduce the effort and cost of processing low value purchases;
* Ensure transparency by using on-line shopping;
* Obtain faster delivery of required goods and/or services; and
* Simplify the payment process.

1. UNDP has an agreement with CITIBANK N.A to issue UNDP Corporate Purchasing **Master Cards** to UNDP Operations staff (usually the individual who maintains the purchasing card account and responsible for approving low value purchases within the office). While each card is issued in the cardholder’s name the Card remains the property of UNDP and is only to be used for official purchases. Even though the Cardholder’s name appears on the card, this does not affect the cardholder’s credit history nor is there a requirement for the cardholder to use any personal information in activating the card. For example in place of social security number or other identification details the UN employee ID is normally used to activate the card. The Budget holders must authorize the purchases impacting their budgets either by an email approval or signing the online receipt. Records of purchases, back up documentation, monthly statements and payment logs are to be saved to the cardholder’s folder in the P Card Sharepoint [site](https://undp.sharepoint.com/teams/GO/PCard/Lists/Purchasing%20Card%20Activity%20Log/AllItems.aspx). The transaction log and monthly reconciliation is to be approved by the cardholder and the payment by the business units Approving Officer in Quantum. In cases where the credit card holder is the same as the approving officer, then a different manager within the unit should approve the reconciliation and log. For small units with no more than three staff members where this is not possible, approval should be sought from the reporting manager of the unit head.
2. The General Operations (GO), Bureau for Management Services (BMS) is the administrator of the UNDP purchasing card program (including all cards assigned to other agencies like UN Women or UNCDF through UNDP) and approves applications for new cards by authorizing CITIBANK to issue a purchasing card to the applicant.

## Financial Limits & Restrictions

1. The standard limit per transaction is linked to the Procurement Methods POPP. The standard micro-purchasing limit is USD 5,000 but some offices may have increased micro-purchasing threshold of USD 10,000 as part of their increase in Delegation procurement authority. *(See Section 19 of the* [*Procurement Methods POPP*](https://popp.undp.org/node/296)*).*

The monthly cumulative credit limit for all transactions is USD 20,000 for cards with a USD 5,000 transaction limit and USD 40,000 for cards with a USD 10,000 transaction limit.

|  |  |  |
| --- | --- | --- |
|  | USD | USD |
| Country Office Micro Purchasing Limit | 5,000 | 10,000 |
| P Card Transaction Limit | 5,000 | 10,000 |
| P Card Monthly Credit Limit | 20,000 | 40,000 |

Each card holder is allowed a maximum of 12 daily transactions; the card will be declined once the daily transactions or amount limits are exceeded. Capitalized fixed assets (i.e., assets valued at USD 5,000 and above and that meet capitalization requirements in line with [Property Plant and Equipment (PP&E)](https://popp.undp.org/node/11361) POPP) must not be purchased using the corporate purchasing card. Cardholders must not split purchases above their transactions limits (USD 5,000 or USD 10,000) as a way of circumventing the Procurement POPP stipulations regarding preparation and use of Purchase Orders for transactions of US 5,000 / USD 10,000 or more.

1. When a purchasing card is issued, the credit limit is established in accordance with the agreement between UNDP and CITIBANK. If an office/unit determines that the monthly cumulative limit or transaction limit accorded is insufficient for its operations, the respective manager may send a written request with justification for the exception to the Card Administrator in the General Operations (GO) / Bureau for Management Services (BMS) to have the limit increased for a temporary period. This request if approved is effective within 24 hours and is in force until the GO/BMS administrator requests for reinstatement of the original established program limit.
2. The Corporate Purchasing Card Program also allows for Merchant Category Code (MCC) restrictions. The MCC is the MasterCard Code associated with specific Merchant groups. If a particular Merchant Category is restricted (*e.g. jewelry stores, hotels, clothing stores*), and a staff member attempts to use the Card, with a merchant retailing items within that category, the transaction will be declined. However, if a transaction is declined against a restricted merchant for allowable official purchases, the staff member should contact GO/BMS with the description of the transaction, reason for the purchase and authorization to proceed by the budget holder. Depending on the assessment of the request in line with policy, GO/BMS can request a temporary lifting of the MCC restriction to enable the specific transaction in question to proceed if the transaction is confirmed to be for official purposes (example: Retreat at the hotel conference room) or seek any other possible resolution. The restrictions can take up to three days to be processed by Citibank and will be lifted for the duration of **48 hours** after which, it will automatically be reinstated.

## Who Should Apply For a Corporate Card?

1. The UNDP unit assigned staff member responsible for procurements of goods and/or services should apply for a purchasing card by filling the [Purchasing Card Application Form](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Purchasing%20Card%20Application.docx?Web=1) and obtaining the head of unit approval signature. This approval should then be submitted to GO/BMS for clearance. Once the card is issued, the cardholder must use the Corporate Card in accordance with the policy stipulations laid out in this POPP content. The Head of Office has the ultimate accountability and responsibility for transactions against the corporate purchasing card and consequently for the assignment and approval of the office cardholder. If an office has several project offices with separate and distinct procurement processes then the office may apply for multiple cards for each project office. GO/BMS will review the need for multiple cards against contextual factors specific to the unit e.g. volume of low value transactions, unit set up etc.

## Who is allowed to Use the Corporate Purchasing Card?

1. The corporate purchasing card is a tool to enable the office process transactions for low value procurements ([see micro purchasing, under procurement method policy](https://popp.undp.org/node/11326)). Any staff member may request its use for official purchases that need to always be approved by the budget holder. Accountability and Responsibility for transactions against the card is maintained by the cardholders and it is their responsibility to ensure that internal controls are in place over use of the card at all times. The request for transaction should be documented either via email or request form; It is mandatory that a log of the transactions be maintained with associated chart of accounts for each transaction ([Sample Payment Activity Log](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Payment%20Log.xlsx?Web=1)) and this log be reconciled to the statement at the end of the month; and that the log/reconciliation be approved by the unit head on a monthly basis

## Cardholder Accountability and Responsibility

1. The Cardholder assumes the following accountabilities and responsibilities in accordance with this policy:

* to use the Corporate Card for official and authorized expenses only;
* to verify and reconcile all account transactions and retain/file all receipts and supporting documentation for each transaction;
* to save purchase details, backup documentation, monthly statements and payment logs to the cardholder folder in the sharepoint site
* to resolve credits, errors and disputed charges on a timely basis; and
* To effect payments in full for all authorized transactions each month by the due date as late payment charges on one card may impact UNDPs opportunity to earn rebates.

1. In addition to the above-mentioned responsibilities and accountabilities, the cardholder must provide all necessary documents for the annual P-Card program compliance review conducted by GO/BMS.
2. In an effort to promote GREEN practices, CITIBANK does not send or mail monthly paper statements and the cardholder is required to download the statements from the site on a monthly basis. To proceed with the payment, the cardholder has to set up a new location in the existing Citibank vendor in Quantum. Detailed instructions will be provided when new cardholders are issued their cards.

## Card Usage and Safekeeping

1. The Corporate Card may be used for the official purchases of low value goods or services with any contracted UNDP vendor that accepts MasterCard. The card may also be used in line with the UNDP [micro purchasing policies,](https://popp.undp.org/node/11326) for in-store as well as phone, fax, mail or web orders. Units/Offices must obtain and file the request for the purchase, the budget holder approval for the purchase, the receipt (supporting invoice or document) for the purchase and corporate log. All documents must be filed and retained for 7 years.
2. The purchasing card must be kept safely at all times and the number restricted to a few individuals. When communicating with card administrator only the last 4 digits of the card should be referenced in the email for security purposes. The cardholder would at any one time know the individuals within the office who have the card number or a copy of the card for purposes of processing transactions. This is an important control that will be useful in the event of a fraud investigation.

## Supply Sources and Authorized Purchases

1. Where possible, purchases must be made from contracted vendors (suppliers with whom UNDP has a valid corporate or local contract/Long Term Agreement). Use of on-line shopping is also encouraged to ensure transparency in quotation.
2. The Card shall be used for the purchase of official business-related goods and/or services listed within these Guidelines and in line with the value and volume limits assigned to the Card. For example, the following products or services may be purchased using the Card. This list in not exhaustive but contains some of the most frequent transactions.

### Authorized Purchases

* Office Supplies
* Books and Journals
* Seminar Fees/Membership
* Computer Supplies
* Corporate Retreat Bookings
* Catering for Corporate Meetings, Trainings, Seminars, Workshops, etc.
* Business Card Printing
* Petty Cash Purchases
* Courier services
* Printers or other Electronic Items valued below USD 5,000
* Monthly Services (*e.g., mobile phone service, cable service, other recurrent services*)
* Long distance internet phone calls such as Skype for official business purposes (it is the responsibility of each office to ensure that blanket credit purchases are applied to official calls)
* Working lunches with Missions or Government Delegations that are not extravagant and are part of the diplomatic requirements of the bureau or office, and pre-approved by the unit director in line with [hospitality policy](https://popp.undp.org/node/10906).

### Non-Authorized Purchases

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

* Personal Use (*i.e., any/all items that are for the personal benefit of the cardholder*)
* Cash Advances
* Capital Non-expendable Assets (*i.e., computers, laptops, fax machines and any other items valued at USD 5,000 and above. Note that above $ 5,000 should be capitalized as asset*)
* Travel Tickets & Expenses (there is a separate travel card for tickets that is administered under the travel policies)
* Temporary Employee or consultancy Services (*i.e., IC*)-Separate policy to be followed for such expense
* Hotel Accommodations-governed by travel POPP
* Entertainment (i.e., client or donor lunches) **–** Not in line with the image that is required with the responsible use of donor funds

## Applying for and Activating a New Corporate Card

**OFFICIAL PURCHASING CARD TRANSACTING CURRENCIES FOR EACH COUNTRY IS PREDETERMINED BY CITIBANK. (**[List of approved countries and transacting currencies](https://www.citigroup.com/citi/about/countries-and-jurisdictions/)**)**

1. If the UNDP Office transacts in USD, it should submit the signed [Application USD transactions](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Purchasing%20Card%20Application.docx?Web=1) form through the operations manager to the Manager General Operations Section, Administrative Services Division (GO/BMS)
2. If the UNDP office transacts in local currency, it has to submit the online application following the instructions [available here.](https://intranet.undp.org/unit/bom/ofrm/SitePages/Contract_and_Purchasing_Card_Management.aspx) Prior to submitting, the application form should be printed and signed by the head of the office (name of the head of the office has to be printed on the form) Once completed, GO/BMS should receive the email with the signed purchasing card application for processing. Once the card is issued, as mandated by the UNDP controller the cardholder is required to attend a briefing session on the key internal controls and policy requirements for the purchasing card. The cardholder must promptly activate the purchasing card account by calling the toll-free number reflected on the Card. A **login name and password** will also be emailed to the cardholder to enable the cardholder access the online reporting system provided by CITIBANK (<https://home.cards.citidirect.com/CommercialCard/login>) Cardholders must print the monthly statement for the card from this website and process payments on a timely basis in order to avoid late payment penalty charges.
3. If the UNDP office is not in an approved country covered by CITIBANK, the office can contact Treasury Division ([treasury.cash.management@undp.org](mailto:treasury.cash.management@undp.org)) for approval to obtain an equivalent card product from its local bank. When contacting Treasury, please include the following information with the inquiry:
   1. copy of the office’s current banking agreement with the local bank;
   2. information (e.g., bank brochures) about the card product offered by the local bank;
   3. documentation the bank will require to initiate the service and issue a card.
4. A purchasing card obtained from the local bank will be subject to all of the conditions (limits, reporting requirements, etc.) imposed by GO/BMS under the CITIBANK programme.

## Account Maintenance

1. When a need arises to change information pertaining to a purchasing card account, such as Cardholder mailing address, change of email or phone numbers or account closure, the cardholder should contact the General Operations/ BMS office.
2. CITIBANK Customer Support telephone numbers are indicated at the back of each plastic card and should be the first point of contact when a transaction cannot go through or when reporting a fraudulent transaction.

## Lost or Stolen Cards

1. A Cardholder is responsible for the security and safekeeping of the Card and for any purchases made against the purchasing card. If a staff member believes that he/she has lost or misplaced the Card or that it has been stolen, or that one or several of the purchases appearing on his/her card statement are not legitimate, he/she should **IMMEDIATELY** report this information to the 24-Hour Customer Emergency Services Unit provided at the back of the card
2. Immediately after reporting the loss/theft/fraudulent charges to CITIBANK Customer Service, the cardholder must concurrently, send an email to the UNDP card administrator.
3. It is imperative that the cardholder act promptly in the event of a lost or stolen Card to prevent fraudulent transactions against the card.
4. The cardholder shall no longer be able to use the card once CITIBANK receives the loss or fraud notification. However, a new Card shall be issued and forwarded by express courier service within 48 hours of notice by the Cardholder to CITIBANK

## Sales Tax

1. UNDP is exempt from payment of sales and excise taxes in all the countries that it operates in. All purchases with the corporate purchasing card should be tax exempt, with the exception of online purchases for which UNDP may not be able to process the tax exemption and the cost of doing so may outweigh the benefit. It is important therefore that the user confirm that a Supplier does not charge and include tax on the receipt. Cardholders shall obtain a tax exemption certificate for direct orders prior to the time of purchase; once issued a certificate is valid only for a specific purchase. Request for UNDP US based transactions; tax exemption certificates requests should be emailed to the corporate card administrator in GO/BMS at least 48 hours prior the event.

## Corporate Card Activities Log

* + 1. The cardholder must maintain a daily log for all Corporate Card transactions and save it to their folder in the P Card sharepoint site. Payment Activity Logs can be created through the sharepoint by extracting the purchase entries and copying the details to the Payment Log excel file. (Steps are included in Purchasing Card Payment Log User Guide). The Corporate Card Activity Log is a useful tool in the management of the Corporate Card Account as it provides a means to record authorized charges, expected adjustments or credits resulting from returned or disputed purchases and facilitates reconciliation of the CITIBANK monthly statement to UNDP records. ([Sample Payment Activity Log](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Payment%20Log.xlsx?Web=1)). [Purchasing Card Payment Log User Guide](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Purchasing%20Card%20Paymennt%20Log%20User%20Guide.pdf?Web=1)
    2. Cardholders must retain all receipts/supporting documents in an Activity Log Envelope as transactions are processed to facilitate recordkeeping and month end reconciliation and save them to their folder in the P Card sharepoint site. Where a receipt or supporting document is not available, the cardholder should record a description of the item, the Supplier name, total purchase amount and the date on which the transaction was made. The Corporate Card Activity Log should be updated when purchased items are received and accepted.

Reconciliation and Submission for Payment

1. The CITIBANK purchasing card program is a corporate liability program (means that ultimately UNDP as an agency is responsible for all transactions made against each card) and a staff’s member personal credit history is not verified when a corporate purchasing card is issued. However, the cardholder is responsible for:

* Retaining requests/supporting documents for purchases made using the card; each Cardholder is required to keep all receipts and documentation related to Corporate Card purchases for a period of seven (7) years should these documents be needed for internal and/or external audit reviews.
* Ensuring that the micro purchasing form is completed in line with procurement policy when purchasing from a non-contracted vendor.
* Ensuring that the card is reconciled on a monthly basis and that all transactions made using the card are in line with Policy. *When using the Card in-store*, it is important to emphasize to the Supplier not to remit an invoice as this may result in a duplicate payment.
* Saving all relevant documents to the sharepoint site

1. *For fax and telephone orders*, the staff member should inform the Supplier to include a receipt and a shipping list with the order for the cardholder records.
2. *For orders placed through a website*, the **order confirmation** detailing the ordered item(s) and the associated charges if any (tax and S&H charges) and/or a similarly **detailed receipt** must be printed and retained for the user’s records along with the original Shipping List (normally included in the shipped package).

* Ensuring that all transactions posted are purchases made/authorized by the budget holder on behalf of UNDP while the reconciliation and log also need to be authorized by cardholder and the head of the unit.
* Downloading the corresponding purchasing card statement on a monthly basis from [CITIBANK site (https://home.cards.citidirect.com/CommercialCard/login)](https://home.cards.citidirect.com/CommercialCard/login) on the regular billing date (3rd of every month). It should be noted that suppliers do not necessarily transmit their claims to MasterCard in real time, as such charges made at the end of a payment cycle, may rollover into the following statement cycle. The billing cycle for CITIBANK is from 4th day of the month to 3rd day of the following month.; and
* Submit within one week of the issuance of the monthly statement, the approved **Daily Log** and the CITIBANK **Statement** to the Finance Unit or paying officer of his/her Division or Country Office along with all the receipts and supportive documents, to ensure timely payment. Cardholders should ensure that payments are made on a timely basis to avoid UNDP losing its rebates in the program and incurring late payment penalties. Cardholders must retain copies of the above for their own records.

1. Cardholders must ensure a proper handover of files containing supporting documentation and previous reconciliation logs when leaving the organization. It is the responsibility of the office operations manager to ensure that this handover takes place.

## Processing of Purchasing Card Payments

## Upon receipt of the transactions log and supporting information (online receipts, invoices, statements etc.) from the users of the card, the finance staff will process payment as follows:

## Ensure that the vendor exists and if not create the vendor location in the existing Citibank vendor in Quantum

## Create a non-PO payment voucher using the charts of accounts indicated in the transactions log

## Process the payment in line with specific CITIBANK instructions that require the billing account number (provided by General Operations) to be the first 16 digits referenced in the Invoice reference field.

1. Confirm after 3 days that payment has been posted to the account by downloading the statement

## Disputed and Fraudulent Charges

1. If there is a discrepancy between the cardholder log and the relevant bank statement, it is imperative that the issue be addressed immediately. When a cardholder believes that a Vendor has charged the account incorrectly or there is a quality or service issue, the cardholder must first contact the Vendor and try to resolve the error or problem. If he/she is able to resolve the matter directly with the Vendor and a credit adjustment is agreed upon, it should appear on the next statement. If the cardholder is unable to solve the issue, s/he needs to contact CITIBANK with all the supporting documents including communication with the vendor to rectify the matter.

*Note: The item should be highlighted and maintained as pending on the record log as a reminder to follow up that the correct credit has been received*.

1. In case of transactions that appear to be fraudulent, the cardholder must immediately contact CITIBANK Customer Service and GO/BMS to alert them
2. While pending resolution CITIBANK will credit the account for the amount of the disputed transaction. Although CITIBANK acts as the arbitrator of any dispute, one should never assume that a dispute would be resolved in his/her favor.
3. If the dispute is not resolved satisfactorily and a cardholder believes that the Supplier is at fault, he/she needs to notify the Card Administrator with the relevant details.

# Roles and Responsibilities

Structure Element - Roles & Responsibilities

| Responsible party | Responsibilities |
| --- | --- |
| Cardholder | * Ensure that the Card is securely kept and used in line with POPP requirements. * Verify and reconcile all account activity and retain all receipts and supporting documentation. * Resolve credits, errors and disputed charges. * Effect payments in full each month for authorized transactions by the due date. * Ensure all relevant documents are saved to their sharepoint folder |
| Head of Office | * Approve new purchasing Card requests. * Review and Approve Cardholder log and reconciliation for Payment every month. * Ensure Integrity of Card use in line with POPP. |
| Finance unit or equivalent | Review submitted Statement, Card log and supporting documents and process requests for payments of due balances on a timely basis. |
| Card Administrator | * Ensure the integrity of the purchase Card Program by providing policy clarifications and supporting cardholders in implementation of controls around card use. * Carry out the annual compliance review of purchasing card program and prepare a report of findings. |
| GO/BMS. | * Provide focal point for card holders and manage the contract with CITIBANK * Review on a regular basis the overall conduct of the card program and alert the comptroller of any anomalies. * Provide general oversight over the corporate purchasing card program. |

**Templates and Forms**

* [Purchasing Card Holder Application Form](https://intranet.undp.org/unit/oolts/oso/go/_layouts/15/WopiFrame.aspx?sourcedoc=%7b37892F5E-F516-470D-8F64-127F57ED17FF%7d&file=Purchasing%20Card%20Application.docx&action=default)
* [Purchasing Card Payment Activity Log](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Payment%20Log.xlsx?Web=1)
* [New Cardholder Information Pack Instructions](https://intranet.undp.org/unit/oolts/oso/go/_layouts/15/WopiFrame.aspx?sourcedoc=%7b47F422DC-946F-490A-AE95-618BD5176272%7d&file=New%20purchasing%20cardholder%20information%20pack%20and%20vendor%20set%20up%20guidelines.pdf&action=default)
* [UNDP Purchasing Card Countries](https://intranet.undp.org/unit/oolts/oso/go/_layouts/15/WopiFrame.aspx?sourcedoc=%7bF43C6DD4-FF78-4FB2-ABC6-2CC91A38D3ED%7d&file=UNDP%20USD%20P%20Card%20IPC%20Countries%202021.xlsx&action=default)
* [Purchasing Card Closure Form](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/PURCHASING%20CARD_Closure%20form.docx?Web=1)
* [Purchasing Card Restriction Lifting Form](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Request%20for%20Restriction%20Lifting%20form.docx?Web=1)
* [Purchasing Card Payment Log User Guide](https://intranet.undp.org/unit/oolts/oso/go/Administrative%20Services/Purchasing%20Card%20Paymennt%20Log%20User%20Guide.pdf?Web=1)

Structure Element - Templates and Forms