

## CHAPTER 4. BILLING AND ACCOUNTING PROCEDURES

### 4-1. Objective

To prescribe billing and accounting procedures for the Governmentwide Commercial Credit Card Program at HUD.

### 4-2. Transaction Processing

Credit Card billing and accounting activities involve the responsibilities of the individuals and organizations indicated below:

#### A. The Servicing Bank:

The Servicing Bank (RMBCS) is the control point for all billing information and reports. The RMBCS will provide three separate statements after the close of the monthly cycle:

1. to the individual Cardholder with the purchases that he or she has made in the 30-day billing period;
2. to the Approving Official with the purchases that have been made by all Cardholders under the Approving Official; and
3. to the Office of Accounting or the Field Accounting Division with the purchases that all Cardholders have made in the 30-day billing period.

#### B. Cardholder:

1. At the end of each month the Cardholder needs to provide information (see Appendix 3) on the Individual Statement of Account. The Statement will cycle on the same day of each month and be mailed to the Cardholder shortly thereafter. The Statement must be certified by the Cardholder and sent to the Approving Official within five working days after receipt. Copies of all receipts from purchase transactions made by the Cardholder must be retained by the Cardholder and attached to the Statement. It is important that the Cardholder check each purchase on the Statement to verify its accuracy. If an item has been returned and a credit

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voucher received, the Cardholder should check to see that the credit is reflected on the Statement. If purchased items are not on the Statement, the Cardholder's receipt copy of the transaction should be retained by the Cardholder until the purchase appears on the Statement. To ensure timely processing, the Cardholder should contact the vendor if the charge is not detailed on the current Statement.

2. The Cardholder should attempt to obtain a customer copy of the receipt for all transactions. If for some reason the Cardholder does not have a copy of the receipt to send with

the Statement, he or she should annotate on the item's "Description" line, "No Receipt Received" (NRR). (Note: Only receipts from purchase transactions should be attached, not purchase orders, invoices, packing list, etc.)

3. If the Cardholder cannot review the Statement at the time that it is received, he or she must make arrangements with the Approving Official to review the Statement. The Cardholder must provide the customer copy of receipts to the Approving Official.

C. The Approving Official:

1. The Approving Official is responsible for:

- a. submitting a sample of his/her signature to the Office of Accounting or Field Accounting Division (see Appendix 10);
- b. receiving completed Statements from all Cardholders;
- c. reviewing the Statements;
- d. resolving questions that the Cardholders may have on the purchases;
- e. certifying and signing the Statements;
- f. sending the completed Statements (i.e., ensuring accuracy and completeness of data including description, subject and office code) with all attached receipts of the transactions to the Office of Accounting or the Field Accounting

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Division within 15 working days after receipt of the Statements from RMBCS; and

- g. designating an Acting Approving Official in writing at least annually and providing the designation to the Finance Office.
2. Should the Approving Official not receive all of the Statements, it is the Approving Official's responsibility to contact the delinquent Cardholders and have the Statements furnished at once. All Statements and attachments must be furnished to the Office of Accounting or the Field Accounting Division. Should a Statement not be received by the 10th workday of each month from the Servicing Bank, the Approving Official should report the non-receipt to the COTR/GTR or Field Coordinator.

D. Finance Office:

1. The Finance Office is responsible for:

- a. receiving copies of the Business Account Summary, Financial Summary - Approving Official and Cardholder Account Summary, and Approving Official Account Summary from RMBCS (Appendices 2, 11, and 12 respectively);
- b. receiving, from the Approving Official, approved Cardholders' Statements with copies of corresponding receipts attached;
- c. validating that the Approving Official has approved and forwarded all Statement of Accounts and receipts for all Cardholders who made purchases during the billing period and that the Approving Official who approved the Statement is authorized to do so. The Business Account Summary report should be used for this purpose;
- d. recording the credit card transactions in HUD's Federal Financial System. (A copy of the RMBCS Chargeback Manual for accounting instructions for Credit Card processing can be obtained from the GTR or the Program Administrator)

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- e. paying RMBCS invoice in accordance with the Prompt Pay requirements; and
  - f. maintaining the accounting records and supporting documentation for each credit card payment.
2. Should the Finance Office not receive all of the Statements from the Approving Official within 15 days of the receipt of the invoice from RMBCS, it is the Finance Office responsibility to contact the Approving Official and have the Statements furnished at once. Should the Statements not be received by the following day, the Finance Office should report non-receipt to the COTR/GTR or Field Coordinator and request assistance in obtaining the statements.
  3. The Finance Office must receive written notification when an Approving Official changes. The Finance Office should notify the COTR/GTR or Field Coordinator when it is determined that someone other than the Approving Official of record (or the designated Acting Approving Official) has approved the Cardholders statements.
  4. The Finance Office should review all customer copies of the receipts that are attached to the Statement of Account to validate that all charges were made by the Cardholder. If the Finance Office determines that someone other than the Cardholder has used the credit card, the Finance Office should notify the COTR/GTR or Field Coordinator.
  5. The Finance Office should ensure that the invoice is timely entered into HUD's Federal Financial System so that payment is made to RMBCS within the 30-day prompt pay time frame via the Automated Clearing House (ACH). Non-receipt of Cardholders'

Statements is not justification to hold up payment. If the Statements are not received in time, the Finance Office should process adjustment transactions the following month for billing error or disputed items on Statements received from the Approving Official after the payment is made to RMBCS, if a discrepancy is noted.

#### 4-3. Billing Errors and Disputes

Responsibilities for resolving billing errors and disputed purchases are delineated below:

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#### A. Cardholder:

If items purchased with the credit card are found to be defective or the repair or services faulty, the Cardholder is responsible for replacement or corrections, or for obtaining credit adjustment for returned merchandise. If the merchant refuses to replace or take appropriate corrective action, the purchase is disputed. Disputes are handled in the same manner as billing errors. Sales tax should not be charged. Sales tax charges are not disputed through the servicing bank but rather are resolved and credited directly with the vendor. The dispute/error should be reported on the Cardholder's Statement and an I.M.P.A.C. Program Cardholder Statement of Questioned Item (Appendix 13) should be prepared by the Cardholder.

#### B. The Approving Official:

The Approving Official will review the billing error or dispute on the Statement before forwarding it to the Finance Office. If necessary, the Approving Official will consult with the Cardholder to obtain additional information before forwarding the Statement to the Finance Office.

#### C. Finance Office:

The Finance Office will use the information provided to request the credit from the RMBCS by submitting an I.M.P.A.C. Program Notification of Invoice Adjustment form (Appendix 14). The RMBCS will issue the credit prior to resolution of the questioned item. A separate suspense/clearing account will be established and maintained by the Finance Office for transactions involving disputed items. No adjustment to the invoiced amount for sales tax issues are allowed through this process. Sales tax discrepancies are resolved between the cardholder and the vendor directly.