



U.S. General Services Administration

# Guidance for Management and Use of Government Charge Card in Emergency Situations

Center for Charge Card Management

# Overview

- Background and Applicable Regulations
- Management Responsibilities
- Cardholder Responsibilities
- Additional Resources

# Background

- Emergency/Disaster Response Guidance
  - Public Law 100-700– Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act)
  - Federal Acquisition Regulations – FAR 2.101, 6.208, 13.201, 18, and 26.2
- Agency specific policy and guidance
  - In addition to Government-wide regulations, agencies should develop and distribute agency specific policy, procedures, and guidance as it relates to emergency and disaster response
  - Policies should provide information to charge card managers (e.g. AOs, AOPCs) and cardholders (including those with and without contracting authority)

# Stafford Act

- The Stafford Act was signed into law in November of 1988 and constitutes the statutory authority for most Federal response activities, especially as they pertain to the Federal Emergency Management Agency (FEMA) and FEMA programs
- The Stafford Act defines an Emergency as any occasion or instance for which, in the determination of the President, federal assistance is needed to supplement state and local efforts and capabilities to save lives and to protect property and public health and safety, or to lessen or avert the threat of a catastrophe in any part of the United States.
- The Stafford Act defines a Major Disaster as any natural catastrophe...or, regardless of cause, any fire, flood, or explosion in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance...

# Federal Acquisition Regulations (FAR)

- There are several parts of the FAR that discuss special provisions and authorities related to emergencies and natural disasters
  - FAR 2.101 outlines the definitions of an emergency and contingency operations. Note: FAR 2.101 states that a contingency operation can be authorized by the Secretary of Defense during a national emergency
  - FAR 6.208 allows for set-asides for businesses located in the vicinity of the emergency or natural disaster
  - FAR 13.201(g) allows for an increase in the micro-purchase threshold for purchases determined by the head of the agency to be in support of a contingency operation to \$20,000 within the United States and \$30,000 outside of the United States
  - FAR 18 identifies acquisition flexibilities that are available for emergency acquisitions

# Federal Acquisition Regulations (FAR)

- Section 307 of the Stafford Act requires agencies to utilize, to the extent feasible and practicable, contracts with local firms, organizations, and individuals in support of a major disaster or emergency
  - FAR 26.2 provides specific information outlining contracting requirements in accordance with Section 307 of the Stafford Act
  - FAR 26.2 also includes a discussion of the Disaster Response Registry, which contains a list of vendors that voluntarily participate
  - Agencies can search the Disaster Response Registry through the System for Award Management ([www.sam.gov](http://www.sam.gov)). Click on the "Search Records" Icon. Click on the "Disaster Response Registry Search" bar under "Advanced Search".

# Management Responsibilities

- Agency Program Coordinators (A/OPCs), Approving Officials (AOs), and other charge card program managers should be prepared for emergency/disaster/contingency operations for all program business lines (i.e. Purchase, Travel, Fleet, and Integrated Business Lines)
- Emergency use of the government charge card program has a number of management responsibilities related to card usage in emergencies, including:
  - Developing and maintaining/updating agency specific policies and procedures for use of charge cards or other payment solutions during an emergency or disaster situation
  - Working with the contractor bank to establish procedures and processes to implement during emergencies
  - Educating and training cardholders on proper card use, applicable policies and regulations, and fraud prevention strategies during emergencies



# Management Responsibilities

- Developing and Updating Policies
  - Does your agency have internal policies and procedures established for emergency, disaster, or contingency operations? If the answer is no, it is important to work immediately to develop these policies. Policies can be included as a section within your agency charge card guidance or as a stand alone document depending on the preference of your agency.
  - Policies should outline responsibilities of cardholders during emergency, disaster, or contingency situations. Ensure that cardholders are aware of their specific duties, any changes to “business as usual” duties, and increased roles/responsibilities for cardholders.
  - Include references to Federal regulations, including the Stafford Act, applicable FAR sections (and agency FAR supplement sections), and any applicable travel and fleet specific guidance.



# Management Responsibilities

- Request a copy of the Contractor's approved contingency plan (as required by Section C.6.2.2 of the GSA SmartPay 3 (SP3) Master Contract) that outlines how the bank will provide continued support for your program during an emergency. (Note your agency can also request a task order specific plan at the task order level.)
- In addition to requesting a copy of the approved Master Contract contingency plan, ensure your agency understands processes for:
  - Quickly increasing spending limits (NOTE: Although the micro-purchase threshold is increased during emergencies, you should review whether limits should be increased on a case by case basis)
  - Updating Merchant Category Codes (MCCs)
  - Emergency account setup and 24 hour card delivery (Sections 3.3.3 and 3.3.4 of the SP3 Master Contract contains specific requirements)
  - Increased customer service demands (e.g. 24/7 customer service assistance)
  - Temporarily lifting creditworthiness assessments for travel cards in accordance with OMB Circular A-123, Appendix B

# Management Responsibilities

- Complete general preparations and communications with cardholders for emergencies, disasters, and contingencies
  - Identify and maintain a list of individual cardholders who may become active in an emergency/disaster/contingency situation (e.g. first responders, volunteers, contracting officers)
  - Provide your contact information to all of the cardholders so that they know how to contact their A/OPC during the emergency
  - Ensure that cardholders are properly trained (e.g. attend an emergency contracting course through DAU or some other entity) and that they are aware of the increase demands and different regulations that are applicable in emergencies

Agency Best Practice: Develop a Cardholder Deployment Kit for cardholders that will be onsite during the emergency. Include things like: Copies of policies, Agency POC information, Disaster Response Vendor Information, local area information (maps), and paper purchase logs.

# Management Responsibilities

- Agency charge card program managers should consider all available product and service offerings provided by their Contractor bank to determine whether there might be a product or service that would assist the agency in purchasing efficiencies and security during an emergency, disaster, or contingency operation
  - Review the GSA SmartPay 3 Master Contract product and service offerings for possible solutions that may be valuable during emergencies
  - Work with your Contractor bank on getting more information and implementing solutions

Section C.3.1 of the GSA SmartPay 3 Master Contract contains a list of the product and service offerings that are available to agencies. One example of a potential use might be implementing declining balance cards for temporary emergency employees to better control spend and potential fraudulent purchases.

# Management Responsibilities

- Continue to closely monitor transactions throughout the emergency for fraud and misuse
  - Communicate/remind cardholders that the Government charge card (or related payment solutions) are the preferred mechanism for purchases during emergencies
  - Communicate the appropriate uses of charge cards, including ensuring an understanding of the types of purchases that are allowable by business line (e.g. no travel related expenses on purchase cards)
  - Review and determine whether to process forced transactions on a case by case basis
  - Ensure that you have a reasonable span of control established for AOs to monitor cardholder activity and transactions
  - Work with Contractor bank to closely track “flagged” transactions for potential fraudulent activity

# Management Responsibilities

- After the emergency is over, A/OPCs should:
  - Continue to review transactions to ensure they are proper and have followed all applicable emergency procedures
  - Return per transaction and monthly transaction limits to prior “normal” levels
  - Where applicable, deactivate accounts of employees who will not be using the card. This includes working with the Contractor bank to immediately deactivate any issued short term accounts (or other payment solutions such as declining balance cards and virtual cards) that were set up under emergency response procedures
  - Review and get feedback on processes, develop best practices, and update any internal agency policies as necessary

# Cardholder Responsibilities

- Cardholders should be well prepared for their roles and responsibilities during emergencies, disasters, and contingency operations. Cardholders should:
  - Periodically take training specific to emergency procedures to ensure that they understand exceptions and variations to regulations and processes
  - Review and understand government-wide and agency specific policies for how transactions will occur
  - Understand their specific roles and responsibilities during emergencies (e.g. business line responsibilities, contracting responsibilities)
  - Understand your agency's National Response Plan so that you do not purchase items outside of the mission-assigned funding authority of your agency (NOTE: More information can be found at [www.dhs.gov](http://www.dhs.gov))

# Cardholder Responsibilities

- Responsibilities specific to purchase cardholders include:
  - Understand your specific charge card limits (whether they might be increased to accommodate a higher micro-purchase threshold)
  - Check with budget personnel to determine if there are special funding line items to support emergency purchasing
  - Familiarize yourself with the Disaster Response Registry
  - During the emergency response, avoid potential price gouging by utilizing your knowledge of contractual mechanisms such as GSA Schedules, BPAs, price lists, catalogs, and competitive quotes
  - Maintain detailed purchase logs and records of all purchases, noting how they support the emergency

Best Practice: Only use convenience checks when absolutely necessary to reduce the risk of potential fraudulent activity.



# Cardholder Responsibilities

- Responsibilities specific to travel cardholders include:
  - File travel vouchers when you return from travel immediately, or every 10 days (or as stipulated by your agency's policies) while on extended travel
  - Reconcile your travel charge card bills as soon as possible
  - Pay your account balances in full and on time

DoD Specific Guidance for Travel Card Use During Evacuations: Emergencies, disasters, or contingency operations may lead to a requirement DoD employees to evacuate their duty stations. Civilian employees provided with an evacuation orders are authorized to use the travel charge card as this is considered a form of official travel. Military personnel, though not eligible to receive evacuation orders, may be placed in a TDY status, and therefore are considered on official travel.

# Cardholder Responsibilities

- Responsibilities specific to fleet cardholders include:
  - Only use vehicle assigned fleet cards for purchases associated with the vehicle which the card is assigned
  - Be aware of the fleet POC information in order to be able to escalate any special requirements, concerns, or questions quickly and efficiently
  - Review and understand the transaction limits associated with the assigned fleet card and work with the fleet manager to make any necessary adjustments based on specific increased needs during the emergency, disaster, or contingency operation
  - Immediately report a lost or stolen fleet card to the bank's fleet service representative or your fleet manager

# Important References

- Agencies can find additional information on the emergency information outlined in this presentation by utilizing the following links:
  - Stafford Act: <https://www.govinfo.gov/content/pkg/STATUTE-102/pdf/STATUTE-102-Pg4631.pdf>
  - Federal Acquisition Regulations: <https://www.acquisition.gov/browse/index/far>
  - GSA SmartPay Master Contract: <https://smartpay.gsa.gov/content/about-gsa-smartpay#a2>
  - GSA SmartPay A/OPC, AO, and Cardholder Resources: <https://smartpay.gsa.gov/content/resources#a1>
  - GSA SmartPay Training for Card Managers and Cardholders: <https://training.smartpay.gsa.gov/user>

