Good Afternoon,

This information clarifies the guidance on convenience checks in the NIH Purchase Card Supplement, Version 5.0 which will be updated shortly.

Based on recent reviews conducted by the NIH Purchase Card Program and PwC, we have noticed inconsistent documentation and noncompliance regarding convenience checks, especially for checks that are issued for Professional Service Orders (PSO).  Please be sure you adhere to the following when writing or approving convenience checks.

1. Convenience checks are intended only for use with merchants that do not accept purchase cards and for other authorized purposes where the purchase card is not accepted. They should only be used as a payment method of last resort.

Examples of such use may include:

* Compensation for participants in medical studies/trials

**NOTE:**  HHS employees participating in medical studies/trials CANNOT be issued convenience checks; payment via electronic funds transfer is required for those individuals.

* Individuals or small businesses (e.g., photographers, consultants) that do not have merchant accounts with a card provider and products/services are not available from any other source
* Compensation to individuals who are performing a professional service for NIH (also referred to as a PSO) and the individual does not have the appropriate EFT information registered with NIH.
* Payment for NIH patient related services, e.g., blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.
1. Convenience checks are subject to the same regulations and restrictions as the purchase card; however, convenience checks cannot be disputed.  In addition, the requirements for pre-approval to initiate the convenience check, use of required sources and documentation requirements also apply to convenience checks.
2. Before writing a convenience check, you must have the following information and maintain it for your records:
* Individual or Vendor's address and telephone number,
* Individual or Vendor's social security number or tax identification number,
* A brief description of the purchase
* Requisite approvals for the purchase
1. If needed, convenience checks can be written for professional services or PSOs.  Professional services are generally provided by an individual who is asked to serve as a guest speaker for NIH and engages in a vocation or occupation requiring advanced education and training.  Items to keep in mind:
* The PSO generally will include honorarium, per diem and travel.  If there are no requirements for honorarium, then a convenience check should not be written and the order should be processed as invitational travel.
* Payment of an honorarium or a fee for service to a non-US citizen or a permanent resident alien who is not authorized for payment in accordance with the terms and conditions of his/her VISA is prohibited.
* Individuals being reimbursed on a PSO that includes travel are required to follow the same regulations as federal employees contained in the Federal Travel Regulations (FTR) and HHS and NIH travel policies.  This includes the following applicable policies:
* A cost breakdown for honorarium, per diem, and any other travel costs must be provided.
* Copies of all necessary travel receipts must be included as part of the file before the check is written.  This includes receipts for lodging, transportation and expenses over $75.
* Per diem is the allowance for lodging (excluding taxes), meals and incidental expenses and applicable rates can be found at <http://www.gsa.gov/portal/content/104877>.
* For additional information and policies, refer to <http://www.hhs.gov/travel/policies>.
1. In NBS, enter the required vendor information into the Vendor Requests fields. Make sure you obtain the information from the vendor prior to issuing a check.  Capturing this information is critical for preparing tax documents at the end of the fiscal year.
2. Keep a copy of the actual convenience check issued and include it in the cardholder documentation.
3. CAOs must ensure that the convenience checks are only issued for official Government business and that the cardholder follows the procedures as outlined in this policy and in the HHS Purchase Card Program Guide.  The CAO approval process should ensure that the checks are only used when it is determined that alternate methods of procurement and/or disbursement of funds are impractical.

If you have any questions, please contact the Purchase Card Help Desk at (301) 435-6606 or email creditcard@od.nih.gov .