

IC Coordinators:

Please let your cardholders and CAOs know the following...

In effort to mitigate the risk of potential fraud to NIH and minimize the volume of compromised cards, our office routinely reviews and may block merchant category codes (MCCs) that are considered high risk and could potentially result in fraud, waste or abuse. We recently conducted a review and due to the volume of fraudulent transactions that had occurred on purchase card accounts under MCC 5812 (Eating places; Restaurants) in addition **to the current HHS policy on the very limited use of appropriated funds to purchase food**, the decision was made to block this MCC from all NIH purchase card accounts. Only a few legitimate purchases were noted that had been previously made under this MCC prior to it being blocked and those individual cardholders were notified. As a result of blocking the MCC 5812, any new purchases made with merchants that bill under this MCC will be declined by the bank.

Because merchants bill under various MCCs, some ICs may have been able to purchase food for award ceremonies; however, the merchants selected for these orders were likely registered under other MCCs that are not blocked. Unfortunately we have no way of knowing what MCC a merchant is registered under. If there is a need for a cardholder to make an authorized food purchase with a particular merchant that bills under MCC 5812, please have them contact our office along with a copy of the purchase request so that we can request a onetime manual override with the bank that would allow the transaction to be processed on the cardholder's account. Cardholders may want to check with the merchant they plan to purchase food from to see what MCC the merchant is registered under so that proper arrangements can be made with our office in advance.

If an IC anticipates frequent purchases being made from a merchant registered with a blocked MCC (e.g. approved protocol, approved ongoing initiative, etc.), we can consider adding this MCC to the cardholder profile allowing those purchases without having to request manual authorizations. In order to do so, however, we would need adequate justification and preapprovals on file.

If you have any questions, please contact the purchase card helpline at 301-435-6606 or email our Help Desk.

Thanks.