



Smithsonian
Institution

SMITHSONIAN DIRECTIVE 309

January 30, 2006

MERCHANT CREDIT CARDS

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Policy

The Office of the Comptroller (OC) serves museum visitors and patrons, including those who purchase Smithsonian merchandise and services by mail, telephone, and the Internet, by establishing merchant credit card accounts to accept payments to Smithsonian Institution (SI) units. Only merchant credit card accounts established by the OC are valid SI accounts.

Background

The credit card environment is very complex, and working within it requires expert knowledge of financial analysis, cash management, and banking and accounting systems, principles, and practices, as well as the credit card marketplace.

Since the early 1970s, the OC has been responsible for negotiating and establishing merchant credit card accounts on an SI-wide basis. The Institution has benefited from these negotiations by obtaining some of the lowest credit-card processing rates currently available.

Credit cards now accepted by the Smithsonian are Discover, VISA, MasterCard, JCB, and American Express.

Responsibilities

The Chief Financial Officer (CFO), who is responsible to the Deputy Secretary and Chief Operating Officer for the establishment and maintenance of accounting systems and related controls, provides the financial services required by the Institution and its units.

Under the duties assigned by the CFO, the OC is responsible for establishing merchant credit card accounts, recording revenues, and monitoring SI merchant credit card activity.

Accordingly, Smithsonian units may not establish merchant credit card accounts except through the OC.

However, directors of museums, research centers, and offices are responsible for the daily operation of the merchant credit card accounts. This includes supervision of the employees accepting charge receipts, issuing credits, securing proper user identification, reconciling and reporting daily transactions, and resolving disputed charges.

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Museum, research center, and office directors who want to establish merchant credit card accounts to support SI business activities must contact the OC Financial Information Processing Division Manager.

Although no specific application form is required, the SI unit should submit a written summary of planned business activities, and projected transaction volume, to give the OC a basis for financial analysis and planning. These informational materials must be submitted to the OC at least four weeks prior to the proposed start date of the account.

Upon completion of the analysis, if the request is approved, the OC will coordinate action with the SI unit and the Office of Contracting (OCon) to establish the merchant credit card account with the selected provider.

The OC will then provide the SI unit with written account and vendor contact information. Also, the OC will

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provide the SI unit with ongoing account operations support and instructions on preparation of the Cash Receipt Voucher (CRV) to record business receipts.

OCon will provide the SI unit with assistance in the acquisition of any needed credit-card processing equipment or software. Purchase requirements will be coordinated with the Office of the Chief Information Officer (OCIO), as necessary.

All inquiries, proposals, and solicitations from credit-card issuers, processors, and related vendors should be directed to the OC Financial Information Processing Division Manager, who will perform the necessary analysis and, if appropriate, make recommendations to the SI Comptroller and CFO.

CANCELLATION:
INQUIRIES:
RETENTION:

SD 309, September 6, 2002
Office of the Chief Financial Officer - Officer of the Comptroller
Indefinite. Subject to review for currency 24 months from date of issue