

May 11, 2009

This information is being sent on behalf of John T. McCain, Program Manager, Charge Card Service Center Program Office.

**FOR PURCHASE COORDINATORS ONLY**

***Updated Purchase Guide for AOs***

**PCard-19-2009: Updated Proper Use AO Quick Guide**

The guide for 'Proper Use of the Card and Convenience Checks for Approving Officials' is attached in both a online 'read only' version and in a tri-fold brochure 'print only' version.

This guide along with other reference materials will be available on at <http://www.da.usda.gov/procurement/ccsc/> in the 'Purchase' section under 'Guides and Reference Materials'. If you have any further questions, please email [ccsc@da.usda.gov](mailto:ccsc@da.usda.gov).

Thank you!



# QUICK GUIDE

to

## Proper Use of the Card and Convenience Checks for Approving Officials



Originated: May 2009



Prepared by:

Office of Procurement and Property Management,  
Charge Card Service Center (CCSC)

### You Need to Know...

This quick guide assists Approving Officials (AOs) in carrying out their authority and responsibilities in managing the purchase card and is to be used in conjunction with *Departmental Regulation (DR) 5013-6 and the Approving Officials Purchase Card Program Guide*. The DR and Guide are available for review and reference at <http://www.da.usda.gov/procurement/ccsc>.

### Transaction Approval Policy

AOs are responsible for ensuring that cardholders approve purchase card transactions within 30 days after appearing in Access® Online (AXOL). AOs must final approve transactions within 30 days after transactions appear in their "Manager Approval Queue" in AXOL.

### Final Approval Process

Every Wednesday, AOs will be notified via email if transactions are available for them to final approve. Final approval involves reviewing the transaction to ensure the purchase was for official government purposes and goods/services were received. AOs should review the physical documentation provided by the cardholder on a monthly basis before approving the transaction.

Billing Cycle	Final Approve/ Review by
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7/8-8/7	8/7
8/8-9/7	9/7
9/8-10/7	10/7
10/8-11/7	11/7
11/8-12/7	12/7
12/8-1/7	1/7

### Deactivation of Cards

If a cardholder has not approved within 60 days, the cardholder's account will be deactivated. Failure to "final approve" the transactions within 60 days after the transaction appears in the approval queue may result in temporarily closing all accounts assigned to the AO. In addition, cards will be deactivated for splitting purchase transactions, incomplete item descriptions, and other infractions of purchase card policy.

### AO Program Oversight

OMB Circular A-123 states AOs are responsible and accountable for purchases made by cardholders in their offices. AOs are also responsible for exercising appropriate oversight to ensure cardholders do not exceed or abuse their delegated authorities. A physical review of cardholder transactions is performed by AOs during the final approval process. AOs will utilize a checklist as a guide in reviewing transactions. A report of transactions that were

final approved by the AO is available within AXOL. The Final Approval Report shall be used to document that the transactions have been reviewed and final approved by the AOs in accordance with DR 5013-6 and OMB Circular A-123, Appendix B. (See *Final Approval Process* above.)

### Nominating Cardholders

Micro-purchase authority may be delegated to government employees in accordance with DR 5013-6. AOs are to use the Cardholder Request for Purchase Card Form in the AO Purchase Card Program Guide.

### Increasing Purchase Limits

AOs submit requests for increases to a cardholder's single or monthly purchase limit to the cardholder's LAPC via e-mail. Include the cardholder's name and recommended limit increase.

### Unauthorized Use of the Card and Checks

- ◆ Cash advances and/or travel advances
- ◆ Long-term (more than 180 days) rental or lease of land or buildings except by warranted real property leasing or contracting officers.
- ◆ Purchase of hazardous items such as firearms, ammunition, explosives, or hazardous biological and radioactive substances, unless by purchasing agent.
- ◆ Purchase of airline, bus, train, or other travel-related tickets and purchase of meals, lodging, or subsistence costs.
- ◆ Personal purchases or identification. Items purchased with the card are for official government use only. Additionally, the card must not be used for identification for personal purchases (e.g., while paying for a personal purchase by check), or security for personal purchases.
- ◆ Purchase of telecommunications resources, except for emergency purchases of telecommunications resources and for purchases of telecommunications products and non-transmission services not exceeding \$350.00.
- ◆ Split Transactions (splitting requirements into several purchases merely to avoid the cardholder's delegated single purchase limit).
- ◆ Fuel and related supplies and services for government-owned and leased vehicles, aircraft, and other motorized equipment, unless authorized by USDA Departmental Program Manager and USDA Departmental Fleet Program Manager.
- ◆ Personal services unless authorized by statute. Personal services are those where an employer-employee relationship occurs such as when there is continuous supervision of the contractor's employees by the government.
- ◆ Advance payment to a merchant prior to receipt of goods/services, unless authorized by law (i.e., subscriptions, registration fees, and training).
- ◆ Acquisition from commercial sources of products or services available from a required source in time to meet the agency need.
- ◆ Other unauthorized purchases include, but are not limited to:
  - Greeting cards
  - Memberships in an individual's (as opposed to an organization's) name
  - Parking tickets against a government vehicle



- Insurance of items being shipped to or for the government (the Government is self-insuring)
- Shipment of household goods
- Meals for federal employees at office or agency functions, unless authorized by law (purchasing food for government employees for a bona fide awards ceremony is permitted by law)

## AO Responsibilities

- ◆ Determines the necessity and appropriateness of each card.
- ◆ Determines single and monthly purchase limits.
- ◆ Submits the prospective cardholder's name, work address (including all acronyms), telephone number, e-mail address, single purchase limit, monthly cardholder limit, accounting information, and check writing capability to the LAPC. Also include the direct Supervisor's name, address, telephone number, and e-mail address.
- ◆ Ensures that cards issued under their authority are properly utilized for Official Government Business Only.
- ◆ Takes disciplinary action or other appropriate action for misuse of purchase cards when notified by the LAPC and notifies the LAPC of action taken.
- ◆ Notifies LAPC when cardholder is absent from office due to extenuating circumstances.
- ◆ Reviews cardholder transaction reports on a monthly basis and maintains the reports per instructions in DR 5013-6.
- ◆ Notifies the LAPC of questionable transactions or possible misuse of the purchase card/ convenience checks.
- ◆ Completes required AO Purchase Card Training
- ◆ Ensures nominated cardholder complete required Purchase Card Training.

**Section 508** - Section 508 requires that Federal agencies' electronic and information technology is accessible to people with disabilities. Federal employees should conduct market research to locate products and services that meet the requirements of Section 508. For more information on Section 508 requirements, refer to [www.section508.gov](http://www.section508.gov).

**Ethics** - USDA has developed a training module to address the ethical concerns and standards of conduct for using the Government Credit Cards for cardholders, Program Coordinators, and cardholder supervisors. This module is not intended to supplant the required and extensive training offered to cardholders and supervisors when they first join the program. In other words, this is not a module on the basics of using the Government Purchase Card. To take ethics training, refer to:

[www.usda-ethics.net/training/module\\_20/index.htm](http://www.usda-ethics.net/training/module_20/index.htm)

**GSA-Buy Green** - Federal agencies are directed to be good stewards of the environment by conserving energy and other precious natural resources. One way that we can be good stewards is to buy products and services that conserve resources. This is generally referred to as "green" purchasing. There are six components to the Federal green purchasing program:

- ◆ Recycled content products
- ◆ Energy Star and FEMP-designated energy efficient products, low standby power devices, and renewable energy
- ◆ Bio-based products
- ◆ Alternative fuel vehicles/alternative fuels
- ◆ Environmentally preferable products and services
- ◆ Non-ozone depleting substances

## Authorized Use of the Card

- ◆ Use the purchase card first; checks are only to be used if the vendor does not accept the card or in other limited instances in accordance with DR 5013-6.
- ◆ In purchasing supplies and services, use required sources first (e.g., AbilityOne Program).
- ◆ Rent storage and other special purpose space on a short-term basis (up to 180 days) to be used on a temporary or emergency basis.
- ◆ Payment for meeting and conference rooms, parking for government-owned or leased vehicles.
- ◆ Business cards (if authorized by your agency). To order, refer to AbilityOne Program at <http://www.iwod.gov>.
- ◆ For warranted contracting personnel, orders within their delegated authority.

## Authorized Use of Alternative Payment Methods

- ◆ Job Corps (petty cash replacement)
- ◆ Janitorial Services
- ◆ Nutrition Study Recipients
- ◆ Foreign National/ Invitational Travelers
- ◆ Emergency Purchase Expenditures
- ◆ Purchase of Animals
- ◆ Peer Panels/Honoraria
- ◆ "Mom & Pop" Merchants
- ◆ Local/ Rural Farmers, Mechanics
- ◆ Fire Crew Lodging/ Meals in Transit
- ◆ Collection Officer Money Order Fees
- ◆ Law Enforcement Purchases
- ◆ Local/State Governments

## Authorized Use of the Convenience Check

Convenience checks are utilized for purchases under \$2,500 when at least one of the DCIA waivers is satisfied and for the following situations:

- ◆ Vendor or merchant will not accept the purchase card
- ◆ Bona fide emergencies where the purchase card is not a viable solution
- ◆ Transactions with small and/or rural businesses that are not yet able to accept the purchase card

- ◆ Other properly approved transactions for which the imprest funds were previously used which cannot be addressed using the purchase card
- ◆ Emergency payments to employees under \$500 on a documented and approved basis

## DCIA Waivers

DCIA waivers require the government to maximize electronic transactions. Convenience checks are not considered electronic fund transfers (EFT), and are not DCIA compliant unless one of the following criteria are met:

- ◆ (01) Individual Determination
- ◆ (02) Agency Makes One Payment.
- ◆ (03) Foreign Country Infrastructure
- ◆ (04) Transaction in Disaster Area
- ◆ (05) Threat to National Security
- ◆ (06) Unusual and Compelling Urgency
- ◆ (07) One Source for Required Supplies or Services

## Unauthorized Use of the Checks

The convenience checks will not be used for:

- ◆ Purchases in excess of \$2,500 (except in a bona fide emergency)
- ◆ Payments when the vendor accepts the purchase card
- ◆ Indemnity payments
- ◆ Vehicle maintenance and repairs
- ◆ Utility payments
- ◆ Official travel
- ◆ Local travel
- ◆ Writing checks to self or for cash

## Card Misuse/Fraud

Procurement laws, regulations, and procedures place upon the cardholder direct responsibility for the proper and lawful execution of procurement actions. Any act exceeding the cardholder's authority is no longer an act of the government but becomes a personal responsibility. Misuse of the purchase card will require the purchase card to be withdrawn from the cardholder. Disciplinary actions may be taken against the cardholder. The cardholder may be liable for payment of the purchase. **This may include financial liability and consideration of disciplinary action up to and including removal from position and possible criminal prosecution.**

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