

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

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### ***Coordinators Purchase Card Program Guide***

The CCSC Policy and Training team is pleased to release a comprehensive guide and reference tool for all Purchase Coordinators, the "Coordinators Purchase Card Program Guide."

The attached guide includes detailed information on the Purchase Card program and guidelines for management and oversight by Purchase Coordinators. An overview of the program, roles and responsibilities, form templates for reviews, and detailed policy guidelines are just a few of the topics covered in this guide.

Please note that this version is subject to change as changes to federal policy and procedures are implemented. We are working diligently to provide the most current and updated information and reference tools for all Purchase Coordinators.

In addition, the new re-designed CCSC website is live and we have additional reference materials and guides posted on the site for Purchase Coordinators and cardholders at [http://www.da.usda.gov/procurement/ccsc/pc\\_guides\\_ref.htm](http://www.da.usda.gov/procurement/ccsc/pc_guides_ref.htm).

If you have any further questions, please email [ccsc@da.usda.gov](mailto:ccsc@da.usda.gov). Thank you!

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# Coordinators Purchase Card Program Guide

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## USDA Purchase Card Program



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USDA OPPM Charge Card Service Center  
<http://www.da.usda.gov/procurement/ccsc/>

Originated: June 2009

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**USDA PURCHASE CARD PROGRAM**

## INTRODUCTION

Welcome to the USDA Purchase Card Program. USDA and US Bank are partnering to provide USDA employees the best solution for charge card management. US Bank is the world's largest and most experienced issuer of purchasing cards. Together, both are committed to helping Coordinators achieve program success. Coordinators are encouraged to read this guide thoroughly and retain it as a reference tool in addressing the procedures and proper management of USDA's participation in the use of the purchase card.

This Coordinators' Purchase Card Program Guide provides you with information necessary to administer the Purchase Card Program within your agency. Everything you need concerning the program and the system is included such as:

- Valuable information regarding program participation, implementation, setup, and maintenance; and
- Descriptions of the latest tools to help agencies and organizations effectively streamline their procure-to-pay process.

This Guide is intended to supplement Departmental Regulation (DR) 5013-6 in establishing Department-wide standards and policy for all USDA agencies to maintain and operate an effective Purchase Card Program. In the event of a conflict between DR 5013-6 and the Coordinators' Purchase Card Program Guide, the policies and procedures of DR 5013-6 shall govern.

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## ACRONYMS

AGAR	Agriculture Acquisition Regulation
APC	Agency Program Coordinator
AXOL	Access® Online
BPA	Blanket Purchase Agreement
BOC	Billing Office Contact
BOCC	Budget Object Classification Codes
CCAT	Charge Card Account Table
CCSC	Charge Card Service Center
CFO	Chief Financial Officer
COTR	Contracting Officer Technical Representative
CSQI	Cardholder Statement of Questioned Item
CSC	Customer Service Center
DAC	Default Accounting Code
DCIA	Debt Collection Improvement Act of 1996
DCN	Document Control Number
DOD	Department of Defense
DPM	Departmental Program Manager
DR	Departmental Regulation
EIN	Employee Identification Number
EPA	Environmental Protection Agency
FAR	Federal Acquisition Regulation
FedEx	Federal Express
FEMP	Federal Management Program
FFIS	Foundation Financial Information System
FPDS-NG	Federal Procurement Data System-Next Generation
FPDS/SF	Federal Procurement Data System/Standard Form
FPI	Federal Prison Industries
FSS	Federal Supply Schedule
GAO	Government Accountability Office
GPO	Government Printing Office
GSA	General Services Administration
HCAD	Head Contracting Activity Designee
IAS	Integrated Acquisition System
ID/IQ	Indefinite Delivery/Indefinite Quantity
IT	Information Technology
JCP	Joint Committee on Printing
LAPC	Local Agency Program Coordinator
MCC	Merchant Category Codes
NFC	National Finance Center
NIB	National Industries for the Blind
OC	Office of Communication
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPPM	Office of Procurement and Property Management

PROP/EMIS	Property System/Equipment Management Information System
SSN	Social Security Number
TBR	Total Business Reporting
TIN	Taxpayer's Identification Number
UPS	United Postal Service
USC	U.S. Code
USDA	US Department of Agriculture

## **SECTION 1. PURCHASE CARD OVERVIEW**

### **1.1 USDA Government-wide Commercial Purchase Card**

The commercial purchase card is a VISA credit card, similar to your own personal credit card, which authorizes a cardholder to buy goods and services under an established delegation of authority. The card is specifically designed showing the United States of America seal and the words “For official US Government Purchases Only” imprinted on it to avoid being mistaken for a personal credit card. The card is also imprinted with “US Government Tax Exempt”. Note that the card is still subject to existing federal and departmental procurement regulations in accordance with Departmental Regulation 5013-6.

The purchase card is the primary method for making purchases of \$100,000 or less (simplified acquisition threshold). The objectives in using the purchase card are to reduce procurement and related payment paperwork by reducing/eliminating the number and dollar amounts of imprest funds, reducing purchase order transactions for supplies and services, including construction, and reducing administrative processing costs and lead times. Under no circumstances is the purchase card to be used for personal purchases.

### **1.2 Purchase Card Benefits**

Purchase cards streamline procurement processes and reduce costs significantly for both cardholders and merchants. It is important for the Coordinator to understand and communicate purchase card benefits to program participants to ensure ongoing acceptance and overall program performance. U.S. Bank is committed to helping make USDA procure-to-pay processes cost effective and efficient.

#### ***A. Benefits to the Cardholder***

The card empowers the cardholder to make decisions

- The cardholder gets exactly what is needed when needed.

The card saves time

- No waiting for a purchase order to be issued.
- Orders are placed at the cardholder’s convenience.
- Orders are received faster.

The card reduces paperwork

- No check requests or invoice approvals for card purchases.
- No need to use the imprest reimbursement process.
- No MISC-PAY Document transmitted to National Finance Center (NFC) for payment.

The card is widely accepted

- More than 12 million merchant locations.

If a merchant doesn't accept VISA, U.S. Bank can assist merchants in becoming enabled (VISA-capable) by calling the U.S. Bank Merchant Payment Services at 1-800-432-9413 or [merchant@usbank.com](mailto:merchant@usbank.com).

### ***B. Benefits to the Agency***

No reimbursement procedure to remember

- Unlike other payment methods, you do not pay a bill and wait for reimbursement. The government pays the bills directly as required. For this reason, it's very important that no personal charges be made with the purchase card.

Saves money and increases efficiency by:

- Reducing the number of purchase orders and data entry in various offices.
- Allowing program personnel to directly make the necessary purchases to carry out mission area responsibilities.
- Cutting down on paper pushing, approving, and paying for small-dollar purchases.
- Freeing up time for purchasing professionals to focus on high-dollar purchases and key supplier relationships.
- Using improved reporting to negotiate volume discounts with suppliers.
- Sending small-dollar purchases to the more efficient bank system, which handles millions of these purchases each day.

### ***C. Merchant Benefits***

- Improves cash flow for merchants. Purchase card transactions are paid within 48 hours of purchase.
- Simplifies processes and reduces costs for merchants.
- Eliminates need to generate and mail invoices, manage and collect receivables or post and process checks for cash customer payment.
- Increases sales and customer retention by providing convenient payment options for customers.

### ***D. Rebate Benefits***

USDA's task order with US Bank requires the bank to pay quarterly rebates based on the purchase card charge volume. The rebates are up to 110 basis points (83.5 basis points equals 1 percent), depending on the speed with which USDA pays the bank's daily invoices. Rebates are due to USDA by the 15<sup>th</sup> calendar day after a fiscal year quarter. To assure that the 4<sup>th</sup> quarter rebate is received in time to spend it, the bank is required to estimate it and pay it with the third quarter rebate. Adjustments based on actual purchase volume and speeds of invoice payment for the fourth quarter are made with the rebate payment for the first quarter of the next fiscal year.

## **1.3 How to Use the Purchase Card (Merchant)**

To accept a VISA transaction, a merchant follows these general procedures for any type of card purchase:

- a) The cardholder presents merchandise and the purchase card to the supplier.
- b) After totaling the merchandise, the merchant processes the purchase card information to obtain authorization.
- c) The authorization request is transmitted electronically to the bank through the telecommunications network. The bank verifies the cardholder account and determines if the purchase is within spending control limits. In approximately 10 seconds, an approval, decline, or referral is transmitted back to the merchant's bank or processor and on to the merchant.
- d) At the end of a business day, the merchant batches and sends the transactions to the processing bank that will issue credit for the purchase.
- e) The merchant's bank electronically transmits the sales draft information to the card issuer's bank, and then it applies the charges to the appropriate cardholder account.

#### **1.4 How to Use the Purchase Card (Cardholder)**

The same basic procedures are followed for mail, phone, and Internet-order purchases, although the supplier may request additional information such as the cardholder's shipping address.

##### ***A. Over-the-Counter Purchases (In-person transactions)***

Although the process may vary slightly, the following steps give a general overview of how the purchase card works. An employee using the purchase card should:

- 1) Identify the purchase needed; obtain authorization to make the purchase; and determine funds availability and appropriate source of supply.
- 2) Determine if the purchase amount is within their pre-approved single purchase limit. If yes, proceed to the next step. If no, check with the manager for details on how to proceed.
- 3) Purchase goods/services. Provide the merchant with the purchase card. Inform the merchant that the purchase is for "official U.S. Government business" and is not subject to state or local sales tax (see [Tax Exemption](#)). Pay sales tax if merchant refuses to waive it.
- 4) When an approval code is received, the cardholder verifies the sales total and signs the sales draft. The cardholder then receives the merchandise, the card, and one copy of the completed sales draft.
- 5) Retain receipt (i.e., cash register receipt, VISA charge slip). If the purchase is above \$300, independent receipt and acceptance is required.

- 6) Approve transactions in Access® Online (AXOL) using purchase receipts.

### ***B. Telephone Orders***

An employee using the purchase card to order by telephone should:

- 1) Identify the purchase needed; obtain authorization to make the purchase; and determine funds availability and appropriate source of supply.
- 2) Determine if the purchase amount is within the pre-approved single purchase limit. If yes, proceed to the next step. If no, check with your Coordinator for details on how to proceed.
- 3) Contact the merchant and place the order.
- 4) Purchase goods/services. Inform the merchant that the purchase is for “official U.S. Government business” and is not subject to state or local sales tax (see [Tax Exemption](#)). Pay sales tax if merchant refuses to waive it. Provide the merchant with the card number and expiration date.
- 5) Relay all pertinent information to supplier, e.g., your name, shipping address, etc.
- 6) Inspect and verify order accuracy, quality, and price when merchandise arrives.
- 7) Retain shipping documents and receipts received with the merchandise. If the purchase is above \$300, independent receipt and acceptance is required.
- 8) Approve transactions in AXOL using shipping receipts/documents.

### ***C. Internet Orders***

- 1) Identify the purchase needed; obtain authorization to make the purchase; and determine funds availability and appropriate source of supply.
- 2) Determine if the purchase amount is within the pre-approved single purchase limit. If yes, proceed to the next step. If no, check with your Coordinator for details on how to proceed.
- 3) Locate the merchant’s web site and place the order.
- 4) Purchase goods/services. Enter your card number and expiration date. Some web sites will recognize that your purchase is tax exempt. If not, indicate that the purchase is tax exempt (see [Tax Exemption](#)). Note that you should check to see if the web site you are accessing is secure before entering your purchase card account number. Check your Internet browser software and any information posted on the web site you are accessing for more information regarding the level of security provided.

- 5) Relay all pertinent information to supplier, e.g., your name, shipping address, etc...

NOTE: When downloading a purchased product from the Internet, print out the electronic confirmation for your files.

- 6) Inspect and verify order accuracy, quality, and price when merchandise arrives.
- 7) Retain shipping documents and receipts received with merchandise. If the purchase is above \$300, independent receipt and acceptance is required.
- 8) Approve transactions in AXOL using shipping documents or electronic confirmation printout.

## **1.5 Purchase Limits**

Use of the purchase card by a cardholder is subject to a single purchase limit and a monthly purchase limit. The purpose of each dollar limit is as follows:

### ***A. Single Purchase Limit***

The single purchase limit is a dollar amount on the procurement authority delegated to the cardholder. A “single purchase” is the total of those items purchased at one time from a particular vendor. Multiple items may be purchased at one time using the card; however, no single purchase may exceed the authorized single purchase limit. If the requirement is for on-going repetitive services that exceed \$2,500 a year, the best solution is to forward the requirement for the service through the agency servicing contracting office. A requirement cannot be reduced into smaller parts to avoid formal contracting procedures. Splitting purchases merely to stay within the single purchase limit is a violation of law. An example of a split purchase is:

*The cardholder’s single purchase limit is \$3,000. The items to be purchased total \$3,500. The cardholder divides the purchase into several charges to stay within the authorized single purchase limit.*

### ***B. Monthly Purchase Limit***

The monthly purchase limit is the maximum total dollar amount a cardholder is authorized to procure each month. This amount is established in AXOL when a cardholder’s account is first established. The monthly purchase limit applies to the monthly total of all purchase card and convenience check transactions. This amount is similar to a “credit limit.” The monthly purchase limit is determined by the Approving Official (AO) using historical spending data for the office.

## **SECTION 2. PROGRAM SUPPORT**

### **2.1 USDA Charge Card Service Center**

The Office of Procurement and Property Management established an office to provide overall charge card management. This USDA Charge Card Service Center (CCSC) is staffed with subject matter experts to provide a one-stop shop for inquiries and assistance for each of the business lines relating to purchase, fleet, and travel. Information pertaining to all 3 business lines is available at the USDA CCSC website, <http://www.da.usda.gov/procurement/ccsc/>. Questions pertaining to the USDA Charge Card Program can be forwarded to [ccsc@da.usda.gov](mailto:ccsc@da.usda.gov).

- CCSC Team - The CCSC staff consists of the Departmental Program Manager (DPM), business line experts for purchase, travel, and fleet, and contractor support. Each expert is dedicated to providing quality service and assistance to USDA employees. A discussion of roles and responsibilities are provided in Section 3, Program Management.

### **2.2 Financial Point of Contacts**

These individuals review the accounting information using Foundation Financial Information System (FFIS). The specific duties include, but are not limited to:

- Coordinating with the cardholder updates to the “default accounting code” in AXOL;
- Monitoring and updating the Charge Card Account Table (CCAT) in FFIS;
- Correcting transaction rejects and any necessary accounting code string for the nightly updates to AXOL for cardholder reallocation; and
- Reviewing accounting information obtained from FFIS.

### **2.3 Billing Office Contact**

The National Finance Center is the designated billing office contact (BOC) for all business lines and is responsible for payment of the single electronic invoice. BOC duties include, but are not limited to:

- Receiving the official invoice and pay the invoice in full within the specified time frame;
- Working with U.S. Bank Government Services to resolve payment issues;
- Approving and/or certifying payments to U.S. Bank Government Services in accordance with the Prompt Payment Act.

### **2.4 U.S. Bank Contacts**

U.S. Bank also has a highly specialized service team to help Coordinators manage their purchasing card program and to provide superior ongoing service.

- U.S. Bank Team

- The U.S. Bank Team that provides support to USDA consists of a Government Services Relationship Manager, Government Services Account Coordinator, and Customer Support. The responsibilities of the team are included in Section 3, Program Management.
- U.S. Bank Government Services Relationship Manager – The U.S. Bank Government Services Relationship Manager is responsible for the overall management of the purchasing card program for an agency/organization, working primarily with the DPM. The relationship manager’s main responsibilities include:
  - Facilitating U.S. Bank Purchase Card Program implementation with the agency;
  - Training agency contacts on the U.S. Bank Purchase Card program specifics and tools;
  - Identifying agency program needs;
  - Consulting on agency policy development and product application;
  - Monitoring mutual account performance goals and objectives;
  - Developing new customer relationships within each agency;
  - Assisting with marketing the purchase card program to other divisions or sites;
  - Coordinating with other U.S. Bank Government Services areas to provide best-in-class service; and
  - Introducing value-added products, services, and program enhancements.
- U.S. Bank Government Services Account Coordinator – The U.S. Bank Government Services Account Coordinator provides daily support to the agency organization and works primarily with the Agency Program Coordinator (APC). The account coordinator’s primary responsibilities include:
  - Preparing and coordinating internal processes to support the program;
  - Answering daily program management questions;
  - Consulting with each agency on their reporting needs and analysis; and
  - Managing ongoing daily customer relationships.
- U.S. Bank Government Services Customer Support – The U.S. Bank Government Services Customer Support team provides account information primarily to cardholders and AOs. The customer support team’s primary responsibilities include:
  - Activating accounts;
  - Answering account inquiries (balances, spending limits, transaction status, closure);
  - Responding to account statement and payment inquiries (duplication statement requests, payment status);
  - Responding to lost/stolen card notifications, card inquiries, non-receipt notifications and card replacement requests;
  - Replying to declined authorization inquiries;
  - Completing account maintenance (name and address changes) requests;

- Responding to dispute initiation and status inquiries; and
- Managing convenience check reorders (if applicable).

## **2.5 Access® Online (AXOL)**

AXOL is a web-based electronic access tool designed to be the system source for purchasing card program management and related data. The U.S. Bank electronic access system enhances program management capabilities and streamlines the billing and payment processes. This system is used for establishing and managing card accounts, including account reconciliation and purchase approval by cardholders and AOs. It is also used by Coordinators to perform management and oversight of purchase card transactions.

AXOL interfaces with the financial system. It automatically generates and sends payment voucher documents (P8) for individual purchase charges to the financial system on a nightly basis. The documents (P8) are charged directly to the cardholders' default accounting codes.

## **2.6 VISA Intellilink**

VISA IntelliLink is a web-based service designed to provide agencies with an easy-to-use tool to effectively manage and gain insight into their charge card business programs. The tool enhances the performance of purchase card transaction data by improving control and monitoring compliance. IntelliLink is composed of 11 modules which will be customized to meet USDA requirements. Key module features include reporting, rules and compliance, predictor, and sourcing.

## **2.7 U.S. Bank Web-based Training**

The web-based training provides valuable information about the electronic access system capabilities, including an explanation of access screens, as well as necessary key sequences and functions for reviewing purchases and disputing a transaction electronically. This is an exclusive training and communication website tailored to support U.S. Government Services Purchase Card customers. Visit [www.usbank.com/gov\\_forourclients](http://www.usbank.com/gov_forourclients) to access communication updates, training resources, and reference materials to successfully implement and manage the purchase card program. For a username and password, cardholders and AOs should contact their Local Agency Program Coordinator (LAPC).

## **2.8 U.S. Bank Government Services Technical and Training Help Desk**

U.S. Bank Government Services Technical Help Desk staff are available via phone (1-800-254-9885, option 2) or email 7 day-a-week, from 6:30 a.m. to 8:00 p.m., central time. They assist Coordinators and Cardholders with questions about web-based program management tools. After hours, calls are routed to U.S. Bank Government Services representatives who can assist with frequent requests such as password resets. Coordinators must provide the bank with information to identify their area of responsibility when contacting the bank. The bank will ask each coordinator for their hierarchy levels.

## **SECTION 3. PROGRAM MANAGEMENT**

Individuals have been designated to manage the purchase card program at different organizational levels within USDA. Their responsibilities are determined by their roles and are listed below. In order to manage the program effectively, APCs and LAPCs must be classified in either the 1105 or 1102 procurement series or meet the training requirements of the Acquisition Workforce Training, Delegation and Tracking System for a Level IB (LAPCs) and Level 1C (APCs) contracting officer.

### **3.1 Departmental Program Manager (DPM)**

The DPM, who is located in the USDA CCSC is responsible for the implementation and oversight of the program as well as being the GSA Contracting Officer's Technical Representative (COTR) for USDA. The COTR is an authorized individual acting within the limits of their authority as delegated by the Contracting Officer. This means that the DPM has authority to perform the functions in the performance of the government-wide commercial purchase card program only to the extent permitted by the GSA Contracting Officer.

DPM duties include, but are not limited to:

- Establish USDA APCs with bank contractor;
- Provide training and guidance to APCs;
- Coordinate with bank contractor USDA system requirements and act as the central point of contact for agency requests for system modifications;
- Develop and recommend USDA policy and procedures for the department-wide purchase card program;
- Provide program information to participants utilizing AXOL message board;
- Develop purchase card program literature and materials for department-wide use; and
- Coordinate with bank contractor future program applications/enhancements.

### **3.2 Agency Program Coordinator (APC)**

#### ***Level 3 APC***

A Level 3 APC is designated in each USDA agency, departmental office, or mission area to coordinate the implementation of the program within the organization through the DPM. The Level 3 APC is appointed by the Agency Head of the Contracting Activity Designee (HCAD) and is responsible for managing the purchase card program in each agency and is the agency's contact with the DPM and bank contractor. The HCAD shall provide the written designation to the USDA DPM. The designation letter shall address the classification and/or training requirements of the APC in compliance with the Acquisition Workforce Training, Delegation and Tracking System for a Level 1C contracting officer. All documentation related to the establishment of an office, location, or area will be processed through the APC.

### ***Level 4 APC***

The Level 4 APC may be designated in each USDA agency, departmental office or mission area to assist the Level 3 APC in coordinating the implementation of the program within the specific agency, departmental office, or mission area.

The major responsibilities of the APC are:

- Establish and maintain agency-wide communication;
- Establish agency-unique purchase card policies and procedures when needed;
- Appoint Assistant, Deputy, or Regional APC;
- Appoint LAPC;
- Conduct agency-wide oversight of the purchase card program, including proper use of required sources of supplies and services;
- Participate in meetings with the DPM to address purchase card programmatic issues;
- Provide guidance to LAPCs or additional training when needed;
- In the absence of an LAPC, cancel purchase cards immediately upon employee's termination;
- Serve as primary contact for LAPCs and as the liaison with the DPM and the bank;
- Audit program compliance and file retention. Notify the LAPCs of non-compliance issues and assists them in enforcing non-compliance measures;
- Identify future program applications/enhancements and submit to the DPM for final assessment;
- Determine and recommend appropriate Merchant Category Classification (MCC) code ranges for card use; and
- Provide senior agency management with purchase card transaction and convenience check data.

### **3.3 Local Agency Program Coordinator (LAPC)**

The LAPC is appointed locally by the HCAD, subject to the concurrence of the APC. The nominating office is to complete the LAPC nomination form and forward to the respective APC. Refer to *Exhibit 1* for a copy of the form. The LAPC is responsible for the day-to-day operation of the purchase card program at their respective site. They work directly with the cardholder, bank contact person, and APC. All documentation related to the establishment of the cardholder will be processed through the LAPC.

LAPCs should be classified in the 1102/1105 contracting specialist/analyst or purchasing agent series. However, LAPCs may be appointed from any series provided the employee meets the requirements of the Acquisition Workforce Training, Delegation and Tracking System for a Level 1B Contracting Officer. The LAPC works directly with the cardholder, bank account coordinator, and APC. All documentation related to the establishment of a cardholder will be signed and processed through the LAPC to the bank.

LAPC duties are to:

- Establish and maintain the purchase card program within his/her designated location;
- Provide additional training and guidance to cardholders when needed;
- Monitor cardholder purchases using electronic management application and tools;
- Conduct statistical sampling reviews;
- Report fraud, waste, and abuse in accordance with agency procedures;
- Establish and update cardholder information;
- Distribute program literature and materials to cardholders;
- Ensure proper use of required sources of supply;
- Perform card cancellations due to termination or employee transfer;
- Perform maintenance changes using AXOL;
- Instruct cardholders to immediately notify the bank customer service representative of a lost/stolen card/check;
- Instruct cardholders to immediately notify the bank of any discrepancies or unauthorized charges within 90 days of the transaction date;
- Utilize the bank's "Coordinators Who to Call" information;
- Approve: cardholder accounts on an emergency basis or where the cardholder has separated from the agency;
- Approve "trailing" transactions after a cardholder account is closed;
- "Final" approve transactions when the AO has separated from the agency; and
- Query quarterly final approval transaction reports.

### **3.4 Approving Official (AO)**

It is USDA policy that the AO is the individual with oversight and approval responsibility for purchase card activity of cardholders under his or her purview. USDA prefers that the AO is the cardholder's supervisor-of-record; however, other individuals may be appointed. The appointment of an AO that is not the cardholder's supervisor-of-record does not absolve the supervisor-of-record of the responsibility over the cardholder's job performance and purchase card transaction activity. Agencies may appoint individuals other than the supervisor-of-record under the following criteria: (1) Must be the same or higher grade than assigned purchase cardholder; (2) Must be in the same program or regional/area/office as the cardholder; and (3) Must satisfy mandatory AO training requirements. A written justification explaining why a change in AO is required shall be submitted to the LAPC for review and recommendation for decision by the APC. The APC will forward the final decision to the LAPC for file retention. Additionally, a cardholder shall only have one AO.

AO duties include, but are not limited to:

- Determining the necessity and appropriateness of each card issued;
- Determining who under the AO's authority should receive purchase cards/convenience checks;

- Ensuring the purchase card and/or convenience check authority is not conferred upon employees whom, by virtue of their position, will give rise to a conflict of interest without first adequately mitigating the conflict;
- Determining single and monthly purchase limits, including requests for increases/decreases in a cardholder's monthly limit;
- Ensuring that cards issued under their authority are properly utilized for official Government business;
- Ensuring cardholder completes required purchase card training prior to submitting purchase card application to LAPC;
- Completing required AO purchase card training prior to submitting purchase card application to LAPC;
- Submitting a complete purchase card application to the designated LAPC. Include in the request the prospective cardholder's official name as entered in the Department's Personnel Database, work address, telephone number, e-mail address, single purchase limit, monthly purchase limit, accounting information, training certifications, and check-writing capability. Also include the AO's demographic information, email address, and training certifications with the application;
- Notifying the LAPC of changes in cardholders, supervisory information, demographic information and division/agency/department;
- Ensuring the card/convenience checks are destroyed and note the unused check numbers destroyed before cardholder departs agency;
- Ensuring cardholders approve their transactions on a monthly basis and before the cardholder's departure from agency. Submit completed Card/Check Destruction form (*Exhibit 2*) to LAPC;
- Ensuring cardholders maintain adequate receipts/supporting documentation for each purchase. The retention period for these documents is 3 years from the date of purchase;
- Recommending disciplinary action or other appropriate action for misuse of purchase cards/convenience checks when notified by the LAPC and notify the LAPC of the action taken;
- Notifying LAPC when cardholder is absent from office due to extenuating circumstances;
- Reviewing cardholder transaction activity on a monthly basis; and
- Notifying the LAPC of questionable transactions or possible misuse of the purchase card/convenience check.

### **3.5 Cardholder**

The cardholder is the individual to whom a card/convenience check is issued. The purchase card/convenience check bears the cardholder's name and may only be used by the individual designated on the card/convenience check. No other person is authorized to use the card/convenience check. The authorized spending limits are displayed in AXOL. These limits indicate that goods and services (including construction) may be purchased, within the cardholder's designated authority, as required by the government, subject to funds availability.

The cardholder is responsible for all purchases made with the purchase card. All purchases that will be paid for using the card must comply with the Federal Acquisition Regulation (FAR) and

department and agency regulations. The cardholder is responsible for approving each transaction, either made with the purchase card or a convenience check, in AXOL.

Cardholder responsibilities include:

- Making purchases within authorized spending limits and funds availability. Use a card/convenience check only for purchasing items in accordance with agency/department policies;
- Soliciting prompt payment discounts from vendors prior to accepting an offer. Discount for prompt payment means an invoice payment reduction offered by the contractor if payment is made prior to the due date. Vendors normally receive payment from the bank within three days of the purchase;
- Maintaining purchase cards and convenience checks in a secure fashion and preventing authorized charges against the account;
- Maintaining adequate documentation of all purchase card and convenience check transactions. This responsibility includes documentation of funds availability, receipts, packing lists, invoices;
- Ensuring that accountable/sensitive property is entered into USDA accountable property system;
- Ensuring that any dangerously radioactive and other hazardous materials acquired are disposed of in accordance with applicable regulations (refer to Subchapter H, Part 104-42 of the Agriculture Property Management Regulations, entitled, Utilization and Disposal of Hazardous Materials and Certain Categories of Property. See DR 5013-6 for restrictions on use of the purchase card to acquire firearms, ammunition, explosives, or hazardous biological and radioactive substances;
- Approving purchase card and convenience check transactions using AXOL on a monthly basis, ensuring entry of proper accounting codes, budget object classification codes, and, for convenience checks Taxpayer Identification Numbers (TINs) or Employee Identification Numbers (EINs) and applicable waiver code, as appropriate. Sometimes the EINs are referred to as Social Security Numbers (SSNs);
- Calling the bank's customer service representative and the LAPC immediately to report lost or stolen cards/checks;
- Notifying the bank of any billing discrepancies (i.e., disputes) posted on the account by disputing the transaction in AXOL and following the banks guidelines for disputing a transaction;
- Disallowing any member of their staff, family, or supervisor to use their purchase card/convenience check;
- Notifying the LAPC of any name, telephone, address or other account changes, (i.e., change in supervisor or division/agency/department changes;
- Changing password as required;
- Ensuring someone other than the cardholder signs for and receives goods/services over \$300;
- Obtaining proper authorization to prior to purchasing goods/services; and
- Completing Card/Check Destruction form (*Exhibit 2*) and forwards to AO for signature.

## SECTION 4. PROGRAM OPERATION

### **4.1 Hierarchy Setup**

This section outlines the process of establishing an agency or staff office with U.S. Bank. This is referred to as establishing the hierarchy builds. Program structure takes into consideration the Department's configuration and how it wants to administer its program. Consideration is given to the Department's billing and payment requirements and reporting needs. USDA is utilizing U.S. Bank's processing and reporting hierarchy functionalities to administer the purchase card program.

The chart below depicts the structure of the processing and reporting levels. During implementation/transition, the agent (Level 4), company (Level 5), division (Level 6), and department (Level 7) numbers are assigned by U.S. Bank. After transition, the Division (level 6) and Department (Level 7) are assigned by the respective APC for each USDA agency. After the initial setup, all hierarchies will be established using the assigned total business reporting (TBR) hierarchy levels. The reporting functionality allows USDA the flexibility it needs to set up the points of contact, billing, and reporting at levels appropriate for each USDA agency. Set up and maintenance forms are available at [www.usbank.com/usda](http://www.usbank.com/usda).

TBR Levels	Processing Hierarchy	Contact
1 00012		
2 01201		
3 APC		APC
4	Agent	Regional/Area APC
5	Company	LAPC
6	Division	LAPC or AO
7	Department	LAPC or AO

In defining the Department's program structure, the following decisions will be made:

- Set-up structure, e.g., agency groupings and MCC blocking;
- Account code structure (including hierarchy, billing level, and cost allocation requirements);
- Cycle date and billing payment methods;
- Participant identification and spending guidelines;
- Card account setup input method (e.g., paper or electronic); and
- Data/information/reporting needs.

Certain forms are required to make additions/changes pertaining to the APC and LAPC. These forms are the Point of Contact (POC) Setup Form and POC Maintenance Form. The POC Forms are used only in establishing and changing APCs and LAPCs. To create user IDs for an APC/LAPC, use the Online User Profile functionality in AXOL. Under System Administration, select User Profiles to create or modify user IDs/log information and establish account and

hierarchy access. The AXOL Online User Profile functionality is to be used for creating or modifying user IDs, login information, and establishing account and hierarchy access.

Fax the POC forms to the fax number listed on the form and allow 3-5 business days for updates. User IDs will be created using the AXOL Online User Profiles functionality after notification is received that the hierarchy has been established.

Refer to “Working with U.S. Bank” guidance for additional information. This guidance is available at [http://www.da.usda.gov/procurement/ccsc/Working\\_with\\_US\\_Bank\\_final.pdf](http://www.da.usda.gov/procurement/ccsc/Working_with_US_Bank_final.pdf).

#### **4.2 Departmental Program Manager (DPM)**

The DPM is set up by GSA. Information pertaining to this position is forwarded to GSA for processing.

#### **4.3 APC Setup and Maintenance**

Once the USDA agency/staff has identified the APC, the DPM submits a POC Setup Form to U.S. Bank and creates a User ID in AXOL. Visit the following website for a copy of the forms: [http://www.usbank.com/cgi\\_w/cfm/inst\\_govt/products\\_and\\_services/pdf/Forms2008/civilianForms/purchaseCard/PtOfContactSetup3059.pdf](http://www.usbank.com/cgi_w/cfm/inst_govt/products_and_services/pdf/Forms2008/civilianForms/purchaseCard/PtOfContactSetup3059.pdf).

The DPM will work closely with the APC in establishing the specific agency/office contacts (Level 4) with US Bank. Refer to the USDA User Profile Guidance booklet available at: [http://www.da.usda.gov/procurement/ccsc/purchase\\_card\\_more.htm](http://www.da.usda.gov/procurement/ccsc/purchase_card_more.htm).

To change an existing APC, use the AXOL Online User Profile functionality and fax the completed POC Maintenance form to the number indicated on the form. Refer to the USDA User Profile Guidance booklet available at: [http://www.da.usda.gov/procurement/ccsc/purchase\\_card\\_more.htm](http://www.da.usda.gov/procurement/ccsc/purchase_card_more.htm)

#### **4.4 LAPC Setup (Managing Account)**

Refer to the section on APC Set up. The same process and documentation required for the APC is required for the LAPC.

#### **4.5 Deleting LAPC (Managing Account)**

To delete (remove) an existing LAPC, follow the guidance in the USDA User Profile Guidance booklet at [http://www.da.usda.gov/procurement/ccsc/purchase\\_card\\_more.htm](http://www.da.usda.gov/procurement/ccsc/purchase_card_more.htm). Also, submit a POC Maintenance Form to change the LAPC.

#### **4.6 AO Setup**

After the hierarchy build has been established and the cardholder has been assigned to the hierarchy (by moving an account to the new hierarchy or creating a new account under the new

hierarchy), follow the instructions in the USDA User Profile Guidance booklet to set up the AO. If the hierarchy does not exist, complete the Reporting Hierarchy Set Up form and fax to the number indicated on the form. This process takes from 3-5 days to complete.

After a cardholder has been assigned to the hierarchy, follow the instructions in the USDA User Profile Guidance booklet. Use the AXOL Online User Profile functionality to set up the user ID, add processing and reporting hierarchy, and add AO demographic information.

#### **4.7 AO Replacement**

To replace one AO with another, use the AXOL Online User Profile functionality. If an AO has an existing AO user ID, attach the processing and reporting hierarchy to the user ID. If the AO does not have a user ID, set up the user ID, add processing and reporting hierarchy, and add AO demographic information. Refer to the USDA User Profile Guidance booklet for additional guidance.

If a departing AO is not going to be an AO for another USDA Agency, remove the user ID using the AXOL Online User Profile functionality.

#### **4.8 Cardholder Setup**

Prior to requesting a card for a new cardholder, the LAPC determines if the hierarchy is established. The LAPC electronically enters cardholder information using AXOL after receiving a cardholder request application from the AO. Copies of completed training certifications are to be attached to the application for the cardholder and AO.

#### **4.9 User IDs**

The APC establishes the user id, password, and authentication question and answer for the LAPC and AO at the time of set up. The generic password and authentication question and answer will be changed by the user the first time the user logs into AXOL using the guidance provided by US Bank to register online.

A cardholder will create his/her own user id, password and authentication question and answer during registration.

#### **4.10 Registration**

US Bank provides a quick reference guide for online registration as one of the User Guides in the web-based training. Each user must register online. Follow the instructions below to register:

##### Cardholder Registration

- Step 1 – Navigate to <https://access.usbank.com> and then click the “Register Online” link.
- Step 2 – Specify your Organization Short Name (USDA), account number, expiration date, and office zip code. (Check with your LAPC to verify the zip code if there is any uncertainty)

- Step 3 – Click “Register This Account.”
- Step 4 – Review the license agreement and then click “I Accept.”
- Step 5 – Create your User ID, password, authentication question/response, and contact information. (office address)
- Step 6 – Click the “Continue” button to complete the process. You are automatically logged into AXOL.

#### Coordinator and AO Registration

- Step 1 – Navigate to <https://access.usbank.com>.
- Step 2 – Specify your Organization Short Name (usda), user ID and password. This information is forwarded to you from the APC).
- Step 3 – Click “Login.”
- Step 4 – Create a new password.
- Step 5 – Review the license agreement and then click “I Accept.”
- Step 6 – Click “My Personal Information” from the left side navigation bar.
- Step 7 – Click “Password”. (Note: Do not change your password. Move to Step 8.)
- Step 8 – Scroll down to change “Authentication Question and Response” and click “Save”.

**NOTE:** Coordinators and AO’s (who are also cardholders) must register their individual purchase card accounts separate from their AO or Coordinator accounts. To do this, you must have your purchase card account number available and follow the “Cardholder Registration” instructions above.

## **SECTION 5. SPECIAL INSTRUCTIONS**

### **5.1 Nomination of Cardholders**

An AO must nominate prospective cardholders. Nominations must be forwarded to the LAPC with a completed Cardholder Request for Purchase Card Set-Up Form (*Exhibit 3*), including information pertaining to the AO. Nominations should include a copy of the Certificate of Training issued upon successful completion of the AXOL web-based training for the cardholder and AO.

AOs should only nominate individuals that have demonstrated that they are responsible and possess the required business acumen to be entrusted with a government purchase card. Generally, all cardholders should be current, permanent USDA employees. Temporary and term employees (with an appointment of at least one year's duration) may be issued purchase cards on a case-by-case basis as determined by the AO in consultation with the LAPC.

### **5.2 Non-receipt of Requested Purchase Cards**

If a cardholder has not received their purchase card or account activation letter within 7-10 business days, the cardholder should contact their LAPC. The LAPC will contact US Bank Government Services to verify the mailing date. The bank will mark the card lost in the mail, a new account number will be assigned and a new card or confirmation will be mailed to the cardholder.

### **5.3 Card Replacement**

Whenever a cardholder needs to replace a purchase card that was issued due to damage, the cardholder should contact US Bank Government Services. A new card will be mailed to the cardholder. The LAPC can also re-order via AXOL.

### **5.4 Card Renewal Reissue**

Renewal cards will automatically be mailed to the cardholders on file three years from the initial card issue date and every three years thereafter for the term of the contract, unless otherwise requested by the agency/organization.

### **5.5 Lost/Stolen Cards**

Cardholders should immediately notify US Bank Government Services at 1-888-994-6722 and their LAPC if their purchase card is lost, stolen, or compromised in any way. Outside the U.S., call collect: 1-701-461-2232. Cardholders should provide the following information---complete name and card number, the date US Bank Government Services was notified, and any purchase(s) made on the day the card was lost or stolen. A new replacement card will be mailed to the cardholder and a new account number will be assigned. Cardholders are to add this new account number to their cardholder record in AXOL.

US Bank immediately places a real-time block on the activity of the lost/stolen account, creates a new account, and issues a new purchase card on a new account. Trailing balances generated prior to the date of the lost/stolen notification will be transferred to a new account number, with the exception of potentially fraudulent transactions, which are systematically held by US Bank for manual review and investigation.

If the cardholder still sees fraudulent transaction(s) on the new account number in AXOL, the cardholder should notify the bank immediately. If the bank has not acted upon the notification within 30 days, the cardholder should dispute the transaction using normal dispute procedures. For these disputed transactions, US Bank executes standard procedures for investigation and resolution of the disputed item.

If the cardholder finds the card after having reported it lost or stolen, it should be cut in half and given to the LAPC.

### **5.6 Cardholder Receipt Verification/Activation**

As a security measure, new cards and replacement cards for lost, stolen, or reissued accounts are not usable until the cardholder calls US Bank Government Services at 1-888-994-6722 to activate their account. Activation will be done through the Automated Response Unit. Cardholders are to answer specific questions as prompted by the Automated Response Unit. Cardholders with foreign addresses are to use the collect telephone number provided with the card.

### **5.7 AO Replacement**

The cardholder is responsible for notifying the LAPC of the departure or removal of their respective AO. The LAPC is to ensure that the new AO has met the mandatory training requirements. A copy of the new AO's training certificate is to be retained in a separate file by the LAPC.

### **5.8 Alternative Payment Methods**

In the event a vendor will not accept the purchase card, related alternative payment methods may be used to acquire the supply or service. These methods include the pre-paid cards, declining balance cards, convenience checks, and cardless accounts. Pre-paid and declining balance cards are also known as debit cards. The same rules and regulations that apply to the purchase card also apply to alternative payment methods when these methods are used to pay for supplies and services.

### **5.9 Convenience Checks**

Convenience checks are provided to designated cardholders for use when the purchase card is not accepted by the merchant. AOs determine to whom the checks are issued. These checks are similar in appearance to personal checks and are written against a cardholder's purchase card account and approved in the US Bank AXOL system. The purchase services contractor, US

bank, levies a 1.7% processing charge per check, which is approved in AXOL. These checks are for 'official use only'. The total amount that may be written cannot exceed \$2,500, except for bona fide emergencies and approved by the APC. Keep in mind that any checks written count against the monthly limit, along with any card transactions made. Checks written for cash will not be processed at any financial institution. Pursuant to the [Debt Collection Improvement Act \(DCIA\) of 1996](#), when writing a check, you must obtain the recipient's TIN/EIN or SSN and select the applicable waiver code. Cardholders are to use the IRS W-9 form to capture the TIN/EIN or SSN. The same rules and regulations that govern the purchase card are also applicable to checks. The IRS W-9 Form is available at <http://www.irs.gov/pub/irs-pdf/fw9.pdf>.

The payee's name and dollar amounts are manually keyed by US Bank in AXOL. Cardholders are to write legibly to avoid inaccurate posting of the payee's name.

Check orders are to be placed at the time the card is ordered. If checks are not ordered at this time, an LAPC must call *Customer Service at 1-888-994-6722* to order checks. To place the order, the LAPC must have the cardholder's account number available. Delivery will take place within 3 weeks after the initial set-up.

### **5.10 Non-receipt of Checks**

Once an order is placed with US Bank, convenience checks are normally delivered within 3 weeks after the initial order. If a cardholder has not received checks within a reasonable time, the cardholder should contact their LAPC. The LAPC will contact the US Bank Government Services to verify the mailing date and to determine if the checks should be considered lost. A stop payment will then be placed on the lost order.

### **5.11 Reordering Checks**

Re-orders may be completed through AXOL by using "Account Administration/Cardholder Account/Maintaining Cardholder Account". Checks should be received within 7-10 business days.

### **5.12 Stop Payment Requests**

Payment can be stopped on a convenience check if it has not yet posted to the cardholder's purchasing card account. To initiate a stop payment request, cardholders should call US Bank Government Services. The US Bank Government Services Representative will review the account to determine if the check has posted. If it has not posted, the representative will process the stop payment request that the cardholder should sign, authorize, and return to US Bank Government Services. **Please note:** If a convenience check posts to an account the same day a stop payment is placed, the stop payment request cannot be honored.

US Bank does not charge a fee to stop payment. The stop payment request will be effective for six months.

### **5.13 Check Copies**

Copies of convenience checks that have been posted to a cardholder's purchase card account are retained on file with US Bank Government Services. The check retention period is dependent on the convenience check amount. The minimum retention period is three years. If a cardholder needs a copy of a check, contact US Bank Government Services. A copy of the convenience check will be mailed within 14 calendar days.

### **5.14 Lost/ Stolen Checks**

Cardholders should contact US Bank Government Services immediately if they suspect their convenience checks have been lost or stolen. Since the associate purchase card account information may have been compromised, the US Bank Government Services Representative may recommend closing the account, assigning a new account number and ordering new checks. Cardholders should use the replacement checks immediately and destroy the old checks in the event they are found or recovered. (**Note:** Cardholders are to add this new account number to their cardholder record in AXOL.)

### **5.15 Check Fraud**

Convenience check fraud may involve an altered amount or an authorized signature. Cardholders should closely review their check transactions to verify check numbers and amounts against their carbon check copy. Cardholders should immediately report any discrepancies to US Bank Government Services. If fraudulent use of convenience checks is suspected the cardholder may be asked to assist with the investigation by providing signature samples and/or forgery affidavits.

### **5.16 MCC Blocking**

Merchant Category Code (MCC) blocking is available only on US Bank Government Services Purchase Cards. This blocking occurs only at the point of purchase through the merchant's authorization process. Since convenience checks are routed through the US Federal Reserve, the functionality of merchant blocking is not available. As long as the check presented to US Bank Government Services for payment does not exceed credit limits and controls specified for the account (e.g. account limit, single purchase limit, or the billing account limit), it will be processed for payment.

### **5.17 Delegation of Authority**

The maximum dollar amount that may be delegated to an unwarranted cardholder for purchase card purchases is \$3,000. Micro-purchase authority of \$3,000 for supplies, \$2,500 for services and checks and \$2,000 for construction is delegated to unwarranted personnel in accordance with DR 5013-6.

Issuance of the purchase card to cardholders is considered to confer the required delegation of authority. Cardholders must, however, be trained in micro-purchase procedures and their responsibilities when obligating the government funds using the purchase card. Cardholders can only obligate funds that come within their purchasing authority. Under no circumstances may a cardholder purchase an item that costs more than the maximum amount of their delegated authority.

### **5.18 Cycle Date**

A cycle date is the invoice billing cycle date. This is predetermined by the Department. Billing cycle dates are established at program rollout. USDA's cycle date is the 7<sup>th</sup> of the month.

### **5.19 Accountable/Sensitive Property**

Accountable property is defined as all government property with an acquisition value of more than \$5,000. Sensitive property is defined as an item with an acquisition value of \$5,000 or less and is subject to fraud, waste, and abuse; has a high level of visibility; and can be audited by oversight agencies, such as the Government Accountability Office (GAO), Office of the Inspector General (OIG), and Congress. Pilferable property is defined as an item that could easily be converted to personal use. Each agency defines their own list of sensitive and pilferable property and is responsible for providing this list to the cardholders. Refer to your agency guidance prior to making such a purchase. Cardholders are to initiate action to place accountable/sensitive property in the property system.

### **5.20 Authorization to Purchase Goods/Services**

Cardholders are to obtain proper authorization prior to making a purchase. A requisition is required for all purchases made with the purchase card. The requisition may be in a form of a written request, email, or Integrated Acquisition System (IAS) procurement requisition from an authorized official. Authorized officials will be determined according to agency procedures. Requisitions at or below the micro-purchase threshold should not be generally forwarded to the servicing contracting office for processing unless the requirement is of a unique, complex or sensitive nature, or the vendor will not accept the purchase card or convenience check for the order. The handling of such a requisition shall be coordinated in advance with your servicing contracting office. To avoid the appearance of impropriety, a contracting officer should always ensure that adequate documentation is available to substantiate a purchase.

### **5.21 Guidelines for Using Cards/Alternative Payment Methods**

In addition to limitations based on individual authority and the purchase limits, there are conditions relations to the purposes for which the card and alternative payment methods may or may not be used.

The card may be used to purchase supplies and services under the micro-purchase threshold. Commercial supplies and service may be purchased using the card if the needed supplies and services are not available from the Federal mandatory sources. Warranted contracting personnel

can use the card up to their delegated contracting authority not to exceed \$1 million. These purchases are subject to all federal, departmental and agency acquisition regulations and procedures.

#### ***A. Authorized use of the Purchase Card and Alternative Payment Methods***

##### *1. Purchase Cards*

Purchase Cards are also authorized for the following situations:

- Purchase accountable/sensitive and pilferable property. Cardholders must promptly initiate action to place these items on the property inventory in accordance with USDA and agency procedures.
- Rental of meeting and conference rooms and storage and other special purpose space to be used on a temporary or short-term basis (up to 180 days), or emergency basis.
- Pursuant to 31 U.S.C. 3324, payments for subscriptions may be made in advance or receipt of the items provided through the subscription.
- Purchase business cards. To order, refer to the AbilityOne (formerly Javits-Wagner-O'Day (JWOD)) Program in [Section IV. Required Sources](#).
- Purchase of construction according to specific agency guidelines.
- For warranted contracting personnel, orders within their delegated authority under Indefinite Delivery/ Indefinite Quantity (ID/IQ) contracts.

##### *2. Authorized Use of Pre-paid and Declining Balance Cards*

Declining balance cards are a purchase card with a fixed value that reduces as purchases are made. The pre-paid card is programmed with a monetary value and has the capability to be reloaded. The pre-paid card may be used only for limited purposes or may be used for multiple purposes and at multiple points of sale, such as withdrawing cash and/or paying bills. Pre-paid and declining balance cards may be used to make the following purchases/payments:

- Job Corps (petty cash replacement)
- Janitorial Services
- Nutrition Study Recipients
- Foreign National/Invitational Travelers (contact Agency Travel Contact)
- Emergency purchase expenditures
- Purchase of animals
- Peer panels/ honoraria
- "Mom & Pop" merchants
- Local/rural farmers and mechanics
- Fire Crew lodging/meals in transit
- Collection Officer Money Order Fees
- Law Enforcement Purchases
- Local/State Governments

### 3. *Authorized Use of Convenience Check*

Convenience check authority must be established during the initial order of the card. In the event checks are not requested, the LAPC may order checks for a cardholder by contacting the bank's customer service representative. After the initial set up, convenience checks may be re-ordered via AXOL. Convenience checks can be used for transactions at or below \$2,500 when at least one of the DCIA waivers listed below is satisfied and under the following circumstances:

- 1) The vendor or merchant will not accept the purchase card;
- 2) Bona fide emergencies where the purchase card is not a viable solution;
- 3) Transactions with small and/or rural business that are not yet able to accept the purchase card;
- 4) Other properly approved transactions for which the imprested funds were previously used which cannot be addressed using the purchase card; and
- 5) At least one of the DCIA waivers listed below is satisfied.

Cardholders are responsible for keeping a copy in their files of approvals for the above situations.

DCIA requires that the government maximize electronic transactions. Purchase card transactions are considered electronic, and are therefore in conformance with DCIA. Convenience checks are not considered electronic, and are not DCIA compliant unless one of the following criteria is met:

- An individual determines, in his/her sole discretion, that the use of the purchase card would cause a financial hardship or impose hardship due to a physical or mental disability, or a geographic, language, or literacy barrier. Note: Agency personnel may not challenge an individual's hardship determination.
- The agency does not expect to make more than one payment to the same recipient within a one-year period.
- The infrastructure of a foreign country does not support electronic transfers.
- The transaction is with a vendor/recipient in a declared disaster area.
- A threat may be posed to national security, the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised.
- An agency's need for goods and services is of such unusual and compelling urgency that the government would be seriously injured unless the transaction is processed by other than electronic means.
- There is only one source for the required supplies or services and the government would be seriously injured unless the transaction is processed by other than electronic means.

## ***B. Unauthorized Use of the Card and Alternative Payment Methods***

### ***1. Purchase Card and Convenience Checks***

The purchase card and convenience checks will not be used for:

- Cash advances (money orders, cashier's checks) 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, except by warranted contracting officers.
- Purchase repairs and maintenance to government-owned and leased vehicles, except in an emergency situation. Cardholders must initiate the action to place this vehicle repairs/maintenance into the Property System/Equipment Management Information System (PROP/EMIS).
- Purchase of airline, bus, train, or other travel-related tickets and purchase of meals, lodging, or subsistence costs. The Government Travel Card should be used for these items. Contact your agency travel coordinator for additional guidance on non-governmental persons traveling on invitational travel orders, employees not issued a travel charge card, or for those employees that have had their cards canceled for misuse or non-payment, and for foreign travel common carrier tickets.
- 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 (telephone) resources as defined in Agriculture Acquisition Regulation (AGAR) Advisory No. 58A.
- 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.
- 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.
- Writing checks to self or for cash.
- 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.
- Issuing checks for spot awards.
- Reimbursing employees for local travel expenses, miscellaneous expenditures, and tuition, books or related expenses.

- 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)
  - 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)
  - Shipment of household goods

## *2. Prepaid Card- TBD*

### **5.22 Documentation and Retention Procedures**

Cardholders are to maintain adequate documentation of all purchase card and convenience check transactions. This responsibility includes maintaining documentation of funds availability, receipts (including evidence of independent receipt and acceptance for purchases greater than \$300), purchase requests, packing slips, and electronic confirmation for all purchases made over-the-counter, by telephone or the Internet.

#### ***A. Documentation***

Anytime a purchase is made over-the-counter or by telephone or internet, documentation must be maintained. The documents will later be used to verify and prove the purchases.

- When a purchase is made over-the-counter, the cardholder must obtain a customer copy of the charge slip.
- When making purchases by telephone, the cardholder must obtain the shipping documents associated with the order.
- When downloading a purchased product from the Internet, the cardholder must print out the electronic confirmation or receipt associated with the order.

#### ***B. Retention***

Documentation supporting cardholder purchases (i.e. sales receipt, packing slip, invoice, or screen print of electronic purchase) must be retained for three (3) years after final payment in accordance with FAR Part 4. Transactions must have proof-of-purchase documentation. Disposal of purchase card files will be in accordance with individual agency procedures.

Convenience Check transactions to reimburse authorized emergency employee expenses must be approved and documented in accordance with agency procedures. If needed, the bank will provide copies of cleared convenience checks within 14 calendar days of the agency's request at no charge. File retention periods for other transactions are as follows:

TRANSACTION TYPE	RETENTION PERIOD
- Micro-purchases - Simplified Acquisitions under \$100,000 except construction - Construction Acquisitions under \$2,000	3 years from the date of purchase
- Construction Acquisitions above \$2,000 - Contract Orders/Payments over \$100,000	6 years, 3 months*

\* Records may be stored at a Federal Records Center. Contact your agency records officer for specific guidance.

## 5.23 Approval/Re-allocation Process

### A. *Cardholders*

The cardholder will utilize AXOL to approve and re-allocate the accounting if necessary. The cardholder will approve their transactions at least once a month using documentation retained from each purchase. Cardholders are to ensure that the AO has copies of transaction documentation to perform final approval. Cardholders should set the AO as their default approver. Purchase transactions are posted in AXOL within 24 hours of their occurrence. Frequent approval assists agency management and finance officials in monitoring status of funds. The NFC will pay the electronic invoice and schedule payment with the U.S. Treasury. Failure to approve transactions within 60 days will result in the cardholder's account being temporarily closed. Repeat violations of failure to approve will result in accounts being permanently closed.

A cardholder can re-allocate (change the accounting code and/or budget object classification code (BOCC) several times within normal business hours if the transaction has not been submitted to FFIS for processing. Transactions are submitted on a nightly basis before being locked in FFIS.

*Purchase Cards*- The mandatory fields to be completed when approving a transaction are: Date Received, Federal Procurement Data System/Standard Form (FPDS/SF)-281 Code (if greater than \$3,000), Item Description, and document control number (DCN). Insert the DCN (sometimes referred to as agency reference number or agency log number) in the field designated as "DCN – FAS Only" until further notice. This field is 6-characters in length. Acquisition personnel shall enter "22" in the FPDS/SF-281 block for transactions greater than \$3,001 and all awards in the Small Business Competiveness Demonstration Program regardless of the dollar value in the designated industry groups.

*Convenience Checks*- The mandatory fields to be completed when approving checks are the same as purchase cards in addition to Merchant Name, Merchant Address, Merchant City, Merchant State, & Merchant Zip Code, TIN/EIN or SSN, and applicable DCIA Waiver Code. The DCIA Waiver Codes are listed in *Exhibit 4*. Enter the merchant name, address, city, state, zip code and DCIA Waiver Code in the block designated as "Comments Field 3." Insert the TIN/EIN or SSN in the box designated as "TIN" when approving the transaction. Acquisition personnel shall enter "22" in the FPDS/SF-281 block for transactions greater than

\$3,001 and all awards in the Small Business Competiveness Demonstration Program regardless of dollar value in the designated industry groups. As you are aware, checks cannot be issued over \$2,500 except for bona fide emergencies and approved by the APC.

Use the following TIN's when approving checks to foreign governments, government entities, and universities:

- Foreign/International governments- 989898989
- Government entities (local, state and federal)- 787878787
- Universities- 787878787

#### **B. AOs**

AOs are to “final approve” cardholder transactions within 30 days from when they appear in their “Manager’s Approval Queue”. Every Wednesday, AOs will be notified via email that transactions are available for them to final approve. Final approval involves reviewing the transaction to ensure the purchases were for official government purposes and that good/services were received. AOs are to use the transaction documentation provided by the cardholder to final approve transactions in AXOL. 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. AOs are to utilize the checklist in *Exhibit 9* as a guide in reviewing the transactions.

#### **C. LAPCs**

When the cardholder has separated from the agency or is on extended medical leave, the LAPC will approve transactions in AXOL and select the cardholder’s approver to “final approve” the transactions. If an AO position is vacant for more than 60 days, the LAPC will “final approve” transactions until an AO is officially available for the cardholder to select as the approver.

#### **D. Acquisition Personnel**

For card and check transactions by warranted acquisition personnel (1105/1102/1106 series), physical review of documentation is not required for Final Approval by the warranted cardholder’s AO. These card and check transactions will be considered to be contract documents and will be reviewed as such in accordance with agencies’ internal process review plans.

### **5.24 Disputes**

A dispute is a questionable purchase card transaction posted to a cardholder’s account. The cardholder must file the dispute online in AXOL and follow the instructions as prompted on the screen to print, sign, fax, or mail the Cardholder Statement of Questioned Item (CSQI) form.

This form is available online at:

[http://www.usbank.com/cgi\\_w/cfm/inst\\_govt/products\\_and\\_services/pdf/Forms2008/civilianForms/purchaseCard/CardholderStatementofQuestionedItem\\_0508.pdf](http://www.usbank.com/cgi_w/cfm/inst_govt/products_and_services/pdf/Forms2008/civilianForms/purchaseCard/CardholderStatementofQuestionedItem_0508.pdf) .

Cardholders should complete the form and pay attention to:

- Describing the attempted merchant resolution;
- Signing the form;
- Providing the contact name and corresponding daytime telephone number including area code; and
- Attaching any supporting documentation such as credit vouchers, return shipping documents such as postal receipt or United Postal Service (UPS) receipts, etc...

The CSQI form must be returned to the US Bank at the address indicated on the form no later than 90 days after the posting date on which the transaction appeared in AXOL, in order to preserve the cardholder’s rights to dispute the transaction. Cardholders should retain a copy of the form and all documentation for their files. The cardholder is encouraged to call US Bank Government Services at 1-888-994-6722 for assistance if the cardholder has questions concerning disputing a transaction.

There are several reasons why a dispute might occur. Some examples include:

Type of Dispute	Explanation
Merchandise/service not received	The purchase card account has been charged for a transaction(s), but the merchandise or service has not been received.
Merchandise returned	The purchase card account has been charged for a transaction(s), but the merchandise has been returned.
Unauthorized purchases	A charge on the purchase card account that the cardholder did not participate in and did not authorize.
Duplicate processing	A charge on the purchase card account that represents a multiple billing to the account. Only one charge from the merchant has been authorized.
Unrecognized charge	A charge on the purchase card account that is not recognized. A copy of the documentation received from the merchant to certify the charge (sales draft) will be sent to the account holder for review.

**A. *Purchase Cards***

Keep in mind that transactions are paid and then disputed. The cardholder must review the receipts for the amount in question as it may have posted with a different merchant name and contact the vendor and try to resolve any dispute before processing it through AXOL. If the dispute with the vendor cannot be resolved, the cardholder is to dispute the transaction online. Refer to Cardholder’s Purchase Card Program Guide for details.

If the cardholder files a dispute and the bank agrees with the merchant and not the cardholder, then the dispute will go to arbitration in coordination with VISA rules and regulations. The merchant must provide documentation with a cardholder's signature to get the bank's compliance. The first time that the merchant does not agree with the bank, they are fined.

### ***B. Convenience Checks***

Convenience checks CANNOT be disputed through AXOL. If the check was just written, the check writer must contact the bank (U.S. Bank) at 1-888-994-6722 (domestic purchase cards only; toll free) or 1-701-461-2232 (international purchase cards only; collect call) to stop payment. The bank will stop payment on the convenience check within 24 hours. The check writer will then work with the vendor to resolve the dispute. There is no cost for stopping payment on a convenience check.

If the check has appeared in AXOL to be approved, it has already been paid. In this case, a stop payment cannot be issued. At this point, the check writer must work directly with the card services contractor and the vendor to resolve the dispute. If, after working with the card services contractor and the vendor, resolution of the dispute involves a refund or credit to USDA, the cardholder should contact their LAPC. The LAPC will contact the bank to work out the proper refund process.

If a check has appeared in AXOL to be approved and the cardholder does not remember writing it, request a copy of the check. The fraud unit at the bank will resolve stolen check issues.

### **5.25 Changes to Cardholder Information**

Changes to cardholder information (i.e., name, address, telephone number, e-mail address, organization, supervisor, etc.) are to be submitted to the LAPC by the cardholder. Changes to a cardholder's card may be requested from the bank by either a cardholder or Coordinator, depending on the circumstances.

- Cardholder:
  - Correct, over the phone, minor spelling errors of one or two letters
  - Requests replacement of the purchase card that was issued to them
- Coordinator:
  - Legal name change
  - Address changes by phone, in writing, or by AXOL
  - Correct, over the phone, spelling errors of three or more letters

If the request pertains to an increase in single purchase limit for a warranted Cardholder, the AO must include a copy of the Cardholder's warrant for verification of the appropriate warrant level. There may be situations where the AO may unknowingly request an inappropriate single purchase limit. If this is the case, the LAPC will inform the AO and correct accordingly. The AO will inform the Cardholder via email or verbally of the approval or denial of the purchase limit increase.

If the request pertains to an increase in the monthly office limit, the AO will include an explanation for the increase, i.e., increase in purchases, emergency or national disaster, etc. The LAPC may contact the AO if the request seems unreasonable. After consultation with the AO, the request will either be denied or approved. If the request is approved, the LAPC will log onto AXOL and complete the request using the Cardholder Account Maintenance feature.

Once the request is processed in AXOL, the increase will effectively take place within 5-10 minutes of electronic submittal. The LAPC will inform the AO completion of the request via email or verbally. The AO will send an email request to the LAPC to request limit changes. These limit changes are real time. Changes to cardholder hierarchy information are processed at the start of the new cycle.

An AO cannot request a purchase limit increase for his/her own purchase card account.

### **5.26 Independent Receipt and Acceptance**

Cardholders are to ensure that goods and services ordered and charged to a government purchase card account over \$300 are to be received by someone other than the cardholder. A signature of someone other than the cardholder along with the date the goods were received on the sales invoice, packing slip, or electronic confirmation is sufficient to meet this requirement. Independent receipt and acceptance helps provide assurance that purchased items are only acquired for legitimate government need and not for personal use. AOs are to ensure that items purchased over \$300 were actually received.

### **5.27 Separation of Duties**

Proper separation of duties creates an environment that should preclude attempts at fraud, misuse and abuse of the purchase card and convenience check. Key duties of the Purchase Card Program are to be segregated among different roles to minimize the risk of loss to the Government to the greatest extent possible. This should include separating the responsibilities for making purchases, authorizing transactions, processing and recording them, reviewing the transactions, and handling any related assets. No one individual shall control all key aspects of a transaction, except for purchases under \$300. Agencies shall implement internal controls to mitigate the risk of fraud, misuse, and abuse in accordance with the guidance in OMB Circular A-123, Appendices A and B.

### **5.28 Transfers, Reassignments or Departures**

Cardholders cannot be transferred from one agency to another (e.g., from APHIS to FSIS), but the cardholder can be transferred within the agency (e.g., NRCS Nevada State Office to NRCS Oklahoma State Office). When transferring from one agency to another, the cardholder's account must be terminated in AXOL and a new card requested by the AO at their new location. For transfers within the agency, the new AO must forward transfer requests to the new LAPC for processing in accordance with agency procedures.

The cardholder is responsible for informing the AO of their intention to depart or take an extended leave of absence. Prior to leaving, the cardholder must approve all transactions, forward a log of outstanding transactions not appearing in AXOL to their LAPC with a copy of the supporting documentation, and give the AO the card and any associated checks along with a completed Card/Check Destruction Form. The cardholder needs to cancel automatic/recurring payments with the merchants or transfer them to another card in the office prior to their departure; otherwise, the charges will still go through even after the card has been cancelled.

AOs shall notify the cardholder's LAPC if the cardholder leaves the unit or no longer requires a card and/or checks. Unless otherwise specified in agency procedures, AOs are to collect purchase cards and checks from cardholders separating from their agency and use the Cards/Check Destruction Form to document destruction of the card/checks. A copy of the destruction form is to be forwarded to the LAPC. The original version is to be retained with the cardholder's transaction file for a minimum of 3 years.

When a cardholder transfers within the agency or separates from the agency, the transaction documentation shall be turned over to the LAPC for retention (See Section 5.22b), or in accordance with agency procedures.

## **5.29 Account Status**

### **A. Voluntary Closed (V9)**

In AXOL, a cardholder's account status can be either "Open", "T9-Terminated (permanent)" or "V9-Voluntary Closed" (temporary).

To voluntary close (deactivate) an account, under Account Administration change the status from "Open" to a V9 status in AXOL. This is a voluntary close (temporary) and can be changed back to open under the same screens and then selecting the "Open" from the drop-down. In 6 months this status becomes permanent unless the account is re-opened.

Cardholder account status will be voluntary closed by either US Bank or the cardholder's LAPC/APC for the following reasons:

- Infractions of department or agency regulations
- Cardholder's failure to approve transactions within 60 days
- AOs failure to final approve transactions within 60 days
- Misuse or abuse of purchase card/convenience check
- Intermittent employees

Prior to the LAPC taking action to voluntary close an account, the LAPC must provide the cardholder advance written notice that the account is being voluntary closed, the reason(s), and the date or period of closure. If the cardholder is authorized to have convenience checks, the notice should require that the cardholder submit all unused convenience checks and check carbons to the LAPC by a set date. Apply the following steps to avoid bounced checks when voluntarily closing an account.

1. Before voluntary closing an account that has convenience checks, the LAPC may set the single purchase limits to \$1.00 on the date provided in the cardholder notification, essentially turning the card off. This change should be made through AXOL. In an emergency, make the change by calling US Bank Government Services and then promptly entering it in AXOL. Lowering the single purchase limit to \$1.00 will prevent anyone from making purchases using the card but will allow any outstanding checks to clear through the bank. Lower only the single purchase limit because the monthly limit is needed to assure sufficient credit for outstanding checks to clear. Checks normally take 7-10 business days to clear after the recipient has deposited or cashed them. Keep in mind that some check recipients may not deposit checks immediately.
2. Before voluntary closing an account, LAPCs must assure that the cardholder does not write more checks and that all checks have cleared. The LAPC should obtain the cardholder's remaining checks and check carbons. The LAPC should ask the cardholder what checks are outstanding and review the check carbons and cleared transactions in AXOL. Contact US Bank Government Services for assistance in determining what checks have cleared.

The LAPC does not have to provide advance written notice to the cardholder when the Bank automatically changes the account status to "voluntary close" for failing to approve transactions within 60 days.

#### ***B. Terminated Account (T9)***

Prior to separation from their agency or assignment to another function that does not require cardholder authority, the cardholder will surrender the card, and if issued, unused convenience checks to the AO who will destroy them. The AO must ensure the cardholder completes the Card/Check Destruction form and forward a copy of the form to the LAPC. The cardholder will review with the LAPC the status of any unapproved and/or disputed transactions, and identify any supplies and/or services which have been ordered but not yet received, so appropriate action can be taken to complete these activities.

The LAPC will change the account status in AXOL to "Terminated" and approve the trailing transactions. In approving the transactions, the LAPC will put a note in the "Comments" field indicating that the cardholder has retired, transferred, etc., and that the LAPC is approving. Sometimes the LAPC cannot locate the sales receipt or other transaction documentation. In that case, note that in the "Comments" field. Once all transactions are completed, the LAPC will Cardholder has separated from agency/staff office.

#### **5.30 Foreign Currency**

Transactions initiated in a foreign currency will post in AXOL in U.S. dollars. In addition, US Bank Government Services will provide the foreign dollar amount and the exchange rate applied at the time the transaction was processed. A 1% conversion fee will be charged by the VISA and incorporated into the exchange rate that appears.

### **5.31 Required Sources**

Whenever a purchase is required, the action to be taken is to select the proper source of supply for the services or items needed. Cardholders are required to adhere to the requirements of FAR 8.001, which requires agencies to acquire supplies and services from designated sources if they are capable of providing them. Cardholders must review the required sources of supply in *Exhibit 5* prior to placing an order with a commercial vendor. Cardholders should contact their LAPC or servicing acquisition office if they need assistance in determining whether their requirement can be satisfied by a required source of supply. Cardholders can also visit the *AbilityOne* website at [www.abilityone.gov](http://www.abilityone.gov) for a list of required items to be purchased from the *AbilityOne* Program.

When an order is placed with a required source of supply, the simplified acquisition procedures of Part 13 and the small business provisions of FAR Part 19 do not apply. Refer to FAR Part 8 for specific requirements regarding order placement. In considering and using sources of supply, the cardholder must keep in mind that the need, as expressed by a request or other requirement for services or supplies is basic to some intended task. Whatever is supplied must serve the end use purpose.

### **5.32 Recycled and Environmentally-Preferable Products and Services**

Federal government and USDA policy is to “buy green”, i.e., to purchase recycled products made from recovered waste materials, specifically those products designated by the Environmental Protection Agency (EPA), and to give preference to recycled, environmentally-preferable, and energy-efficient products and services. Refer to *Exhibit 6* for detailed information.

### **5.33 Commercial Printing**

All acquisition of commercial printing is governed by Public Law 102-392, Title 44 U.S.C.; the Government Printing and Binding Regulations (published by the Joint Committee on Printing (JCP); FAR Subpart 8.8; and AGAR Subpart 408.8. Generally, all government printing authorized by law is done by or through the Government Printing Office (GPO) except in the following cases:

- The GPO cannot provide the printing service (44 U.S.C. 504);
- The printing is done in field plants operated by an executive agency (44 U.S.C. 501(2));
- The printing is acquired by an executive agency from allotments for contract field printing (44 U.S.C. 501(2)); or
- The printing is specifically authorized by statute to be done other than by GPO.

The JCP regulations require the head of each agency to designate a central printing authority to serve as the liaison with the JCP and the Public Printer on matters relating to printing. You can acquire printing services from commercial sources when all the following conditions are met:

- The GPO has been contacted and provides a waiver for each individual purchase;

- Cost must not exceed \$1,000;
- Must be a one-time procurement and non-recurring printing or duplicating job; and
- Must be for ‘official use only’ and for strictly appropriate printing and publication matters with OC.

The Office of Communication (OC) is USDA’s liaison with the JCP and the Public Printer and GPO on all matters relating to printing. Agencies with publication programs have designated a publication liaison officer to coordinate appropriate printing and publication matters with OC.

### **5.34 Meetings and Conferences**

The Chief Financial Officer (CFO) has jurisdiction for USDA regulations governing offsite meetings and conferences. Offsite meetings and conferences exceeding \$25,000 should be submitted to the CFO with specific justification for the function, location, expected number of USDA attendees, and an estimate of costs, including travel and subsistence costs of USDA attendees.

USDA policy on offsite meetings, conferences, training sessions, and ceremonies are as follows:

- All conferences, meetings, and seminars must be held at the most cost-effective location, considering such factors as meals, lodging in, transportation, and rental of conference rooms, unless programmatic considerations dictate otherwise.
- Meetings or conferences where a majority of the attendees will be Washington, D.C.-based personnel must be held at a location within the Washington, D.C. Metropolitan area. Only agency heads or their deputies may authorize an exception to this rule.
- For USDA-sponsored meetings, conferences, seminars, and similar events, the following order of preference must be followed:
  1. Local USDA facilities
  2. Other local government facilities
  3. Facilities outside the employee’s official duty station
- If a meeting of seven (7) or more employees required the payment of transportation expenses, the requesting office must conduct a cost-benefit analysis and keep it on file. At minimum, his analysis must contain the name and duty location of each employee. The estimated total travel costs of each employee, other expected expenses, and a justification for choosing the meeting site over at least three other reasonable sites.

### **5.35 Micro-Purchase Procedures**

Micro-purchase means an acquisition of goods (e.g., equipment, subscriptions, general office supplies) or services (except construction) the aggregate amount of which does not exceed \$3,000. Micro-purchases for construction are limited to \$2,000. For USDA purposes, the micro-purchase limit is \$3,000 for supplies, \$2,500 for services and \$2,000 for construction. Purchases under the micro-purchase threshold are not subject to any form of small business set-aside and are exempt from the requirements of the Buy American Act.

### **5.36 Competition**

Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is reasonable. Such purchases must be distributed equitably among qualified suppliers. When practicable, a quotation should be solicited from other than the previous supplier prior to placing a repeat order. The administrative cost of verifying the reasonableness of the price of purchases not in excess of \$3,000 may more than offset potential savings in detecting instances of over pricing.

Therefore, actions to verify the reasonableness of the price need be taken only when:

- Information indicates that the price may not be reasonable (e.g. comparison to previous price paid, personal knowledge of the item involved, comparison to similar items).
- Purchasing a supply or service for which no comparable pricing information is readily available (e.g. an item that is not the same or similar to other items recently purchased).

Cardholders must determine that the proposed price is fair and reasonable before making the award and include the determination in the transaction file.

### **5.37 Procedures Authorized for Use by Non-Procurement Personnel**

The method non-procurement personnel uses in processing purchases under the micro-purchase limit are purchase card and convenience check. The purchase card is the preferred means to purchase and pay for micro-purchases. This is not intended to limit use of the purchase card to micro-purchases nor is it intended to preclude use of electronic purchasing techniques. Cardholders are encouraged to use the purchase card to the maximum extent practicable to purchase and pay for purchases under FAR Part 8 procedures.

The purchase card should be used unless it is clearly in the best interest of the government to use more formal contracting methods. The purchase card can be used to buy:

- Goods (supplies) under \$3,000
- Services (personal and non-personal) under \$2,500
- Personal property under \$3,000
- Construction under \$2,000

A cardholder must be able to distinguish between purchases for personal services and those for non-personal services. A personal services purchase is one in which the contractor's personnel appear as government employees. On the other hand, a non-personal services purchase is one where the personnel rendering the services is not supervised by government employees. Cardholders must not purchase personal services with the purchase card unless authorized by their supervisor and authorized by law.

Some examples of authorized purchases: purchase of facsimile machines, office supplies, subscriptions, information technology (IT) hardware and software, plumbing supplies, and film developing. Use of the purchase card is designed to promote greater efficiency and economy. It puts buying power as close as possible to the local levels where goods and services are needed.

### **5.38 Simplified Acquisition and Formal Contracts**

Procurement personnel may use the purchase card as a method of payment on a contractual document up to the warrant limit delegated to them. Purchases over \$3,000 must incorporate required clauses and data or processes mandated by statute, executive order, policy, or regulation and comply with all FAR competition, documentation and reporting requirements.

If other non-warranted individuals are delegated authority to purchase above \$3,000, cardholders not in the servicing contracting offices will use the Government Purchase Card only to obtain items from pre-priced contracts and agreements (e.g., Federal Supply Schedule (FSS), Blanket Purchase Agreements (BPAs), ID/IQ, etc.). Training requirements and special delegations to receive this authorization are identified in DR 5001-1, Acquisition Workforce Training, Delegation and Tracking System. Procedures must be established within the agency to ensure cardholders placing orders over \$3,000 provide report information to the servicing contracting office.

### **5.39 Prohibited Items**

Each cardholder is authorized to buy supplies and services that support the agency mission, provided there is adequate funding and the item is purchased at a fair and reasonable price. However, there are some items that are prohibited due to statutory law. *Exhibit 7* provides a list of prohibited items. This list is not all inclusive.

### **5.40 Year-end Roll Over of Accounting Codes**

At some pre-determined time, new fiscal year accounting codes will be uploaded in AXOL. Only accounting codes for the new fiscal year will be stored in AXOL. Any adjustments to prior year transactions will be performed on the agency financial system by the agency Functional Administrator.

### **5.41 Accounting Code Segments**

A list of accounting code segments comprises an agency's complete accounting code structure. This list was created to document the major accounting elements for each agency that are often used. All of the accounting segments are not necessarily "required". For your information and understanding, the list of accounting segments is in *Exhibit 8*.

### **5.42 1099 Reporting**

When the purchase card or convenience check is used to pay for services, the vendor is subject to IRS 1099 MISC Miscellaneous Income Reporting. NFC issues the required 1099 tax reports at the end of the calendar year by allowing easy identification of reportable transactions and automatically matching with TINs/EINs or SSNs of reportable vendors based on specific BOCCs.

Failure to enter the correct BOCC may cause 1099s to erroneously be issued to contractors/vendors. Cardholders are required to enter the necessary TIN/EIN or SSN information appropriately for all convenience checks. The TIN/EIN or SSN vendor information and waiver code are to be entered in AXOL.

#### **5.43 Freedom of Information Act (FOIA) Requests**

The FOIA provides that any person has the right to request access to almost any federal agency records and other information. Federal agencies are required to comply with FOIA requests after receiving a FOIA, unless the records are protected from disclosure. Requests for cardholder information from vendors/merchants are to be directed to USDA’s FOIA Office to ensure compliance with the Act. USDA’s FOIA contact information is available at <http://www.da.usda.gov/foia.htm>.

#### **5.44 Suspension Procedures for Nonpayment of Transactions**

USDA disburses payments to U.S. Bank via electronic funds. The payments are subject to the Prompt Payment Act. In the event prompt payment is not made to U.S. Bank, USDA is subject to Prompt Payment Act penalties and account suspension and cancellation actions that are allowed under the GSA Master Contract and agreed to with USDA. It is important for the agency’s FPOCs to work all delinquencies to help prevent these actions.

It is required that valid accounting codes are to be loaded into AXOL. When an invalid DAC is discovered, it is imperative that the invalid DAC is corrected in AXOL to avoid interest payment accruals. Each transaction in AXOL is an invoice that is paid to U.S. Bank on the processing hierarchy at the Company Level (LAPC). This means that, if corrections to the DAC are not performed by the cardholder, the invoice will not be paid and all accounts assigned to the Company Level will be suspended. It is the responsibility of the agency FPOC to ensure that the accounting is correct in the Financial System of Record.

It is all cardholders’ responsibility to correct the DAC in AXOL on the Maintain Cardholder and Transaction Management link. Detailed instructions for correcting the DAC are available in the Cardholder’s Purchase Card Program Guide.

U.S. Bank uses the following schedule to suspend and cancel cards under the GSA master contract: **Note:** This process is in addition to the process used to suspend accounts that have not been approved by the cardholder and/or final approved by the AO.

Days	Action
61	If payment has not been received at 61 calendar days from the cycle date, U.S. Bank will suspend the account.
125	If payment has not been received at 125 days from the cycle date, the account will be canceled.

## **SECTION 6. TRAINING REQUIREMENTS**

In accordance with OMB Circular A-123, all personnel, including cardholders, AOs, and Coordinators, must be trained in purchase card policies and procedures. Cardholders and AOs must be trained in order to receive a purchase card and/or related alternative payment methods with micro-purchase authority. Non-warranted personnel must receive training in micro-purchase regulations and procedures and US Banks AXOL before a card may be conferred. Individuals issued a card and their AOs will certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions.

Warranted personnel will receive credit towards their maintenance training requirements based upon the duration of time spent receiving official training for coordinators and/or cardholders. A maximum of 4 credit hours will be given to warranted personnel for AXOL training.

Refresher training will be required every three years for all participants of the USDA Charge Card Program. Participants will be notified via email when refresher training is needed. Agencies may require additional or more frequent training to update cardholders and AOs on specific agency procedures, relevant regulatory changes and/or internal policies/procedures. Refresher training consists for AXOL web-based training and USDA Purchase Card Policy.

Certification is required for all modules. For AXOL certification purposes, users with multiple roles (e.g., coordinator, approving official, and cardholder) are to take web-based training and certification exam at their highest role. In this example, the highest role is coordinator. For Purchase Card Policy Training, users with multiple roles are to register for each role and take the required certification exam for each role.

Each Agency Head is responsible for ensuring participants are adequately trained in USDA Purchase Card Program. To ensure consistent training throughout USDA, materials have been developed for use in training cardholders, AOs, LAPCs, APCs and others involved in using or monitoring purchase card transactions. There will be no exceptions or substitutions for this type of training. The training for each role is listed below.

### **Non-warranted (non-procurement) Cardholders**

- Ethics—Government Purchase Card
- Green Purchasing
- AbilityOne (under development)
- Section 508 (“*Micro-purchases and Section 508*”)
- AXOL
  - Online Registration
  - Navigation Basics
  - Account Profile
  - Transaction Management
  - Transaction Approval Process
  - My Personal Information
  - Purchase Card Policy

## **Warranted Cardholders**

- AXOL
  - Online Registration
  - Navigation Basics
  - Transaction Management
  - Transaction Approval Process
  - My Personal Information
  - Purchase Card Policy

## **Coordinator Training**

- AXOL
  - Navigation Basics
  - Cardholder Account Setup and Maintenance
  - User Profiles
  - Account Profile
  - Reporting
  - Transaction Management
  - Transaction Approval Process
  - Data Exchange
  - Flex Data Reporting
  - Schedule Reports
  - My Personal Information
  - Purchase Card Policy

## **Approving Official Training**

- Ethics—Government Purchase Card
- Green Purchasing
- AbilityOne (under development)
- Section 508 (“*Micro-purchases and Section 508*”)
- AXOL
  - Navigation Basics
  - Transaction Approval Process\*
  - Purchase Card Policy

The following modules are optional:

- Account Profile
- Reporting
- Transaction Management
- My Personal Information

**Note:** AOs who **are also** cardholders must take all the required cardholder modules—even if these are not required of AOs. The only module required solely of cardholders is Online Registration, which does not apply to AOs. With one exception (Purchase Card Policy), no module must be taken more than once. The Purchase Card Policy module for AOs is oriented towards this role, while the policy module for cardholders has a cardholder orientation.

Attendance at the annual GSA Smart Pay Conference is strongly recommended for all APCs and LAPCs. For information pertaining to this conference, go to the GSA website at [www.gsa.gov](http://www.gsa.gov). This conference is the most encompassing advanced training available on the government-wide purchase card program. Continuous learning point will be provided towards the Acquisition Workforce Training, Delegation and Tracking System training requirements.

The number of continuous learning points available for each type of training is as follows:

Type of Training	Coordinator	Cardholder	AO
AXOL Web-based Training	4	4	2
GSA SmartPay Conference	24	N/A	N/A

## **SECTION 7. REPORTING**

Comprehensive reporting is vital to effective overall management and oversight of USDA's Purchase Card Program. Standard reports are available in AXOL to assist APCs, LAPCs, and AOs in the areas of purchase card program management, financial management, supplier management, and compliance management. Reports can also be scheduled for delivery at regular intervals. The following reports are available to improve management and oversight of the USDA Purchase Card Program.

- Account List Report
- Account Spend Report
- Account Status Change Report
- Account Suspension Report
- Declined Transaction Authorizations Report
- Merchant Allocation Rule Sets Report
- Past Due Report
- Request Status Queue Report
- Transaction Approval Status – Summary Report
- Managing Account Approval Status Report
- Order Analysis Report
- Order Receipt Report
- Transaction Detail Summary Report
- Order Detail Report
- Level II Quality by Merchant Report
- Merchant List Report
- Merchant Spend Analysis Report
- Merchant Spend Analysis by Line Item Report
- Vendor Summary by Socio-economic Indicator Report
- System User List Report
- System User List Detail Report
- System User List Detail Across Organizations Report
- System User List Summary Report
- Locked Transaction Report
- Dormant Card Report

AXOL allows users to customize reports for their specific needs. These reports can be saved and also scheduled for delivery at regular intervals.

## **SECTION 8. MANAGEMENT AND OVERSIGHT**

The DPM, APC, LAPCs, AOs, and OIG will monitor purchase card transactions through AXOL and VISA Intellilink. Cardholders are required to comply with any requests for information/investigations regarding questionable purchases by the LAPC, APC, DPM, Agency Acquisition Review offices, AOs, and other duly authorized organizations/individuals.

Management and oversight of the Purchase Card Program is the responsibility of AO, LAPC, and APC. AOs will monitor purchasing activity of cardholders in their units. As part of oversight, Coordinators are to respond to user alerts within 30 days after notification. Alerts are messages to Coordinators regarding questionable transactions and transactions selected by statistical sampling for review and other events, as defined by the USDA CCSC. Some alerts will trigger a set of questions that must be answered to verify the validity of a specific transaction. Alerts are developed to reduce fraud, waste, and abuse.

**AO Review.** AOs will perform a physical review of cardholder transaction documentation on a monthly basis during the final approval process. AOs will utilize the checklist in *Exhibit 9* as a guide for reviewing the 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 AO in accordance with DR 5013-6 and OMB Circular A-123, Appendix B.

AOs shall notify the cardholder's LAPC if they identify questionable transactions or possible misuse of the card. Upon notification, the LAPC will contact the cardholder to request documentation for the transaction(s) in question in order to conduct a review. If there is confirmed misuse or fraud, the LAPC will terminate the account in AXOL and forward the documentation to the APC. The APC will contact the cardholder's AO to make the decision for the next course of action.

**LAPC Review.** The LAPC shall conduct random quarterly physical reviews of cardholder transaction files. The cardholder review will be commensurate with the number of cardholders in the specific office/staff/location. LAPCs will be required to review cardholder transactions and report the findings in accordance with agency procedures. *Exhibit 10* is an example of one type of review format. If there are signs of misuse/abuse/fraud, the LAPC will coordinate with the AO to conduct an investigation of the transaction. The LAPC will request transaction documentation from the cardholder. If there is confirmed misuse or fraud, the LAPC will terminate the account in AXOL, forward the documentation to the APC. The APC will contact the cardholder's AO to make the decision for the next course of action.

**APC Program Review.** The APC shall conduct program reviews following the close of each fiscal year to ensure LAPCs are adhering to applicable requirements. The primary objectives of the review are to assess:

- Compliance with laws and regulations;
- Efficiency of operations; and
- Adequacy of internal or management controls to help prevent fraud, waste, and abuse.

Additional resources available to APCs for review and oversight of their card program are:

- **GSA Oversight Manual, *Blueprint for Success: Purchase Card Oversight*:**  
[http://www.gsa.gov/gsa/cm\\_attachments/GSA\\_DOCUMENT/Blueprint10\\_04v2\\_R2FIM2\\_0Z5RDZ-i34K-pR.pdf](http://www.gsa.gov/gsa/cm_attachments/GSA_DOCUMENT/Blueprint10_04v2_R2FIM2_0Z5RDZ-i34K-pR.pdf)

**President's Council on Integrity and Efficiency (PCIE) handbook, *A Practical Guide for Reviewing Government Purchase Card Programs*:**

[http://www.oig.doc.gov/oig/reports/other\\_publications/credit-cards-06-002.pdf](http://www.oig.doc.gov/oig/reports/other_publications/credit-cards-06-002.pdf)

The exact means and methods to perform the review are at the discretion of the APC and based upon the tools and resources available. Although on-site visits are encouraged, APCs may use electronic data and reports of purchases, if the data is sufficient to perform a thorough review. Reviews may be conducted at one time following the fiscal year being reviewed, or conducted periodically throughout the year, with a summary report prepared following the close of the fiscal year. Standardized forms are available to facilitate the annual review process. These forms are intended to be a guide in order to determine the effectiveness of the program, ensure compliance and adequate oversight and to detect cardholder misuse/fraud. Refer to *Exhibit 11 and 12* for a sample of the forms.

**DPM Review.** The USDA CCSC may perform reviews (including on-site reviews), as necessary. The DPM is also responsible for preparing a Purchase Card Program Report annually following the close of each fiscal year. Generally the report should summarize the growth of the program, and pertinent changes made during the year, problems experienced, program innovations and improvements and recommendations for improvement in the following year. The report should the state of the entire program, including acquisition issues.

## **SECTION 9. ADMINISTRATIVE ACTIONS**

APCs/LAPCs need to stress the importance of the cardholder's responsibility in using the purchase card/convenience check at the very beginning of their training. A cardholder must comply with all Federal and Departmental prohibitions, controls, limitations, and approval requirements. Intentional use of the purchase card or convenience checks by a cardholder for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of the employee's purchase card and/or convenience checks. The cardholder may be subject to administrative and/or disciplinary action under applicable U.S. Department of Agriculture Personnel Manual and Government-wide administrative procedures, up to and including suspension and/or removal. An employee (cardholder and/or AO) will be personally liable to the Government for the amount of any unauthorized transaction and may be subject to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both, under 18 U.S.C. 287.

All instances of suspected fraud or abuse must be reported. The LAPC must forward all documentation related to the suspected fraud or abuse to the APC. The APC will involve the appropriate offices as necessary. The Department of Human Resources has provided a list of suggested penalties for specific types of misconduct. Although each case must be evaluated on its own merit, *Exhibit 13* provides a framework to assure consistent application of disciplinary and administrative penalties throughout the Department. The object is not to unduly concern the individual but to ensure that they fully understand their responsibilities and the consequences. Please note that the LAPC has been authorized to suspend cards for a specific time and/or to permanently terminate accounts for repeat or first time serious violations. Serious violations include blatant violations of purchase card policy, splitting purchases, and/or allowing another employee to use purchase card.

OMB has further clarified the terms "fraud" and "erroneous or improper" purchase:

***Improper Purchase:*** The terms "erroneous purchase" and improper purchase" have the same meaning. An improper purchase is any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include overcharges and undercharges.

An improper purchase can be one of two types: 1) unauthorized or 2) incorrect:

- Unauthorized purchases consist of items that are intentionally purchased and are outside of the cardholder's purchasing authority. For instance, using a government charge card to purchase a tennis racket is an unauthorized purchase.
- Incorrect purchases are mistakes that are the result of an unintentional error during the purchase process. For example, when a purchase cardholder is asked to buy one filing cabinet but purchases three cabinets, this is an incorrect purchase. A series of seemingly incorrect purchase may require investigation to determine whether these purchases are actually unauthorized purchases.

- Unauthorized and incorrect purchases may include any of the following:
  - A purchase that was made for an ineligible recipient or for an ineligible service;
  - A fraudulent purchase;
  - A duplicate purchase;
  - A purchase for services not received;
  - A purchase for the incorrect amount;
  - A purchase made in the absence of available funding; and/or
  - A purchase made on the same day from the same vendor to circumvent the cardholder's single purchase limit.

***Fraudulent Purchase:*** Fraudulent purchases include those made by cardholders that were unauthorized and intended for personal use, purchases made using government charge cards or account numbers that had been stolen or compromised, and purchases correctly charged to the charge card but that involve potentially fraudulent activity that went undetected.

The following are potential problems and indicators of possible fraud and/or misuse/abuse:

- Repetitive buys to the same commercial vendor;
- Lack of documentation to make the purchase;
- Purchase cards and account numbers are not safeguarded;
- Cardholders authorizing someone else to use the card;
- Unauthorized purchases;
- Payments made for items not received;
- Split purchases to avoid single purchase limits;
- Lack of accounting of nonexpendable or sensitive items;
- Cardholder transactions approved by someone other than the AO; and/or
- Cardholders returning merchandise to vendors for store credit vouchers instead of having credits issued back to the Government purchase card account.

Documentation shall be maintained to minimize erroneous and improper purchases. To the maximum extent possible, cardholders are to ensure that a requisition is provided prior to purchasing an item with a purchase card. If it is not possible for the requester to make the request in writing, the cardholder should document in their file the requester's name, item description, quantity, estimated cost, and date of request. The cardholder should also document availability of funds at the time of each purchase and obtain prior approval before making self-generated purchase.

## **EXHIBITS**

- 1 LAPC Nomination Form
- 2 Card/Check Destruction Form
- 3 Cardholder Request for Purchase Card Form
- 4 Debt Collection Improvement Act Waiver Codes
- 5 Required Sources of Supply
- 6 Buying Green
- 7 List of Prohibited Items
- 8 USDA Accounting Segments
- 9 Approving Official Checklist
- 10 LAPC Quarterly Review Checklist
- 11 APC Annual Review Checklist
- 12 Summary of Findings
- 13 Recommended Administrative Actions

**Coordinator Nomination Request Form**  
**(Fax Form to APC)**

Requested by: \_\_\_\_\_ Telephone No. \_\_\_\_\_

Title of Requestor: \_\_\_\_\_

Signature of Requestor: \_\_\_\_\_ Date: \_\_\_\_\_

LAPC Name: \_\_\_\_\_

Agency/Location: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

Copy of Training Certificate Attached: ( ) Yes ( ) No

User ID: \_\_\_\_\_ (Enter if existing LAPC)

Qualifications: ( ) 1102 ( ) 1105 ( ) Other \_\_\_\_\_

**Acquisition Training**

Requirements Met:

( ) Yes ( ) No (if no, state when training requirements will be met to qualify as LAPC)

**For APC Use Only:**

Agent \_\_\_\_\_ Company \_\_\_\_\_ Division \_\_\_\_\_ Department \_\_\_\_\_

Level 1 \_\_\_\_\_ Level 2 \_\_\_\_\_ Level 3 \_\_\_\_\_ Level 4 \_\_\_\_\_

Level 5 \_\_\_\_\_ Level 6 \_\_\_\_\_ Level 7 \_\_\_\_\_

Rec'd Date \_\_\_\_\_ Reject Date \_\_\_\_\_

Reject Reason:

( ) Does not meet qualification requirements

( ) Other \_\_\_\_\_

**CARD/CHECKS DESTRUCTION FORM**

**Cardholder Name:** \_\_\_\_\_

**Account Number:** \_\_\_\_\_

**Check Numbers of Destroyed Convenience Checks (e.g., 101 through 125):**

**Beginning/Ending Nos.:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**I certify that I have destroyed my purchase card and all unused checks issued to me by US Bank.**

\_\_\_\_\_  
**Print Name of Cardholder**

\_\_\_\_\_  
**Cardholder Signature**

\_\_\_\_\_  
**Date**

**Witnessed by:**

\_\_\_\_\_  
**Print AO or LAPC Name**

\_\_\_\_\_  
**AO or LAPC Signature**

\_\_\_\_\_  
**Date**

**CARDHOLDER REQUEST FOR PURCHASE CARD**

**Cardholder Information:**

Name: \_\_\_\_\_

Agency/Division/Office: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zipcode: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Single Purchase Limit: \_\_\_\_\_ Monthly Office Limit: \_\_\_\_\_

Accounting Segments: \*AG: \_\_ BBFY: \_\_ \*PROGRAM : \_\_\_\_\_ \*SEC1: \_\_\_\_\_ \*BOC: 2670

Checks: ( ) Yes ( ) No

**\* Required for all agencies. Other segments may be modified to meet the agency acctng structure. See Exhibit 8.**

Copy of Training Certificate Attached: ( ) Yes ( ) No

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**Approving Official Information:**

Name: \_\_\_\_\_

Agency/Division/Office: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip code: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

E-mail: \_\_\_\_\_

Copy of Training Certificate Attached: ( ) Yes ( ) No

\_\_\_\_\_  
Signature of Approving Official Date

**For LAPC/APC use only:**

Agent \_\_\_\_\_ Company \_\_\_\_\_ Division \_\_\_\_\_ Department \_\_\_\_\_

Level: 00012 Level 2: 01201 Level 3 \_\_\_\_\_ Level 4 \_\_\_\_\_ Level 5 \_\_\_\_\_

Level 6 \_\_\_\_\_ Level 7 \_\_\_\_\_

Rec'd Date: \_\_\_\_\_

Reject Date: \_\_\_\_\_

Reject Reason:

( ) Incomplete (missing information)

( ) Other \_\_\_\_\_

## Debt Collection Improvement Act Waivers for Check Writing Purposes

Waiver No.	Short Description	Long Description
01	Individual Determination	Where an individual determines in his/her sole discretion that use of the purchase card would cause a financial hardship or impose a hardship due to a physical or mental disability, or a geographic, language, or literacy barrier. (Agency personnel may not challenge an individual's hardship determination).
02	Agency Makes One Payment	Where the agency does not expect to make more than one payment to the same recipient within a one-year period.
03	Foreign Country Infrastructure	Where the infrastructure of a foreign country does not support electronic transfers.
04	Transaction in Disaster Area	Where the transaction is with a vendor/recipient in a declared disaster area.
05	Threat to National Security	Where a threat may be posed to national security, the life or physical safety of any individual may be endangered, or a law enforcement action may be compromised.
06	Unusual and Compelling Urgency	Where an agency's need for goods and services is of such unusual and compelling urgency that the Government would be seriously injured unless the transaction is processed by other than electronic means.
07	One Source for Required Supplies or Services	Where there is only one source for the required supplies or services and the Government would be seriously injured unless the transaction is processed by other than electronic means.

## Required Sources of Supply

Part 8 of the Federal Acquisition Regulations set forth statutory requirements to acquire supplies and services from priority sources when available and meeting your needs. Other sources should be considered for use only after the priority sources have been considered for fulfilling requirements.

### SUPPLIES

#### 1. Activity Inventory (On-Hand Stock/Cupboard Stock)

The *First* source is on-hand stock. Items needed may be available from stocking facilities at areas, locations, or headquarters. Items such as forms, posters, and other supplies in common use by the department are specified in form AD-640, Departmental Forms Catalog. Requests for these items are submitted to the purchasing office.

#### 2. Excess Personal Property

The *Second* source is excess personal property. Whenever possible, it should be used instead of purchasing new property from other sources. Each GSA Region publishes an Excess Personal Property Catalog, which lists the items available with instructions for ordering. The Cardholder must check with the appropriate property management officer before making a purchase elsewhere.

#### 3. Federal Prison Industries (FPI)

The *Third* source is FPI, which is also known as UNICOR. FPI produces commonly used items such as brooms, brushes, furniture, clothing, textiles, and electrical equipment. FPI is also a mandatory source unless a clearance is obtained. FPI clearances are not required when:

- a. The contracting officer makes a determination that the FPI item of supply is not comparable to supplies available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery;
- b. The item is acquired in accordance with 8.602(a)(4);
- c. Public exigency requires immediate delivery or performance;
- d. Suitable used or excess supplies are available;
- e. The supplies are acquired and used outside the United States;
- f. Acquiring listed items total \$3,000 or less;
- g. Acquiring items that FPI offers exclusively on a competitive (non-mandatory) basis, as identified in the FPI Schedule; and/or
- h. Acquiring services.

#### 4. Procurement List of Products and Services Available Through the Committee for Purchase from People Who Are Blind or Severely Disabled

The *Fourth* source for supplies is the distribution channels authorized by the Committee for Purchase from People Who Are Blind or Severely Disabled. Items available from this source are published in a current status on the AbilityOne (formerly JWOD) home page,

<http://www.jwod.gov>. The *List of JWOD Supplies and Services* is a list of supplies/services that are available from the Committee for Purchase from People Who Are Blind or Severely Disabled. Copies should be maintained in all procurement offices. The listing is organized by class of supply, as in the GSA Supply Catalog. GSA is a distributor for most of these products and accepts the purchase card.

This program creates employment and training opportunities for people who are blind or who have other severe disabilities. Its primary means of doing so is to require government agencies to buy selected products and services from nonprofit agencies employing such individuals. As a result, AbilityOne employees are able to lead more productive, independent lives.

The Committee administers the AbilityOne Program. Two national organizations, National Industries for the Blind (NIB) and NISH (serving people with a range of disabilities), have been designated to provide support to participating state and private nonprofit agencies.

Products furnished include office supplies, cleaners, and others. Many office products carry the SKILCRAFT brand name. A wide array of AbilityOne services are also performed, from administrative work, custodial operations and grounds maintenance to order processing, switchboard operation, and warehousing. At this time, six commercial vendors on GSA Schedule 75 IIIA offer these products in an easy to use telephone ordering, overnight delivery mode.

### ***Buy AbilityOne; Pay with your Purchase Card...***

You can comply with your need to use the government purchase card whenever possible and at the same time carry out public policy by filling your needs by buying products of services offered through the AbilityOne Program. All distributors of AbilityOne office supplies and common-use items accept the purchase card.

There are several ways to order, either through the commercial vendors or through the GSA system.

### ***Commercial Vendors Office Supplies***

Federal customers can purchase mandatory AbilityOne office supplies from authorized AbilityOne distributors with next-day, desktop delivery. Orders can be placed by telephone, fax, or EDI. Walk-in store purchases are not included. The vendors accept purchase cards. Contract terms require overnight delivery of product to the cardholder's desk.

- Complete List of authorized AbilityOne distributors can be obtained from: [http://www.abilityone.gov/jwod/participate/authorized\\_distributors.html](http://www.abilityone.gov/jwod/participate/authorized_distributors.html)
- AbilityOne Program Information can be obtained from: <http://www.abilityone.gov>  
Telephone: 877/GETJWOD; FAX: 877/FAXJWOD

- National Industries for the Blind (NIB): <http://www.nib.org>  
Headquarters (703) 998-0770 or Customer Hotline (800) 433-2304
- NISH: <http://nish.org>  
National Office (703) 560-6800

### ***GSA Customer Supply Centers (CSCs)***

CSCs are GSA's retail outlets. These allow purchase card payment. Place orders by telephone or fax, using a purchase card account number. Orders are shipped in 24 hours and usually arrive within 2-5 days. For assistance in establishing an account at your local CSC, call the GSA National Help Line at (800) 488-3111 for the name of a Customer Service Director in your state.

### ***GSA Advantage!***

GSA Advantage! On-line Shopping Service allows you to browse, search for specific items, review prices, and place orders via the Internet. You choose the delivery times and the payment method, including the purchase card. GSA Advantage! Is developing incrementally with Stock Program ordering open; schedules and special order items are being phased in. Visit GSA Advantage! At <http://www.gsa.gov> or call (703) 305-7359 for more information. GSA Advantage! is also available through the USDA Internet Acquisition Toolkit at <http://www.usda.gov/da/procure.html>.

### ***USDA Advantage!***

USDA's virtual marketplace is known as USDA Advantage! This system is part of USDA's IAS "e-alliance" initiative. It is a partnership between the USDA OPPM, USDA agencies, the GSA, and selected agency partners.

Unlike other Internet based shopping sites, this site is designed especially for USDA personnel. Because USDA is leveraging its buying power as a whole, USDA Advantage! includes lower prices than those typically available from GSA. Prices from USDA Advantage! are negotiated solely for USDA personnel. These lower prices can help you stretch your budget further to better deliver your organization's mission to the American public.

The USDA Advantage! website address is:

[https://usdaadvantage.gsa.gov/advgsa/advantage/main/start\\_page.do?store=USDA](https://usdaadvantage.gsa.gov/advgsa/advantage/main/start_page.do?store=USDA)

Log into USDA Advantage! using your GSA Advantage! user id and password.

USDA maintains updated procurement lists on the Internet. The web site address is <http://www.usda.gov/da/procure.html>.

## 5. Wholesale Supply Sources

Wholesale supply sources are the *Fifth* source of supply. They are:

- a. **GSA.** The GSA Supply Catalog is published annually and updated quarterly. It is an illustrated book that serves as the primary source for identifying items and services offered from GSA supply sources.

When an order is placed from GSA catalogs, adequate lead-time must be allowed for delivery. GSA requires about 30 days or less to deliver standard stock items within a Region. Furniture and other office equipment may take up to 6 months for delivery. Delivery for items ordered could be determined in advance by calling the Customer Service number listed in the GSA catalog.

When the total value of the line item is less than \$100, procurement from other sources is authorized. Also, when the total value of the line item requirement is \$100 or more, but less than \$5,000, procurement from other sources is authorized provided that such action is documented to be in the best interest of the government in terms of the combination of quality, timeliness, and cost that best meets the requirement. Cost comparisons must include the agency administrative cost to affect a local purchase.

- b. **Defense Logistics Agency and Military Inventory Control Points.** The Department of Defense (DOD) has contracts for fuel oil and lubricants refined to federal specifications. Listings of these contracts are contained in the annual DOD Oil Contract Bulletin located in the purchasing office.

## 6. Mandatory Federal Supply Schedules (FSS)

The *Sixth* source of supply is mandatory FSS. A listing of these groups and instructions for obtaining vendor price lists can be found in the GSA Schedules e-Library at [www.gsaelibrary.gsa.gov/elibMain.ElibHome](http://www.gsaelibrary.gsa.gov/elibMain.ElibHome).

Once at this site, select *Schedules e-Library* and click on *View the Complete Federal Supply Schedule Listing*. Schedules e-Library is an online source for the latest contract award information. It provides an alphabetical listing of available contractors, allowing customers to easily locate all Schedule contractors. Access to Schedules e-Library is available 24 hours a day, 7 days a week.

It is the responsibility of the cardholder to resolve any discrepancies in the services or supplies ordered. If a satisfactory settlement cannot be made, the matter must be referred to the GSA Contracting Officer in charge of that contract (listed under "GSA Assistance" in the schedule).

## **7. Optional Use FSS**

The *Seventh* source of supply is Optional Use FSS. If an executive agency is not specified in the individual Schedules as a mandatory user, then it is an optional user. If a contractor accepts an order from an optional user under a schedule contract, all terms of the schedule contract apply to that order.

## **8. Commercial Sources**

The *Eighth* source for supplies is “open-market” commercial sources. This type of purchase is used only when the items requested are not available from the aforementioned sources.

## **SERVICES**

### **1. Procurement List of Services Available from the Committee for Purchase from People Who Are Blind or Severely Disabled**

The *First* source for services is the Procurement List. (See the definition under “Supplies”).

### **2. Mandatory FSS**

The *Second* source for services is mandatory FSS and Optional Use GSA Term Contracts. A listing of both is located in the FSS Program Guide. (See the definition under “Supplies”).

### **3. Optional Use FSS**

The *Third* source for services is Optional Use FSS. (See the definition under “Supplies”).

### **4. Federal Prison Industries (FPI)**

The *Fourth* source for services is FPI/UNICOR. UNICOR does not have priority over commercial sources for the procurement of services. (See the definition under “Supplies”).

### **5. Open-Market Commercial Sources**

The *Fifth* source for services is open-market commercial sources, only when the service requested is not available from the aforementioned sources. Commercial sources and FPI/UNICOR have equal priority for the procurement of services.

Information for purchasing items from UNICOR, Committee for Purchasing from People Who Are Blind or Severely Disabled, and mandatory or optional use FSS is available in the procurement office.

## Buying Green

There are many strategies that can be used when purchasing products and services with the idea of buying “green.” “Green” products are readily available. Regardless of the type of products, cardholders should check first to see if they fall under the following categories:

- A. **Recycled Product Content** – Products/services in this category are made from post consumer or recovered material, reduced energy needs, saving landfill space, and eliminating the need to use virgin resources. The EPA designates recycled content products that government agencies must buy. For products which have been designated by EPA, the cardholder must purchase those which contain recycled content as long as they are available, meet your performance needs, and are cost-competitive. EPA recommends the required minimum percentage of recycled content that the products should contain (<http://www.epa.gov/oppt/epp>).
- B. **Bio-based Products** – Products/services in this category are often not made of recycled content, but the material they are made from is renewable, often a biological process by-product, or a domestic agricultural material, including plant, animal and marine materials. One way to think of these kinds of products is that they are “natural” substitutes for products made from many more chemicals and non-renewable resources. Information concerning these products can be obtained from USDA (<http://www.ofee.gov>), click on “Green Purchasing.”
- C. **Energy Efficient Products** – Products/services in this category exhibit the “Energy Star” logo and are designed to conserve energy during their operation. “Energy efficient” also includes energy efficient products in the top 25<sup>th</sup> percentile of efficiency and standby power devices. The Department of Energy’s Federal Management Program (FEMP) has established a Stand-By Power Device Product Listing with information on such products as computers, fax machines, and printers. Refer to [www.eren.doc.gov/femp/procurement](http://www.eren.doc.gov/femp/procurement) for efficiency recommendations, cost-effectiveness examples, buyer tips, product sources, and for additional information.
- D. **Reduced Toxicity or Hazardous Chemicals** – Products/services in this category are made with few or even no chemicals that have been shown to cause human and environmental health problems. These products can be viable alternatives to products that contain hazardous materials or toxic chemicals.

Information on these policies is included in:

- Executive Order 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition
- Executive Order 13123, Greening the Government Through Efficient Energy Management
- Executive Order 13221, Energy-Efficient Standby Power Device
- USDA Biobased Products List
- Resource Conservation and Recovery Act (RCRA), Section 6002
- EPA Comprehensive Procurement Guidelines

- Federal Acquisition Regulation Subpart 23.4, Use of Recovered Materials and Agriculture
- Agriculture Acquisition Regulation Part 423
- Department of Energy Product Energy Efficiency Recommendations

Why does the federal government support these types of products?

- Promote conservation of natural resources
- Cleaner air
- Create business and employment opportunities
- Conserve disposal (landfill) capacity

Some common recycled, environmentally preferable, and energy-efficient products available are:

- Paper -- minimum 30% post consumer content
- Recycled toner and inkjet cartridges
- Energy-efficient computer monitors, printers, and fax machines
- Non-paper office supplies (e.g., plastic covered binders and desktop accessories, trash cans)
- Retread tires for federally-owned or leased vehicles
- Carpet made from recycled polyethylene terephthalate
- Re-refined oil, bio-based oils
- Energy-star computers
- Construction materials, e.g., building insulation
- Computer disks

Recycled products must meet your performance standards and be competitive in price. Products, which are made from recycled recovered materials, will say so on the packaging.

Information on the Federal green purchasing program is available at the following web sites:

- Recycled Content Products – <http://www.epa.gov/cpg/>
- Energy Efficient Products – [www.enertystar.gov](http://www.enertystar.gov) or <http://www.eere.energy.gov/femp/procurement/>
- Biobased Products- <http://www.usda.gov/procurement/programs/biobased/biobaseditems.htm>
- Environmentally preferable products and services – <http://www.epa.gov/opptintr/epp>
- Non-ozone Depleting Substances – <http://www.epa.gov/Ozone/snap/index.html>
- EPA's Comprehensive Procurement Guidelines
- Greening the Government (available from Federal Environmental Executive by calling 202/690-1297)

## Prohibited Items

This list identifies the most common items that are prohibited or require some form of pre-purchase approval. This list is not all inclusive. If an item seems questionable, cardholders should contact their LAPC or APC for guidance.

Categories	Examples
Cash advances	Money orders, traveler checks, and gift certificates/cards are also considered to be cash advances and shall not be purchased by cardholders.
Cash awards	
Salary payments	
Long-term rental or lease of land or buildings	Long-term is generally defined as more than 180 days
Travel related purchases	Excludes conference rooms, meeting spaces, and local transportation services (such as Metro fare cards, subway fare cards, EZ pass).
Rental or lease of motor vehicles	
Repair of leased vehicles	
Fuel	
Personal purchases	This includes, but is not limited to commuting expenses, parking fees, parking tickets, personal fines, gifts, personal membership fees, personal clothing and footwear, decorative items, personal qualification expenses. Agency personnel should contact their financial management officials and/or consult with the Office of the General Counsel to determine if the expense is allowable.
Acquisition of telecommunication resources	Includes telecommunication services, supplies, or equipment in excess of \$350, except as provided in AGAR Advisory No. 58A
Transit subsidies	
Construction services over \$2,000	Exception, warranted contracting personnel
Wire Transfers	
Savings Bonds	
Dating & Escort Services	
Betting, Casino Gaming	

Chips, Off-Track Betting	
Transactions with Political Organizations	
Court Costs, Alimony, Child Support	
Bail and Bond Payments	
Tax Payments	
Hazardous Items	Exception, warranted contracting personnel with required approvals
Establishment/maintenance of imprested funds	
Replenishment of cash balance in imprested funds	
Bottled Water Services	Exception: Report from an outside water-testing agency determining that the drinking water is harmful if consumed.
Food	<p>Appropriated funds are not available to pay for food or refreshments, except as follows:</p> <ol style="list-style-type: none"> <li>(1) Sponsoring agency may serve light refreshments on breaks at Government-sponsored conferences where 51% of attendees are in travel status.</li> <li>(2) Sponsoring agency may serve meals at formal meetings and conferences attended by some percentage of non-government employees.</li> <li>(3) Sponsoring agency may serve refreshments/meals at training meetings where actual training is conducted and not just discussions or open forums relating to problems and day-to-day operations of the agency.</li> <li>(4) Sponsoring agency may serve light refreshments at award ceremonies honoring individuals recognized under the Civilian Employee's Incentive Award Program.</li> <li>(5) Formal Ethics Awareness Program where food samples relating to the particular ethnicity are served as part of an education program.</li> </ol>

## USDA ACCOUNTING SEGMENTS

Order	Segment Label	Segment Description	Segment Length	Position in DAC
1	Agency	Agency code within FFIS (Required field for ALL Agencies)	2	1-2
2	BBFY	Begin Budget Fiscal Year	2	3-4
3	EBFY	End Budget Fiscal Year	2	5-6
4	Fund	Fund Code	6	7-12
5	Org	Organization	7	13-19
6	Sub Org	Sub Organization	2	20-21
7	Program	Program	9	22-30
8	Job	Job	8	31-38
9	Reporting Category	Reporting Category	4	39-42
10	Cost Org	Cost Organization	7	43-49
11	Cost Sub Org	Cost Sub Organization	2	50-51
12	Division	Division	4	52-55
13	SEC1	Sec1 Code (Required field for ALL Agencies)	4	56-59
14	Sub BOC	Sub Object Code	2	60-61
15	BOC	Object Revenue Source	4	62-65
16	DCN	Document Control Number	6	66-71

### Approving Official Checklist

**Note to AO:** It is required that you review cardholder transactions on a monthly basis. Use this checklist as a guide for reviewing the transactions in accordance with DR 5013-6 and OMB Circular A-123, Appendix B. If a cardholder leaves, immediately notify the LAPC to cancel the card and assure that automatic recurring transactions such as subscriptions and/or FedEx are canceled.

	Yes	No
All transactions were for official Government business and represent legitimate needs of the Government		
Transactions are within the cardholder's single purchase limit		
Adequate item descriptions for transactions are entered and approved as required		
Was prior approval obtained before procuring the supplies/services?		
Are there any split transactions?		
Adequate documentation to support transactions.		
Transactions over \$300. Evidence of independent receipt and acceptance from someone other than cardholder is on file.		

### LAPC Quarterly Review Checklist

Completed by: \_\_\_\_\_ Date: \_\_\_\_\_  
 (LAPC Name)

Type of Unauthorized Use	No. of Occurrences	Descriptive Action(s) taken
Cash Advance or Travel Advance		
Long term leases/rental		
Airline, train, bus or common carrier tickets		
Purchases of telecommunication supplies (above \$350)		
Fuel and related supplies/services		
Circumventing thresholds/splitting transactions		
Purchases of hazardous items (hazardous biological radioactive substances), unless by warranted acquisition personnel		
Personal purchases/identification		
Allowing others to use card or account number		
Paying in advance for supplies or services, except when authorized by law		
Failing to approve within 30 days		
Failing to enter item descriptions		
Failing to use required sources		
Purchase of accountable/sensitive property (firearms, ammunition)		
Meals/refreshments unless authorized by law, e.g., bona fide award ceremony		
Personal services; i.e., where Government supervises contractor employee (e.g., services being performed without an SOW so that the government directs the actions of the contractor employee)		
Cardholder failed to maintain invoices/receipts for transactions		
Cards are not kept in secure location		
Writing checks to self or for "cash"		
Writing checks for spot cash awards or emergency salary payments		
Failing to enter SSN/TIN in the "TIN" field		
Writing checks to employees for reimbursement of non-emergency purchases.		

Failing to enter waiver numbers.		
Entering incorrect (bogus) TINs		
Writing checks over \$2,500 without documented approval of the APC		
Using “989898989” for US companies as TIN		
Other unauthorized purchases:		
Greeting cards		
Memberships in an individual’s name		
Insurance of items being shipped to or for the Government		
Shipment of household goods		
Parking tickets		
Program payments, i.e., grants or agreements		

### APC Annual Review Checklist

Cardholder Name: \_\_\_\_\_ Date of Review: \_\_\_\_\_

AO Name: \_\_\_\_\_ Period Covered: \_\_\_\_\_

Type of Review: ( ) Onsite ( ) Electronic

**Note: asterisk “\*” optional.**

**Compliant**

No.	Specific Review Criteria	Yes	No	N/A
<b>A</b>	<b>Condition of Card File</b>			
1.	File is neat and orderly*			
2.	File is organized by fiscal year.			
3.	Purchase Card Log is available for review*			
4.	Purchase Card Log and documentation match*			
<b>B</b>	<b>Card Usage Requirements</b>			
1.	The cardholder is the only individual who has used his/her card. (Determine if others have used the card or card number in the cardholder’s absence.)			
2.	Purchases have not exceeded the cardholder’s SPL. The cardholder’s SPL is _____.			
3.	Cardholder has not split requirements to stay under SPL. (Look for repeated orders during a short time period for the same goods/services.)			
4.	Cardholder has checked Required Sources of Supplies or Services prior to ordering on the open market (i.e., agency inventories or excess property, FPI or UNICOR, NIB/NISH or AbilityOne, GSA Supply Programs, Federal Supply Schedules).			
5.	Purchases by the cardholder were for official government business only.			
6.	Cardholder should not pay any U.S. State taxes (examine receipts to verify if any taxes have been included.)			
7.	Purchase card was not used to purchase any of the following unless a specific authorization was granted in writing:			
	a. Cash advances			
	b. Advance payments except for subscriptions or publications			
	c. Rental or lease of land or buildings not in excess of 180 days			
	d. Official Travel Expenses			
	e. Fleet expenses, except authorized by Department			
	f. Professional Services or medical, legal, design/engineering or consulting services			
	g. Vehicle rental or lease			
	h. Caterers, Restaurants, Bars			
	i. Telecommunication resources in excess of \$350			
	j. Construction above \$2,000/transaction			

	k. Services other than construction above \$2,500/year			
	l. Supplies that contain hazardous substances or hazardous waste clean-up and disposal			
	m. Rental and Maintenance Agreements above \$2,500/year			
	n. Membership in organizations including charitable and social organizations			
	o. Personal Services			
	p. Entertainment, amusement and recreational services			
	q. Firearms			
	r. Pesticide purchase or application			
	s. Copying jobs that exceed 5,000 copies of one page (single sided) or 25,000 copies total of multiple pages			
	t. Print jobs that exceed \$1,000			
	u. Money orders, gift cards			
	v. Recurring telecommunication services			
	w. Program payments			
<b>C</b>	<b>Check Usage Requirements</b>			
1	Spot Awards			
2	Emergency salary payments			
3	Transit subsidies			
4	Reimbursements to employees (effective 12/14/2001)			
5	Local Travel			
6	Travel advances			
7	Vendors that accept purchase card			
8	Establishment of imprest funds and maintenance or replenishment of cash balances in imprest funds			
9	Cash awards			
10	Money orders, gift cards			
11	Program payments, unless approved by SPE			
<b>D</b>	<b>Documentation Requirements</b>			
1	All purchases reviewed are supported by:			
	a. A valid written authorization that describes what is to be purchased and signed by someone with authorized requisitioning authority (i.e., requisition; email from authorized official).			
	b. Budget Office approval			
2	The cardholder's transaction is supported by a purchase card receipt and/or cash register tape when purchase is made over-the-counter, shipping documents when purchase is made by telephone, and printout of electronic confirmation when purchase is made by Internet. If these are not available, a statement in the file indicating why the documentation is not available.			
3	Proof of independent receipt and acceptance when transaction is over \$300			
4	The cardholder entered the purchase in the log each time the card is used. (Ensure that the cardholder is not constructing the log from the AXOL			

	cardholder's report, i.e., purchases on the log and report are in the same order)*			
5	Cardholder has a copy of the Purchase Card Training Materials.			
6	Cardholder is knowledgeable of his or her delegation of procurement authority and knows where to find this information.			
<b>E</b>	<b>Processing Requirements</b>			
1	Cardholder records have been retained for 3 years after date of final payment. (If cardholder has had card over 3 years, verify that records are being retained)			
<b>F</b>	<b>Miscellaneous Requirements</b>			
1	Purchase card/convenience check is kept adequately secured. (Is the card kept locked up in the office when not in use?)			
<b>G</b>	<b>Requirements for Purchases over the micro-purchase threshold</b>			
1	Is there evidence of competition, and supporting documentation for transactions exceeding the micro-purchase threshold? If competition was not obtained, is there a valid sole source justification in the file?			
2	Have domestic purchase exceeding the micro-purchase threshold per transaction been set-aside for small businesses? If not set-aside, is there a valid justification in the file?			
3	In the absence of competition, were prices determined by the Cardholder to be fair and reasonable (if applicable)?			
4	Do individual procurements over \$25,000 comply with all applicable FAR requirements?			
5	For actions under the Small Business Competitiveness Demonstration Program: Confirm FPDS-NG report was completed within three (3) workdays after contract award and that it was processed in accordance with the procedures found in the FPDS-NG User's Manual)			
6	Cardholder files contain a contracting document in the form of either a purchase order or contract, including appropriate FAR and agency specific clauses and are documented to show that representations and certifications were forwarded to the vendor.			
7	Is there evidence in the file that the merchant is registered in the CCR?			
<b>H</b>	<b>Additional Findings, Comments, or Recommendations</b>			

## Summary of Findings

Agency: \_\_\_\_\_ Date of Review: \_\_\_\_\_

Agency Program  
Coordinator Name: \_\_\_\_\_ Period Covered: \_\_\_\_\_

Total No. of Cardholder  
Records Reviewed: \_\_\_\_\_ Total No. of  
Cardholders: \_\_\_\_\_

Percentage of  
Total Records  
Reviewed: \_\_\_\_\_

I. A general introductory paragraph regarding the USDA requirement for an annual review.

Include a summary of findings pertaining to the following topics:

- a) Findings related to condition of card file
- b) Finding related to card usage requirements
- c) Findings related to check usage requirements
- d) Findings related to cardholder documentation requirements
- e) Findings related to processing requirements
- f) Findings related to miscellaneous requirements
- g) Finding related to requirements for purchases over the micro-purchase threshold

II. Additional findings, comments, recommendations, or best practices (list below):

**RECOMMENDED ADMINISTRATIVE ACTIONS**

TYPE OF INAPPROPRIATE ACTION	FIRST OCCURRENCE	REPEAT OCCURRENCE WITHIN A 12-MONTH PERIOD
Writing checks when vendor accepts purchase card.	Written warning from LAPC	Loss of purchase card privileges. Forward information to AO with copy to HRD.
Failing on a consistent basis to approve transactions.	Verbal warning from LAPC	Loss of purchase card privilege.
Allowing or authorizing another employee to use purchase card.	Verbal warning from LAPC	Loss of purchase card privileges.
Splitting purchases violation of purchase card/convenience check policy.	Verbal warning from LAPC	Loss of purchase card privileges. Forward to AO with copy to HRD.
Sharing of usernames and passwords	Verbal warning from LAPC	Loss of purchase card privileges for 60 days. Reinstatement only on AO's request.
Authorizing another employee to approve transactions	Verbal warning from LAPC	Loss of purchase card privileges.
Writing checks over \$2,500 without justification and approval from APC	Verbal warning from APC	Suspension of check writing privileges for 30 days to loss of check writing privileges by APC.
Mandatory source violation	Warning letter to employee from LAPC (cc: AO) explaining violation.	Loss of purchase card privileges for 30 days. Reinstatement only on AO's request.
Personal use	Loss of purchase card privileges. Card cancelled. Forward to AO with copy to HRD.	
Exceed authority	Ratification. Reinstatement only on AO's request.	Loss of purchase card privileges.
Purchase without necessary approvals	Warning letter to employee from LAPC (cc: supervisor) explaining error	Loss of purchase card privileges for 30 days. Reinstatement only on AO request.
Other policy violations	Letter to employee (cc: AO) explaining error.	Loss of purchase card privileges.
Improper Purchase by cardholder and/or AO, Section 4.7, OMB Circular A-123, Appendix B	Cancellation of card. In accordance with agency policy, reimburse the government and subject to disciplinary action. Also refer to Departmental Personnel Manual.	
Fraud Purchases	Refer to OIG for investigation	