USDA Purchase Card Program Guide

Coordinator Program Guide

Approving Official Program Guide

Cardholder Program Guide

USDA OPPM Charge Card Service Center

Final Version: 2.0, October 31, 2016

Revision History

Table 1 provides the revision history of this document.

Table 1. Revision History

Version	Date	Definition
2.0	10/31/2016	Updated text in Sections 1.1, 2.1, 4.3, 4.4 and 4.5. Updated Sections 5.1.3 and 5.1.4 by removing Account Validation Controls from required training list.
1.0	9/30/2016	Final document version

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Section I: Purchase Card Program Overview

1 Introduction

1.1 Purpose of this Document

The purpose of the USDA Purchase Card Program is to implement the General Services Administration SmartPay® Program for Government-wide Commercial Purchase Cards within the U.S. Department of Agriculture (USDA). The Purchase Card Program provides policy and guidance regarding the use of the Government-wide Commercial Purchase Card and Convenience Checks issued under the purchase card program.

This guide is a reference tool for Cardholders (CHs), Approving Official (AOs), Local Agency Program Coordinators (LAPCs) and Agency Program Coordinators (APCs) and is to be used to ensure compliance with Departmental Regulation (DR) 5013-6: *Use of the Purchase Card and Related Alternative Payment Methods* (November 2012) (herein referred to as DR 5013-6) . This guide is required reading for CHs, AOs, LAPCs, and APCs because it is a reference tool in addressing the procedures and usage of the purchase card. In addition, CHs, AOs, LAPCs and APCs are required to also use it to ensure the proper management of USDA's participation in the use of the government purchase card.

1.2 Scope of Document

This *USDA Purchase Card Program Guide* provides information for the use and administration of the Purchase Card Program within USDA agencies and offices. The document is intended to supplement DR5013-6 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 *USDA Purchase Card Program Guide*, the policies and procedures of DR 5013-6 shall govern.

1.3 Location of Document

This document is located on the CCSC website with other guides, reference materials, and training documents.

1.4 References

Table 2 provides a list of policy references used in the document.

Table 2. References

References
Departmental Regulation (DR) 5013-6: *Use of the Purchase Card and Related Alternative Payment Methods* (November 2012)
Procurement Advisory (PA) 122: Purchase Authority for Single Purchase Limit (July 6, 2015)
Procurement Advisory (PA) 123: Acquiring Rental Storage Space Short and Long Term with USDA Purchase Card (August 17, 2015)
Procurement Advisory (PA) 125: USDA Purchase Card Program – Mandatory, Annual Refresher Training Requirements (January 5, 2016)

1.5 Terms and Definitions

Table 3 provides a list of terms and definitions used within this document.

Table 3. List of Terms and Definitions

Term	Definition
AbilityOne	The AbilityOne Program is the largest source of employment for people who are blind or have significant disabilities in the United States. More than 500 nonprofit organizations employ these individuals and provide quality products and services to the Federal Government at a fair market price. (Formerly JWOD)
Access Online, AXOL	Access® Online
AGAR	Agriculture Acquisition Regulation
AO	Approving Official
APC	Agency Program Coordinator
BOC	Budget Object Code
CCSC	Charge Card Service Center
CFO	Chief Financial Officer
COR	Contracting Officer's Representative
CSC	Customer Service Center
CSQI	Cardholder Statement of Questioned Item
DAC	Default Accounting Code

Term	Definition
DCIA	Debt Collection Improvement Act of 1996
DCN	Document Control Number
DOD	Department of Defense
DPM	CCSC Program Manager
DR	Departmental Regulation
EAS	Electronic Access System (EAS)
EIN	Employee Identification Number
EPA	Environmental Protection Agency
FAR	Federal Acquisition Regulation
FEMP	Federal Management Program
FFIS	Foundation Financial Information System
FPDS/SF	Federal Procurement Data System/Standard Form
FMMI	Financial Management Modernization Initiative
FPI	Federal Prison Industries, *see* UNICOR
FPOC	Financial Point of Contact
FSS	Federal Supply Schedule
GPO	Government Printing Office
GSA	General Services Administration
HCAD	Head of the Contracting Activity Designee
IAS	Integrated Acquisition System
ID/IQ	Indefinite Delivery/Indefinite Quantity
IT	Information Technology
JCP	Joint Committee on Printing
JWOD	Javits-Wagner-O'Day Act, *see* AbilityOne
LAPC	Local Agency Program Coordinator
MCC	Merchant Category Code
MCCG	Merchant Category Group
NFC	National Finance Center
NIB	National Industries for the Blind
NISH	National Industries for the Severely Handicapped, *see* SourceAmerica
OC	Office of Communication

Term	Definition
OHRM	Office of Human Resources Management
OIG	Office of the Inspector General
OMB	Office of Management and Budget
OPPM	Office of Procurement and Property Management
PA	Procurement Advisory
SourceAmerica	SourceAmerica (formerly NISH), a national non-profit, is the leading source of job opportunities for a dedicated and highly qualified workforce—people with significant disabilities.
SSN	Social Security Number
TIN	Taxpayer's Identification Number
UNICOR	Federal Prison Industries, also known as UNICOR and FPI, is a wholly owned United States government corporation created in 1934 that uses penal labor from the Federal Bureau of Prisons to produce goods and services. FPI is restricted to selling its products and services to federal government agencies and has no access to the commercial market.
UPS	United Postal Service
USC	U.S. Code
USDA	U.S. Department of Agriculture

1.6 Providing Feedback to the CCSC

Forward any questions or feedback concerning this manual to the USDA Charge Card Service Center (CCSC) CCSC Inbox. Additional information, including training, guides and other references, is also available on the CCSC web site.

2 Purchase Card Usage

2.1 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: The card is still subject to existing federal and departmental procurement regulations in accordance with DR 5013-6.

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.

2.2 Purchase Limits

Use of the purchase card by a cardholder is subject to a single purchase limit and a monthly purchase limit. The following sections define the purpose of each dollar limit.

2.2.1 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 the law*.

An example of a split purchase is:

The cardholder's single purchase limit is $3,500. The items to be purchased total $4,500. The cardholder divides the purchase into several charges, and processes multiple transactions, each one less than $3500, to stay within the authorized single purchase limit.

2.2.2 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 Access Online

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.

3 Program Support

3.1 USDA Charge Card Service Center

The Office of Procurement and Property Management (OPPM) established the USDA Charge Card Service Center (CCSC) to provide overall charge card management. The CCSC is staffed with subject matter experts to provide a central location for inquiries and assistance for the purchase card business line. Information pertaining to the purchase card is available at the USDA CCSC website. Questions pertaining to the USDA Charge Card Program can be forwarded to the CCSC Inbox.

The CCSC staff consists of the CCSC Program Lead (Program Lead), business line experts for purchase cards, and contractor support. The CCSC staff is dedicated to providing quality service and assistance to program participants.

3.2 U.S. Bank Access Online

U.S. Bank provides Access Online, a web-based electronic access tool designed to be the source system for purchase card 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 Approving Officials. It is also used by Coordinators to perform management and oversight of purchase card transactions.

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

3.3 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. You can also visit the Communication and Training Materials page on the U.S. Bank Web site for access to communication updates, training resources, and reference materials to successfully implement and manage the purchase card program. For a user name and password, cardholders and AOs should contact their Local Agency Program Coordinator (LAPC).

3.4 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 you can e-mail seven days-a-week, from 6:30 A.M. to 8:00 P.M., central time. They assist Cardholders and AOs 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.

4 Program-wide Roles and Responsibilities

4.1 CCSC Program Lead

The Program Lead is responsible for the implementation and oversight of the program. The major responsibilities of the Program Lead are to:

- Ensure that the Department's objectives for the Purchase Card program are achieved.
- Authorize U.S. Bank to establish new APCs in the program.
- Provide training and guidance to APCs.
- Coordinate with U.S. Bank concerning USDA's system requirements and act as the central point of contact for agency requests for system modifications.
- Develop and recommend USDA procedures for the Department-wide purchase card program.
- Develop purchase card program literature and materials for Department-wide use.
- Coordinate with U.S. Bank concerning future program applications/enhancements.

The preceding list is not exhaustive and will be updated as the program evolves.

4.2 Agency Program Coordinator

The Department uses AXOL's hierarchy functionality as a means of implementing internal controls. Level 3 is at the apex of this hierarchy and APCs are designated at that level. An APC is designated in each USDA agency, departmental office, or mission area to coordinate the implementation of the program within the organization through the CCSC Program Lead. 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 Program Lead and U.S. Bank contractor. The HCAD shall provide the written designation to the USDA CCSC Program Lead. 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 is processed through the APC.

The Level 4 LAPC 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 APCs.
- Appoint LAPCs.
- Conduct agency-wide oversight of the purchase card program, including proper use of required sources of supplies and services.
- Participate in meetings with the Program Lead 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 Program Lead and the U.S. 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 Program Lead for final assessment.
- Determine and recommend appropriate Merchant Category Classification (MCC) code ranges for card use.
- Provide senior agency management with purchase card transaction and convenience check data.
- Perform final approval of purchase card account setups.
- Coordinate agency compliance with annual refresher training requirement.

4.3 Local Agency Program Coordinator

The LAPC is appointed locally by the Head Contracting Activity Designee (HCAD), subject to the concurrence of the APC. The nominating office is to complete the LAPC nomination form and forward to the respective APC. The LAPC is responsible for the day-to-day operation of the purchase card program for the cardholders within their span of control. They work directly with the cardholder, U.S. Bank contact person, and APC. All documentation related to the establishment of the cardholder is 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 IIB Contracting Officer. 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 Access Online.
- Instruct cardholders to immediately notify the U.S. Bank customer service representative of a lost/stolen card/check.
- Instruct cardholders to immediately notify the U.S. Bank of any discrepancies or unauthorized charges within 90 days of the transaction date.
- 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 Approving Official (AO) has separated from the agency.
- Query quarterly final approval transaction reports.
- Submit purchase card account requests by way of Access Online.
- Ensure that all cardholders and AOs complete annual refresher training by March 31 of each fiscal year.

4.4 Approving Official

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. Requests to appoint an AO must be submitted by the supervisor-of-record to the LAPC with a completed Appointment Nomination Request Form. 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 forwards 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, 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 completed 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, e-mail 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/Checks Destruction Form* to the LAPC.
- Ensuring cardholders maintain adequate receipts/supporting documentation for each purchase. The retention period for these documents is three 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.
- Notifying the LAPC of questionable transactions or possible misuse of the purchase card/convenience check.
- Complete annual refresher training by March 31 of each fiscal year.

4.5 Cardholder

The cardholder is the individual to whom a card and, if applicable, convenience checks are issued. The purchase card/convenience check bears the cardholder's legal name and may only be used by the individual designated on the card/convenience check. No other person is authorized to use the account. The authorized spending limits are displayed in Access Online. 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 are 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 Access Online.

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 U.S. 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. The retention period for these documents is three years from the date of purchase.
- 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.
- Completing annual refresher training to maintain knowledge of new, revised and existing purchase card program ethics, policies and procedures by March 31 of each year.
- Approving purchase card and convenience check transactions using Access Online on a monthly basis, ensuring entry of proper accounting codes, budget object classification codes, **Comments** tab information, including a waiver number. Refer to section 6.4.4.1.1, "Complete the Comments Tab Fields," for detailed information on how to accurately enter the data of convenience checks.
- Calling U.S. Bank's customer service representative and the LAPC immediately to report lost or stolen cards/checks.
- Notifying U.S. Bank of any billing discrepancies (i.e., disputes) posted on the account by disputing the transaction in Access Online and following U.S. 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.
- Obtaining proper authorization *prior* to purchasing goods/services.
- Completing the *Card/Checks Destruction Form* and forwarding to AO for signature.
- Complete annual refresher training by March 31 of each fiscal year.

5 Compliance 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, as well as in the proper procedure in creating new purchase card accounts. Cardholders and AOs must be trained in order to receive a purchase card and/or related alternative payment methods with micro-purchase authority. Cardholders are ultimately responsible for knowing the policies and procedures related to the purchase card program, and are responsible for any and all activity on their respective cards. Non-warranted personnel must receive training in micro-purchase regulations and procedures and U.S. Bank's Access Online before a card may be conferred. Individuals issued a card and their AOs must certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions. Certification is required for all modules. For Access Online 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 are no exceptions or substitutions for this type of training. The following sections list the required training for each role.

5.1 Stakeholder Mandatory Training Requirements

This section lists the mandatory training courses for participants in the purchase card program. The courses are listed for each stakeholder group, and address both the initial and refresher training courses that are required.

5.1.1 Non-warranted Cardholders

1)	Initial Complement of Training
a)	Ethics—Government Purchase Card
b)	Green Purchasing
c)	AbilityOne
d)	Section 508
e)	Access Online Training Modules:
i)	Get Started Using Access Online:
	(1) Online Registration (2) Navigation Basics (3) My Personal Information (4) Purchasing Policy
ii)	Manage Accounts and Users:
	(1) Account Profiles
iii)	Work with Transactions:
	(1) Transaction Management (2) Transaction Approval Process (3) Account Approval Process
2)	Annual Training
a)	USDA Purchase Card Program Refresher Training for Cardholders

5.1.2 Warranted Cardholders

1)	Initial Complement of Training
a)	Access Online Training Modules:
i)	Get Started Using Access Online:
	(1) Online Registration (2) Navigation Basics (3) My Personal Information (4) Purchasing Policy
ii)	Work with Transactions:
	(1) Transaction Management
2)	Annual Training
a)	USDA Purchase Card Program Refresher Training for Cardholders

5.1.3 Approving Official Training

1)	Initial Complement of Training
a)	Ethics—Government Purchase Card
b)	Green Purchasing
c)	AbilityOne
d)	Section 508
e)	Access Online Training Modules:
i)	Get Started Using Access Online:
(1)	Online Registration
(2)	Navigation Basics
(3)	My Personal Information
(4)	Purchasing Policy
ii)	Manage Accounts and Users:
(1)	Account Profiles
iii)	Work with Transactions:
(1)	Transaction Management
(2)	Transaction Approval Process
(3)	Account Approval Process
(4)	Managing and Card Account Lists
2)	Annual Training
a)	USDA Purchase Card Program Refresher Training for Approving Officials

Note: AOs who are also cardholders must take all the required cardholder modules—even if these are not required of AOs. With one exception (i.e., Purchasing Policy), no module must be taken more than once. The Purchasing Policy module for AOs is oriented towards this role, while the policy module for cardholders has a cardholder orientation.

5.1.4 Coordinator Training

1)	Initial Complement of Training
a)	Get Started Using Access Online:
	i) Account Profiles ii) Data Exchange iii) Managing and Card Account Lists iv) My Personal Information v) Navigation Basics vi) Online Registration vii) Statements viii) User Profiles ix) Purchasing Policy
b)	Configure the System:
	i) Data Exchange ii) Merchant Groups and Allocation
c)	Manage Accounts and Users:
	i) Account Profiles ii) Cardholder Account Setup and Maintenance iii) Managing Account Setup and Maintenance iv) Managing and Card Account Lists v) Online Registration vi) User Profiles vii) Account Approval Process viii) Purchasing Policy
d)	Work with Transactions:
	i) Transaction Management ii) Managing and Card Account Lists iii) Statements
e)	Manage Approvals:
	i) Account Approval Process ii) Transaction Approval Process iii) Transaction Management
f)	Create and Run Reports and Statements:
	i) Standard Reports ii) Report Scheduler iii) Flex Data Reports iv) Statements v) Data Exchange
g)	Account User Setup and Purchase Card Approval in Access Online (dependent upon APC's approval)
2)	Annual Training
a)	USDA Purchase Card Program Refresher Training for Coordinators

Table 4 identifies the number of continuous learning points (CLPs) available for each type of training.

Table 4. Continuous Learning Points for Access Online WBT

Type of Training	Coordinator	Cardholder	AO
Access Online Web-based Training	2	2	2

5.2 Account User Setup and Purchase Card Approval in Access Online

In addition to the US Bank training and AgLearn training modules, APCs and LAPCs must also be familiar with the necessary procedures to setup a new purchase card account request and for APCs to final approve a purchase card account request in Access Online. The Account User Setup and Purchase Card Approval in Access Online course is in the process of being included as an AgLearn training module. ***However, the CCSC has developed the Account User Setup and Purchase Card Approval in Access Online User Guide that outlines the process***. This guide is located on the CCSC website and can be found in the Account User Setup and Purchase Card Approval in Access Online User Guide. Please note that completing this training is a pre-requisite for APCs and LAPCS to perform these functions in AXOL.

5.3 Refresher Training

Effective January 1, 2016, the Refresher Training requirement was revised in DR 5013-6. The DR now stipulates that Purchase Card Program participants complete the mandatory Refresher Training annually. Courses have been developed for CHs, AOs, and LAPCs/APCs respectively and are hosted in AgLearn. Agencies may stipulate additional or more frequent training to update cardholders and AOs on specific agency procedures, relevant regulatory changes, and/or internal policies/procedures.

The annual Refresher Training requirements consist of the following:

1. Each Cardholder, AO, APC, and LAPC must complete the USDA Purchase Card Program Refresher Training in AgLearn by March 31 of each fiscal year in order to maintain participation in the USDA Purchase Card Program.

2. Thirty (30) business days after the March 31 deadline, the CCSC will suspend cardholder accounts of individuals not complying with the annual refresher training requirement. The CCSC will provide APCs with the list of cardholder accounts that were suspended due to not complying with annual refresher training requirement. Accounts will be reactivated upon receipt of proof that the training has been successfully completed.

3. Forty-five (45) business days after the March 31 deadline, the CCSC will provide the agencies' HCADs and USDA senior leadership with a list of Coordinators and AOs who have not met the annual refresher training requirements.

4. Purchase Card Program participants who are still not in compliance by June 30 of each fiscal year will be required to successfully complete the entire complement of USDA Purchase Card Program training modules to continue participating in the Purchase Card Program.

A list of the Mandatory Annual Refresher Training for the Purchase Card program is available in AgLearn for APCs, LAPCs, AOs and Cardholders and is posted on the CCSC website. See Table 5 to view the refresher training requirements for each role under the charge card program.

Table 5. Annual Refresher Training in AgLearn

Stakeholder	USDA Purchase Card Program Refresher Training for Coordinators	USDA Purchase Card Program Refresher Training for AOs	USDA Purchase Card Program Refresher Training for Cardholders
APC/LAPC	Annually		
APC/LAPC with a card	Annually		Annually
AO		Annually	
AO with card		Annually	Annually
Non-warranted Cardholder			Annually
Warranted Cardholder			Annually

Section II: Policy Guidance

6 Centralized Policy Guidance

This section outlines USDA's implementation of key policies governing the use of the purchase card. Previous editions of the Department-issued Program Guides were developed for specific audiences, i.e., Cardholders, Approving Officials, and Coordinators. However, this edition has been developed as a unified guide because:

- Stakeholder feedback from the 2015 Business Process Improvement Project indicated that the CCSC should consolidate the guides because most of the information is similar
- The policy guidance is the same for all program participants
- A single guide that fosters greater awareness amongst all of the program participants enables everyone to have an integrated view of the program

This section is organized as follows to address the Department's policy guidance that is aligned to DR 5013-6:

- Authorization to Use a Purchase Card
- Purchasable Items
- Required Sources/Competition
- How to Use the Purchase Card

Please note that where there are agency guidelines in force, those agency guidelines supplement the guidance provided in this document.

6.1 Authorization to Use a Purchase Card

6.1.1 Delegation of Authority

The maximum dollar amount that may be delegated to an unwarranted cardholder for purchase card purchases is $3,500. Micro-purchase authority of $3,500 for supplies is delegated to unwarranted personnel in accordance with PA122; $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 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.

6.1.2 Micro-Purchases

Micro-purchase means an acquisition of goods (e.g., equipment, subscriptions, or general office supplies) or services (except construction) the aggregate amount of which does not exceed $3,500. Micro-purchases for construction are limited to $2,000. For USDA purposes, the micro-purchase limit is $3,500 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.

6.1.3 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, e-mail, or Integrated Acquisition System (IAS) procurement requisition from an authorized official. Authorized officials are 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 does 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.

6.1.4 Authorized Use by Non-Procurement Personnel

The method non-procurement personnel use 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 $3,500
- Services (personal and non-personal) under $2,500
- Personal property under $3,500
- 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.

6.1.5 Authorized Use of the Purchase Card and Alternative Payment Methods

6.1.5.1 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 storage may be acquired on a short-term and long-term basis with the use of a USDA purchase case, per PA 123.
- 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.
- 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.

6.1.5.2 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. To place the order, the LAPC must have the cardholder's account number available. Delivery takes place within three weeks after the initial set-up. After the initial set up, convenience checks may be re-ordered via Access Online.

The purchase card is the preferred method for making a purchase, with convenience checks being the least desirable. Convenience checks can be used for transactions **at or below $2,500** when at least one of the DCIA waivers is satisfied *and* under the following circumstances:

1. The vendor or merchant does 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 imprest funds were previously used which cannot be addressed using the purchase card.

Cardholders are responsible for keeping a copy in their files of approvals for the above situations. In addition, all convenience checks must be documented in a check log/registry.

6.1.6 Unauthorized Use of the Card and Alternative Payment Methods

6.1.6.1 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.
- 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 one's 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 form 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

6.1.7 Guidelines for Using Purchase Cards/Alternative Payment Methods

In addition to limitations based on individual authority and the purchase limits, there are conditions related 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

6.1.8 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. Agencies shall implement internal controls to mitigate the risk of fraud, misuse, and abuse in accordance with the guidance in the OMB Circular A-123, Appendices A and B.

6.1.9 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 $3,500 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 $3,500, 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 $3,500 provide report information to the servicing contracting office.

6.1.10 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.

6.2 Purchasable Items

6.2.1 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. The purchase card and alternative payment methods shall not be used for any of the following:

- Cash advances
- Establishment of imprest funds and maintenance or replenishment of cash balances in imprest funds
- Cash awards
- Money orders
- Salary payments
- Long-term rental or lease of land or buildings; rental or lease of motor vehicles
- Official travel expenses (e.g., purchase of airline, bus, or train tickets; purchase of meals, lodging, or other travel-related subsistence costs)
- Personal purchases
- In lieu of the Fleet card (fuel and vehicle repair and maintenance)
- Hazardous items except as allowed by mission critical need and proper requisition and agency approval.

AOs shall not Final Approve transactions for any of the prohibited purchases/uses listed above. The AO should reject the transaction back to the cardholder. Failure to reject the transaction back to the cardholder may result in removal from the AO role.

Refer to Appendix C, "Prohibited Items," for a list of prohibited items. This list is *not* all inclusive.

6.2.2 Restrictions on Acquiring Food and Bottled Water

The use of appropriated funds is generally not allowed for the purchase of food or refreshments; cardholders should consult with the appropriate budget or financial office to see if exceptions apply to their specific situation. When food, refreshments, or bottled water are allowable purchases, the purchase card is an acceptable form of payment as long as the purchase is within the cardholder's delegated single purchase limit and agency procedures have been followed.

6.2.3 Honoraria or Promotional Items

In accordance with EO 13589, agencies shall eliminate unnecessary spending on non-monetary recognition items or promotional items such as plaques, clothing, gift cards/certificates, as well as any other promotional items. Agencies shall be held responsible and accountable for restricting the purchases of these items within their agency to cut wasteful spending. Agencies are responsible and accountable for tracking their purchases and reporting to the CCSC at a minimum annually in accordance with the Office of Human Resources Management (OHRM) Departmental Regulation 4040-451-1, USDA Employee Awards and Recognition Program. Agencies shall keep records on the type of promotional item or honoraria given, number of items given, cost, and reason why this was provided. All necessary human resource forms including but not limited to AD-

287, AD-287-2, AD-287-3A, and/or AD-495 must be completed and kept on file for three years.

6.2.4 Gifts/Gift Cards

Agencies shall not permit the purchase card and/or alternative payment methods to be used for the purchase of merchant gift cards or certificates without first obtaining a waiver from the OPPM. Agencies shall submit waiver requests to the CCSC Inbox. Waiver requests shall include the agency's internal control plan relating to the use of gift cards as informal recognition awards. The purchase of gift cards is regulated under the directive of the OHRM Departmental Regulation 4040-451-1, USDA Employee Awards and Recognition Program.

6.2.5 Contracts or Agreements for Human Resources Services

The OHRM Advisory 2015-002, Human Resources Delegations of Authority, states:

As the official delegated authority for administration of human resources authorities, it should also be noted that the Director, OHRM, is responsible for representing the Department in human resources matters in all contacts outside the Department.

The Director, OHRM, retains the authority to make final decisions in any human resources matter so re- delegated. The controls of each Mission Area, Agency, and Staff Office must be consistent with this policy [OHRM Advisory 2015-002] and may not be further re-delegated without prior approval of this [OHRM Director's] office. This prohibition extends to intra-and inter-agency agreements for human resources services, as well as contracting with any entity for the delivery of human resources services. Establishment of any such agreement or contract is subject to approval of the Director, OHRM.

6.3 Required Sources/Competition

6.3.1 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 Appendix E, Required Sources of Supply, 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 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.

6.3.2 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 $3,500 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.

6.3.3 Purchasing Recycled and Environmentally-Preferable Products and Services

Federal government and USDA policy is to “buy green”. Buying Green means 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 Appendix B, Buying Green, for detailed information.

6.3.4 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)).
- 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.
- Must be for "official use only" and for strictly appropriate printing and publication matters with the Office of Communication (OC).

The 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.

6.3.5 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 are 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:
  - Local USDA facilities
  - Other local government facilities
  - Facilities outside the employee's official duty station
- If a meeting of seven 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.

6.4 How to Use the Purchase Card

6.4.1 Using Convenience Checks

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 U.S. Bank Access Online system. The purchase services contractor, U.S. Bank, levies a 1.7% processing charge per check, which is approved in Access Online. 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. Refer to section 6.4.4 "Approving/Re-allocating Transactions Process," for requirements to write a convenience check. Cardholders are required to use the IRS W-9 form to capture the TIN/EIN or SSN and the W-9 must be kept on file. The same rules and regulations that govern the purchase card are also applicable to checks.

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

6.4.2 Using Alternative Payment Methods

In the event a vendor does not accept the purchase card, related alternative payment methods may be used to acquire the supply or service, such as pre-paid cards (debit card) and bank account options (e.g., Square, Square Market, and GoPayment). 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.

6.4.3 Identifying Purchases as Green Purchases in Access Online

To identify purchases as green purchases in Access Online, refer to section 6.4.4.1.1 "Complete the Comments Tab Fields," under the Agency Specific Data field information.

6.4.4 Approving/Re-allocating Transactions Process

6.4.4.1 Cardholders Approving/Re-allocating Transaction

Cardholders utilize Access Online to approve and re-allocate the accounting if necessary. Cardholders 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 Access Online within 24 hours of their occurrence. Frequent approval assists agency management and finance officials in monitoring status of funds.

The NFC pays the electronic invoice and schedules payment with the U.S. Treasury. Failure to approve transactions within 60 days results in the cardholder's account being temporarily closed. Repeat violations of failure to approve results in accounts being permanently closed.

A cardholder can re-allocate (change the accounting code and/or budget object classification code (BOCC). Once the transaction is placed in Final Approved status and has been paid in FMMI, the reallocation is sent to FMMI for posting. Reallocations sent to FMMI are no longer editable by the cardholder. Transactions are submitted on a nightly basis.

6.4.4.1.1 Complete the Comments Tab Fields

When approving and/or reallocating, the cardholder must complete required fields on the **Comments** tab in Access Online to record purchase card, convenience check, and green purchase transaction data. The **Comments** tab is located in the Transaction Detail page of a transaction in Access Online, as figure 3 displays.

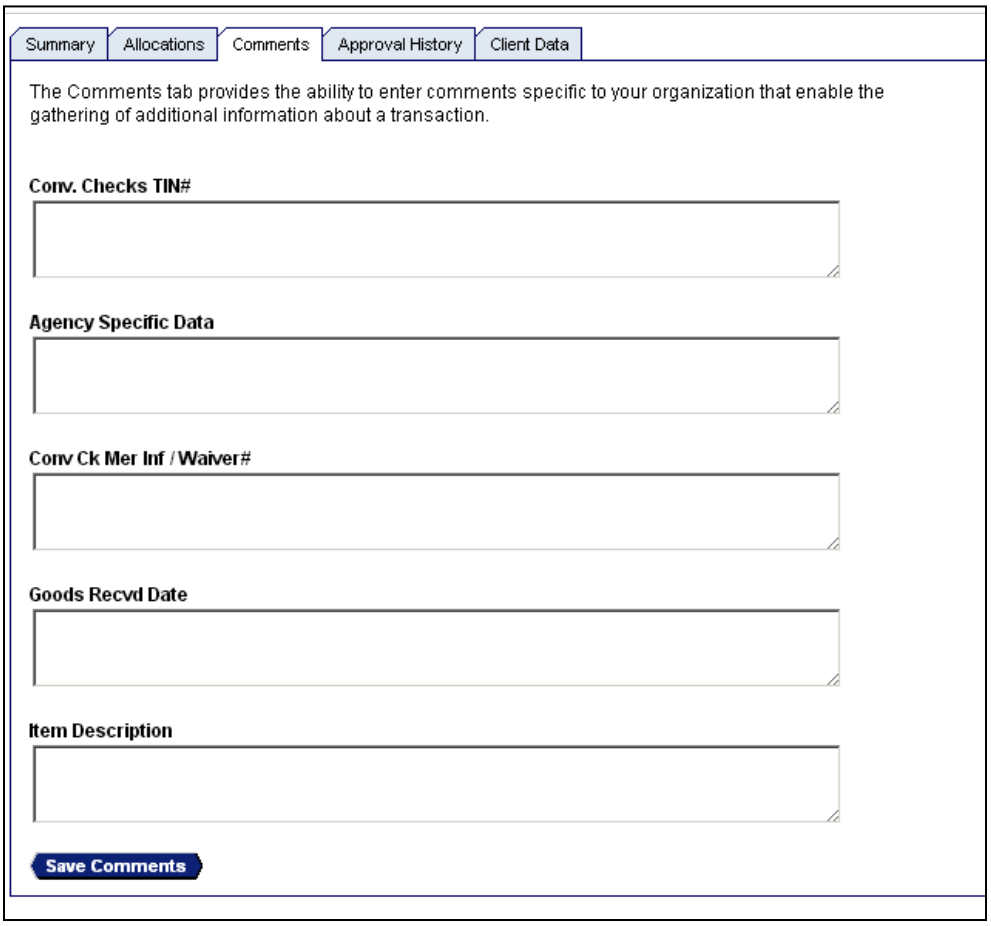

Figure 1. Comments Tab in Access Online

The following paragraphs describe and define what each field on the Comments tab should contain.

Conv. Checks TIN# Field

The **Conv. Checks TIN#** field is *always* required when the cardholder writes a convenience check for a purchase. This field is used to enter the vendor's TIN, EIN, or SSN number, which you obtain from the IRS W-9 form, which is also required. The data in the field is then used to create the yearly 1099 MISC Report, which for the USDA is used to report the convenience check type of payment to the IRS.

Enter the following data:

- Enter the TIN/EIN/SSN number, using the first nine characters in the field.
- Enter *only* nine numeric characters in this field (no spaces, special characters, or letters).
- Ensure the IRS W-9 form information for the TIN/EIN/SSN matches the information you enter into this field.
- General information, such as "on file" is not an acceptable entry for this field.
- Do not press the **Enter** or **Tab** key within this field.

Special instructions for this field include using the following TINs when approving checks to foreign governments, government entities, and universities:

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

Requirements associated to the field:

- This field is *always* required for convenience check purchases.
- You cannot write checks over $2,500, except for bona fide emergencies, *prior* approval by the APC, and there is an applicable DCIA Waiver Number.
- You must obtain the IRS W-9 form from the vendor and keep on file with the ability to easily produce if requested.

Agency Specific Data Field

The **Agency Specific Data** field is available for use by agencies for their specific needs. The CCSC also requests that cardholders use this field to indicate a green purchase.

Enter the following data:

- Enter any information that is specific to your agency in this field.
- For green purchases, enter "Green" in the field (the quotations are not needed).
- If needed, you may enter agency-specific data and "green" into the field. You do not need to enter "not green," "N/A," or "no green available" into the field.

Conv Ck Mer Inf / Waiver#

The **Conv Ck Mer Inf / Waiver#** field is used to collect the vendor information for whom the cardholder wrote a convenience check and to identify the waiver number used to support the usage of the convenience check. The data in the field is then used to create the yearly 1099 MISC Report, which for the USDA is used to report the convenience check type of payment to the IRS.

Enter the following data:

- Include all of the following merchant information *and* waiver number: Merchant Name, Address, City, State, Zip Code; and the applicable DCIA Waiver Number.
  - Valid Entries:
    - `Home Depot;901 Rhode Island Ave NE Suite 100;Washington;DC;20018;7`
    - `Staples;12 Here PL;Anytown;MD;21216;7`

- Special instructions for this field include:
  - Use the semicolon ";" as a delimiter between the information.
  - Do not add a space before and after the semicolon.
  - Ensure the IRS W-9 form information, merchant name, address, city, state, and zip code, matches the information you enter.
  - Do not separate the merchant name.
  - Do not separate the address information (include the P.O. Box, room, floor and suite information with the street address information).
  - Use only the two-character state abbreviation.
  - Enter only the five-digit zip code.
  - Enter the waiver number at the end of the merchant information, preceded by a semi-colon.

  - Invalid Entries:

Invalid Entry Example	Reason Entry is Invalid
`MerchantsRUS,1234 Someplace Drive,City,State,12345,3`	do not use a comma
`MerchantsRUS/1234 Someplace Drive/City/State/12345/3`	do not use a slash
`MerchantsRUS;1234 Someplace Drive;CityState;12345;Waiver #3`	do not leave out a semicolon between data, in this example the semicolon is missing between city and state
`MerchantsRUS 1234 Someplace Drive City State 12345 3`	do not use a space
`Home Depot;901 Rhode Island Ave NE;Washington DC;20018;7`	do not add a space between City and State, but use a semicolon

Invalid Entry Example	Reason Entry is Invalid
`Home Depot ; 901 Rhode Island Ave NE; Arlington; Virginia; 20018 ;7`	do not add a space before or after the semicolon, state should be two characters

- Do not press the **Enter** or **Tab** key within this field.
- Generic, general information in this field, such as "W-9 on file," is not acceptable documentation for this field

Requirements associated with the field include the following:

- This field is *always* required for convenience check purchases.
- You cannot write checks over $2,500, except for bona fide emergencies, without *prior* approval by the APC, and there is an applicable DCIA Waiver Number.
- You must obtain the IRS W-9 form from the vendor and keep on file with the ability to easily produce if requested.

Goods Received Date

The **Goods Recvd Date** field identifies the date of the purchase for over-the-counter purchases. For goods or services ordered ahead of time, this is the date you receive the goods or the date that the ordered services are complete.

Enter the following data for this field: Enter the date in MM/DD/YYYY format, for example, 03/01/2016.

Requirements associated to the field: This field is *always* required.

Items Description Field

The **Items Description** field is used to enter a complete description of the items purchased.

Enter the following data:

- Enter specific, concise, and clear information for reviewers (APC, LAPC, AO, and analysts/auditors) to understand what was purchased.
- Generic, general descriptions such as "miscellaneous" or "on file" are not acceptable documentation for this field.

Special instructions for this field include:

- For training, include the name of the employee and title of the training course.
- For FedEx, enter the air bill or invoice number.

Requirements associated to the field: This field is *always* required.

6.4.4.1.2 Usage of Comments Tab Fields Data

USDA uses the **Comments** tab field information for the following:

- IRS 1099 MISC Report:
  - Data required for convenience checks is used to the create the yearly 1099 MISC Report, which is a legal requirement for the USDA to gather and report the convenience check type of payment information to the IRS per IRS Code Section 6041 (the 1099 MISC Report is also mandated by OMB Circular A-123, Appendix B, *Improving the Management of Government Charge Cards*, Chapter 12, "Convenience Checks").
  - For each transaction that has been inaccurately formatted, is missing data, or has incorrect data, the USDA National Finance Center (NFC) has to contact each individual cardholder and request the information to complete the 1099 MISC report, which is due to the IRS by January 31st.
  - Failure to collect and store the correct information places USDA in violation of IRS rules and subjects the Department to possible penalties.
  - 1099 MISC reporting is restricted to services (not products) and purchase amounts over $600.00.
- USDA Green Purchases:
  - USDA's Green Purchase Pilot Program (GPPP) was launched to promote and advance the following:
    - President Obama's Executive Order 13514, "Federal Leadership in Environmental, Energy, and Economic Performance."
    - President Bush's Executive Order 13423, "Strengthening Federal Environmental, Energy, and Transportation Management."
  - USDA's GPPP also promotes:
    - Green Purchases Tracking for all green purchases made with the USDA charge card or convenience check.
    - USDA's *Strategic Sustainability Performance Plan* (SSPP).

6.4.4.2 AOs Final Approving

AOs are to final approve cardholder transactions within 30 days from when they appear in their "Manager's Approval Queue." Every Wednesday, AOs are notified via e-mail that transactions are available for them to final approve. Final approval involves reviewing the transaction and supporting documentation 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 Access Online. 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 Approving Official Checklist as a guide in reviewing the transactions.

6.4.5 Changing Default Accounting Codes

Speed of payment is a major factor in calculating the purchase card rebate. Invalid accounting on both cardholder accounts and transactions is an area that impacts the ability to maximize purchase card rebates.

Transactions cannot be sent to FMMI for payment unless the transaction accounting is valid. Access Online does not recognize the transaction accounting as valid if the profile DAC is invalid. It is critical that coordinators and their cardholders review and confirm accuracy of their DACs in both their profiles and for all of their transactions.

To correctly change your DAC, you need to perform the following two functions in Access Online:

1. Navigate to **Account Administration** and update your account with the correct DAC. This allows any new/subsequent transactions to process quickly through the system. You are still able to reallocate these transactions on an ongoing basis as per the standard process. Refer to section 6.4.5.1, "To Modify your Default Account Code in Access Online," for instructions.
2. Navigate to the Transaction Management/Transaction List and reallocate any approved and/or pending transactions to the correct DAC (what you changed to step 1 above). This action pushes the transaction through the process and queues it for payment. If the transaction is locked, please contact the specific FPOC for your agency to correct the accounting on the FMMI side. Refer to section 6.4.5.2, "***To Correct the DAC of a Transaction in Access Online***," for instructions.

6.4.5.1 To Modify your Default Account Code in Access Online

Use this procedure in conjunction with section 6.4.5.2, "***To Correct the DAC of a Transaction in Access Online***."

To modify your DAC in Access Online, perform these steps:

3. Click **Account Administration** to display the **Cardholder Accounts** screen.
4. Click **Maintain Cardholder Account** to view DAC information.
5. Under Cardholder Accounts, click the **Default Accounting Code** link to display the Cardholder Account Profile Default Accounting Code screen. This screen lists the default accounting code assigned to the account, including the segment name(s) and segment value(s). The default accounting code is the accounting code the system assigns to your transactions when the transactions enter Access Online.
6. Search for the appropriate DAC by clicking the magnifying glass icon .

7. Select your correct DAC from the search results listed and click **Send Request**.

6.4.5.2 To Correct the DAC of a Transaction in Access Online

Use this procedure in conjunction with section 6.4.5.1, "***To Modify your Default Account Code in Access Online***."

To reallocate approved or pending transactions to the correct DAC in Access Online, perform these steps:

1. Under **Transaction Management**, click **Transaction List**.
2. Under **Card Account Summary**, set the **Billing Cycle Close Date** to **All**. This displays all transactions on the account.

   Transactions with a padlock icon are unavailable for re-allocation within Access Online. These re-allocations have to be performed on the FMMI side. Please contact your FMMI functional administrator (FPOC).
3. Search for the specific transactions that need to be re-allocated by using the **right scroll bar**.
4. Select the transaction by placing a ☑ in the **Select** field.
5. To re-allocate each transaction to a separate DAC, click **Reallocate** at the bottom of the page.

   This provides a screen where each transaction can be re-allocated separately. When reallocating the transactions, make sure that the entire line of accounting is updated. Do not just update the BOCC; the entire line of accounting must be updated.
6. Click **Save Allocations** to save the changes.

   The transactions now show up on the transaction list with the re-allocated icon.

6.4.6 Disputing a Questionable Transaction

A dispute is a questionable purchase card transaction posted to a cardholder's account. The cardholder has two options to initiate a dispute:

- Use Access Online's Transaction Management function.
- Complete the *Cardholder Statement of Questioned Item* (CSQI) form located on U.S. Bank's Web site and fax it directly to U.S. Bank, then contact U.S. Bank Government Services at 888-994-6722 for case status.

When completing the CSQI form validate that you

- Describe the attempted merchant resolution.
- Sign the form.

- Provide the contact name and corresponding daytime telephone number including area code
- Attach any supporting documentation such as credit vouchers, return shipping documents, such as postal receipt or United Postal Service (UPS) receipts.

The CSQI form must be returned to the U.S. Bank at the address indicated on the form no later than **90** days after the posting date on which the transaction appeared in Access Online, 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 U.S. Bank Government Services at 1-888-994-6722 for assistance if the cardholder has questions concerning disputing a transaction.

Table 6 below provides several examples of why a dispute might occur.

Table 6. Examples of Disputed Transactions

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) is sent to the account holder for review.

6.4.6.1 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 Access Online. If the dispute with the vendor cannot be resolved, the cardholder is to dispute the transaction online.

If the cardholder files a dispute and the bank agrees with the merchant and not the cardholder, then the dispute goes 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.

6.4.6.2 Convenience Checks

Convenience checks *cannot* be disputed through Access Online. If the check was just written, the check writer must contact 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 stops payment on the convenience check within 24 hours. The check writer then works with the vendor to resolve the dispute. There is no cost for stopping payment on a convenience check.

If the check has appeared in Access Online 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 contacts the bank to work out the proper refund process.

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

6.4.7 Reporting Fraudulent Transactions

Fraud is defined as third-party unauthorized use of a card. Common fraud situations include:

- Swiped transactions after the card is lost or stolen.
- Internet charges at sites where the cardholder has not made a purchase.
- A swiped transaction appearing out of the cardholder's home area and the cardholder still has their card (counterfeiting).

6.4.7.1 To Report a Fraudulent Transaction

1. Contact Government Services at 888-994-6722.
   The bank closes your account, transfers your account information to a new number, and issues you a new card.

2. After Government Services transfers you to a Service Advisor of the U.S. Bank's fraud department (800-523-9078), they review the current activity on the account with you (the cardholder):
   - The Fraud Representative initiates the case by marking the authorizations and/or transactions that have posted to the account that are believed to be fraudulent transactions.
   - A *Statement of Fraud* form is generated based on the posted fraud transactions and mailed to you within three weeks of the call. The cardholder should verify the address on file with U.S. Bank

- If the case is started on authorization activity and the transactions never post, a Statement of Fraud letter is not generated and the case is closed.
- Complete and return the *Statement of Fraud* form to the Fraud Department by the due date on the letter.

If the signed *Statement of Fraud* is not received by U.S. Bank, the new account has the charges reapplied and the cardholder must reimburse the government for the expense.

6.4.8 Closing/Cancelling Accounts

Cardholder accounts may be closed by either U.S. 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
- AO's failure to final approve transactions within 60 days
- Misuse or abuse of purchase card/convenience check
- Intermittent employees

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

Prior to separation from their agency or assignment to another function that does not require cardholder authority, the cardholder surrenders the card, and if issued, unused convenience checks to the AO who destroys 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 reviews with the LAPC the status of any unapproved and/or disputed transactions and identifies any supplies and/or services that have been ordered but not yet received, so appropriate action can be taken to complete these activities.

6.4.9 Reimbursing the Government for Unauthorized or Erroneous Transactions

Cardholders shall reimburse the government for the cost of unauthorized or erroneous transactions that they have not resolved or properly disputed within the 90-day disputes window. Additionally, the cardholder may be subject to disciplinary action.

Officials who direct a cardholder to make an erroneous purchase or to make a purchase that is later determined to be improper shall reimburse the government for the cost of such purchase and may be subject to disciplinary action.

6.4.10 Maintaining 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, purchase requests, packing slips, and electronic confirmation for all purchases made over-the-counter, by telephone, or the Internet.

6.4.10.1 Documentation

Anytime a purchase is made over-the-counter or by telephone or internet, documentation must be maintained. The documents are later being 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 form the Internet, the cardholder must print out the electronic confirmation or receipt associated with the order.

6.4.10.2 Retention

Documentation supporting cardholder purchases (i.e., sales receipt, packing slip, invoice, or screen print of electronic purchase) must be retained for three years after final payment in accordance with FAR Part 4. Transactions must have proof-of-purchase documentation. Disposal of purchase card files is 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 provides copies of cleared convenience checks within 14 calendar days of the agency's request at no charge. Table 7 below provides the file retention periods for other transactions.

Table 7. File Retention Period for Other Transaction Types

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.

Section III: Purchase Card Administration

7 Integrated View of Administrative Tasks

This section outlines the purchase card administrative tasks and indicates the participating stakeholders. The stakeholders and references are as follows:

Stakeholder	Stakeholder Reference
Cardholders	CH
Approving Officials	AO
Local Agency Program Coordinator	LAPC
Agency Program Coordinator	APC
Charge Card Service Center	CCSC
USDA FOIA Office	FOIA
U.S. Bank	US Bank

The participating stakeholder is indicated as follows after the administrative task:

Administrative Task Name | Stakeholder Reference

At the end of this section there is a summary matrix that maps the administrative task to stakeholders for easy reference. This approach to presenting the information provides a consolidated view of the administrative tasks and ensures that all stakeholders are aware of how their efforts are connected to that of other stakeholders. Consolidating the information provides greater awareness of the universe of activities and strengthens the internal control environment.

7.1 Purchase Card Administration

7.1.1 Nominating a Cardholder | AO LAPC

An AO must nominate prospective cardholders. Nominations must be forwarded to the LAPC with a completed *Cardholder Request for Purchase Card* form, including information pertaining to the AO. Nominations should include a copy of

the Certificate of Training issued upon successful completion of the Access Online web-based training for the cardholder and AO and certifications of all other required trainings. Refer to Section 5, "Compliance Training Requirements," for the detailed requirements.

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.

7.1.2 Requesting a Purchase Card | LAPC

Purchase card account requests are handled through U.S. Bank's AXOL. A LAPC, who is approved by his or her APC and has completed the required training, may enter card requests into AXOL. An APC, who has completed the required training, final approves the request. *Account User Setup and Purchase Card Approval in Access Online User Guide* details the training requirements and the process for handling purchase card account requests.

7.1.3 Activating a New Card | CH

As a security measure, new cards and replacement cards for lost, stolen, or reissued accounts are not usable until the cardholder calls the number on the activation sticker to activate their account. Activation is 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.

7.1.4 Non-Receipt of Requested Purchase Cards | CH LAPC

If a cardholder has not received their purchase card or account activation letter within 15–18 business days after the application's approval in Access Online, the cardholder should contact their LAPC. The LAPC contacts U.S. Bank Government Services to verify the mailing date. U.S. Bank marks the card lost in the mail, a new account number is assigned and a new card or confirmation is mailed to the cardholder.

7.1.5 Non-Receipt of Checks | CH LAPC

Once an order is placed with U.S. Bank, convenience checks are normally delivered within three weeks after the initial order. If a cardholder has not received checks within a reasonable time, the cardholder should contact their LAPC. The LAPC contacts the U.S. Bank Government Services to verify the

mailing date and to determine if the checks should be considered lost. U.S. Bank puts a stop payment on the lost order by U.S. Bank.

7.1.6 Replacing a Card | CH

To replace a damaged purchase card, the cardholder should contact U.S. Bank Government Services at 1-888-994-6722. A new card is mailed to the cardholder.

7.1.7 Renewing/Reissuing a Card | US Bank

Renewal cards are automatically 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.

7.1.8 Reordering Checks | CH

Reorders may be completed through Access Online by using the Account Administration/Cardholder Account/Maintaining Cardholder Account functionality. The cardholder should receive the checks within 7–10 business days.

7.1.9 Reporting Lost or Stolen Cards | CH

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

U.S. 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 are transferred to a new account number, with the exception of potentially fraudulent transactions, that are systematically held by U.S. Bank for manual review and investigation.

If the cardholder still sees fraudulent transaction(s) on the new account number in Access Online, the cardholder should notify U.S. Bank immediately. If U.S. Bank has not acted upon the notification within 30 days, the cardholder should dispute the transaction using normal dispute procedures. For these disputed transactions, U.S. 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.

7.1.10 Reporting Lost or Stolen Checks | CH

Cardholders should contact U.S. Bank Government Services immediately if they suspect their convenience checks have been lost or stolen. Since the associated purchase card account information may have been compromised, the U.S. 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 Access Online.

7.1.11 Requesting Stop Payment of a Check | CH

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

U.S. Bank does not charge a fee to stop payment. The stop payment request is effective for six months.

7.1.12 Retaining Check Copies | US Bank

Copies of convenience checks that have been posted to a cardholder's purchase card account are retained on file with U.S. Bank Government Services. The check retention period is dependent on the convenience check amount. The minimum retention period is three years. Copies of convenience checks can be viewed in Access Online under transaction management.

7.1.13 Replacing an AO | CH LAPC

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. The LAPC should retain a copy of the new AO's training certificates in a separate file.

7.1.14 Changing Cardholder Information | CH LAPC AO

Cardholders submit changes to cardholder information (i.e., name, address, telephone number, e-mail address, organization, and supervisor) to the LAPC. Changes to a cardholder's card may be requested from U.S. Bank by either a

cardholder or Coordinator, depending on the circumstances. If the changes are minor, the changes may be addressed by the cardholder. The cardholder has the authority to change the following information with U.S. Bank:

- Cardholder:
  - Corrects, over the phone, minor spelling errors of one or two letters
  - Requests replacement of the purchase card that was issued to them

For issues that are more than minor, such as a legal change of name, the coordinator for the purchase card program must initiate any changes with U.S. Bank regarding a purchase card. Examples of such changes include the following:

  - Legal name change.
  - Address changes by phone, in writing, or by Access Online.
  - 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 informs the AO and corrects accordingly. The AO informs the Cardholder via e-mail 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 includes 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 is denied or approved. If the request is approved, the LAPC logs into Access Online and completes the request using the Cardholder Account Maintenance functionality.

Once the request is processed in Access Online, the increase takes effect within 5–10 minutes of electronic submittal. The LAPC informs the AO completion of the request via e-mail or verbally. The AO sends an e-mail 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.

7.1.15 Processing Transfers, Reassignments, or Departures |CH LAPC AO

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 Access

Online 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 Access Online 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/Checks 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 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 *Card/Checks 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 three 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.

7.1.16 Suspending/Cancelling Cards for Nonpayment of Transactions |CH

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 Financial Points of Contacts (FPOCs) to work all delinquencies to help prevent these actions.

It is required that valid accounting codes are to be loaded into Access Online. When an invalid default accounting code (DAC) is discovered, it is imperative that the invalid DAC is corrected in Access Online to avoid interest payment accruals. Each transaction in Access Online 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 is not paid and all accounts assigned to the Company Level are suspended. It is the responsibility of the agency FPOC to ensure that the accounting is correct in the Financial System of Record.

It is the cardholders' responsibility to correct the DAC in Access Online on the Maintain Cardholder and Transaction Management link. Detailed instructions for correcting the DAC are available in this guide.

Table 8 identifies U.S. Bank's schedule to suspend and cancel cards under the General Services Administration (GSA) master contract.

Table 8. U.S. Bank's Schedule for Suspension/Cancellation of Cards

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

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.

7.1.17 Cycle Date | US Bank

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 7th of the month.

7.1.18 Account Status in Access Online | CH LAPC AO APC US Bank

In Access Online, a cardholder's account status can be Voluntary Closed (V9, temporary), Terminated (T9, permanent), Suspended (S1), or Open.

7.1.18.1 Voluntary Closed (V9)

To voluntarily close (deactivate) an account, under **Account Administration** change the status from **Open** to a **V9** status in Access Online from the drop-down. This is a voluntarily closure (temporary) and can be changed to open under the same screens by selecting **Open** from the drop-down. In six months this status becomes permanent unless the account is re-opened.

Cardholder account status is voluntarily closed by either U.S. Bank or the cardholder's LAPC/APC for the following reasons:

- Infractions of Department or agency regulations.
- Misuse or abuse of purchase card/convenience check.
- Cardholder is on temporary leave from the agency.
- Intermittent employees.
- Noncompliance with March 31 deadline for refresher training completion.

Prior to the LAPC taking action to voluntarily closing 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.

- 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 Access Online. In an emergency, make the change by calling U.S. Bank Government Services and then promptly entering it in Access Online. Lowering the single purchase limit to $1.00 prevents anyone from making purchases using the card but allows any outstanding checks to clear through U.S. Bank.
- Do not lower the monthly limit; only *lower 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.
- Before voluntary closing an account, LAPCs must ensure 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 Access Online. Contact U.S. Bank Government Services for assistance in determining what checks have cleared.

7.1.18.2 Terminated Account (T9)

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

The LAPC changes the account status in Access Online to **Terminated (T9)** and approves the trailing transactions. In approving the transactions, the LAPC puts a note in the **Comments** field indicating that the cardholder has retired, transferred, etc., and that the LAPC is approving the transactions. If the LAPC cannot locate the sales receipt or other transaction documentation, a note should be placed in the **Comments** field. Once all transactions are completed, the LAPC notes the Cardholder has separated from agency/staff office.

7.1.18.3 Suspended Account (S1)

In compliance with OMB Circular A-123, cardholders who have transactions that have not been approved or final approved within 60 days of the posting date are suspended (S1). If cardholders are in an S1 status for more than 120 days, their accounts are terminated. In order to streamline the suspension process, the CCSC

sends the file indicating potential suspensions once a month (around the 16th of every month) to APCs.

In order to prevent suspension of potential accounts, the cardholders and AOs must reallocate and/or approve/final approve those transactions. Failure to ensure that these transactions are both approved and final approved results in the card account being suspended. The CCSC sends notification of such actions to APCs.

Suspended accounts are not reactivated until all transactions through the cycle date are approved and final approved. APCs/LAPCs should not contact the U.S. Bank Customer Service to request that the suspended status be removed from cardholder accounts. U.S. Bank only accepts suspension removal requests on cardholder accounts from the CCSC. The CCSC makes every attempt to reactivate all cards that have been suspended within 15 days of determining that those transactions are in approved status.

- Cardholder's failure to approve transactions within 60 days.
- AO's failure to final approve transactions within 60 days.

7.1.18.4 Open Account (Open)

When a new purchase card is issued to a cardholder, the card is open for a period of three years. If a purchase card is dormant (no transactional activity) for a period of 22 months U.S. Bank automatically purges the account for inactivity.

7.1.19 Year-End Rollover of Accounting Codes |CCSC

The CCSC staff collaborates with USDA's OCFO to ensure that new fiscal year accounting codes are uploaded into Access Online. Any adjustments to prior year transactions are performed on the agency financial system by the agency Functional Administrator.

7.1.20 Freedom of Information Act Requests |FOIA

The Freedom of Information Act (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 once received, 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. Refer to USDA FOIA Points of Contact.

7.1.21 Merchant Category Code Blocking | CCSC

Merchant Category Code (MCC) blocking is available only on U.S. 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 U.S. Federal Reserve, the functionality of merchant blocking is not available. As long as the check presented to U.S. 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 is processed for payment.

7.1.22 Tax Exemption | CH

GSA requested States/Commonwealths to:

- Recognize that purchase card purchases made and paid directly by the Federal Government be tax exempt.
- Rescind any requirement to provide a tax exempt certificate when a Federal Government purchase card is used as the method of purchase.

State tax information is available at the GSA website. Contact information regarding the state tax exemption forms can be found here. **Note:** This may not satisfy the merchant and additional information may be required.

7.1.23 Cardholder Purchase Card Billing Address | CH

Frequently a cardholder may be asked by the merchant to provide the "purchase card billing address" for identification purposes. The cardholder's purchase card billing address is viewable in Access Online under Account Administration/Cardholder Accounts. The cardholder selects **Maintain Cardholder Account/Demographic Information**.

7.1.24 Foreign Currency | CH AO

Transactions initiated in a foreign currency post in Access Online in U.S. dollars. In addition, U.S. Bank Government Services provides the foreign dollar amount and the exchange rate applied at the time the transaction was processed. A 1% conversion fee is charged by Visa and incorporated into the exchange rate that appears.

7.2 Summary Purchase Card Administration Matrix

Task	APC	LAPC	AO	CH	CCSC/ US Bank/ FOIA
Nominating a Cardholder			P		
Requesting a Purchase Card	S	P			
Activating a New Card				P	
Non-Receipt of Requested Purchase Cards		S		P	
Non-Receipt of Checks		S		P	
Replacing a Card				P	
Renewing/Reissuing a Card					P
Reordering Checks				P	
Reporting Lost or Stolen Cards				P	
Reporting Lost or Stolen Checks				P	
Requesting Stop Payment of a Check				P	
Retaining Check Copies					P
Replacing an AO		P		P	
Changing Cardholder Information	S	P	P	P	
Processing Transfers, Reassignments, or Departures		P	P	P	
Suspending/Cancelling Cards for Nonpayment of Transactions				P	
Cycle Date					P

Task	APC	LAPC	AO	CH	CCSC/ US Bank/ FOIA
Account Status in Access Online	S	P	P	P	P
Year-End Rollover of Accounting Codes					P
Freedom of Information Act Requests					P
Merchant Category Code Blocking					P
Tax Exemption				P	
Cardholder Purchase Card Billing Address				P	
Foreign Currency			S	P	

7.3 Cardholder Purchase Card Administration Matrix

Task	APC	LAPC	AO	CH	CCSC/ US Bank/ FOIA
Nominating a Cardholder				P	
Activating a New Card				P	
Non-Receipt of Requested Purchase Cards		S		P	
Non-Receipt of Checks		S		P	
Replacing a Card				P	
Reordering Checks				P	
Reporting Lost or Stolen Cards				P	

Task	APC	LAPC	AO	CH	CCSC/ US Bank/ FOIA
Reporting Lost or Stolen Checks				P	
Requesting Stop Payment of a Check				P	
Replacing an AO		P		P	
Changing Cardholder Information	S	P	P	P	
Processing Transfers, Reassignments, or Departures		P	P	P	
Suspending/Cancelling Cards for Nonpayment of Transactions				P	
Account Status in Access Online	S	P	P	P	P
Tax Exemption				P	
Cardholder Purchase Card Billing Address				P	
Foreign Currency			S	P	

7.4 Approving Official Purchase Card Administration Matrix

Task	APC	LAPC	AO	CH	CCSC/ US Bank/ FOIA
Nominating a Cardholder			P		
Changing Cardholder Information	S	P	P	P	
Processing Transfers, Reassignments, or Departures		P	P	P	
Account Status in Access Online	S	P	P	P	P

Year-End Rollover of Accounting Codes					P
Accounting Code Segments					P
Foreign Currency			S	P	

7.5 Coordinator Purchase Card Administration Matrix

Task	APC	LAPC	AO	CH	CCSC/ US Bank/ FOIA
Requesting a Purchase Card	S	P			
Activating a New Card				P	
Non-Receipt of Requested Purchase Cards		S		P	
Non-Receipt of Checks		S		P	
Replacing an AO		P		P	
Changing Cardholder Information	S	P	P	P	
Processing Transfers, Reassignments, or Departures		P	P	P	
Account Status in Access Online	S	P	P	P	P

Section IV: Coordinator's Set-up Tasks

8 Performing Hierarchy Related Tasks

8.1 Setting up Hierarchies

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. In order for the APCs and LAPCs to administer a cohesive charge card program, the hierarchy structure takes into consideration the USDA's varying agency missions. Consideration is also 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.

Table 6 depicts the structure of the processing and reporting levels. The Division (level 6) and Department (level 7) are assigned by the respective APC for each USDA agency. To set up new hierarchy builds (Agent, Company or Division (if applicable)), the APC sends an e-mail to the U.S. Bank Account Coordinator, for USDA, with the appropriate level numbers and contact information for the specific hierarchy. 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. Setup and maintenance forms are available at the U.S. Bank forms repository.

Table 9. Hierarchy Structure

Reporting Hierarchy Level	Processing Hierarchy	Role
1 (00012)		USDA
2 (01201)		Purchase Card Program
3 (Agency)		APC
4	Agent	Regional/Area APC or LAPC
5	Company	LAPC
6	Division	AO
7	Department	AO

The *Point of Contact (POC) Maintenance Form* is required to make additions/changes pertaining to Coordinators and AOs. This form is used in establishing and changing Coordinators and AOs. To create user IDs for a Coordinator or AO, use the Online User Profile functionality in Access Online. Under **System Administration**, select **User Profiles** option to create or modify user IDs/log information and establish account and hierarchy access. The Access 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. U.S. Bank does not send confirmation if they approve/deny faxed forms.

User IDs are created using the Access 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.

8.2 Setting Up and Maintaining an APC

Once the USDA agency/staff has identified the new APC, the current/active APC submits a *Point of Contact Maintenance Form* to U.S. Bank and the agency creates a User ID in Access Online. Refer to the U.S. Bank forms repository.

To change an existing APC, use the Access Online User Profile functionality and fax the completed *Point of Contact Maintenance Form* to the number indicated on the form. Refer to the *USDA User Profile Guidance.*

8.3 Setting Up or Deleting an LAPC

Refer to section 8.2, "Setting Up and Maintaining an APC," as the same process and documentation required for the APC is required for the LAPC.

To delete (remove) an existing LAPC, follow the guidance in the *USDA User Profile Guidance.* Also, submit a *Point of Contact Maintenance Form* to U.S. Bank to change the LAPC.

8.4 Setting Up an AO

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* to set up the AO. If the hierarchy does not exist, complete the *Reporting Hierarchy Setup* and submit to the CCSC Inbox for processing. The CCSC notifies submitters, via e-mail, of status of their requests. This process takes from 8-10 business days to complete.

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

8.5 Replacing or Removing an AO

To replace one AO with another, use the Access 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* for additional guidance.

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

8.6 Checking Hierarchy Status for Cardholder Setup

Prior to requesting a purchase card account for a new cardholder, the LAPC determines if the hierarchy is established. The LAPC electronically enters cardholder information using Access Online 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. Refer to the Account User Setup and Purchase Card Approval in Access Online User Guide for additional guidance.

9 Registering Users in Access Online

U.S. Bank provides a quick reference guide for online registration as one of the User Guides in the web-based training. Each cardholder must register himself or herself online by using the instructions in the following section:

9.1.1 Cardholder Self-Registration

1. After receiving the purchase card, navigate to Access Online and then click **Register Online** link.
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.
3. Click **Register This Account**.
4. Review the license agreement and then click **I Accept**.
5. Create your User ID, password, authentication question/response, and contact information, including office address and USDA email address.
6. Click **Continue** to complete the process.

You are automatically logged into Access Online.

9.1.2 Coordinator and AO Registration

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

Note: Coordinators and AOs (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 instructions above as defined in section 9.1.1, “Cardholder Registration.” Coordinators and AOs are not to register their Travel Program cards to their Coordinator or AO user ids.

Section V: Risk and Compliance Management Responsibilities

10 Providing Management and Oversight

The CCSC Program Lead, APC, LAPCs, AOs, and the OIG monitor purchase card transactions through Access Online. Cardholders are required to comply with any requests for information/investigations regarding questionable purchases by the LAPC, APC, CCSC Program Lead, 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 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 CCSC.

10.1 APC Reporting

Comprehensive reporting is vital to effective overall management and oversight of USDA's Purchase Card Program. Standard queries are available in Access Online to assist APCs, LAPCs, and AOs in the areas of purchase card program management, financial management, supplier management, and compliance management.

Coordinators shall utilize the standard queries to create reports for use to improve management and oversight of the USDA Purchase Card Program. Some of the standard queries can be scheduled to run automatically at regular intervals (e.g., weekly, monthly), with the report delivered to the Coordinator's Data Exchange mailbox in Access Online. The following reports can be created in Access Online by the Coordinators from the standard reports:

- Dormant/Low Use Accounts Report
- Convenience Check Privileges Report
- Convenience Check Report
- Managing Account Report
- Pending Transactions
- Prohibitive or Questionable Purchases Report
- Disputed Transactions
- Checks over $2,500
- Approved Transactions Report
- AO Final Approval Report
- Purchase Limit Report
- Request Status Report
- System User Report
- High Spend Merchant Report
- High Spend Merchant Detail Report

Refer to the *Coordinators Reporting Manual for Management and Oversight* for detailed instructions, screenshots, and navigation hints on running the reports in Access Online.

10.2 LAPC Quarterly Review

The CCSC has the responsibility at the departmental level to ensure that the agencies are performing required management and oversight; therefore, the APCs are to complete and sign the *APC Certification of LAPC Quarterly Review* form to certify that they have received all of the *LAPC Quarterly Review Checklist* forms. LAPCs are to complete and sign the *LAPC Quarterly Review Checklist* form to certify they have reviewed cardholder activity for compliance with acquisition regulations.

The LAPC review shall include 25% of the LAPCs' cardholders each quarter, and, as a result, the review should cover 100% of the LAPC's cardholders by the end of the year. The goal is to take a broad look at cardholder activity and a detailed look at specific transactions, including randomly selected transactions and/or questionable transactions. This review does not mean LAPCs must review physical documentation from every cardholder within that 25% of cardholders you review each quarter. If the reviews are performed throughout the quarter, the number of reviews stipulated should be manageable for all LAPCs. There should be at least some physical review of documentation done of the reviewed cardholders each quarter in the form of scanned, faxed, or original receipts, purchase orders, or other like documentation.

Reviews should be a mix of an overview of transaction information in Access Online (or an Access Online Transaction Detail report) and a physical review of the actual documentation (either the original documents or scanned/faxed copies). Agencies shall set parameters regarding the number of transactions that need physical review.

The LAPCs shall report the results of their reviews to their APC by the end of the second month following the close of each quarter. For the current review schedule please reference the APC Certification of LAPC Quarterly Review Dates. Agencies may choose to require earlier reporting dates. Agencies may choose to expand the checklist to make it more specific and to add data elements important for management of their purchase card programs. However, no data elements on the LAPC Quarterly Review Checklist shall be altered or removed. If there are signs of misuse, abuse, and/or fraud, the LAPC coordinates with the AO to conduct an investigation of the transaction and requests transaction documentation from the cardholder. The LAPC contacts the APC for appropriate guidance with any necessary administrative action.

10.3 AO Review

AOs perform a physical review of cardholder transaction documentation on a monthly basis during the final approval process. AOs can use the *Approving Official Checklist* as a guide for reviewing the transactions. A report of transactions that were final approved by the respective AO is available within Access Online. The Final Approval Report shall be used to document that the transactions have been reviewed and final approved by the respective AO in accordance with DR 5013-6 and OMB Circular A-123, Appendix B Improving the Management of Government Charge Cards.

AOs shall notify the cardholder's LAPC if they identify questionable transactions or possible misuse of the card. Upon notification, the LAPC contacts the cardholder to request documentation for the transaction(s) in question to conduct a review. If there is confirmed misuse or fraud, the LAPC terminates the account in Access Online and forward the

documentation to the APC. The APC contacts the cardholder's AO to make the decision for the next course of action.

10.4 APC Annual Program Review

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

- Compliance with laws and regulations.
- Efficiency of operations.
- 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*

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

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.

In accordance with requirements in OMB Circular A-123, Appendix B, the *APC Annual Purchase Card Program Review* is due by December 15th following the close of the fiscal year. Standardized forms are available to facilitate the annual review process in order to determine the effectiveness of the program, ensure compliance and adequate oversight, and to detect cardholder misuse/fraud.

10.5 CCSC Program Lead Review

The USDA CCSC may perform reviews (including on-site reviews), as necessary. The CCSC Program Lead 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, pertinent changes made during the year, problems experienced, program innovations and improvements and recommendations for improvement in the following year. The report should also illustrate the state of the entire program, including acquisition issues.

11 Taking 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 is considered an attempt to commit fraud against the U.S. Government and results 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) is 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 five years, or both, under 18 U.S.C. 287.

The Office of Human Resources Management (OHRM) has provided a list of suggested penalties for specific types of misconduct. Although each case must be evaluated on its own merit, Appendix D, Recommended Administrative Actions, 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 as the following sections define.

11.1 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, or
- A purchase made on the same day from the same vendor to circumvent the cardholder's single purchase limit.

11.2 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.
- 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.

Section VI: Appendices

Appendix A: Charge Card Program Reference Materials

This appendix provides links to the following reference materials that you may use within the charge card program:

Forms

- APC Annual Purchase Card Program Review
- APC Certification of LAPC Review Form
- Approving Official Appointment Request Form
- Approving Official Checklist
- Cardholder Request for Purchase Card
- Cardholder Statement of Questioned Item
- Card/Check Destruction Form
- Coordinator Nomination Request Form
- LAPC Quarterly Review Checklist

Guides and Reference Materials

- Coordinator's Quick Guide
- Coordinator's Reporting Manual for Management and Oversight
- Debt Collection Improvement Act Waivers for Check Writing Purposes
- IRS W-9 form
- Purchase Cardholder Suspension Cycle Dates
- Working with U.S. Bank
- Account User Setup and Purchase Card Approval in Access Online User Guide

Training

- Access Online Reporting for the Purchase Card Program
- Access Online Web-Based Training Guide
- How to Complete the Comments Tab in Access Online

- How to Complete the Purchase Card Applications and Hierarchy Setup and Maintenance Forms
- Purchase Card Suspension Process

Appendix B: 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 that 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 25th 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 http://energy.gov/eere/femp/articles/resources-energy-efficient-product-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 Bio based 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, 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: http://www.energystar.gov/ or http://www.eere.energy.gov/femp/procurement/
- Bio based 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)

Appendix C: Prohibited Items

Table 10 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.

Table 10. Prohibited Items

Categories	Examples
Acquisition of telecommunication resources	Includes telecommunication services, supplies, or equipment in excess of $350, except as provided in AGAR Advisory No. 58A
Bail and Bond Payments	
Betting, Casino Gaming Chips, Off-Track Betting	
Bottled Water Services	Exception: Report from an outside water-testing agency determining that the drinking water is harmful if consumed.
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	
Construction services over $2,000	Exception, warranted contracting personnel
Court Costs, Alimony, Child Support	
Dating & Escort Services	
Establishment/maintenance of imprested funds	
Food	Appropriated funds are not available to pay for food or refreshments, except as follows: 1. Sponsoring agency may serve light refreshments on breaks at Government-sponsored conferences where 51% of attendees are in travel status. 2. Sponsoring agency may serve meals at formal meetings and conferences attended by some percentage of non-government employees. 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. 4. Sponsoring agency may serve light refreshments at award ceremonies honoring individuals recognized under the Civilian Employee's Incentive Award Program. 5. Formal Ethics Awareness Program where food samples relating to the particular ethnicity are served as part of an education program.
Fuel	
Hazardous Items	Exception, warranted contracting personnel with required approvals

Categories	Examples
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.
Rental or lease of motor vehicles	
Repair of leased vehicles	
Replenishment of cash balance in imprested funds	
Salary payments	
Savings Bonds	
Tax Payments	
Transactions with Political Organizations	
Transit subsidies	
Travel related purchases	Excludes conference rooms, meeting spaces, and local transportation services (such as Metro fare cards, subway fare cards, EZ pass).
Wire Transfers	

Appendix D: Recommended Administrative Actions

Table 11 provides the recommended administrative actions for inappropriate actions within the purchase card program.

Table 11. 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 carbon 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 and carbon copy the AO explaining the 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 carbon 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 and carbon copy to their supervisor explaining the error.	Loss of purchase card privileges for 30 days. Reinstatement only on AO request.
Other policy violations	Letter to employee and carbon copy the AO explaining the error.	Loss of purchase card privileges.

Type of Inappropriate Action	First Occurrence	Repeat Occurrence Within A 12-Month Period
Improper Purchase by cardholder and/or AO per section 4.7 of the 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	

Appendix E: 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 $3,500 or less.
   g. Acquiring items that FPI offers exclusively on a competitive (non-mandatory) basis, as identified in the FPI Schedule.
   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 SourceAmerica (formerly 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 or fax. 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/distributors/
- AbilityOne Program Information can be obtained from: http://www.abilityone.gov Telephone: 877-438-5963; FAX: 877-329-5963

- National Industries for the Blind (NIB): http://www.nib.org
  Headquarters (703) 998-0770 or Customer Hotline (800) 433-2304
- SourceAmerica: http://sourceamerica.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! for more information. GSA Advantage! is also available through the USDA Internet Acquisition Toolkit.

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! Web site address is:
https://usdaadvantage.gsa.gov/advgsa/advantage/main/start_page.do?store=USDA

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

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 six 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

http://www.gsaelibrary.gsa.gov/ElibMain/home.do.

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.

Appendix F: Annual Mandatory Purchase Card Training

The table below provides the list of annual mandatory Purchase Card Refresher Training courses that are available in AgLearn.

Table 12: Refresher Training Available in AgLearn

Training Title	Audience
USDA Purchase Card Program Refresher Training for Coordinators	APCs/LAPCs
USDA Purchase Card Program Refresher Training for Approval Officials	AOs
USDA Purchase Card Program Refresher Training for Cardholders	Cardholders