AGAR ADVISORY

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF PROCUREMENT AND PROPERTY MANAGEMENT
PROCUREMENT POLICY DIVISION
AGAR ADVISORY NO. 55

Reminder Regarding the Use of Purchase Cards
To Acquire Items Costing $5,000 or More and Agency-Determined Sensitive
Property Items

INTRODUCTION: Pursuant to an Office of Inspector General recommendation, this Agriculture Acquisition Regulation (AGAR) Advisory has been prepared to remind USDA procurement personnel to ensure appropriate information is entered into the Purchase Card Management System (PCMS) when acquiring accountable and/or sensitive property, to the extent agency policy permits the acquisition of such property by purchase card. (Note: It is against USDA policy, except in a bona fide emergency, to use the convenience check for purchases in excess of $2,500. See AGAR Advisory number 52, dated July 2, 2003 for details. AGAR Advisory 52 can be viewed on-line at: http://www.usda.gov/procurement/policy/advisories_x/agarad52.pdf.)

SUMMARY: USDA procurement personnel are reminded to ensure that appropriate information is entered into PCMS when using the purchase card to acquire property with a unit cost of $5,000 or more. (Some agencies prohibit use of the purchase card to acquire accountable property. Consult your agency regulations or your Agency Property Management Officer [APMO] for further information.) Sensitive property, as defined by your agency, similarly needs to be addressed.

SPECIFIC ISSUES: In order to improve accountability and tracking of assets, as well as support the accuracy of USDA financial statements, procurement personnel are reminded that accurate, timely information regarding the purchase of accountable property with the purchase card needs to be entered into PCMS.

Procurement personnel are to ensure that the appropriate Budget Object Classification Code (BOCC) is entered into PCMS when reconciling a transaction involving the acquisition of accountable property. A BOCC Quick Guide for accountable property is available from the USDA Office of the Chief Financial Officer's web site at: http://www.usda.gov/ocfo/fasm/boc/propbocg.pdf. Procurement personnel shall also provide any additional purchase information, beyond that contained in PCMS, as needed by property management personnel, to ensure accurate data entry of accountable and sensitive property into the Property Management Information System (PMIS), Personal Property System (PROP).

Accountable property (inclusive of sensitive property) is defined as follows in the Agriculture Property Management Regulations, Subchapter N, section 105-50.001-1:

```
Accountable property is all real property, all leased
personal property regardless of acquisition cost, and
all owned personal property having an acquisition
cost of $5,000 or more and any item valued at less
than $5,000 but determined by an Agency Property
Management Officer (APMO) to be sensitive.
```

Under no circumstances is real property to be acquired using the purchase card. In terms of leased personal property, a change in USDA policy is expected shortly which would eliminate the requirement to account for leased personal property. However, there will be a requirement to account for capital leases for personal property. Further information on this change will be available from your APMO in the near future.

Failure to comply with this requirement may result in revocation of purchase card and convenience check privileges, and other administrative actions, as appropriate.

If you have questions or comments regarding this advisory, please contact Joseph Daragan by phone ((202) 720-5729), fax ((202) 720-8972), or e-mail (joe.daragan@usda.gov).

This AGAR Advisory will appear on the USDA World Wide Web site at the following URL: http://www.usda.gov/procurement/policy/advisories.html .

EXPIRATION DATE: This advisory is effective until a revision to DR 5013-6 is issued addressing this issue.

[END]