

You Need to Know...

This quick guide assists cardholders in carrying out their authority and responsibility in using the purchase card and is to be used in conjunction with *Departmental Regulation (DR) 5013-6* and the *PCMS/Micro-Purchase Guide*. These documents, providing complete details of all information contained in this quick guide, are located at <http://www.usda.gov/procurement/card/guide.html>.

Purchase Card and Convenience Check Security

The cardholder is responsible for safeguarding the purchase card account number and checks at all times. **Never allow anyone to use your card/checks or account number and never use the card/check to procure personal items.**

Lost/Stolen Cards/Checks

When a purchase card is lost or stolen, the cardholder should contact Bank of America's Government Card Services Unit (GCSU) by telephone at 1-800-472-1424 to report the lost/stolen card.

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

Card Receipt Verification/Activation

As a security measure, new cards and replacement cards for lost, stolen, or reissued accounts are not usable until the cardholder calls Customer Service at 1-800-227-6736 to activate their account.

Stop Payment Requests

A cardholder that needs to stop payment on a check is to contact their LAPC and the bank immediately.

Separation of Cardholder

Prior to separation from an agency or assignment to another function that does not require cardholder authority, the cardholder will surrender the card and, if issued, unused convenience checks, to their LAPC who will destroy them. The cardholder will review with their LAPC the status of any unreconciled, questionable, partially approved, unresolved, and disputed transactions, and identify any supplies and/or services which have been ordered but not yet received, so appropriate action can be taken to complete these activities.

Card Misuse/Fraud

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 Misuse of the purchase card will require the purchase card to be withdrawn from the cardholder.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

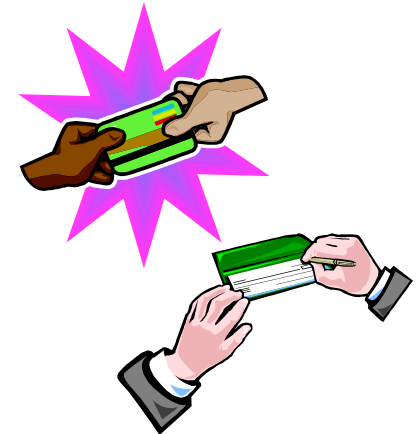
Unauthorized Use of the Card and Checks (Cont'd.)

- ◆ Long-term (more than 180 days) rental or lease of land or buildings except by warranted real property leasing or contracting officers.
- ◆ Purchase of hazardous items such as firearms, ammunition, explosives, or hazardous biological and radioactive substances.
- ◆ Purchase of airline, bus, train, or other travel-related tickets and purchase of meals, lodging, or subsistence costs unless authorized by the agency. The Government Travel Card should be used for these items.
- ◆ 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) services, i.e., major systems such as FTS2001 or DSN. However, telephone/telecommunications equipment may be purchased unless restricted by an agency.
- ◆ Splitting requirements into several purchases merely to avoid the cardholder's delegated single purchase limit.
- ◆ Fuel and related supplies and services for government-owned and leased vehicles, aircraft, and other motorized equipment, unless a cardholder cannot reasonably find a vendor for these items that will accept the fleet card or aviation fuel card.
- ◆ Personal services unless authorized by statute. Personal services are those where an employer-employee relationship occurs such as when there is continuous supervision of the contractor's employees by the government.
- ◆ Writing checks to self or for cash.
- ◆ Advance payment to a merchant prior to receipt of goods/services, unless authorized by law (i.e., subscriptions, registration fees, and training).
- ◆ Acquisition from commercial sources of products or services available from a required source in time to meet the agency need.
- ◆ Other unauthorized purchases include, but are not limited to:
 - Greeting cards
 - Memberships in an individual's (as opposed to an organization's) name
 - Parking tickets against a government vehicle
 - Insurance of items being shipped to or for the government (the Government is self-insuring)
 - Shipment of household goods
 - Meals for federal employees at office or agency functions, unless authorized by law (purchasing food for government employees for a bona fide awards ceremony is permitted by law)



Purchase Card QUICK GUIDE

to
**Proper Use of the
Card and Convenience Checks**



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Prepared by:

Office of Procurement
and Property Management,
Procurement Modernization Team



Cardholder Responsibilities

- ◆ Make purchases within authorized spending limits and funds availability.
 - Micro-purchase limit is \$2,500 for supplies and services/\$2,000 for construction for non-procurement personnel.
 - Warranted individuals can use card/convenience checks for up to \$2 million if within their delegated authority and single purchase limit.
- ◆ Use the card or convenience check only for purchasing items in accordance with agency/department policies.
- ◆ All employees must maintain the highest standards of conduct in a manner above reproach. Any conflict of interest or appearance thereof, between government responsibilities and personal lives must be avoided.
- ◆ Solicit prompt payment discounts from vendors prior to accepting an offer. Discount for prompt payment means an invoice payment reduction offered by the contractor if payment is made prior to the due date. Vendors normally receive payment from the bank within three days of the purchase.
- ◆ Maintain adequate documentation of all purchase card and convenience check transactions. This responsibility includes documentation of funds availability, receipts, packing lists, invoices, Claims for Reimbursement for Actual Expenses (SF-1164), spot award approvals (AD Form 287-2), emergency salary payment documentation (AD Form 343), and other appropriate or agency-required documentation/approvals.
- ◆ Reconcile purchase card and convenience check transactions using PCMS in a timely manner, ensure entry of proper accounting codes, budget object classification codes, and, for convenience checks, TINs or SSNs, as appropriate.
- ◆ Ensure that accountable and sensitive property is entered into the USDA accountable property system. Also ensure 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.
- ◆ Pay the sales tax if the merchant refuses to waive it. The cardholder must first inform the merchant that the purchase is for "official U.S. Government business" and is not subject to state or local sales tax. The card is imprinted with the statement, "US Government Tax Exempt." For large purchases where the merchant refuses to waive the tax, the cardholder can present a

state tax exemption letter. Cardholders can printout state tax exemption letters from the GSA SmartPay web site at <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/>.

- ◆ Maintain purchase cards and convenience checks in a secure fashion and preventing unauthorized charges against the account.

Authorized Use of the Card

- ◆ Use the purchase card first; checks are only to be used if the vendor does not accept the card or in other limited instances in accordance with DR5013-6.
- ◆ In purchasing supplies and services, use required sources first (e.g., JWOD Program).
- ◆ Rent, on a short-term basis (up to 180 days), meeting and conference rooms, parking for government-owned or leased vehicles, storage, and other special purpose space to be used on a temporary or emergency basis.
- ◆ Business cards, if authorized by your agency. To order, refer to the Javits-Wagner-O'Day (JWOD) Program at <http://www.jwod.gov>.
- ◆ For warranted contracting personnel, orders within their delegated authority.

Authorized Use of the Convenience Check

Convenience checks are utilized for purchases only when: (1) vendor or merchant will not accept the purchase card, (2) emergencies where the purchase card is not a viable solution, (3) transactions with small and/or rural businesses 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, and (5) at least one of the DCIA waivers are satisfied. Convenience checks, when appropriate, can be used by unwarranted series personnel for transactions at or below the micro-purchase threshold and by warranted personnel up to and including the limit of their delegated authority.

Convenience checks are also authorized for the following situations:

- ◆ Issue checks for spot awards. Cardholders may issue checks to employees for payment of spot awards not exceeding \$500. Before issuing checks, form **AD-287-2, Recommendation & Approval of Award (Att. 2-1)** must be approved by an authorized official other than the cardholder.
- ◆ Reimburse employees for local travel expenses. Cardholders may issue checks to employees for reimbursement of local travel expenses, such as mileage, parking, and taxis, authorized by their agency while on official business. Local travel is official travel performed in the vicinity of the employee's official duty station. Before issuing checks, form **SF-1164, Claim for Reimbursement for Expenditures on Official Business (Att. 2-2)** must be approved by an authorized official other than the cardholder.
- ◆ Reimburse employees for miscellaneous expenditures. Cardholders may issue checks to employees for reimbursement of miscellaneous expenditures (e.g., supplies, services, registration fees, and telephone use for official business) that were cleared with the cardholder before the purchase was

made. Before issuing a check, form **SF-1164, Claim for Reimbursement for Expenditures on Official Business (Att. 2-2)** must be approved by an authorized official other than the cardholder.

- ◆ Reimburse employees for tuition, books, and related expenses. Cardholders may issue checks to employees for reimbursement for tuition, books, and related expenses. Before issuing a check, form **SF-182, Request, Authorization, Agreement and Certification of Training (Att. 2-3)** must be approved by an authorized official other than the cardholder.
- ◆ Issue emergency salary payments. Cardholders may issue checks to employees for emergency salary payments in hardship cases when they do not receive a scheduled paycheck. Before issuing a check, form **AD-343, Payroll Action Request (Att. 2-4)** must first be approved by an authorized official other than the cardholder.

DCIA Waivers

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

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

Unauthorized Use of the Card and Checks

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

- ◆ Cash advances and/or travel advances (except emergency salary payments as authorized by the agency)

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