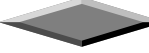
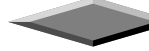


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**APC/LAPC  
PURCHASE CARD PROGRAM  
GUIDE**

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Originated: October 1999  
Revised: September 2000



Prepared by:

Office of Procurement, Property, and Emergency Preparedness  
Procurement Modernization Team

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***ATTENTION:***

***AGENCY PROGRAM COORDINATORS AND LOCAL AGENCY  
PROGRAM COORDINATORS***

This *USDA APC/LAPC PCMS Guide* provides you with the information necessary to administer the purchase card program within your agency. Everything you need concerning the program and the system is included in this guide (e.g., how to setup cardholders at the bank, training, security related information, etc.).

Please use this guide as a training and reference tool in addressing the procedures and proper management of your agency's participation in the use of the purchase card. If you have any questions regarding this guide or any specific questions about this program, please contact one of the following:

**Program Official**

Agency Program Coordinator (APC)

Local Agency Program Coordinator (LAPC)

**Contact**

Departmental Program Coordinator (DPC) at  
(202) 690-3756

APC at your Headquarters Office

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## **SECTION I. USDA PURCHASE CARD PROGRAM OVERVIEW**

### **USDA GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD**

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

The purchase card is the primary method for making purchases of \$2,500 or less (micro-purchases). The objectives in using the purchase card are to reduce procurement and related payment paperwork by reducing the number and dollar amounts of imprest funds, reducing AD-838 purchase order transactions for supplies and services valued at \$2,500 or less (\$2,000 for construction), and reducing administrative processing costs and lead times. Under no circumstances is the purchase card to be used for personal purchases.

### **CONVENIENCE CHECKS**

Convenience checks are issued to authorized cardholders. Agency management determines to whom checks are issued. These checks are similar in appearance to personal checks and are written against the cardholder’s account and reconciled in the Purchase Card Management System (PCMS). The purchase card services contractor (Bank of America, formerly NationsBank) levies a \$1.40 processing charge per check, which is reconciled in PCMS. These checks are for official use only. They are to be used when a vendor does not accept the purchase card, as well as for reimbursements for local travel and expenses which were previously reimbursed through the use of imprest funds, as well as spot awards and emergency salary payments to employees. The total amount that may be written cannot exceed the cardholder’s single purchase limit. Keep in mind that any checks a cardholder writes count against their monthly limit, along with any card transactions made. Checks written for cash will not be processed at any financial institution. Pursuant to the [Debt Collection Improvement Act \(DCIA\) of 1996](#), when writing a check, you must request the recipient’s Tax Identification Number (TIN) or Social Security Number (SSN). The same rules and regulations that govern the purchase card are also applicable to checks. The recipient of a convenience check can cash it at any bank.

### **PURCHASE CARD MANAGEMENT SYSTEM (PCMS)**

PCMS is a Windows®-based system that uses client server and Electronic Data Interchange (EDI) technologies. This system is used to track, reconcile, control, and pay purchases made with the Government-wide Commercial Purchase Card (GPC) and convenience checks, issued by an authorized General Service Administration (GSA) contractor (Bank of America).

Daily, the bank downloads purchase card transaction data and purchase card master data to the National Finance Center (NFC). The NFC make payments to the bank for purchases billed according to a scheduled billing cycle and then, via PCMS, allows the responsible cardholder to monitor and reconcile all transactions.

## HOW TO USE THE PURCHASE CARD (MERCHANT)

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

1. The cardholder presents merchandise and the purchase card to the supplier.
2. After totaling the merchandise, the merchant processes the purchase card information to obtain authorization.
3. The authorization request is transmitted electronically to the bank through the telecommunications network. The bank verifies the cardholder account and determines if the purchase is within spending control limits. In approximately 10 seconds, an approval, decline, or referral is transmitted back to the merchant's bank or processor and on to the merchant.
4. When an approval code is received, the cardholder verifies the sales total and signs the sales draft. The cardholder then receives the merchandise, the card, and one copy of the completed sales draft.
5. At the end of a business day, the merchant batches and sends the transactions to the processing bank that will issue credit for the purchase.
6. The merchant's bank electronically transmits the sales draft information to the card issuer's bank, and then it applies the charges to the appropriate cardholder account.

## HOW TO USE THE PURCHASE CARD (CARDHOLDER)

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

### *Over-the-Counter Purchases*

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

1. Identify the purchase needed and determine funds availability.
2. Determine if the purchase amount is within their pre-approved single purchase limit. If yes, proceed to the next step. If no, check with the manager for details on how to proceed.
3. Purchase goods/services. Provide the merchant with the purchase card. Inform the merchant that the purchase is for "official U.S. Government business" and is not subject to state or local sales tax (see [Tax Exemption](#) below). Pay sales tax if merchant refuses to waive it.
4. Retain receipt (i.e., cash register receipt, VISA charge slip).
5. Reconcile receipts with transactions within PCMS.

### ***Telephone Orders***

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

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



### ***Internet Orders***

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



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

6. Inspect and verify order accuracy, quality, and price when merchandise arrives.
7. Retain shipping documents and receipts received with merchandise.
8. Reconcile shipping documents or electronic confirmation printout with transactions within PCMS.



### ***Tax Exemption***

The Purchase Card is issued under the GSA SmartPay program with a prefix of either 4486 or 4716. The card is imprinted with the statement, “US Government Tax Exempt.” Charges for all purchases, other than travel, that are billed directly to the Federal Government are exempt from sales tax. Merchants can determine whether an account number is direct billed by identifying the sixth digit of the account number. If the sixth digit is 0, 6, 7, 8, or 9, the card is direct billed and the transactions are exempt from sales tax.

NOTE: 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/>.

## **PURCHASE CARD BENEFITS**

### ***Benefits to the Cardholder***

- ◆ The card empowers the cardholder to make decisions
  - The cardholder gets exactly what is needed when needed.
- ◆ The card saves time
  - No waiting for signatures on requisitions, check requests, or invoices.
  - No waiting for a purchase order to be issued.
  - Orders are placed at the cardholder’s convenience.
  - Orders are received faster.
- ◆ The card reduces paperwork
  - No requisitions or purchase orders for card purchases.
  - No check requests or invoice approvals for card purchases.
  - No need to use the imprest reimbursement process.
  - No MISC-PAY Document transmitted to NFC for payment.
- ◆ The card is widely accepted
  - More than 12 million merchant locations.

If a supplier doesn’t accept VISA, the bank can assist them in becoming VISA-capable by calling the Government Card Services Unit (GCSU) at 1-800-472-1424.

### ***Benefits to the Agency***

- ◆ No reimbursement procedure to remember
  - Unlike some methods, you do not pay a bill and wait for reimbursement. The government pays the bills directly as required. For this reason, it’s very important that no personal charges be made with the purchase card.

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

### ***Rebate Benefits***

USDA’s task order with the Bank of America requires the bank to pay quarterly rebates based on the purchase card charge volume. The rebates are up to 142.4 basis points (100 basis points equals 1 percent), depending on the speed with which USDA pays the bank’s daily invoices. Rebates effectively reduce the real cost of operating PCMS.

Rebates are due to USDA by the 10<sup>th</sup> calendar day after a fiscal year quarter. To assure that the 4<sup>th</sup> quarter rebate is received in time to spend it, the bank is required to estimate it and pay it with the third quarter rebate. Adjustments based on actual purchase volume and speeds of invoice payment for the fourth quarter are made with the rebate payment for the first quarter of the next fiscal year. Upon receipt and review of the rebate calculations, USDA posts the amount due to each agency to the account it has designated for receipt of its rebate.

### Rebate Calculations

**Step 1:** Determine the net charge volume for the quarter by subtracting the face amount of convenience checks from the total amount of purchases.

**Step 2:** Determine the gross rebate basis points in the task order’s payment velocity schedule for the number of days the invoices are outstanding. The payment velocity schedule is a sliding scale with a maximum of 142.4 basis points (1.424%) for invoices paid within one day of receipt to a minimum of 48 basis points (.48%) for payments made 60+ days after receipt of invoices.

**Step 3:** Determine the net rebate basis points by subtracting the General Services Administration Industrial Funding Fee (IFF) of 4 basis points and 2.7 basis points for the government-wide Joint Financial Management Improvement Program (JFMIP).

**Step 4:** Determine the net rebate dollar amount by multiplying the net charge volume by the net rebate basis points. Subtract the cost of any value added services ordered.

### ***Example of a rebate calculation:***

1. Determine Net Purchase Card Charge Volume	
- Total charge volume (card, checks, and check fees)	\$100,000,000
- Less face amounts of convenience checks	- 40,000,000
- Net purchase card volume	60,000,000

2. Determine Gross Rebate Basis Points (BP)	
- Gross BP for payment in 5 days (from payment velocity schedule)	126 BP
3. Determine Net Rebate Basis Points (BP)	
- Gross BP for payment in 5 days	126
- Less IFF BP	- 4
- Less JFMIP BP	- 2.7
- Net BP	119.3 BP (1.193%)
4. Determine Net Rebate Dollar Amount	
- \$60,000,000 x 119.3 BP (1.193%)	<u>\$715,800</u>

## SECTION II. USDA PURCHASE CARD TEAM

Individuals have been designated to manage the purchase card program at different organizational levels. Their responsibilities are determined by their roles and are listed below. In order to manage the program effectively, APCs and LAPCs must be classified in either the [1105/1102](#) procurement series or meet the requirements of the [Contracting Officers' Warrant System](#) for a Level IC contracting officer.



### DEPARTMENTAL PROGRAM COORDINATOR (DPC)

A program coordinator in the Procurement Policy Division, Office of Procurement, Property, and Emergency Preparedness (OPPEP), manages the USDA Purchase Card Program. The DPC is the Contracting Officer's Technical Representative (COTR) for GSA's government-wide contract with the purchase card services contractor (Bank of America).

DPC duties include, but are not limited to:

- ◆ Establish USDA APCs with bank contractor and in PCMS;
- ◆ Provide training and guidance to APCs;
- ◆ Set priorities and oversee PCMS configuration management. This responsibility includes managing PCMS requirements, defining upgrades, and acting as the central point of contact for agency requests for system modifications. (Note: Changes to PCMS are not made without the explicit, written approval of the Chair, PCMS Change Control Board (CCB));
- ◆ Develop and recommend USDA policy and procedures for the department-wide purchase card program;
- ◆ Provide program information to participants utilizing the messages on PCMS bulletin board;
- ◆ Obtain department's Central Account Number from Bank of America;
- ◆ Develop purchase card program literature and materials for department-wide use; and
- ◆ Drive future program applications/enhancements.

### AGENCY PROGRAM COORDINATOR (APC)

The 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 DPC and bank contractor. The APC is an employee in the 1102 contracting specialist series that, at a minimum, satisfies the requirements for a Level IIA Contracting Officer.

APC duties are to:

- ◆ Establish and maintain agency-wide communication;
- ◆ Establish agency-unique purchase card policies and procedures when needed;

- ◆ Conduct agency-wide oversight of the purchase card program, including proper use of required sources of supplies and services;
- ◆ Participate in meetings with the DPC to address purchase card programmatic issues;
- ◆ Establish LAPCs in PCMS and in the Security Access Management System (SAMS);
- ◆ Provide training and guidance to LAPCs;
- ◆ Develop and distribute program literature and materials to LAPCs;
- ◆ In the absence of an LAPC, cancel purchase cards immediately upon employee's termination;
- ◆ Serve as the primary contact for LAPCs and as the liaison with the DPC and the bank;
- ◆ Audit program compliance and file retention. Notify the LAPCs of non-compliance issues and assists them in enforcing non-compliance measures;
- ◆ Identify future program applications/enhancements and submit to the DPC for final assessment and CCB consideration;
- ◆ Determine and recommend appropriate Merchant Category Classification (MCC) code ranges for card use; and
- ◆ Provide senior agency management with purchase card transaction and convenience check data.

## **LOCAL AGENCY PROGRAM COORDINATOR (LAPC)**

LAPCs are appointed locally by the Head of the Contracting Office, subject to the concurrence of the APC. The LAPC is responsible for the day-to-day operations of the purchase card program at each site. 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 Contracting Officer's Warrant System for a Level IC Contracting Officer. An LAPC works directly with the cardholder, bank contact person, APC, and the NFC. All documentation related to the establishment of the cardholder will be signed and processed through the LAPC to the bank.

LAPC duties are to:

- ◆ Establish and maintain the purchase card program within his/her designated location, including training cardholders in the use of the purchase card, convenience checks, and PCMS;
- ◆ Provide training and guidance to cardholders;
- ◆ Monitor purchases using the PCMS alert system, provide management with information from PCMS utilizing data query, and conduct statistical sampling reviews;
- ◆ Report fraud, waste, and abuse in accordance with agency procedures;
- ◆ Establish and update cardholder information in PCMS and SAMS, and perform local PCMS management tasks;
- ◆ Distribute program literature and materials to cardholders;
- ◆ Reconcile:
  - On an emergency basis, cardholder accounts in order to reconcile purchases that have not been timely approved by the cardholder;
  - “Trailing” transactions after a cardholder account is closed; or

- Purchases made by personnel located at remote sites who cannot timely access PCMS to perform account reconciliation.
- ◆ Ensure proper use of required sources of supply;
- ◆ Notify the bank of any card cancellations due to termination or employee transfer;
- ◆ Instruct cardholders to immediately notify a bank customer representative of a lost/stolen card/check and/or any discrepancies or unauthorized charges within 60 days of the transaction date;
- ◆ Coordinate maintenance changes between the cardholders and the bank; and
- ◆ Obtain NFC User IDs and passwords for the cardholder and notify cardholder.

## **BILLING OFFICE CONTACT (BOC)**

The NFC is the designated BOC for all PCMS users and is responsible for payment of the single, electronic invoice.

Billing Office duties include, but are not limited to:

- ◆ Receive purchase card master files from the bank;
- ◆ Receive daily transactions from the bank;
- ◆ Receive the official invoice and pay the invoice in full within the specified time frame;
- ◆ Work with the bank to resolve payment issues; and
- ◆ Transmit the dispute form to the bank after the invoice has been paid.

## **CARDHOLDERS**

The purchase cardholder is the individual to whom a card and, if authorized, a supply of convenience checks are issued. This individual may purchase, within their authority, supplies and services required by the government and process other transactions using the convenience checks as authorized by this regulation. No other person is authorized to use his or her card or convenience checks. Purchase cardholders are government employees, cost reimbursable contractors, or “cooperators” operating under grants/agreements with USDA, States, Universities, other departments and agencies (who are authorized to use federal sources of supply and who have knowledge of, or are trained in, simplified acquisition procedures).

Cardholder responsibilities are to:

- ◆ Make purchases within authorized spending limits and funds availability. Use a card only for purchasing items in accordance with agency/department policies.
- ◆ 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” purposes 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/>.
- ◆ 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 purchase cards and convenience checks in a secure fashion and preventing unauthorized charges against the account.
- ◆ 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](#)), or other appropriate or agency-required documentation/approvals.
- ◆ Ensuring 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.
- ◆ 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.
- ◆ Call the bank customer service representative and the LAPC immediately to report lost or stolen cards/checks.
- ◆ Notify the bank of any billing discrepancies (i.e., disputes) posted on the account by completing the dispute screen in PCMS.
- ◆ Notify the LAPC of name, telephone, address, and division/agency/department changes.
- ◆ Change passwords as required.

## MANAGERS

Managers determine who within their organizations should receive purchase cards and convenience checks. Managers must ensure purchase card or convenience check authority is not conferred upon employees whom, by virtue of their position, will give rise to a conflict of interest without first adequately mitigating the conflict. For example, such situations may arise when an employee serves in a budget or financial capacity.

Manager duties include, but are not limited to:

- ◆ Determine the necessity and purpose of each card issued;
- ◆ Determine single and monthly-purchase limits;
- ◆ Ensure that cards issued under their authority are properly authorized; and
- ◆ Utilize reports provided from the LAPC.

## **CONTRACTING OFFICERS AND GRANTS/AGREEMENTS OFFICERS**

Contracting Officers must determine if any of their contractors under cost-reimbursable contracts will receive cards and ensure that appropriate oversight is implemented over such card use so that the government's interests are protected. Officials responsible for grants/agreements must make card issuance decisions regarding cooperators operating under "cost-sharing" type grants or agreements. Again, the Grants/Agreements Officer is responsible for ensuring that appropriate oversight is implemented to protect the government's interests. Contractors and cooperators may not be issued purchase card or convenience check authority in excess of \$2,500 (\$2,000 for construction) per transaction.

## **FINANCIAL OFFICERS**

Financial personnel use the query tool software to review the accounting information entered into the PCMS database.

## **CERTIFYING OFFICER**

Cardholders are responsible for ensuring funds are available and that only proper purchases and other authorized transactions are made using the purchase card and convenience checks. As PCMS incorporates many automated safeguards to identify misuse, NFC certifies PCMS payments from a system-wide standpoint; individual certifying officers are unnecessary with the reengineered PCMS process.

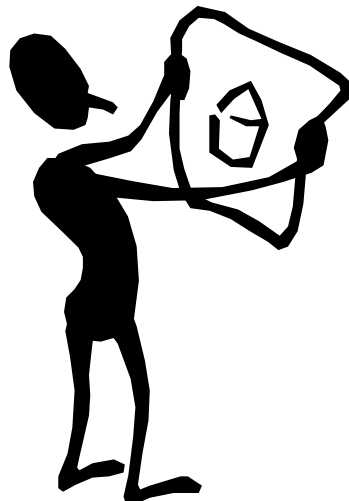
## **COMPUTER SUPPORT/TELECOMMUNICATIONS OFFICERS**

These individuals assist with site surveys and ensure that the PCMS software will operate in the existing computer environments and assist in the installation in agency offices of updates and maintenance to the PCMS software and related software, such as the data query software tool.



## SECTION III. PROGRAM OPERATION

This section outlines the process of establishing an agency or staff office with the bank contractor. After receipt of the departmental account number, an agency or staff office can be established. Procedures for setting up an agency/staff office are listed below in descending order.



### SETTING UP AN AGENCY/STAFF OFFICE

1. The DPC is established in PCMS.
2. The contractor bank issues a Central Account Number to the DPC and NFC.
3. The Central Account Number is provided to the APC to establish further agency accounts with the bank contractor.

**NOTE:** The DPC must request SAMS access for the APC and the APC must request SAMS access for the LAPC/Alternate after these roles have been established in SAMS for PCMS access. These requests should include the name of the APC/LAPC, SSN, User ID, Security Access Code (SAC) information, and the number of IDs to be established in the pool.

### *APC Setup*

Once the agency/staff office has identified the APC, the DPC will train and work closely with the APC in establishing the specific agency/office with the bank contractor. The DPC sets up PCMS and SAMS access for the APC. The APC will set up PCMS and SAMS access for each LAPC. The APC will train each LAPC in their responsibilities. Refer to the [APC/LAPC PCMS User's Guide](#) and [SAMS User's Guide for the Purchase Card](#) for detailed instructions.

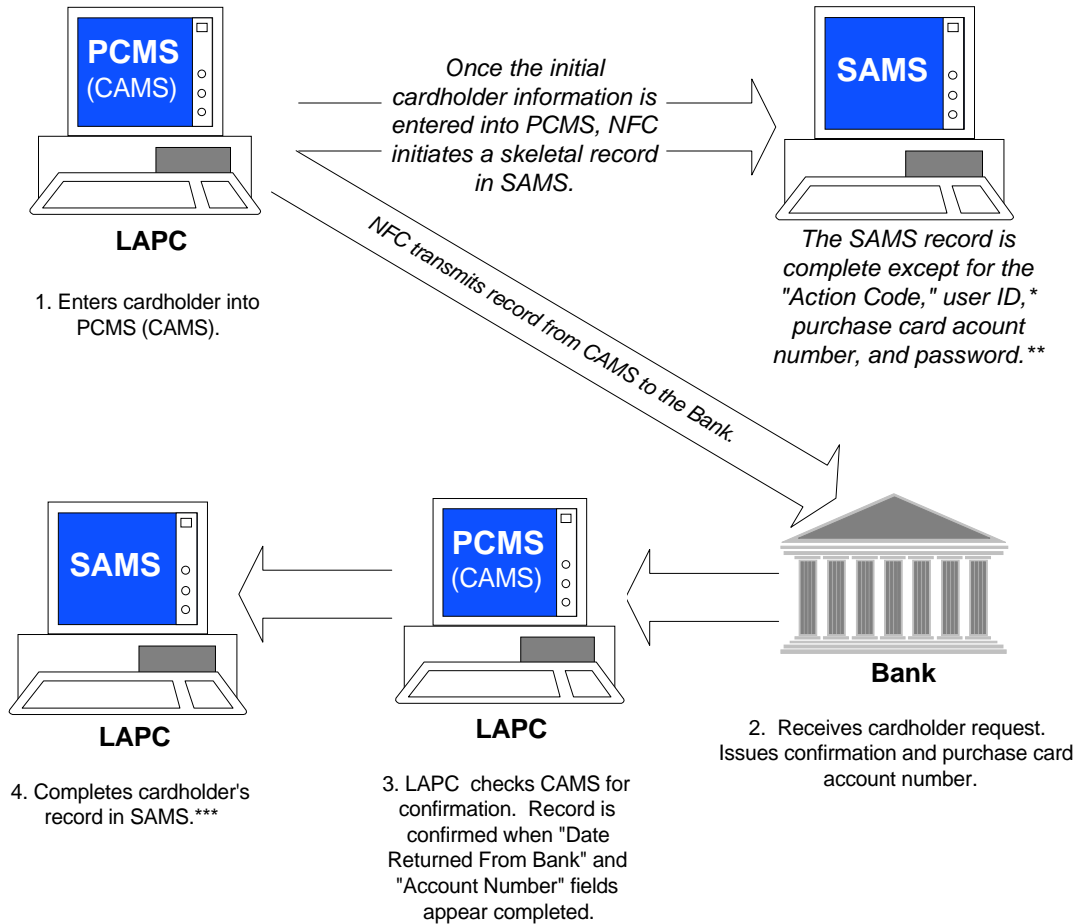
### *LAPC Setup*

Each LAPC must be identified with the bank contractor in order to participate in the commercial purchase card program (refer to the [APC/LAPC PCMS User's Guide](#) for detailed instructions). Once the APC has established PCMS and SAMS access for the LAPC, the LAPC sets up PCMS access for cardholders. The LAPC is responsible for establishing and maintaining cardholder accounts.

### *Cardholder Setup*

A cardholder is setup by the LAPC on PCMS. The LAPC is responsible for adding new cardholders, performing maintenance on existing cardholders, deleting a cardholder, and replacing existing cards. For detailed instructions, refer to the [APC/LAPC PCMS User's Guide](#).

The diagram below depicts the process of events that follow after an LAPC initially requests to add a cardholder in PCMS through the Cardholder Account Maintenance Screen (CAMS).



\*The LAPC requests a batch of user IDs from NFC and selects an ID from this list to assign to each cardholder.

\*\*The LAPC assigns a generic password, PCMS123, to each cardholder. The cardholder will change the password later.

\*\*\*Enter an "Action Code" of A and enter the user ID, password, and the purchase account number.

Refer to [Section V: Security](#), [APC/LAPC PCMS User's Guide](#), and [SAMS User's Guide for the Purchase Card](#) for details.

## DELEGATION OF AUTHORITY

Managers or supervisors may request authority for unwarranted personnel up to and including the micro-purchase level. Issuance of the purchase card confers the authority up to the limit specified in PCMS. A request to provide a purchase card, with or without convenience checks, must be directed to the LAPC for action. Note that the purchase card and convenience checks (if authorized), may not be issued to unwarranted series personnel prior to successful completion of all required training.

Only warranted USDA employees may purchase above the micro-purchase level. Warranted individuals may use the purchase card, and, if issued, convenience checks, up to the amount of their delegated authority and the single and monthly purchase limits established for their cards or \$2 million, whichever is less.

## PURCHASE LIMITS

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



### *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 location. Multiple items may be purchased at one time using the card; however, no single purchase may exceed the authorized single purchase limit. 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 \$2,500. The items to be purchased total \$3,000. The cardholder divides the purchase into several charges to stay within the authorized single purchase limit.*

### *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 PCMS and at the card services contractor (Bank of America) 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.”

### *Changes to Purchase Limits*

Changes to a cardholder's single purchase limit and/or monthly spending limit should be directed to the LAPC for action by the cardholder's manager or supervisor. Changes to purchase limits for unwarranted personnel to increase their authority above the micro-purchase level must be requested from the Senior Procurement Executive.

## **ACCOUNTABLE/SENSITIVE PROPERTY**

Accountable property is defined as all government property with an acquisition value of \$5,000 or more. 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; is susceptible to theft; and can be audited by oversight agencies, such as the General Accounting Office, and Office of the Inspector General. Each agency defines their own list of sensitive property and is responsible for providing this list to the cardholders. Cardholders are to initiate action to place accountable/sensitive property in the property system.

## **DETERMINING WHEN TO USE FORM AD-700, PROCUREMENT REQUEST**

Use of Form AD-700, Procurement Request, is optional for purchases at or below the micro-purchase threshold, except for hazardous items. The acquisition of hazardous items (i.e., firearms, ammunition, explosives, or hazardous biological and radioactive substances) by nonprocurement personnel using the purchase card and/or convenience check is strictly prohibited. For such items, requisitions are to be prepared and forwarded to the servicing contracting office after obtaining agency required approvals and licenses (if any). Should questions arise regarding whether or not a particular purchase should be made with a purchase card or convenience check, nonprocurement personnel must contact their servicing contracting office or LAPC. Agencies are authorized to establish "Do Not Buy Lists" which list hazardous items that cannot be acquired by nonprocurement personnel with purchase cards and/or convenience checks. In lieu of using AD-700, managers must provide their cardholders with a spending allowance or budget. Communication of purchase request information to cardholders, including funds availability, must be made by the most efficient method (e.g., verbally, via e-mail). Procurement requirements for supplies or services valued at or below the micro-purchase threshold of \$2,500 (\$2,000 and below for construction) should be fulfilled locally by the cardholder within the organizational unit that has the need. These items can only be acquired by your servicing contracting office. In other cases, requisitions should not generally be forwarded to the servicing contracting office for processing unless the requirement is of a unique, complex, or sensitive nature, or the vendor will not accept the purchase card or convenience check for the order. The handling of such a requisition will be coordinated in advance with your servicing Contracting Office.

## **GUIDELINES FOR USING CARDS/CHECKS**

### ***Conditions for Use of the Card and Convenience Checks***

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

### **Authorized Use of the Card**

The card may be used to purchase goods and services under the micro-purchase threshold. Commercial goods and services may be purchase using the card if the needed goods 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 \$2 million. These purchases are subject to all federal, departmental and agency acquisition regulations and procedures.

Purchase cards are also authorized for the following situations:

- ◆ Purchase accountable/sensitive property. Cardholders must promptly initiate action to place these items on the property inventory in accordance with USDA and agency procedures.

- ◆ 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.
- ◆ Purchase repairs and maintenance to government-owned and leased vehicles in an emergency situation (e.g., when the cardholder cannot reasonably find a vendor for these items that will accept the fleet card or aviation fuel card). Cardholders must initiate the action to place this vehicle repairs/maintenance into the Property System/Equipment Management Information System (PROP/EMIS).
- ◆ Pursuant to 31 U.S.C. 3324, payments for subscriptions may be made in advance or receipt of the items provided through the subscription.
- ◆ Business cards. To order, refer to the Javits-Wagner-O'Day (JWOD) Program in [Appendix E](#).
- ◆ Warranted contracting personnel, orders within their delegated authority under Indefinite Delivery/Indefinite Quantity (ID/IQ) contracts.

#### Authorized Use of the Convenience Check

Convenience checks will be utilized for purchases only when: (1) the vendor or merchant will not accept the purchase card, and (2) at least one of the DCIA waivers listed below are satisfied. Convenience checks, when appropriate, can be used by nonprocurement 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. Agencies must assure that all awards are entered in the Personnel Payroll System. The NFC will gross up the award amount for tax purposes. Awards must be in accordance with agency and department personnel regulations.
- ◆ 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. Local travel reimbursements must be in accordance with allowable expenses in federal, department, and agency travel regulations.
- ◆ 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. Reimbursements must be in accordance with federal, department, and agency procurement regulations.
- ◆ 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. Agencies must assure that emergency salary payments are entered into the Personnel Payroll System and Time and Attendance System to prevent duplicate payments. Emergency salary payments must comply with department and agency personnel regulations.

DCIA requires that the government maximize electronic transactions. Purchase card transactions are considered electronic, and are therefore in conformance with DCIA. Convenience checks are not considered electronic, and are not DCIA compliant unless one of the following criteria 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 or physical safety of any individual may be endangered, or a law enforcement action may be compromised.
- ◆ An agency's need for goods and services is of such unusual and compelling urgency that the government would be seriously injured unless the transaction is processed by other than electronic means.
- ◆ There is only one source for the required supplies or services and the government would be seriously injured unless the transaction is processed by other than electronic means.

#### Unauthorized Use of the Card and Checks

The purchase card and convenience checks cannot be used for:

- ◆ Cash advances and/or travel advances (except emergency salary payments as authorized by the agency)
- ◆ 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.
- ◆ With the exception of fuel for aircraft, related supplies and services for government-owned and leased vehicles, 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.
- ◆ Advance payment to a merchant prior to receipt of goods/services, unless authorized by law (i.e., subscriptions, registration fees, and training).
- ◆ Writing checks to self or for cash.
- ◆ 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)
  - 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

### ***Documentation, Reconciliation, Payment, and Retention Procedures***

#### Documentation

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

- ◆ When a purchase is made over-the-counter, the cardholder must obtain a customer copy of the charge slip and a copy of the register receipt or detailed invoice.
- ◆ When making purchases by telephone, the cardholder must obtain the shipping documents and any charge slips associated with the order.
- ◆ When downloading a purchased product from the Internet, the cardholder must printout the electronic confirmation associated with the order along with the shipping documents.

#### Reconciliation and Payment

The cardholder will reconcile their transactions at least once a month in PCMS using the documentation retained from each purchase (refer to the [APC/LAPC PCMS User's Guide](#) for details). Purchase transactions are posted in PCMS within 24 hours of their occurrence. The NFC will pay the electronic invoice and schedule payment with the U.S. Treasury.

**Retention**

Documentation supporting cardholder purchases (i.e., sales receipt, packing slip, or screen print of electronic purchase) must be retained for three years after final payment in accordance with the FAR Part 4. Transactions must have proof-of-purchase documentation. Disposal of purchase card files will be in accordance with individual agency procedures. Convenience check transactions to reimburse authorized employee expenses, provide emergency salary payments, or confer spot cash awards must be approved and documented in accordance with agency procedures. If needed, the bank will provide copies of cleared convenience checks within 14 calendar days of the agency’s request at no charge.

File retention periods for other transactions are as follows:

TRANSACTION TYPE	RETENTION PERIOD
<ul style="list-style-type: none"> <li>• Micro-purchases</li> <li>• Simplified Acquisitions under \$25,000</li> <li>• Construction Acquisitions under \$2,000</li> </ul>	3 years from the date of purchase
<ul style="list-style-type: none"> <li>• Simplified Acquisition at and above \$25,000</li> <li>• Contract Orders/Payments</li> <li>• Official Business Reimbursements Including Local Travel</li> <li>• Spot Cash Awards</li> <li>• Emergency Salary Payments</li> </ul>	6 years, 3 months*

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

**Disputes**

**MICRO-PURCHASES**

Keep in mind that transactions are paid, then disputed. The cardholder must contact the vendor and try to resolve any dispute before processing it through PCMS. If the dispute with the vendor cannot be resolved, the cardholder is to contact the bank for assistance. The cardholder has 60 days to file a dispute. Refer to the [APC/LAPC PCMS User’s Guide](#) for details.

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

**CONVENIENCE CHECKS**

Convenience checks CANNOT be disputed through PCMS. If the check was just written, the check writer’s LAPC must contact the bank (Bank of America) at 1-800-472-1424 (domestic purchase cards only; toll free) or 1-757-441-4124 (international purchase cards only; collect call) to stop payment. The bank will stop payment on the convenience check within 24 hours. The check writer will then work with the vendor to resolve the dispute. There is no cost for stopping payment on a convenience check.

If the check has appeared in PCMS to be reconciled, it has already been paid. In this case, a stop payment cannot be issued. At this point, the



check writer must work directly with the card services contractor and the vendor to resolve the dispute. If, after working with the card services contractor and the vendor, resolution of the dispute involves a refund or credit to USDA, the cardholder should contact their LAPC. The LAPC will contact the bank to work out the proper refund process.

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

### ***Disciplinary Actions***

APCs/LAPCs need to stress the importance of the cardholder’s responsibility in using the purchase card at the very beginning of their training. The Departmental Office of Human Resources has provided a list of suggested penalties for specific offenses. However, individual agencies may have their own guidelines they wish to apply for inappropriate use of the purchase card and check. Although each case must be evaluated on its own merit, the following table provides a framework to assure consistent application of disciplinary penalties throughout the department. The objective here is not to unduly concern the individual but to ensure that they fully understand their responsibilities and the consequences.

<b>TYPE OF MISCONDUCT</b>	<b>PENALTY FOR FIRST OFFENSE</b>	<b>PENALTY FOR SUBSEQUENT OFFENSE</b>
Use of (or authorizing the use of) employees or government owned, leased or provided property, facilities, services or credit cards/convenience checks, for inappropriate or non-official purposes.	Letter of reprimand to removal	5-day suspension to removal
Writing checks when vendor accepts purchase card.	Verbal warning from LAPC	
Failing on a consistent basis to reconcile transactions in PCMS. See <i>Deactivation of USDA Purchase Card Account</i> .	Verbal warning from LAPC	Written warning to loss of purchase card privilege

### **Deactivation of USDA Purchase Card Account**

APCs/LAPCs can deactivate purchase card accounts for infractions of department or agency regulations such as failing to reconcile transactions in a timely fashion. Accounts can also be deactivated to mitigate risks such as when an intermittent employee is not on active duty and you want to assure that person’s card and checks are not used.

LAPCs must provide the cardholder with advance written notice that the account is being deactivated, the reason(s), and the date or period of the deactivation. If the cardholder is authorized to have convenience checks, the notice should require that the cardholder submit all unused convenience checks, the check registers, and check carbons to the LAPC by a set date.

Apply the following steps to avoid bounced checks when deactivating an account:

1. Before completely deactivating an account that has convenience checks, the LAPC may set the single purchase limit to \$1.00 on the date provided in the cardholder notification, essentially turning the card off. This change should be made through PCMS CAMS so the new limit will appear in the Cardholder Screen. In an emergency, make the change by calling the bank's Government Card Services Unit (GCSU) at 1-800-558-0548 and then promptly enter it into CAMS. Lowering the single purchase limit to \$1.00 will prevent anyone from making purchases using the card but will allow any outstanding checks to clear through the Bank. Lower only the single purchase limit because the monthly limit is needed to assure sufficient credit for outstanding checks to clear. Checks normally take 7-10 days to clear after the recipient has deposited or cashed them. Keep in mind that some check recipients may not deposit checks immediately.
2. Before deactivating the account, LAPCs must assure that the cardholder does not write more checks and that all checks have cleared. The LAPC should obtain the cardholder's remaining check register, and check carbons. The LAPC should ask the cardholder what checks are outstanding and review the check register, the check carbons, and cleared transactions in PCMS. Call GCSU for assistance in determining what checks have cleared. Once the account is deactivated, the bank will not issue an automatic resupply of checks when the trigger is reached which is the 39<sup>th</sup> check.
3. After steps one and two, submit a deactivation request to the bank.

### Deactivation/Activation Requests

APCs/LAPCs should submit requests for deactivation/activation to Bank of America's Agency Coordinator Team at GCSU via e-mail as follows:

**To:** [GCSUAC@bankofamerica.com](mailto:GCSUAC@bankofamerica.com)

**Subject:** Account Deactivation/Activation Request

1. Cardholder name
2. Account number
3. Deactivation date or period (e.g., June 1 – September 30)
4. LAPC name
5. LAPC hierarchy (Dept., Agency, Region)
6. LAPC telephone number
7. Request confirmation by e-mail

## **CARD/CHECK ISSUANCE**

Purchase cards will be issued to warranted procurement personnel and appropriately designated and trained unwarranted personnel. The cardholder may also be delegated check writing authority when it is anticipated that they will need to place orders with vendors that do not accept the purchase card, or are responsible for payment of items that are traditionally paid through imprest funds. Agency management determines to whom the purchase cards and convenience checks are issued (if any), as well as single and monthly purchase limits consistent with this regulation.

New purchase cards will be mailed directly to the LAPC so that receipt of the cards/checks can be coordinated with the training schedule. Renewal or reissued purchase cards will be sent directly to the cardholder. Currently, the cycle for new purchase cards is as follows:

Day 1	LAPC sets up account in PCMS
Day 2	USDA transmits account setup file to Bank of America
Day 3	Bank of America reformats the file and sends it to GCSU
Day 4	GCSU creates new VISA account
Day 5	Total Systems (TSYS) produces and mails new plastic
Day 6-7	U.S. Postal Service delivers card

Checks will be mailed to the cardholder within 10 business days from receipt of new account setup in PCMS. Checks are ordered in a minimum of 50 checks per box (in books of 25 with carbons). Check number 39, and each increment thereof, will trigger a reorder from the bank of an additional 50 checks. The cardholder is to contact their LAPC to reorder checks if the reorder trigger is not functioning or to order larger quantities of checks. Cardholders are not authorized to order checks directly from the bank. LAPCs can contact GCSU at 1-800-472-1424 to order checks.

## **CARD/CHECK SECURITY**

### ***Monitoring Card/Check Usage***

The DPC, APCs, LAPCs, managers with funds responsibility and cardholders, and the Offices of Procurement and Property Management and Inspector General will monitor purchase card transactions through PCMS' Alert System and the Query Tool Software, Oracle Discoverer. Employees are required to comply with any requests for information/investigations regarding questionable purchases by the LAPC, APC, DPC, Agency Acquisition Review Offices, OPPEP, Procurement Policy Division, agency management officials, the Office of Inspector General, and other duly authorized organizations/individuals.

### ***Terminations and Cancellations***

Prior to separation from their agency or assignment to another function that does not require cardholder authority, the cardholder will surrender the card and, if issued, unused convenience checks, to the LAPC who will destroy them. The cardholder will review with the 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. The LAPC will immediately use SAMS to cancel the cardholder's PCMS user ID. The LAPC will then contact NFC to obtain a temporary user ID in order to reconcile "trailing" transaction for that cardholder. In reconciling the transactions, the LAPC will put a note in the "Comments" field indicating that the cardholder has retired, transferred, died, etc., and that the LAPC is reconciling. Sometimes the LAPC cannot locate the sales receipt or other transaction documentation. In that case, note that in the "Comments" field. Once all transactions are completed, the LAPC will delete the cardholder from PCMS.

The following procedures have been established to assist you with terminating/canceling the purchase card:

1. Obtain the purchase card/convenience checks from the cardholder.
2. Destroy the purchase card/convenience checks.
3. Delete the cardholder's PCMS user's id (refer [SAMS User's Guide for the Purchase Card](#)).
4. APC/LAPC contacts NFC to obtain temporary user id to reconcile cardholder's remaining unreconciled transactions.
5. Delete cardholder from PCMS (refer to [APC/LAPC PCMS User's Guide](#)).

The deleted record will remain in the system but will retain the action code of "D." When running your Oracle reports listing cardholders, you must define a search element as "A" for active records in order to prevent the deleted records from appearing in your report.

Refer to the [APC/LAPC PCMS User's Guide](#) for details.

### ***Stop Payment Requests***

A cardholder that needs to stop payment on a check is to contact their LAPC and the bank immediately. Refer to [Disputes](#) in this section.

### ***Transfers or Relocation***

Accounts are modified in PCMS for cardholders transferring or relocating within the same agency in USDA.

Cardholders cannot be transferred from one agency to another within USDA using PCMS. The cardholder's account must be deleted from PCMS and then added back into the system, with a new account, by their LAPC at their new location.

Refer to the [APC/LAPC PCMS User's Guide](#) for details.

### ***Card Renewal***

Renewal cards will automatically be mailed to cardholders at the address on file two years from the issue date, and every two years thereafter for the term of the contract, unless otherwise requested by the APC/LAPC.

### ***Check Reorders***

Check reorders are automatic. Refer to [Card/Check Issuance](#) in this section.

### ***Lost/Stolen Cards/Checks***

When a purchase card is lost or stolen, the cardholder should contact Bank of America's GCSU by telephone at 1-800-472-1424 to report the lost/stolen card. The GCSU staff is available 24 hours a day, 7 days a week. (Note: In most cases it is preferred that the cardholder contact GCSU first rather than the LAPC so that the highest level of detail regarding account activity leading up to the lost/stolen date can be provided immediately.)

Bank of America 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. Bank of America will generate a report of new USDA purchase accounts resulting from lost/stolen cards and provide this report to PCMS via electronic file for loading into the PCMS database. This process will initially be manual but ultimately may be incorporated in the PCMS/EAGLS interface. Trailing balances generated prior to the date of lost/stolen notification will be transferred to a new account number, with the exception of potentially fraudulent transactions, which are systematically held by Bank of America for manual review and investigation.

If the USDA cardholder still sees fraudulent transaction(s) on the new account number in PCMS, that cardholder should dispute the transaction using normal dispute procedures. For these disputed transactions, Bank of America 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.

### ***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 1-800-472-1424 to activate their account.

Activation will be done through the Automated Response Unit by keying in the single purchase limit and monthly purchase limit. Cardholders with foreign addresses are to use the collect telephone number provided with the purchase card.

## **TROUBLESHOOTING**

LAPC's should check with their APCs for direction. If necessary, they should contact the following offices:

- ◆ For questions about security (e.g., password, user ID), contact the Security Office at (504) 255-5407.
- ◆ For questions about the PCMS application, follow agency procedures before contacting NFC Customer Support at (504) 255-5230 or 1-800-981-3026. Cardholders should contact their LAPC with any PCMS questions.
- ◆ For non-application questions (e.g., telecommunications), call the Network Control Center at (504) 255-5037 after checking with your agency telecommunications personnel.
- ◆ Inquiries about the USDA Purchase Card Program should be directed through agency channels (the cognizant LAPC and APC) to the DPC in the OPPEP, Procurement Policy Division, at (202) 720-7527.
- ◆ To verify cardholder information, the APC is to contact GCSU at 1-800-472-1424 or 1-800-558-0548, 7AM-9PM. GCSU will require that the APC provide to them the Central Account Number as a standard security check before issuing the information.



## SECTION IV. PURCHASE CARD TRAINING

In order to receive a purchase card with micro-purchase authority, unwarranted personnel must first receive training in micro-purchase regulations and procedures and PCMS. Warranted personnel must be trained to use PCMS before a card may be conferred. Individuals must certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions. Agencies will determine the method of certification.

Each agency is responsible for training participants in the purchase card program in accordance with department/agency procedures. The materials listed below are available for use in training APCs, LAPCs, cardholders, and others involved in using or monitoring purchase card transactions.



### CARDHOLDER TRAINING

- ◆ CD-ROM Purchase Card Management System Interactive Training Tool – An interactive, multimedia tutorial for the cardholder on using PCMS.
- ◆ USDA Purchase Card Program Video – A 12-minute overview of the USDA purchase card program.
- ◆ Purchase Card Program Tutorial - An interactive, multimedia tutorial covering overall program concepts, and the Departmental Regulation on the use of the purchase card.
- ◆ Purchase Card Management System (PCMS) Trifold – A quick reference tool providing instructions on how to use PCMS software.
- ◆ *PCMS/Micro-Purchase Guide* – A comprehensive training guide on micro-purchasing that provides testing of potential cardholders. This guide is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ *Cardholder PCMS User's Guide* – A detailed guide to using PCMS, aiding the cardholder in reconciling their transactions. This guide is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ *Departmental Regulation 5013-6* – USDA Regulation that provides overall policy for the use of purchase cards and checks. This Regulation is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ Agency specific regulations and policies on the use of the purchase card.
- ◆ *Javits-Wagner-O'Day Program Purchase Card Training Kit* – This kit is available on the JWOD home page at <http://www.jwod.gov/Training.htm>.

## APC/LAPC TRAINING

- ◆ CD-ROM Purchase Card Management System Interactive Training Tool & LAPC Module – An interactive, multimedia tutorial for the LAPC on using PCMS.
- ◆ USDA Purchase Card Program Video – A 12-minute overview of the USDA purchase card program.
- ◆ Purchase Card Program Tutorial – An interactive, multimedia tutorial covering overall program concepts, and the Departmental Regulation on the use of the purchase card.
- ◆ Data Query Training - Oracle documentation that provides for the use of the report writer.
- ◆ *APC/LAPC PCMS User's Guide* – A detailed guide to using PCMS, aiding in the process of applying for new cardholder accounts, closing accounts, and maintaining existing accounts. This guide is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ *SAMS User's Guide for the Purchase Card* – A detailed guide to establishing security access for all system users (i.e., PCMS, Oracle Discoverer). This guide is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ *Departmental Regulation 5013-6* – USDA Regulation that provides overall policy for the use of purchase cards and checks. This Regulation is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ *APC/LAPC Purchase Card Program Guide* – A comprehensive guide on micro-purchasing and the purchase card program. This guide is available through the USDA Procurement home page at <http://www.usda.gov/da/procure/pcard/pcguide.htm>.
- ◆ Agency specific regulations and policies on the use of the purchase card.
- ◆ *Javits-Wagner-O'Day Program Purchase Card Training Kit* – This kit is available on the JWOD home page at <http://www.jwod.gov/Training.htm>.

## FINANCE OFFICE TRAINING

- ◆ USDA Purchase Card Program Video
- ◆ Data Query Training

## ADDITIONAL TRAINING MATERIALS FOR CARDHOLDERS

- ◆ GSA Customer Supply Center for Specific Region (1-800-848-8928)
- ◆ UNICOR Quick Ship Credit Card Catalog (1-800-827-3168)
- ◆ JWOD Skilcraft Products and Services Catalog (1-800-433-2304)
- ◆ Generic materials are available from the Office of the Federal Environmental Executive (202-260-1297)
- ◆ User Aids:
  - Wallet Insert - mini-regulations targeted to nonprocurement personnel.
  - Sleeve - used to store wallet insert and purchase card.
  - Vinyl Register - resembles a small checkbook register and may be used to record transactions.

## STORAGE AND RETRIEVAL OF TRAINING MATERIALS

The training materials will be housed at the Consolidated Forms and Publications Distribution Center (CFPDC) in Landover, Maryland. These materials can be ordered directly from the Distribution Center using a Form CFPDC-1 in accordance with departmental/agency procedures citing the following form numbers (see also <http://www.usda.gov/oo/forms.htm>).

ITEM	FORM NUMBERS
Trifold/PCMS Workbook	1113
NFC Directive	1114
Sleeve	1117
Wallet Insert	1118
Vinyl Register	1119
USDA Purchase Card Program Video	1120
Purchase Card Management System (PCMS)	1121
Purchase Card Tutorial and Micro-Purchase Course	1141

Note: Contact OPPEP for directions in acquiring the CD-ROM for interactive training tools.

### *Training Database*

A training database is used to train APCs, LAPCs, cardholders, and other users of the system. Training IDs and passwords for each role are established within the database. The training database consists of card and check transactions. Fictitious account numbers and SSNs have also been established for training purposes. LAPCs must inform the APC of their scheduled training dates to ensure user names and passwords are available.

### *Training Guidelines*

The USDA training plan has been developed to ensure consistent training throughout the agency (refer to [Appendix D: USDA Purchase Card Program Training](#)). This training plan consists of a proposed training agenda for cardholders and LAPCs/APCs, guidelines for using purchase cards/convenience checks, and a training workbook with exercises for the cardholder.



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## SECTION V. SECURITY

### SECURITY ACCESS MANAGEMENT SYSTEM (SAMS)

SAMS is a Windows-based system designed to allow the DPC, APCs, and LAPCs to request access to PCMS and the data query tool at NFC. The access requests are immediately stored in the NFC database and are read and processed in a batch program nightly.

The DPC must request SAMS access for the APC and the APC must request SAMS access for the LAPC/Alternate after these roles have been established in SAMS for PCMS access. These requests should include the name of the APC/LAPC, User ID, Security Access Code (SAC) information, and the number of IDs to be established in the pool. Refer to the [APC/LAPC PCMS User's Guide](#) and [SAMS User's Guide for the Purchase Card](#) for detailed instructions.



NOTE: A list of user IDs will be established for each LAPC. When gaining access for a user, verify through agency Security Personnel that the user does not have an existing ID. If an ID does exist, use it for access to PCMS. If an ID does not exist, select an ID from the established user ID list.

### PASSWORDS

PCMS passwords are to be changed as prompted by the system. The system will send a message, similar to the one below, to remind you to change your password.

ATTENTION: CARDHOLDERS, LAPCs, APCs

This is a reminder: Please change your password. To change your password:

1. Click on the SQL <> Secure icon.
2. Supply your current username, password, and host ID (gammaor01)
3. Click login and you will be allowed to propose a new password.

Call your APC if you need assistance in changing your password. Refer to the [APC/LAPC PCMS User's Guide](#) and [SAMS User's Guide for the Purchase Card](#) for details in changing the password.

# **APPENDICES**

## **APPENDIX A: LIST OF ACRONYMS**

<b>APC</b>	Agency Program Coordinator
<b>BOC</b>	Billing Office Contact
<b>BOCC</b>	Budget Object Classification Codes
<b>BP</b>	Basis Points
<b>CAMS</b>	Cardholder Account Maintenance Screen
<b>CCB</b>	Change Control Board
<b>CSC</b>	Customer Supply Center
<b>COTR</b>	Contracting Officer's Technical Representative
<b>DCIA</b>	Debt Collection Improvement Act of 1996
<b>DOD</b>	Department of Defense
<b>DPC</b>	Departmental Program Coordinator
<b>EDI</b>	Electronic Data Interchange
<b>EPA</b>	Environmental Protection Agency
<b>FPI</b>	Federal Prison Industries
<b>FSS</b>	Federal Supply Schedules
<b>GCSU</b>	Government Card Services Unit
<b>GPC</b>	Government Purchase Card
<b>GPO</b>	Government Printing Office
<b>GSA</b>	General Service Administration
<b>HCAD</b>	Head of the Contracting Activity Designee
<b>IFF</b>	GSA Industrial Funding Fee
<b>IT</b>	Information Technology
<b>JCP</b>	Joint Committee on Printing
<b>JFMIP</b>	Joint Financial Management Improvement Program
<b>JWOD</b>	Javits-Wagner-O'Day Program
<b>LAPC</b>	Local Agency Program Coordinator
<b>MCC</b>	Merchant Category Classification

<b>NFC</b>	National Finance Center
<b>NIB</b>	National Industries for the Blind
<b>OC</b>	Office of Communications
<b>OPPEP</b>	Office of Procurement, Property, and Emergency Preparedness
<b>PCMS</b>	Purchase Card Management System
<b>PROP/EMIS</b>	Property System/Equipment Management Information System
<b>RCRA</b>	Resource Conservation and Recovery Act
<b>SAC</b>	Security Access Code
<b>SAMS</b>	Security Access Management System
<b>SSN</b>	Social Security Number
<b>TIN</b>	Tax Identification Number
<b>TSYS</b>	Total Systems
<b>USDA</b>	United States Department of Agriculture

## APPENDIX B: UNIVERSAL RESOURCE LOCATOR

RESOURCE	WORLD WIDE WEB SITE
USDA Procurement Home Page	<a href="http://www.usda.gov/da/procure.html">http://www.usda.gov/da/procure.html</a>
GSA Advantage	<a href="http://www.gsa.gov">http://www.gsa.gov</a>
JWOD	<a href="http://www.jwod.gov">http://www.jwod.gov</a>
NIB	<a href="http://www.nib.org">http://www.nib.org</a>
NISH	<a href="http://www.nish.org">http://www.nish.org</a>
UNICOR/FPI	<a href="http://www.unicor.gov">http://www.unicor.gov</a>
USDA	<a href="http://www.usda.gov">http://www.usda.gov</a>
SF-281 Codes	<a href="http://www.usda.gov/da/procure/pcard/pcguide.htm">http://www.usda.gov/da/procure/pcard/pcguide.htm</a>
VISA Merchant Category Classification (MCC) Codes	<a href="http://www.usda.gov/da/procure/pcard/pcguide.htm">http://www.usda.gov/da/procure/pcard/pcguide.htm</a>
Budget Object Classification Codes (BOCC)	<a href="http://www.usda.gov/da/procure/pcard/pcguide.htm">http://www.usda.gov/da/procure/pcard/pcguide.htm</a>
USDA Purchase/Fleet Documentation (i.e., guides, regulations)	<a href="http://www.usda.gov/da/procure/pcard/pcguide.htm">http://www.usda.gov/da/procure/pcard/pcguide.htm</a>

Frequently Dialed Numbers:

**LAPC** \_\_\_\_\_

**APC** \_\_\_\_\_

**DPC** \_\_\_\_\_

**Bank** \_\_\_\_\_

**Finance** \_\_\_\_\_

**NFC** \_\_\_\_\_

**IT** \_\_\_\_\_

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## APPENDIX C: PCMS SYSTEM REQUIREMENTS

Each PCMS user must have a TCP/IP address. Agency telecommunications personnel obtain and assign TCP/IP addresses in accordance with agency procedures. It is against government regulations to use local Internet providers to connect to NFC unless a waiver has been received. Agencies must use FTS2000.

User Platform Requirements to install and operate PCMS:

### Workstation:

CPU:	Minimum of 486 chip with 66 MHZ clock speed
Memory:	Minimum of 16 MB preferably 24 MB RAM
Storage:	Minimum of 100 MB available on hard drive
Operating System:	Windows 95, 98 and NT
Monitor Resolution:	800 x 600
CD ROM:	CD ROM drive desirable (not necessary to run PCMS)

### Telecommunications:

Network Connectivity:	Ability to connect to NFC UNIX server(s) via USDA TCP/IP network
TCP/IP:	Compatibility with current version of ORACLE TCP/IP and SQL*Net Version 2.1.4
Other:	For computers not connected to a network with telecommunications capability, a 28.8 kbps modem and Internet access service provider is required

### Security/Encryption:

Oracle Secure Network Services (SNS):	PCMS supported by Version 7.3
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### PCMS Application:

Oracle Forms/Report Writer

### Data Query Application:

Software:	Oracle Discoverer 2000 for Windows. PCMS supported by Version 3.0
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## **APPENDIX D: USDA PURCHASE CARD PROGRAM TRAINING**

### **CLASS AGENDA**

#### **INTRODUCTION**

- Welcome
- Objectives

#### **OVERVIEW OF THE PURCHASE CARD PROGRAM - Video**

#### **DEPARTMENTAL REGULATION**

#### **AGENCY POLICY**

- Use of Cards/Checks
- Documentation for Cards/Checks
- Retention and Disposal of Records

- BREAK -

#### **MICRO-PURCHASE TRAINING**

- Purchase Card Program
  - ▶ Authority/Responsibilities
  - ▶ Purchase Limits
  - ▶ Card Security
  - ▶ Reconciliation
- Micro-Purchase Acquisition Procedures
  - ▶ Definition of Micro-purchases
  - ▶ Competition
  - ▶ Procedures Authorized for Nonprocurement Personnel

- Sources Of Supply

- ▶ Recycled/Environmentally-Preferable Products and Services
- ▶ JWOD Purchase Card Training Kit
- ▶ Commercial Printing
- ▶ Meetings and Conferences

- BREAK -

**PCMS TRAINING**

- Training IDs and Passwords
- PCMS Hands-on Training
- Official NFC IDs and Passwords
- Issuance of Purchase Cards and Checks

**QUESTIONS**

For APCs and LAPCs include training for CAMS, SAMS, and Data Query.
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## PCMS TRAINING PLAN FOR CARDHOLDERS

ACTION: DISTRIBUTE TRIFOLD

### I COMMAND KEYS HELP SCREEN MENUS

#### EXERCISE 1

Discuss the function of the command keys. Explain the purpose of the help screen and menus—menu bar and title bar.

#### Command Keys

Used to initiate or confirm actions in PCMS that would otherwise require you to select a menu and then execute the commands. In PCMS these command keys are located at the top of each screen just below the menu bar.

<b>Save</b>	Enters into the database all changes made since the last [SAVE] or [Clear Form/Rollback].
<b>Print</b>	Writes the current screen to a file and asks if you want to print it.
<b>Clear Form</b>	Clears and deletes all data in all blocks of the form and does a rollback.
<b>Find</b>	Searches for a specific value or wild card.
<b>Insert</b>	Inserts a new record after the current record.
<b>Remove</b>	Deletes the retrieved record from the screen and from the database. Records are not permanently deleted until you save your changes to the database.
<b>Clear Rec</b>	Removes the current record from the current block, reversing any uncommitted changes made to that record. A cleared record is not deleted from the database.
<b>Edit</b>	Displays an Editor dialog box in which the operator can edit a field.
<b>List</b>	Displays a list from which the user may select valid entries.
<b>Help</b>	Displays a brief message for the current field.

## Help Screens

When running PCMS, you can retrieve help by selecting [Help], [Keys], or [List]. Some screens provide additional help at your request. Where additional help is available, it may take the form of a box or screen of information that you display by selecting a function, command, or menu option.

## Menus

Each option screen has menu names located on a menu bar (beneath the title bar). A menu contains a list of commands (functions), which are actions you can carry out in the application. To choose a menu name or command, click on it once or key in the letter underscored in the menu name.

## II LOGON/EXIT

### Explain Three Icons in PCMS Program Group

To start PCMS, open the PCMS program group. Select the **PCMS** icon. Read the warning box and click **OK**. The Logon box is displayed. Use the **[Tab]** key to respond to the prompts. Click **Logon** or use the **[Enter]** key.

To exit the system, click on **Exit PCMS**.

### EXERCISE 2

1. User logs into system using Test Ids and passwords
2. User exits system using **Exit PCMS** button.
3. User logs into system and trainer begins training.

### III PCMS MAIN MENU/BULLETIN BOARD (FIGURE 1)

#### EXERCISE 3

1. Explain options on "Menu Bar."

##### **Cardholder pull-down menu**

- User Messages
- Purchase Card
- Card Transactions
- Profile Accounting

##### **Reports**

##### **Window**

##### **Help**

2. Explain purpose of Bulletin Board.

### IV USER MESSAGES (FIGURE 2)

#### EXERCISE 4

1. Mention "Menu Bar" and "Command Keys."
2. Explain the purpose of the User Messages Screen.
  - Click **Find**. Discuss what appears, i.e., cardholder name, account no., location in agency, message date, message status, messages not read (4).
  - Read message and let cardholder enter comments and save.
  - Mention "scroll bar."
  - Action/Exit

**V PURCHASE CARD (FIGURE 3) - View only screen**

EXERCISE 5

1. Explain the purpose of the *Purchase Card Screen*.
2. Mention “Menu bar” and “Command keys.”

**VI CARD TRANSACTIONS (FIGURE 5) - 25 transactions (card and checks)**

EXERCISE 6

Explain the purpose of the *Transactions Screen*, i.e., view transactions, maintain transactions, and maintain disputes.

**View Transactions (Figure 4)**

EXERCISE 7

1. Click **Find**. Discuss what appears, i.e., name, account no., purchase date, transaction amount, merchant name, action code, “Acctg” button, merchant city, merchant state, invoice paid date.
2. Query- Go to 2nd data block and **Clear** form. Enter the query and execute:
  - Purchase Date (00-00-0000; execute query)
  - Transaction amount (\_\_\_\_; execute query)
  - Merchant name (Name; execute query)
  - City (City name; execute query)
  - State (State abbr.; execute query)
  - Action (Enter code; execute query)
3. If you want to just “view” your information, click **Action/Exit** to leave the system, otherwise, click “Acctg” to reconcile transaction.

**NOTE:**

Two ways to query:

1. Enter query; execute query.
2. Enter query; click Find.

Always check to see if you are in query mode.

**Maintain Transactions (Figure 6)****EXERCISE 8**

1. Discuss what appears, i.e., first data block— purchase date, merchant name, accounting information, modify button; second data block—action, date received, [SF-281 Code](#), Tax ID no., agency reference no., item description, comments, modify all accounting, comments, previous transaction, next transaction.
2. Reconcile transaction.
  - Approve (next transaction)
  - Partial (next transaction)
  - Questionable (next transaction)
  - Approved (change accounting/next transaction)—use list for accounting codes and object class. Also use “%” for wildcard.
  - Unapproved (change accounting/next transaction)
  - Dispute (change accounting) [Save]—enter any data

**NOTE:**

If a purchase card transaction, merchant name will appear. If bank check, check number will appear in item description block as *Cash Advance from Check #####*.

Additionally, boxes are grayed out when you do not have enter any data.

**Maintain Disputes (Figure 7)**

## EXERCISE 9

1. Go to *Card Transactions, Maintain Disputes*. Discuss what appears, i.e., purchase date, merchant name, reference no., previous transaction, next transaction.
2. Use **List** to pull down list of dispute codes. Select a code.
3. Discuss *Date disputed, Date resolved, Date merchant contacted, Amount, and Comments*.
4. Click **Save**.
5. Go to *Previous transaction or Next transaction or Card Transaction/view transactions*.

**VII PROFILE ACCOUNTING (FIGURE 8)**

## EXERCISE 10

1. Click **Find**. Discuss what appears on the screen, i.e., name, agency, account no., accounting code, account description, object class, distribution percent, and total.
2. Can use *Edit* box for account description and can pull up object class code lists.

**VII CHANGING PASSWORDS**

## EXERCISE 11

Your password must be changed as prompted by the system. To change your password:

1. Click on the icon that says change password changer.
2. Supply your current username, password, and host ID (e.g., gammaor01).
3. Click **Login** and you will be allowed to propose a new password.

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## APPENDIX E: 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. Requirements for supplies and services must be satisfied from or through the services and publications listed below in descending order of priority.

### 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. Public exigency requires immediate delivery or performance;
- b. Suitable used or excess supplies are available;
- c. Purchases are made from GSA of less-than-carload lots of common-use items stocked by GSA;
- d. The products are acquired and used outside the United States; and
- e. Orders are for listed items totaling \$25 or less, and require delivery within 10 days.

Your procurement office has UNICOR's full line catalog or you can go on-line at <http://www.unicor.gov>.

#### 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 are 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 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, JWOD employees are able to lead more productive, independent lives.

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

Products furnished include office supplies, cleaners, and others. Many office products carry the SKILCRAFT brand name. A wide array of JWOD 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 JWOD;** 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 JWOD Program. All distributors of JWOD 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 JWOD office supplies from six international vendors with next-day, desktop delivery. Order by telephone, fax, or EDI. Walk-in store purchases are not included. The vendors accept purchase cards. Contract terms require overnight delivery of product to the cardholder's desk.



For catalogs and more information, contact the vendors:

- Boise Cascade Office Products (888) 505-FEDS (3337)
- BT Office Supplies International (888) 862-8674
- Corporate Express (800) 706-9267
- Innovative Sales Brokers (800) 283-1903
- Office Depot (888) 263-9586
- Staples National Advantage (800) 538-2728

JWOD Program Information can be obtained from:

<http://www.jwod.gov>

Telephone: 877/getjwod; FAX: 877/FAXJWOD



National Industries for the Blind (NIB):

<http://www.nib.org>

Headquarters (703) 998-0770 or Customer Hotline (800) 433-2304

NISH:

<http://www.nish.org>

National Office (703) 560-6800

#### GSA Customer Supply Centers (CSCs)

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

#### New GSA Advantage!

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

## 5. Wholesale Supply Sources

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

- a. **GSA.** The GSA Supply Catalog is published annually and updated quarterly. It is an illustrated book that serves as the primary source for identifying items and services offered from GSA supply sources. When an order is placed from GSA catalogs, adequate lead-time must be allowed for delivery. GSA requires about 30 days or less to deliver standard stock items within a Region. Furniture and other office equipment may take up to 6 months for delivery. Delivery for items ordered could be determined in advance by calling the Customer Service number listed in the GSA catalog.

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

GSA also offers an online shopping service called GSA Advantage. This service can be accessed through the "Internet" at <http://www.gsa.gov> and you can use the purchase card with this system.

- 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. Numbers ranging from 19 to 99 breaks down supply schedules into commodity/service groups. A listing of these groups and instructions for obtaining vendor price lists can be found in the FSS Program Guide located in the procurement office.

All schedules contain general instructions, ordering instructions, a list of supplies and services, a list of contractors, and an index. Because the listing content of each schedule will vary from the others, the content of each schedule must be carefully reviewed before ordering. Schedules are for one year and reviewed by GSA as required. Contractor's catalogs may, as a result, contain outdated prices. Cardholders must make sure that the prices used in procurement actions are current.

When the Department of Agriculture is listed (under "Mandatory Users") as a primary user of an item, Cardholders are required to use FSS for that item. The GSA may grant waivers to mandatory users, and certain exemptions are allowed, both of which may permit the use of "open market" commercial sources instead of those listed in the FSS. (An office may not be a mandatory user when the geographic coverage of the contract does not include the area in which the office is located.)

The FSS is converting to nonmandatory sources of supply. This includes all multiple and single award schedules, including the International Federal Supply Schedule. The following list indicates sources that still have questionable mandatory use:

SCHEDULE TITLE	SCHEDULE NUMBER	ANTICIPATED EXPIRATION DATE OF MANDATORY USE CONTRACTS
JWOD Office Supplies	75 III A	Nonmandatory (Mandatory status for products and services.)
Governmentwide Employee Relocation Service	653	Mandatory use is voluntary*
Business Information Services (BIS)	732 I A	Nonmandatory*
Human Resources Management and EEO Services	738 X	Mandatory use is voluntary*
Film & Videotape Processing	781 I & II	Nonmandatory*
Lending Library Services	823	Nonmandatory*
Prepayment Audit of Government Transportation Bills	872	Nonmandatory*
TQM	874	Nonmandatory*
International Federal Supply Schedule	IFSS	Nonmandatory*

\*Contact the Services Acquisition Center for more information at (703) 305-7261.

For a complete FSS listing, go to <http://www.fss.gsa.gov/schedules/>. Once at this site, select *Schedules E-Library* and click on *View the Complete Federal Supply Schedule Listing*.

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 Lists. (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.

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

Federal government and USDA policy is to buy recycled products made from recovered waste materials, specifically those products designed by the Environmental Protection Agency (EPA), and to give preference to recycled, environmentally-preferable, and energy-efficient products and services. 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
- ◆ USDA Biobased Products List

- ◆ Resource Conservation and Recovery Act (RCRA), Section 6002
- ◆ EPA Comprehensive Procurement Guidelines
- ◆ Federal Acquisition Regulation Subpart 23.4, Use of Recovered Materials and Agriculture 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 oils, biobased oils
- ◆ Energy-star computers
- ◆ Construction materials, e.g., building insulation
- ◆ Computer disks

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

Information on recycling is available in the following sources or by calling the EPA RCRA Hotline at 1-800-424-9346:

- ◆ EPA's Comprehensive Procurement Guidelines
- ◆ Greening the Government (available from Federal Environmental Executive by calling 202/690-1297)

### ***Commercial Printing***

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

- ◆ The GPO cannot provide the printing service (44 U.S.C. 504);

- ◆ The printing is done in field plants operated by an executive agency (44 U.S.C. 501(2));
- ◆ The printing is acquired by an executive agency from allotments for contract field printing (44 U.S.C. 501(2)); or
- ◆ The printing is specifically authorized by statute to be done other than by GPO.

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

- ◆ 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 nonrecurring printing or duplicating job; and
- ◆ Must be for official use only and for strictly administrative or operational purposes.

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

### ***Meetings and Conferences***

The Chief Financial Officer has jurisdiction for USDA regulations governing offsite meetings and conferences. Offsite meetings and conferences exceeding \$25,000 should be submitted to the Deputy Secretary 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, transportation, and rental of conference rooms—unless programmatic considerations dictate otherwise.
- ◆ Meetings or conferences where a majority of the attendees will be Washington, D.C.-based personnel must be held at a location within the Washington, D.C. metropolitan area. Only agency heads or their deputies may authorize an exception to this rule.
- ◆ For USDA-sponsored meetings, conferences, seminars, and similar events, the following order of preference must be followed:
  1. Local USDA facilities
  2. Other local government facilities
  3. Facilities outside the employee's official duty station
- ◆ If a meeting of seven or more employees requires the payment of transportation expenses, the approving official must conduct a cost-benefit analysis and keep it on file. At a minimum, this 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.

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.