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Bulletin

Title: Purchase Card Management System – Changes to Spending Limits

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Originating Office: Acquisition and Property Division, Policy Branch, AFM/ARS

Distribution: All REE Employees

This Bulletin is issued to provide guidance to implement the change to the new micro-purchase threshold of \$3,000.

The micro-purchase threshold was increased from \$2,500 to \$3,000 by an amendment to the Federal Acquisition Regulation (FAR). Purchases within the micro-purchase threshold can still be awarded without soliciting competitive price quotations if the price is fair and reasonable.

As a result of the amendment, the Department of Agriculture (USDA) authorized agencies to implement the increased micro-purchase threshold from \$2,500 to \$3,000. This increase affects the maximum allowable nonprocurement cardholder's single purchase limit and impacts existing purchase card/convenience check policy in the areas of construction, services, and check usage.

Please be advised that the increased limit will **not** be automatically changed in the Purchase Card Management System (PCMS) for nonprocurement cardholders with a \$2,500 single purchase limit. The purpose of this policy is to establish Research, Education, and Economics (REE) guidance for implementing the increased threshold for nonprocurement cardholders.

According to 213.3M REE Purchase Card Program Manual, dated May 24, 2002, REE managers/supervisors determine in writing the necessity and appropriateness of each card, including the single and monthly purchase limits of a cardholder. This information is submitted to the Local Agency Program Coordinator (LAPC) using an existing form that was designed to initiate a card request. In an effort to implement the increased micro-purchase limit for nonprocurement cardholders, the REE Purchase Card Manual will be revised to supplement the existing guidance in Departmental Regulation 5013-6 as follows:

Changes to Spending Limits. Changes to increase the single purchase limit (i.e., from \$2,500 to \$3,000) or monthly office limit for a nonprocurement cardholder will not be automatic. It must be requested by the manager/supervisor of the cardholder. The manager/supervisor shall forward a request to the appropriate LAPC via e-mail and include the cardholder's name and recommended limit increase. The e-mail request will be maintained in the cardholder's file as documentation.

When the single purchase limit is increased above \$2,500, LAPC's shall issue a letter, similar to the example in Exhibit 1, to the affected nonprocurement cardholder and include the following information. A copy of the letter is to be filed in the cardholder's file.

- The single purchase limit for supplies is \$3,000. Until further notice, enter “ZZ” in the SF-281 block in PCMS for each purchase transaction ranging from \$2,500 to \$3,000. When reconciling a transaction in PCMS that equals or exceeds \$2,500, the PCMS automatically prompts a cardholder to enter an SF-281 code. This code allows the transaction to be reconciled.
- The single purchase limit for construction remains at \$2,000. Construction is defined as construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. (In USDA, construction is required to be reported into the official Congressional reporting tool, the Federal Procurement Data System-Next Generation (FPDS-NG), at any dollar level, including those made by micro-

purchase cardholders. In order to continue to purchase construction, nonprocurement cardholders shall comply with the FPDS-NG and the Central Contractor Registration (CCR) System requirements (a contractor must be registered in the CCR to process an FPDS-NG report). The decision will reside with the cardholder's manager/supervisor, in consultation with the Area Agency Program Coordinator for the Areas or REE Headquarters LAPC for REE Headquarters, whether cardholders are to continue to purchase construction.

- The following procedures will be used if a nonprocurement cardholder has been delegated authority to purchase construction:
 1. Prior to purchasing construction, the nonprocurement cardholder shall contact their Servicing Procurement Office (purchasing agent) to verify that the merchant/vendor is in the CCR System.
 2. The Servicing Procurement Office (purchasing agent) will screen print the contractor information from the CCR and give a copy of this information to the cardholder. If the vendor is not in CCR, the Servicing Procurement Office (purchasing agent) will provide another merchant/vendor for the cardholder to use.
 3. The cardholder will then proceed with the construction purchase. The cardholder will annotate on the copy of the CCR screen print the dollar amount, purchase date, and item description. A copy of this information will be forwarded to the Servicing Procurement Office immediately after purchase in order that the Servicing Procurement Office can input the information in the FPDS-NG within the established timeframe.
 4. The nonprocurement cardholder shall enter “**22**” in the SF-281 field in PCMS when construction, alteration, or maintenance of real property is purchased at any dollar level. This code identifies the action as one that requires FPDS-NG reporting.
- The single purchase limit for services subject to the Service Contract Act remains at \$2,500.
- Convenience checks cannot be issued over \$2,500.

Questions concerning this policy should be addressed to Linda Wilson, Acquisition and Property Division, at 301-504-1733.

LARRY R. CULLUMBER /S/
Director
Acquisition and Property Division

SUBJECT: Single Purchase Card Limits

TO: Cardholder (nonprocurement cardholder only)

FROM: LAPC

This letter is issued to remind you of your single purchase card/convenience check limits to satisfy legitimate agency requirements. You may use the Government-wide commercial purchase card as follows:

- **\$3,000 for supplies.** Until further notice, enter “ZZ” in the SF-281 field for supplies that exceed \$2,500 in the Purchase Card Management System (PCMS) when prompted. This code allows the transaction to be reconciled.
- **\$2,500 for services.**
- **\$2,000 for construction.** Construction is defined as construction, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. Follow these procedures when purchasing construction:
 1. Prior to purchasing construction, contact your Servicing Procurement Office to verify that the merchant/vendor is in the Central Contractor Registration (CCR) System.
 2. The Servicing Procurement Office will screen print the contractor information page from the CCR and give you a copy of this information. If the vendor is not in CCR, the Servicing Procurement Office will provide another merchant/vendor for you to use.
 3. Proceed to purchase construction. Annotate on the copy of the CCR screen print page the dollar amount, purchase date, and item description. Forward a copy of to the Servicing Procurement Office immediately after the purchase in order that the Servicing Procurement Office can input the information in the FPDS-NG within the established time frame.
 4. Enter “22” in the SF-281 field in PCMS when construction, alteration, or maintenance of real property is purchased.
- **\$2,500 for convenience checks**

All purchases must be made in accordance with applicable laws and regulations, including but not limited to, the Federal Acquisition Regulation, Departmental Regulation 5013-6, and the 213.3M Research, Education, and Economics Purchase Card Manual.

Direct questions concerning this memorandum to _____ (enter LAPC’s telephone number and e-mail address).