



ADMINISTRATIVE
COMMUNICATIONS SYSTEM
U.S. DEPARTMENT OF EDUCATION

DEPARTMENTAL DIRECTIVE

OCFO:3-104

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Distribution:
All Department employees

Approved by: /s/
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Government-wide Commercial Purchase Card Program

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For technical questions concerning information found in this ACS document, please contact the Department Program Coordinator on (202) 245-6204 or via [e-mail](#).

Supersedes OCFO:3-104, Government-wide Commercial Purchase Card Program directive dated 01/29/2008.

I. Purpose

This directive describes the U.S. Department of Education (Department) policy for the Government-wide Commercial Purchase Card Program (Purchase Card Program). Procurement reform expanded the use of the Government-Wide Purchase Card (Purchase Card) to take maximum advantage of the micro-purchase authority provided in the Federal Acquisitions Streamlining Act (FASA) of 1994 ([PL 103-355](#)). In 1998, General Services Administration (GSA) initiated the [SmartPay Program](#) by awarding five contracts that will run for five years, with five additional one-year options, thus providing Federal agencies a new way to pay for commercial goods and services.

II. Policy

It is the Department's policy to use the Purchase Card for the authorized purchase of goods and services in accordance with the requirements contained in this directive, the Federal Acquisition Regulation (FAR 48 CFR 1), [Part 13](#), titled "Simplified Acquisition Procedures," the Treasury Financial Manual for Guidance of Departments and Agencies, Volume 1, Part 4 Chapter 4500, titled "Government Purchase Cards" ([TFM 4-4500](#)) and [OMB Circular A-123, Appendix B](#) – Improving the Management of Government Charge Card Programs.

III. Authorization

Regulations governing the Purchase Card Program are found in current editions and in future updates of the Treasury Financial Manual for Guidance of Departments and Agencies, ([TFM 4-4500](#)), Federal Acquisition Regulation (FAR 48 CFR 1), [Part 13](#) and [OMB Circular A-123, Appendix B](#) – Improving the Management of Government Charge Card Programs.

IV. Applicability

This directive applies to all Departmental employees, education boards, commissions, and councils who participate in the Department Purchase Card Program for the procurement of and payment for goods and services for use by the Department. The Purchase Card is used primarily for micro-purchases. The Purchase Card can also be used for purchases from task order and delivery order contracts, and as a method of payment for simplified acquisitions.

The procedures for the use of the Purchase Card are further detailed in the [Office of the Chief Financial Officer \(OCFO\) website](#) located on the Department intranet website known as "ConnectED". These procedures provide specific how-to steps on using the Purchase Card within the Department.

V. Definitions

- A. **Alternate Approving Official (AAO)** - An Alternate Approving Official (AAO) is a Department employee appointed by the AO or Executive Officer who is authorized to certify the reconciled bank statements for payment only when the AO is not available. The AAO shall also be responsible for all the duties of the AO when the AO is not available. An AAO may not be a Cardholder nor be subordinate to a Cardholder, and must be at the supervisory level.
- B. **Approving Official (AO)** - An Approving Official (AO) is a Department official, appointed by the Principal Officer or the Executive Officer when authority is designated, who is the primary official responsible for authorizing Cardholder purchases. An AO must be at the supervisory level, and may not be a Cardholder nor be subordinate to a Cardholder.
- C. **Cardholder** - A Cardholder is a Government employee of the Department, education boards, commissions, and councils to whom a Purchase Card is issued. He or she receives a written delegation of authority to purchase goods or services for the Department specifying spending and usage limitations as stipulated by the AO for that Cardholder.
- D. **Cardholder Proxy** - A Cardholder Proxy is a Government employee of the Department, education boards, commissions, and councils appointed by the AO who is authorized to reconcile a Cardholder's bank statements for payment only when the Cardholder is unavailable. This function ensures that the Purchase Card bill is paid in a timely manner. A Cardholder Proxy is not permitted to create Purchase Card documents and obligate funds for purchases on behalf of the Cardholder. The Cardholder must perform these responsibilities. The Proxy is, however, liable and responsible for all functions associated with Reconciliation. A Cardholder is limited to having one Proxy.
- E. **Contracting Officer (CO)** - The Contracting Officer (CO), located in Office of the Chief Financial Officer (OCFO), Contracts and Acquisitions Management (CAM), serves as the liaison between the Department, GSA, and the Purchase Card Contractor on matters of contract administration.
- F. **Contracting Warrant** - A contracting warrant is an appointment in writing on a SF-1402, Certificate of Appointment, which states any limitations to a Cardholder's purchasing authority over the micro-purchase threshold, other than those stipulated in law or regulation.
- G. **Department Program Coordinator (Coordinator)** - OCFO, Contracts and Acquisitions Management (CAM) serves as the Department Program Coordinator (Coordinator). CAM coordinates the Purchase Card Program within the Department and acts as the liaison with the Purchase Card Contractor.
- H. **Designated Billing Office (DBO)** - The Designated Billing Office (DBO) is the payment office within a Federal agency that is responsible for ensuring that payment

- of the official invoice is made in accordance with Prompt Payment Act deadlines. This responsibility resides with OCFO, Financial Management Operations (FMO).
- I. **Disputes** - A dispute is a disagreement between the Cardholder and the merchant with respect to a transaction. The Cardholder is required to attempt resolution directly with the merchant before contacting the Purchase Card Contractor.
- J. **Executive Officer (EXO)** - An Executive Officer (EXO) is a Department official that reports to a Principal Officer and is responsible for internal management and budget functions relating to that Principal Office. He or she makes funds available for obligation and administers the Purchase Card Program within his or her area of responsibility.
- K. **Government-wide Commercial Purchase Card** - The Purchase Card is used as a simple method to spend funds in the acquisition of goods and services. It is similar in nature to a commercial credit card and is issued to authorized agency personnel. The card is distinct from the Government Travel Card.
- L. **Head of Contracting Activity (HCA)** - Those officials within the Department of Education who have responsibility for and manage an acquisition organization and usually hold unlimited procurement authority. The Director, Contracts and Acquisitions Management (CAM) is the HCA for all Departmental program offices and all boards, commissions, and councils under the management control of the Department except for the Office of Federal Student Aid (FSA). The Director, Federal Student Aid Acquisition Group, is the HCA for FSA.
- M. **Merchant** - A merchant is a vendor providing the delivery of goods or the performance of services.
- N. **Micro-purchase** - Micro-purchase is an acquisition of supplies, services, or construction, the aggregate amount of which does not exceed the following thresholds:
- a. The threshold for supplies, equipment and some services is \$3,000.
 - b. The threshold for contracts the principal purpose of which is to furnish services through the use of service employees (Service Contract Act of 1965; refer to [FAR 22.10](#)) is \$2,500. Examples of applicable services include: custodial, janitorial, housekeeping, grounds maintenance, landscaping, data collection, processing and analysis services and maintenance and repair of all types of equipment including electrical motors, vehicles and electronic, office and related business equipment.
 - c. The threshold for contracts involving construction, alteration or repair of public buildings or public works, including painting and decorating (The Davis-Bacon Act; refer to [FAR 22.4](#)) is \$2,000.

- O. **Monthly Spending Limit** - A monthly spending limit is the credit limit imposed on a Cardholder's cumulative purchases in a billing cycle as established by the Purchase Card contractor. Designated limits shall be set by the AO and EXO and aligned with the needs of the office.
- P. **Principal Office** - A Principal Office is an organization headed by a Principal Officer.
- Q. **Principal Officer** - A Principal Officer is an Assistant Secretary or equivalent and is the official in charge of an organization designated as a Principal Office.
- R. **Program Manager** - A Program Manager is responsible for the management of funds within his or her program and serves as either a manager or supervisor to the Cardholder and/or Approving Official.
- S. **Purchase Card Contractor** - The Purchase Card Contractor is the banking institution selected by the Department through the GSA SmartPay Program to provide Purchase Card support and services.
- T. **Reconciliation** - Reconciliation is the process by which the Cardholder and the AO validate bank statement transactions for payment to the Purchase Card Contractor. This process involves the Cardholder matching each bank statement transaction to an appropriate purchase obligation and verifying that delivery, receipt, and acceptance of goods and services were performed. Once the Cardholder and the AO have ensured that the transactions are appropriate for payment, the bank statement is forwarded to the DBO for payment to the Purchase Card Contractor.
- U. **Simplified Acquisition** - Simplified acquisition is a purchase above \$3,000 up to \$100,000.
- V. **Single Purchase Limit** - A single purchase limit is the dollar limit placed on each individual purchase made by a Cardholder. No single purchase can exceed the set single purchase limit. Designated limits shall be set by the AO and EXO and aligned with the needs of the office
- W. **Written Delegation of Authority** - A written delegation issued by the Senior Procurement Executive that establishes authorized Cardholder(s), specifying spending and usage limitations unique to that Cardholder.

VI. Responsibilities

A. Department Program Coordinator

The Coordinator is responsible for performing the following:

1. Providing [card account applications](#) and forwarding completed applications to the Purchase Card Contractor.
2. Assessing the single and monthly limits requested for a Cardholder. The Coordinator is the only authorized entity to establish or change Cardholder-spending limits (single and monthly).
3. Providing mandatory training for Cardholders, AOs, AAOs, Principal Officers, EXOs, and Program Managers.
4. Issuing and maintaining records of all written delegations of authority issued to Cardholders after completion of mandatory training classes.
5. Issuing and maintaining records of contracting warrants.
6. Issuing and maintaining all Departmental Purchase Card data, excluding Purchase Card transaction files. This includes regular maintenance of a current up-to-date list of Cardholders, AOs, and AAOs.
7. Serving as the liaison between the Purchase Card Contractor, all AOs, and Cardholders to resolve problems, questions and disputes.
8. Notifying the Purchase Card Contractor of all approved requests from AOs to increase or decrease a Cardholder's monthly purchase limit.
9. Notifying the Purchase Card Contractor of approved requests to increase a Cardholder's single purchase limit with the issuance of a warrant or, as required, decrease a Cardholder's single purchase limit.
10. Canceling an AO's or AAO's authority due to problems with performance of duties, improper use of authority, failure to attend mandatory training, or any other violation of this directive.
11. Obtaining cards that have been cancelled from AOs and notifying the Purchase Card Contractor. The Coordinator is the only authorized entity to cancel, deactivate, or activate Purchase Cards, except in cases where the card is lost or stolen.
12. Coordinating internal control reviews and quality reviews of sample Purchase Card transactions on a quarterly basis using data mining and reporting tools to:
 - a. Ensure that purchases above the micro-purchase threshold are only being made by warranted officials.

- b. Review appropriateness of purchases. This includes determining that the individual purchases are appropriate, that the goods or services were properly received and accepted, and that the payment was proper.
 - c. Ensure appropriate separation of duties between Cardholders and AOs.
 - d. Monitor the Reconciliation and Payment Approval Process for timeliness and accuracy.
 - e. Ensure that appropriate audit trails are maintained.
 - f. Ensure that items identified by triggers for sensitive transactions are appropriately reviewed and resolved.
 - g. Ensure that requirements are not split into more than a single purchase to avoid any requirement that applies to purchases exceeding the micro-purchase threshold or to circumvent Purchase Card limits.
 - h. Review Cardholder spending limits to determine whether Cardholders have spending limits consistent with the needs of their office.
 - i. Other reviews as needed or appropriate.
13. Request and review documentation for all transactions identified and selected under the internal control reviews and quality reviews noted above to allow evaluation of Cardholder and AO performance in ensuring required documentation is obtained and maintained to support purchases. Communicate the results of internal reviews back to EXOs and/or Senior Officials to ensure corrective actions are taken as appropriate.
14. Canceling Cardholder authority due to problems with performance of duties, improper use of authority, failure to attend mandatory training, or any other violation of this directive.
15. Approving single and monthly credit limit increases or decreases. The Coordinator is the only authorized entity to establish or change Cardholder-spending limits (single and monthly).
16. Providing EXOs and AOs with access to the monthly transaction summary of all assigned Cardholder activity.
17. Inform the Cardholder and approving official's supervisor, EXO (if not the approving official), and senior officer of any deficiencies found during reviews.

18. Recommend to the supervisor a form of corrective action depending upon the circumstances to include disciplinary actions as addressed in PMI 751-1 on “Discipline” and request feedback from the supervisor on the actions taken.
19. Reporting any cases of fraud and abuse of the Purchase Card to the [Office of Inspector General \(OIG\)](#).
20. Complying with requirements stated in [OMB Circular A-123](#), Appendix B – Improving the Management of Government Charge Card Programs.
21. Monitor the completion of training for all EXOs.

B. Contracting Officer

The CO is responsible for:

1. Providing GSA with input and suggested changes in the Purchase Card contract for future GSA use.
2. Attending meetings as a representative of the Department with GSA and the Purchase Card Contractor.
3. Negotiating with the Purchase Card Contractor and GSA any problems involving the services that the Purchase Card Contractor is providing the Department.
4. Assisting the Coordinator and providing input and/or information on the Purchase Card Program as it pertains to the Department.
5. Administering the Purchase Card Program Contract for the Department.
6. Coordinating with the Purchase Card Contractor for any additional management or program reports as deemed necessary by the Coordinator.

C. Designated Billing Office

The DBO is responsible for performing the following:

1. Routing Purchase Card Contractor bank statements to the Cardholders.
2. Paying the consolidated agency statement in a timely manner to avoid prompt pay penalties.
3. Contacting the AO when monthly-reconciled bank statements have not been received.

4. Ensuring that each monthly statement has been authorized and approved by the AO as defined in this directive and in supplemental procedures on the [OCFO website](#).
5. Contacting the AO and the Cardholder if there are problems or questions related to a given statement.
6. Maintaining records on the approval of all statements, identifying late statements and including who approved each statement and the date the approval was received.
7. Maintaining documentation on the monthly reconciliation, identifying late statements and including who approved the monthly bill for payment.
8. Contacting the EXO in the event there are any problems with getting responses from the AOs on issues within their Principal Office.
9. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.
10. Reporting any cases of fraud and abuse of the Purchase Card to the [OIG](#).

D. Purchase Card Contractor

The Purchase Card Contractor is responsible for:

1. Maintaining all Purchase Card accounts under the provisions of the contract.
2. Issuing cards to designated Cardholders.
3. Sending monthly statements for distribution to Cardholders.
4. Paying merchants in a timely manner.
5. Monitoring and assisting in resolving any disputes a Cardholder may have regarding goods or services purchased using the Purchase Card.

E. Principal Officer

The Principal Officer is responsible for:

1. Designating AOs and AAOs within his or her principal office, or in instances where the principal office size or administrative operations warrant, delegating this responsibility to the EXO. AOs shall be designated in writing in a memorandum to the Coordinator specifying:

- a. The name of the AO/AAO and contact information.
 - b. The Cardholders for which the AO/AAO is responsible.
 - c. Certification that the AO/AAO is at a supervisory level and is not subordinate to a Cardholder.
2. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.
 3. Reporting any cases of fraud and abuse of the Purchase Card to the [OIG](#).
 4. Ensuring all levels of their organization adhere to the policies of the Program through reflection of responsibilities in performance agreements and any misconduct is addressed in accordance with the Department's directive on discipline.

F. Approving Official

An AO is responsible for:

1. Completing all required training prior to serving as an AO.
2. Authorizing and designating who will be Cardholders within his/her principal office.
3. Coordinating with the EXO on setting single and monthly spending limits for Cardholders.
4. Forwarding [Cardholder applications](#) to the EXO for concurrence.
5. Forwarding all completed [Cardholder applications](#) and requests for training to the Department Program Coordinator.
6. Reviewing, validating, and approving for payment the Cardholder's reconciled bank statement each billing cycle.
7. Assisting the Cardholder in informing the Purchase Card Contractor of disputed charges, and following up with the Cardholder on any disputed items.
8. Timely forwarding of the authorized and approved Purchase Card statements to the Designated Billing Office in accordance with [OCFO's website](#) and Section VII of this directive.
9. Notifying the Department Program Coordinator of a need for the cancellation, deactivation, or suspension of a Cardholder's Purchase Card due to misuse or any

other reason. The Coordinator is the only authorized entity to cancel, deactivate, or activate Purchase Cards, except in cases where the card is lost or stolen.

10. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.
11. Reporting any cases of fraud and abuse of the Purchase Card to the OIG.
12. Returning canceled cards cut in half to the Department Program Coordinator.
13. Coordinating with the EXO Cardholder purchase limit increases or decreases and submitting recommendations to the Coordinator.
14. Coordinating with the EXO requests for contracting officer warrants and submitting to the Department Program Coordinator.
15. Reviewing all management reports of Cardholder activity under his or her authority.
16. Reviewing appropriateness of purchases. This includes determining individual purchases are appropriate, that the goods or services were properly received and accepted, and that the payment was proper.
17. Certifying to the best of his/her knowledge and belief, that all of his/her statements are true, correct and complete and made in good faith, and subject to Title 18 U.S. Code, Section 1001.
18. Coordinating with the EXO to appoint a Cardholder Proxy for each Cardholder (if desired) and providing this information to the Coordinator.
19. Adhering to the policies of the Program through performance agreements and in accordance with the Department directive on discipline.

G. Alternate Approving Official

The AAO is responsible for:

1. Completing all required training prior to serving as an AAO.
2. The items listed above only when the AO is unavailable.

H. Cardholder

The Cardholder is responsible for the following:

1. Completing all required training prior to being issued a Purchase Card.

2. Purchasing goods or services in accordance with established Department policy, procurement regulations, and individual internal office procedures.
3. Recording transactions and reconciling his or her monthly bank statement in accordance with Department procedures.
4. Resolving disputed items directly with the merchant. Noting any items in dispute and submitting a dispute form to the Purchase Card Contractor with a copy to the DBO.
5. Timely forwarding of reconciled Purchase Card statements to the AO for review in accordance with [OCFO's website](#) and Section VII of this directive.
6. Providing [documentation](#) to support purchases for AO approval and official record keeping. This documentation includes receipts, invoices, logs, etc.
7. Safeguarding his or her Purchase Card and card number against theft or loss.
8. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.
9. Reporting any cases of fraud and abuse of the Purchase Card to the OIG.
10. Certifying to the best of his/her knowledge and belief, that all of his/her statements are true, correct and complete and made in good faith, and subject to Title 18 U.S. Code, Section 1001.
11. Adhering to the policies of the Program through performance agreements and in accordance with the Department directive on discipline.
12. Obligating funds for purchases in the Department's financial system at the time of the purchase.

I. Cardholder Proxy

The Cardholder Proxy is responsible for:

1. Completing all required training prior to serving as a Proxy.
2. Reconciling a Cardholder's monthly bank statement in accordance with Department procedures only when the Cardholder is unavailable.
3. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.

4. Reporting any cases of fraud and abuse of the Purchase Card to the OIG.

J. Executive Officer (EXO)

The EXO is responsible for performing the following:

1. Completing all required training.
2. Designating AOs and AAOs when authority is delegated by the Principal Officer. AOs shall be designated in writing to the Coordinator specifying:
 - a. The name of the AO/AAO and contact information.
 - b. The Cardholders for which the AO/AAO is responsible.
 - c. Certification that the AO/AAO is at a supervisory level and is not subordinate to a Cardholder.
3. Concurring with the AO by signing Cardholder applications.
4. Coordinating with the AO on setting single and monthly spending limits for Cardholders and on requests for changes to spending limits.
5. Concurring with requests for contracting officer warrants.
6. Establishing internal procedures for Cardholders on the safeguarding and authorized use of the Purchase Card and providing a copy to the Department Program Coordinator for review and concurrence.
7. Reviewing management reports of all Cardholder activity within the Principal Office.
8. Assessing the level of employee security screening required in accordance with Department policy and the Personnel Security-Suitability Program Handbook.
9. Managing the Purchase Card Program within the Principal Office to ensure compliance with Department policy and to assess corrective actions and reporting cases of fraud whenever needed.
10. Monitor Purchase Card activity. If there is any identification of misuse, they must demonstrate that they have made a serious effort to resolve Purchase Card misuse within their respective area of responsibility.
11. Working with Program Managers to assess management or corrective actions relating to the AO, AAO, or Cardholder. Corrective actions are addressed in PMI 751-1 on "Discipline".

12. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.
13. Reporting any cases of fraud and abuse of the Purchase Card to the OIG.
14. Responsible for establishing the central Headquarters location of Cardholder records, as these are the official records. Examples of central filing include a cabinet, file room, or other storage device. Individual Cardholder workstations are prohibited. The records must be kept secure and be easily retrievable upon request.
15. Responsible for providing a list to the Coordinator identifying the point of contact for and location of Cardholder records.
16. Notifying the Coordinator to cancel, deactivate, or suspend a Cardholder's Purchase Card due to misuse or any other reason.
17. Monitoring the completion of annual refresher training for all Cardholders, Cardholder Proxies, AOs, AAOs, EXOs, Principal Officers and Program Managers. Reporting any missed annual refresher training to the Coordinator.
18. Responsible for maintaining a current, accurate list of Cardholders that identifies their assigned single and monthly purchase limits, Cardholder proxies, AOs, AAOs, and Supervisors.
19. Providing written determinations when purchases are justified under the Awards Incentive Act and any written determinations regarding the reprogramming of funds for this purpose.

K. Program Manager

The Program Manager is responsible for:

1. Completing all required training.
2. Ensuring that funds are used appropriately.
3. Managing the Purchase Card Program within the Principal Office to ensure compliance with Department policy and to assess corrective actions and reporting cases of fraud whenever needed.
4. Monitor Purchase Card activity. If there is any identification of misuse, they must demonstrate that they have made a serious effort to resolve Purchase Card misuse within their respective area of responsibility.

5. Assessing any management or corrective issues relating to the AO, AAO, or Cardholder. Corrective actions are addressed in PMI 751-1 on "Discipline".
6. Reporting any inappropriate use of the Purchase Card to the Department Program Coordinator.
7. Reporting any cases of fraud and abuse of the Purchase Card to the OIG.

VII. Requirements

A. Guidance on Delegating Approving Officials (AO)

In order to serve as an AO, an individual must be at the supervisory level and not subordinate to a Cardholder. The Department's ratio of Purchase Cardholders to AOs is consistent with the GSA's recommendation in the GSA "Blueprint for Success: A Guide for Purchase Card Oversight" (10/1/04 edition) of 1:4 and 1:10. The following guidance has been established to ensure an appropriate AO to Cardholder ratio.

1. In order to determine the appropriate AO:Cardholder ratio, the EXO must assess the following:
 - a. Number of Transactions.
 - b. Dollar value of Transactions.
 - c. Type of Transactions (i.e., are purchases generally dissimilar or similar from statement to statement?)
 - d. The frequency that the AO travels or is otherwise unavailable to perform reconciliation each month.
2. The internal Purchase Card procedures prepared by each POC should describe the process used by the EXO to determine the appropriate AO:Cardholder ratio.
3. Headquarters Cardholders should be assigned to AOs located at Headquarters. Regional Cardholders should be assigned to AOs located in the same region. Exceptions to this policy must be justified in writing to the Coordinator to ensure that the AO has direct knowledge of the Cardholder's role in the Department and the ability to verify receipt of the purchase.
4. An AAO must also have direct knowledge of the Cardholder's role in the Department, and the ability to verify receipt of the purchase. The AAO should only approve Cardholder statements when the AO is unavailable. If an AAO repeatedly approves Cardholder statements so that it appears that he or she is

acting as the primary AO, the EXO must take action to reassign the Cardholders to the appropriate individual and assess the AO:Cardholder ratio.

5. The EXO must immediately inform the Coordinator of the redesignation of a Cardholder to another AO. If a statement is approved by an individual that, according to the Coordinator's records, has not been designated as the primary or alternate AO for that Cardholder, the EXO will provide a written explanation as to the authority of that individual to approve the Cardholder's statement as well as provide the Coordinator with an updated listing of AO/Cardholder assignments.
6. The EXO must reassess the AO:Cardholder ratio upon increases in Cardholder activity.

B. Purchasing

1. Purchase Authorization. Each card has the Cardholder's name embossed on it and may be used only by that person. No one else is authorized to use the card. Personal use of the card is prohibited.

When electronic authorization is sought for a purchase by the merchant, the authorization system will check the individual Cardholder's single purchase limit, the Cardholder's monthly spending limit, and the type of purchase the Cardholder is making before authorization for the transaction will be granted.

2. The total of a single purchase may be comprised of multiple items but cannot exceed the authorized single purchase limit. Purchases will be denied if the authorized single purchase limit is exceeded. An employee must receive [additional training](#) in Simplified Acquisitions and a contracting officer warrant before authorized to make a single purchase in excess of the micro-purchase threshold, and additional FAR requirements apply.
3. Purchases are not to be split to stay within the single purchase limit or to avoid following procedures for Simplified Acquisitions, in accordance with [FAR 13.003\(c\)](#).
4. Delayed deliveries, split deliveries, or back orders from merchants may not be billed until the merchant has shipped such items. If purchases have not been received but appear on the Cardholder's statement, then the Cardholder should attempt to resolve the dispute with the supplier by following the normal dispute resolution process. Federal regulations as well as the Purchase Card Contractor require the merchant to hold his/her statement until the item purchased has been shipped.
5. At the time of purchase, the Cardholder should tell the merchant that he or she is paying with a Government Purchase Card. He or she must also confirm that the merchant understands the purchase is not subject to sales tax. The Purchase Card

has the words "U.S. Government-Tax Exempt" embossed on the front. In accordance with [FAR 53.229](#) on Taxes, SF's 1094, [SF 1094 \(Rev. 12/96\)](#), U.S. Tax Exemption Form and [SF 1094-A, \(Rev. 12/96\)](#), Tax Exemption Forms Accountability Record, can be utilized as necessary. These forms are prescribed for use in establishing exemption from State or local taxes, as specified in [FAR 29.302\(b\)](#).

6. The Cardholder shall also ask about any shipping or handling charges.
7. The Cardholder should secure a written request (email or requisition) from the appropriate Department employee requesting the Cardholder to procure goods or services. At the time of the purchase, the Cardholder shall record the purchase in the Department's integrated financial management system.
8. Examples of what the Purchase Card cannot be used for:
 - a. Cash advances.
 - b. Payments to individuals (i.e., individuals who are not entering into a legal relationship to furnish supplies or services to the Government.)
 - c. Goods or services for personal (i.e., non-Governmental) use.
 - d. Automobile expenses, including rental or lease, repair, gasoline and oil.
 - e. Rental or lease of land or buildings other than brief rental of a conference room at a hotel.
 - f. Travel expenses including meals, drinks, lodging, etc.
 - g. Any class of goods or services restricted by a Cardholder's AO or EXO.
 - h. Any other goods or services prohibited by law.
 - i. Accountable property.
9. Examples of categories requiring special reviews or clearances:
 - a. Furniture – Refer to [OM:4-103, Space Management](#) - Assures that all furniture procurement is through, coordinated and approved by OM/FS in order to insure these products meet the minimum standards and are interchangeable (i.e. connectivity, parts, style, color, etc) with existing inventory, and comply with Departmental contracting policy/ procedures.
 - b. Paid Advertisements/Public Relations and Publicity/Media Products and Services – Refer to the [Guide to Publishing at the U.S. Department of](#)

[Education](#) and Section VII of this directive for further guidance. Paid advertisements also require HCA approval..

- c. [Software](#) – Refer to [Handbook OCIO-08](#), Handbook for Software Management and Acquisition Policy – Do not purchase software without first consulting OCIO and this Handbook.
- d. [Records on Individuals](#) - For the development of a system of records on individuals to accomplish department functions, consult the Privacy Act Officer for guidance.
- e. [Telecommunications](#) – Refer to [Handbook OCIO-13](#), Handbook for Telecommunications - Telecommunications resources (e.g., desktop and conference speaker telephones) are centrally acquired, managed and used. Contact OCIO Telecom before purchase to ensure compatibility with existing telecommunications network services at ED locations.
- g. [Reasonable Accommodations](#) - Central funding is available for reasonable accommodation purchases, maintained by the Section 504 staff in the OM Work/Life Programs Team in Human Resources Services (HRS).
- h. [Purchases From a Firm Substantially Owned or Controlled by Government Employees](#) - Clearance requests should be sent to the HCA.
- i. [Food](#) - Appropriated funds may not be used to pay for food costs except under limited circumstances. Refer to the Department's guidance on using appropriated funds for the purchase of meals and refreshments of attendance at meetings on the [CAM website](#). Consult with OGC for an interpretation of the law in defining the exceptions.
- j. [Construction](#) - It is important to contact OM, Facility Services prior to making any construction-related transaction. Generally, construction refers to tearing down walls, constructing walls, modifying, altering or in any way impacting an office structure or structural definition. The Purchase Card should not routinely be used for any construction projects, inclusive of significant furniture installs or de-installs, or serious electrical work or wiring work. However, if an issue is time sensitive and does not require multiple bids, a card purchase may be permitted. This is very infrequent depending on the circumstances driving it that make it a unique situation.
- k. [Gift Funds](#) – This directive also applies when using gift funds. Refer to [Public Private Partnerships at the U.S. Department of Education](#) issued by OGC, Ethics Division, and contact OGC for further assistance.

10. When making purchases with the Purchase Card, all applicable acquisition regulations apply. Regardless of what method, written or oral, the Cardholder uses to make purchases, the Cardholder must:
 - a. Ensure that funds are available to pay for the items being purchased.
 - b. Use mandatory sources as stated in [Part 8](#) (Required Sources of Supplies and Services) of the Federal Acquisition Regulations. Purchase of products available under the AbilityOne Program are mandatory even for micro-purchases.
 - c. Adhere to policies for green purchasing. Refer to the Department's Green Purchasing Plan and [CAM's web page](#) for additional guidance.
 - d. Comply with [ACS Directive OCIO:3-105, Procuring Electronic and Information Technology \(EIT\) in Conformance with Section 508 of the Rehabilitation Act of 1973 as Amended](#).
 - e. Reserve small purchases for small businesses in accordance with PL 95-507 ([FAR 13.105](#)). Purchases up to \$3,000 are not reserved for small businesses and competition is not required. With exceptions, all acquisitions between \$3,000 and \$100,000 are reserved for small businesses. A purchase using vendors off a GSA schedule is an example of such an exception.
 - f. Certify that the quantity and quality of the items and/or services furnished are in accordance with the agreement (verbal or written) with the merchant.
 - g. Ensure that the fee paid to the Purchase Card Contractor by merchants is not added to the price of items or services purchased by the Cardholders.
 - h. Ensure that the merchant is registered in the [Central Contractor Registry](#) (CCR) and is not on the [debarred or suspended lists](#). Refer also to OCFO's website for the procedure on "[Adding and Maintaining Records in the Vendor File](#)".
11. If a purchase is declined, it is recommended that the Cardholder contact the Purchase Card Contractor to find out the reason. The Department has restricted certain Merchant Category Codes (MCCs) that are generally not used at the Department for official business. The Purchase Card will be declined when a vendor in these categories tries to charge the card. The Purchase Card Contractor will generally refer the Cardholder to the Coordinator.

If there is a legitimate business need to purchase from a vendor in a blocked MCC, the Cardholder should contact the Coordinator with the vendor name, amount of the charge, and justification for the purchase. The Cardholder should retain documentation for the Purchase Card transaction file showing

communication with the Coordinator about purchases made from vendors in blocked MCCs.

Please note, however, that vendors can “force” charges onto Purchase Card accounts if they are below a certain dollar value. The dollar value differs for each MCC. Cardholders are responsible for monitoring the transactions on their accounts, as they will be held accountable for charges posted in blocked MCCs.

12. The Cardholder must comply with Standards of Ethical Conduct for Employees of the Executive Branch (5 CFR Part 2635), and the Standards of Conduct as dictated in [FAR 3.101](#), Improper Business Practices and Personal Conflicts of Interest. Government business shall be conducted in a manner above reproach with complete impartiality and preferential treatment for none. Transactions related to the expenditure of Departmental funds require the highest degree of public trust and an impeccable standard of conduct. All individuals must avoid strictly any conflict of interest or even the appearance of a conflict of interest in Government-contractor relationships. The Cardholder's official conduct must be such that they would have no reluctance to make a full public disclosure of their actions. The Cardholder is encouraged to rotate vendors to avoid giving an appearance of favoritism.

C. Billing

1. The DBO shall upload Purchase Card statement transactions each business day. System generated notices will be sent from the Department's financial system, notifying Cardholders that transactions are in their browser.

Daily billing and reconciliation are of benefit to the Department because it reduces the likelihood of transactions being reconciled late, thus reducing the risk that the Department will owe Prompt Payment interest. In addition, the Department earns a refund from the bank, and this refund is computed through a formula that rewards faster payment.

FMO will forward the consolidated listing of a monthly billing statement to Cardholders, AOs, and EXOs within two days after the billing cycle end date.

2. Receiving the daily transmissions will provide the Cardholder with his/her transactions sooner, thereby, allowing more time to complete the reconciling and approval process. However, the Cardholder **must** perform the following duties within 5 working days of receipt of his/her statement transactions:
 - a. Reconcile the Cardholder's bank statement with his or her own records and with obligations recorded in the Department's financial system. Obtain signed documentation (i.e., hardcopy signature or email) from an individual (other than the Cardholder) attesting to receipt and acceptance of the purchase. The documentation should include date of receipt and acceptance along with a

description of the goods/services received, the price, and quantity. [Examples of supporting documentation](#) include sales receipts, shipping documents, purchase logs, and invoices.

- b. If the Cardholder receives a bank statement that lists transactions for merchandise that has not been received or if there are any other billing issues or disputes, the Cardholder must make every attempt to resolve problems directly with the merchant. If the issue cannot be reasonably resolved with the merchant or the problem is an unresolved transaction or "billing error", the Cardholder must complete the dispute form and forward to the Purchase Card Contractor as well as forward a copy to the DBO.

With respect to disputes, the proper procedures must be followed. If they are not followed, the Department loses its rights to dispute the transaction. The form must be completed correctly. The Cardholder must respond to correspondence from the Purchase Card Contractor and provide additional documentation as requested. Failure to do so will nullify and void the dispute.

The following are scenarios where a Cardholder might or might not dispute a purchase:

- A Cardholder was overcharged or charged twice by the vendor and has confirmed with the Purchase Card Contractor that the vendor has or has not issued a credit to the Cardholder's account for the purchase. The Cardholder should dispute the charge.
 - A Cardholder was charged for sales tax or made a purchase with a vendor not registered in CCR. The Cardholder may not dispute the charge, but instead should pay for the transaction.
 - A Cardholder cancelled/returned a purchase and has confirmed with the Purchase Card Contractor that the vendor has not already issued a credit to the Cardholder's account. The Cardholder should dispute the charge.
 - A Cardholder cancelled/returned a purchase. The Cardholder has confirmed with the Purchase Card Contractor that the vendor has issued a credit to the Purchase Card account, but it will not appear until the next statement. The Cardholder may not dispute the charge, but instead should pay for the transaction.
 - A Cardholder did not make the purchase(s). The card or account number may have been compromised. Refer to Section F below, "Lost or Stolen Cards."
- c. Forward the reconciled bank statement transactions and the [original supporting documentation](#) (i.e., hard-copy receipts, shipping statements) to

AO. If the Cardholder does not have supporting documentation for a purchase, he or she must attach an explanation with the supporting documentation before forwarding it to the AO. Failure to provide supporting documentation may result in the loss of Purchase Card privileges.

It is mandatory that the Cardholder retain [adequate supporting documentation](#) for each transaction. Without it, the Department does not have assurance that purchases Cardholders make are appropriate and are being made in accordance with Federal regulations, Department policy and procedures. Failure to adequately document your purchases may lead to suspension of a Cardholder's Purchase Card or removal from the Purchase Card Program.

3. The Cardholder and the AO are liable for all unauthorized purchases and corrective action against the Cardholder and the AO will be taken for such purchases.
4. The AO is required to perform the following duties within 5 working days after receipt of the reconciled bank statement transactions from the Cardholder, (but no later than 15 calendar days from the bank statement date):
 - a. Ensure each purchase was made for official use and in accordance with established internal procedures.
 - b. Ensure that all disputes are valid and that the dispute form was forwarded to the Purchase Card Contractor as well as a copy forwarded to the DBO. All items on a Cardholder's monthly statement must be either matched and reconciled, or in a valid dispute status. Note items listed in dispute and ensure that the Cardholder resolves those items within 60 days.
 - c. Approve and/or disapprove the Cardholder's transactions.
 - d. Notify the Coordinator of any problems or irregularities related to transactions, bank statements, Cardholder reconciliation, etc.
 - e. Upon approval of the bank statement, forward documentation to a central filing location at Headquarters for retention. The central filing location established by the Principal Office at Headquarters may be a cabinet, file room, or other storage device where all Principal Office Cardholder purchase files are located together and that are easily accessible. Individual Cardholder workstations do not qualify and are prohibited. The records must be kept secure and be easily retrievable upon request.
 - f. Principal Offices must maintain records in accordance with [FAR 4.8](#) and [General Records Schedule 3](#). For transactions at or below the simplified acquisition threshold and all construction contracts at or below \$2,000, the Principal Office may destroy files 3 years after final payment. For

transactions that exceed the simplified acquisition threshold and all construction contracts exceeding \$2,000, the Principal Office may destroy files 6 years and 3 months after final payment. Destruction of records must be performed in accordance with Departmental [Handbook OCIO-15](#), Handbook for Protection of Unclassified Sensitive Information, which states that hard copy media must be destroyed by shredding, pulping or any other accepted method to assure destruction beyond recognition and reconstruction. It is acceptable to dispose of sensitive but unclassified information in containers that are designed to accept it and where it will be disposed of properly under controlled conditions.

- g. Principal Offices are responsible for and will be assessed the appropriate amount of Prompt Payment Interest for transactions as applicable.
5. The DBO shall receive authorized transactions by the 5th calendar day of the following month. The DBO is required to perform the following duties upon receipt of all approved Cardholder bank statements:
- a. Ensure that all Cardholder bank statements are timely submitted.
 - b. Account for all disputed amounts.
 - c. Ensure that Cardholder statements have been approved before making payment to the Purchase Card Contractor.
 - d. Make payment to the Purchase Card Contractor by no later than the statement due date.
 - e. Address any prompt pay issues.

D. Unauthorized or Inappropriate Use of the Purchase Card

The Purchase Card is for official use only. "Unauthorized Use" means the use of a Purchase Card by a person other than the Cardholder and/or use by the Cardholder for purposes other than stated in this directive. Use of the Purchase Card by a Cardholder for a personal purchase, or a purchase of supplies or services which the Cardholder had no authority to make, or use of the Purchase Card by a person other than the Cardholder, is unauthorized. Use of the Purchase Card for unauthorized purchases will be a basis for immediate cancellation of the Purchase Card and the Delegation of Authority, possible disciplinary action, and/or possible criminal action. Intentional use of the Purchase Card for unauthorized purposes will be considered as an attempt to commit fraud against the U.S. Government.

Violations of Purchase Card usage include, but are not limited to:

1. Making purchase using a Purchase Card for personal reasons.

2. Allowing a friend or family member to use the card.
3. Allowing a coworker or supervisor to use the card.
4. Items exceeding the government's actual need (e.g., choosing “designer” items when less expensive and equally functional items are available).
5. Splitting purchases in order to stay below the Cardholder's authorized spend limit or to avoid using simplified acquisition procedures.

The Department will not be liable for any unauthorized use of the Purchase Card. The Cardholder will be held liable for any purchases that do not conform to the Department's established procedures and guidelines and will be subject to corrective action. All unauthorized uses of Purchase Cards shall immediately be reported to the Coordinator. The Program Manager must exercise responsibility for his or her Cardholder's use of the Purchase Card and for all funds expended by the Cardholder on behalf of the Program.

Anyone knowing of fraud, waste or abuse involving the Purchase Card Program should call or write the OIG Hotline. The OIG Hotline's toll free number is 1-800-MIS-USED, or an email message may be sent to oig.hotline@ed.gov.

Upon completion of Purchase Card transaction reviews and an identification of potential misuse, the Coordinator shall notify the supervisor and the Employee Relations Team (ERT) in headquarters or the Regional Customer Service Team (RCST) in the regions of the potential misuse. This notification shall occur as soon as possible. At the time of notification, the Program Coordinator will also refer the supervisor to [PMI 751-1](#), Discipline, for information on potential penalties for the misuse of the Purchase Card. The supervisor will then contact the ERT or the RCST to ascertain whether or not disciplinary action is appropriate and work with them to initiate the disciplinary action that is warranted by the misuse.

E. General Guidance for Publicity Clearances

1. Any recurring publication issued by the Department annually or more often with a format, content and purpose consistent in nature including those created and/or printed using the Department's gift authority;
2. Any non-recurring publication issued by the Department on a one-edition basis, such as leaflets, bulletins, folders, books, booklets, reports, speeches, agency-newsletters, annual reports and other similar non-recurring publications, including those created and/or printed using the Department's gift authority;
3. Any unified audiovisual presentation (other than those solely providing technical assistance to our contractors and partners) developed according to a plan or script,

containing visual imagery, sound, or both, and used to convey information. Audiovisual productions include slide sets, filmstrips, motion pictures, television (videotape and disc), power point presentations, audio recordings (tape and disc), multimedia (any combination of two or more media) productions and CD-ROMs including those created and/or printed using the Department's gift authority;

4. Any new Web page domain using the ".gov" extension such as "highschoolteachers.ed.gov" or "highschoolteachers.gov", and any major releases or revisions to a Web page. Proposed Web sites and major releases and revisions must conform to the standards in the [Department's Web Policies and Procedures Manual](#), which is incorporated by reference.
5. Any publicity.
6. Definitions and Process related to Publicity:
 - a. **"Publication"** is a document produced in volume for internal or external distribution.
 - b. **"Audiovisual product"** is any unified audiovisual presentation used to convey information
 - c. **"Web site"** is a destination on the World Wide Web (WWW) that includes one or more Web pages with information, documents, audiovisual productions and/or collections of such items.
 - d. **"Publicity"** is the public notice of information through any means of communication including public relations/media outreach related activities that result in the production of materials such as films, video tapes, radio and television public service announcements, slide-tape presentations, and other products.
 - e. **"Process"**. When using the Purchase Card to acquire publicity products or services, each principal office must submit a purchase description and cost estimate directly to CAM at ocfoaskcontractsandacquisitions@ed.gov. CAM will notify the principal office of the OS approval/disapproval.

F. Card Administration

1. Lost or Stolen Cards

If a card is lost or stolen, or if an account number is compromised, the Cardholder must notify the Purchase Card Contractor immediately, and his or her AO and the Coordinator within one working day. The Coordinator is the only authorized entity to cancel, deactivate, or activate Purchase Cards, except in cases where the

card is lost or stolen. The Cardholder must respond to any requests for information or documentation from the Purchase Card Contractor.

Failure by the Cardholder to report a lost or stolen card within one day could result in the Cardholder being held liable for purchases made on a lost or stolen card.

The lost or stolen card report should be submitted by the AO to the Coordinator in writing, preferably via email, and include:

- a. The Cardholder's complete name;
- b. The card number;
- c. The date and location of loss or theft (if known);
- d. Date and time the Purchase Card Contractor was notified;
- e. Any Government purchases made on the day the card was lost or stolen; and
- f. Any other pertinent information.

The Purchase Card Contractor will issue a new Purchase Card. A Purchase Card that is subsequently found by the Cardholder after being reported lost or stolen must be cut in half and forwarded to his or her AO. The AO will forward the Purchase Card to the Coordinator, who will contact the Purchase Card Contractor.

2. Purchase Card Security

The Cardholder must safeguard the Purchase Card and the account number at all times. To the maximum extent possible, Purchase Cards must be kept in a secured location at the place of employment. Purchase Cards shall be safeguarded in the same manner as cash.

3. Surrender of Card by the Cardholder

A Cardholder must surrender his or her card to his or her AO when he or she: (1) separates from the Department; (2) transfers to another Principal Office within the Department (including a detail to another Principal Office); (3) misused the Purchase Card; or (4) no longer requires a Purchase Card to perform his or her duties. Purchase Cards are not transferable. The AO should cut the surrendered card in half and return it to the Coordinator.

When separating from the Department, the Coordinator shall be responsible for clearing the Cardholder as part of the exit process. In accordance with ACS OM:3-104, the Cardholder is responsible for relinquishing government Purchase

Cards to the Coordinator, who will provide clearance approval. The Coordinator is the only authorized entity to cancel, deactivate, or activate Purchase Cards, except in cases where the card is lost or stolen.

The Cardholder's AO is responsible for ensuring the proper reconciliation of statements that are received after the Cardholder has left and for maintaining the Cardholder's records until disposition. He or she may assign the performance of these duties to the Cardholder Proxy or to another Cardholder.

4. Mandatory Training Requirements and Refresher Training

It is required that all employees involved in the Purchase Card Program complete mandatory policy training prior to receiving a card and/or actively participating in the Program. Refresher Training for AOs, AAOs, Cardholders, Principal Officers, EXOs, and Program Managers is required annually. The policy training online has a final examination. It is required to obtain a 70% score on the final examination in order to obtain credit for completing the class. However, the examination may be taken as many times as necessary in order to pass.

Cardholders are also required by the OGC to complete annual ethics training. This training is announced on ConnectED by OGC.

Cardholders and warrant holders are also required to complete Green Purchasing Training.

5. Purchase Card Renewal

It is necessary for the Cardholder to be in good standing and meet refresher training requirements for Purchase Card renewal. If it is no longer necessary for the individual to be a Cardholder, the AO and EXO should notify the Coordinator to close the account.