

November 2008 Update

Contracting activities and authorized contractor SMARTPAY2 participants may revise the content to reflect their specific circumstances, e.g., identify your Organizational Program Coordinator; identify your central receiving office, etc. Revisions may not delete prohibitions or reduce the level of controls required by the General Services Administration (GSA) Purchase Card Guide or these DOE Guidelines. The GSA Master Contract and the Contract Guide, listed as Link 1, are available on GSA's Home Page.

DEPARTMENT OF ENERGY

**POLICY AND OPERATING PROCEDURES
FOR USE OF THE
GSA SMARTPAY2 PURCHASE CARD
BY DOE AND AUTHORIZED CONTRACTOR PERSONNEL**

**ISSUED BY THE DIRECTOR
OFFICE OF PROCUREMENT AND ASSISTANCE MANAGEMENT**

November 2008 REVISION

DEPARTMENT OF ENERGY
POLICY AND OPERATING PROCEDURES
FOR USE OF THE
GSA SMARTPAY2 PURCHASE CARD
BY DOE AND AUTHORIZED CONTRACTOR EMPLOYEES

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LINKS

1. **GOVERNMENT-WIDE COMMERCIAL CREDIT CARD SERVICE CONTRACT GUIDE GS-23-FT0002**

FAR REFERENCES

2. **FAR SUBPART 3.104, PROCUREMENT INTEGRITY**
3. **FAR PART 8, REQUIRED SOURCES OF SUPPLIES**
4. **FAR PART 12, ACQUISITION OF COMMERCIAL ITEMS**
5. **FAR PART 13, SIMPLIFIED ACQUISITION PROCEDURES**
6. **FAR PART 23, ENVIRONMENTAL CONSIDERATIONS**

PURCHASE CARD FORMS AND THE SELF ASSESSMENT QUESTIONNAIRE ARE AT THE DOE PROCUREMENT HOME PAGE AT CHAPTER 13 OF THE DOE ACQUISITION GUIDE

ATTACHMENTS

1. **PURCHASE CARD QUOTATION WORKSHEET**
2. **PURCHASE CARD LOG (SAMPLE)**
3. **CONVENIENCE CHECK LOG (SAMPLE)**
4. **DISPUTE FORM**
5. **RECOMMENDATION FOR APPOINTMENT PURCHASE CARDHOLDERS (SAMPLE)**
6. **APPOINTMENT AS PURCHASE CARD APPROVING OFFICIAL LETTER (SAMPLE)**
7. **DELEGATION OF PURCHASE CARD BLANKET APPROVAL AUTHORITY**
8. **SELF ASSESSMENT QUESTIONNAIRE**

APPENDIX

PURCHASE CARD CONTACTS AGENCY PROGRAM COORDINATOR AND ORGANIZATION PROGRAM COORDINATORS

**DEPARTMENT OF ENERGY POLICY AND OPERATING PROCEDURES FOR THE USE OF THE
GOVERNMENT SMARTPAY2 PURCHASE CARD BY DOE AND AUTHORIZED CONTRACTOR EMPLOYEES**

1. **PURPOSE**

The purpose of this document is to establish DOE policy for the use of the Government purchase card. These procedures supplement and implement procedural aspects of the "U.S. General Services Administration Federal Supply Service Government-wide Commercial Credit Card Service, Contract GS-23FT0002". In the event of any inconsistencies between these Guidelines, the terms and conditions of the Contract, or Federal Acquisition Regulation (FAR), the inconsistency will be resolved in favor of (1) the FAR, (2) the terms and conditions of the Contract, and (3) these procedures.

Commercial purchase card services provide DOE with a means to simplify its small purchase procedures and improve its cash management by:

- a. offering an alternative to the use of purchase orders, blanket purchase agreements (BPAs), and imprest funds;
- b. streamlining the acquisition process by reducing paperwork, improving lead times, and expediting Contractor payments;
- c. reducing the administrative costs associated with small purchases, BPAs, and imprest fund transactions; and
- d. providing greater and more detailed statistical data and an audit trail as an aid in managing purchasing activities.

2. **DEFINITIONS**

The following definitions supplement the definitions contained in the Federal Supply Schedule.

- (a) Administrative Office is the office with oversight responsibility for the DOE-wide Purchase Card Program.
- (b) Approving Official (AO) is the individual delegated approving authority by the Head of the Contracting Activity (HCA) or designee who is responsible for reviewing the monthly Statement of Account for each cardholder under his or her cognizance to ensure that purchases are made in accordance with all regulatory and procedural guidance contained or referenced herein. The AO is usually the cardholders supervisor or a person independent of the cardholder.
- (c) Agency Program Coordinator (APC), is the individual having overall responsibility for the management of the DOE-wide purchase card program. Serves as the lead DOE representative in discussions with the JPMorgan Chase Bank (JPMChase Bank) at the Agency level.
- (d) Blanket Letter of Approval is a written approval issued by an AO identifying certain types of purchases that their cardholders may make without seeking their AO's approval prior to the transaction.
- (e) Cardholder is a DOE, or authorized contractor, employee with purchasing authority who:
 - (1) Is issued the DOE Purchase Card;
 - (2) Has his or her name embossed on the card;
 - (3) Is the sole user of the card; and
 - (4) Is the custodian of the card.
- (f) Certificate of Appointment (SF-1402) is a formal written Contracting Officer warrant that is issued by the HCA to a cardholder, stating any limitations on the scope of authority to be exercised. The SF-1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding micro-purchase authority.
- (g) Competition is obtained when at least three responsible offerors, independently competing, provide quotations that can satisfy the Government's requirement, considering market, price, quality and delivery.
- (h) Consolidated Statement is a monthly statement sent by JPMChase Bank to the Finance Office which shows purchases by and credits issued to all the cardholders under their purview.

- (i) Convenience Checks are checks that can be written in lieu of using the purchase card for purchases from merchants who do not accept the purchase card. This transaction appears on the cardholder's monthly Statement of Account. There is a service charge equal to 1.5% of the face value of the check for each check written.
- (j) Delegation of Authority is a formal written delegation of DOE Purchase Card purchasing authority that is issued by the HCA, or designee, to a cardholder with single purchase limit authority up to the micro-purchase ceiling. This purchasing authority is not evidenced by a Certificate of Appointment. This delegation specifies the single purchase and monthly dollar limitations and any other conditions applicable to DOE Purchase Card purchases made by that individual, including identification of their AO.
- (k) Fair and Reasonable is a determination that the price is what a prudent person in the ordinary course of business would pay without any undue influence.
- (l) Government Purchase Card is a distinctly designed VISA purchase card issued by the JPMChase Bank under the GSA SMARTPAY2 Program. The plastic purchase card is embossed with the employee's name and can only be used by the employee. "U. S. Govt Tax Exempt*" is also embossed on the card. The card is uniquely designed so that it will not be easily confused with other cards. Unlike most personal credit card programs, the SMARTPAY2 Program is not a revolving credit program.

In 2006, based on DOE legal advice, cards issued to management contractors began using generic cards that were not embossed with "US Government Tax Exempt". Authorized contractor or management contractors are management and operating contractors as that term is defined in FAR 17.601.

- (m) Head of the Contracting Activity (HCA), means the official in charge of the purchasing function for a contracting activity.
- (n) Hierarchy is the foundation on which your agency's reporting structure is based. It is integral to the way the agency views and accesses card transaction data. The hierarchy has been developed based on the individuals or groups within each office who need access to reports, monitor cardholder activity, and access transactions for edit, review, and approval.
- (o) Limits
 - (1) Single Purchase Limit is the maximum dollar limit for an individual purchase card transaction.
 - (2) Monthly Spending Limit is the maximum dollar amount authorized to be spent by the cardholder within a 30-day period.
 - (3) Cycle limit is the maximum dollar amount authorized to be spent by a cardholder within the billing cycle.
- (p) Merchant Category Codes (MCC) are established by the bankcard association or banks to identify different types of businesses. Merchants select the codes best describing their business. See Section 8 for a list of blocked MCCs.
- (q) Micro-purchase means an acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold of \$3,000.00, except for acquisitions of construction subject to the Davis-Bacon Act, the threshold is \$2,000 and for acquisitions of services subject to the Service Contract Act, the threshold is \$2,500. See FAR Subpart 2.101, Definitions, for less commonly used thresholds.
- (r) Oral Purchase Procedure, as used herein, is a procedure where an order is placed or a purchase is made through an oral agreement which is made in person or by telephone by the cardholder.
- (s) Organizational Program Coordinator (OPC), is responsible for managing the purchase card program at the contracting activity or contractor organization.
- (t) Personal Property is property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.
- (u) Sensitive Property are items, regardless of value, that require special control and accountability because of susceptibility to unusual rates of loss, theft, or misuse or due to national security and export control considerations. For SC-CH the following will be tracked as sensitive property: fire arms/ammunition, desktop and laptop computer equipment, readily portable computer peripheral devices, Personal Digital Assistants, televisions, DVD players, and digital cameras.

- (v) Split purchase is the deliberate practice of splitting a transaction into two or more smaller transactions to keep the purchase beneath a cardholder's single purchase limitation, or other stated purchase limitation. If a purchase would exceed a cardholder's single purchase limit, the purchase must be accomplished using other acquisition procedures, as appropriate and accomplished by the local purchasing staff.
- (w) 30-Day Cycle is a monthly reporting/billing cycle which begins on the 28th of one month and ends on the 27th of the following month.

3. **RESPONSIBILITIES**

- (a) The Head of the Contracting Activity, or designee will:
 - (1) Designate an individual to serve as the OPC for the contracting activity.
 - (2) Determine who the AOs and cardholders will be and ensure that purchasing authority is delegated to cardholders and AOs in writing. An AO sample letter is provided at Attachment 6. This sample letter can be revised to suit local needs.
 - (3) Authorize purchase cards to the minimum extent necessary to carry out the contracting activities' mission.
 - (4) Establish a single purchase limit as part of the Delegation of Purchasing Authority or Certificate of Appointment (SF-1402) for each cardholder.
 - (5) Establish a monthly spending limit by the Certificate of Appointment or Delegation of Purchasing Authority for each cardholder.
 - (6) Establish the monthly office limit consistent with budget restrictions.
 - (7) Establish and maintain written local procedures for use of the DOE Purchase Card consistent with the procurement regulations, the GSA Contract Guide terms and conditions, and this document. This will include the establishment of procedures to ensure the physical security and proper use of the DOE Purchase Card Program and the conduct and documentation of an annual review addressing at least the considerations in the Self Assessment Questionnaire at Attachment 8.
 - (8) Ensure that training on the DOE Purchase Card Program and related responsibilities are developed and provided to AOs, cardholders, and other appropriate personnel. Conduct refresher training based upon these procedures, lessons learned over time, and feedback from annual reviews. The refresher training should be provided to cardholders and AOs at least biennially.
 - (9) Authorize no more than one purchase card to an individual cardholder unless the HCA, or designee, determines that a cardholder has a need for more than one card.
 - (10) Ensure that personnel procedures include return of the card in the departing employee's checklist. The procedures should ensure that the card and convenience checks, if applicable, are returned to the OPC, or designee, who will deactivate the cardholder account and dispose of the card and convenience checks.
 - (11) Ensure that departing employees leave their log and records with the AO or another designated employee for appropriate retention.
 - (12) Consider suspending or terminating cardholder accounts if the cardholder does not submit monthly account reconciliations in a timely manner.
 - (13) Authorize cards only for employees of the contracting activity or contractors managing DOE facilities.
 - (14) Counsel and, if necessary, replace AOs who do not submit monthly account reconciliations in a timely manner.
- (b) Organizational Program Coordinators, or their designee, will:
 - (1) Review and coordinate the approval of Delegations of Purchasing Authority or Certificates of Appointments.
 - (2) Process applications for new cardholders through JPMChase Bank and maintain rosters of cardholders and AOs.
 - (3) Arrange for or provide training, including biennial refresher training, for cardholders and AOs as needed.
 - (4) Maintain and process changes for cardholders.
 - (5) Maintain records of cardholder and AO training, purchase limits, and appointments of cardholder and AOs
 - (6) Handle problems or issues related to the purchase card program with the cardholders and/or JPMChase Bank.
 - (7) Arrange for or conduct annual reviews and assessments of cardholders' purchases to ensure compliance with the regulations, policies, and agency procedures.
 - (8) Refer cardholders to the HCA, or designee, for suspension or termination if monthly account reconciliations are not submitted in a timely manner.
 - (9) Maintain an up-to-date inventory of cardholders and AOs.

- (10) Close purchase card accounts of past employees and deactivate purchase card accounts for those out of the office for extended time periods.
 - (11) Refer AOs to the HCA, or designee, if monthly account reconciliations are not submitted in a timely manner.
 - (12) Ensure cardholders are responsive to data mining inquiries.
 - (13) Submit OMB quarterly report information NLT the 10th of the month following the end of the quarter.
 - (14) Ensure key duties are separated, such as making purchases, authorizing purchases, and reviewing and auditing purchase documents. No one individual should control all key aspects of a transaction or event.
 - (15) Pursue disciplinary actions when cardholders or other program participants misuse their cards.
 - (16) Annually review number of purchase cards and credit limits. Credit limits should be decreased if cardholders historical spending level is significantly less than the credit limit. If a purchase card is unused for at least six months the card should be deactivated.
 - (17) Run reports and make random checks of cardholder transactions.
 - (18) Complete training prescribed at Section 32 and file as appropriate. (Also, see Section 33.)
 - (19) Submit requests to modify merchant category codes and hierarchies to the agency program coordinator for approval.
- (c) Cardholders will:
- (1) Certify that the quantity and quality of the items/services furnished are in accordance with the agreement (verbal or written) with the merchant.
 - (2) Ensure that funds are reserved prior to the items being purchased.
 - (3) Obtain the approval of their AO prior to the transaction unless the transaction is a purchase covered by a blanket letter of approval issued by the AO.
 - (4) Comply with the requirements of Part 8, Required Sources of Supplies and Services, Part 13, Simplified Acquisition Procedures, and Part 23, Environmental, Energy and Water Efficiency, Renewable Energy Technology, Occupational Safety, and Drug Free Workplace, of the FAR when making purchases using the DOE Purchase Card as well as these procedures.
 - (5) Maintain physical custody of the DOE Purchase Card at all times. The cardholder must not allow anyone to use the purchase card or account number. A violation of this trust may require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action. The cardholder will take care to separate the Government card from personal cards in order to prevent its accidental use for personal transactions.
 - (6) Not "split" purchases in order to fall within the single purchase limit. If a purchase would exceed a cardholder's single purchase limit, the purchase must be accomplished using other acquisition procedures, as appropriate. These purchases will be accomplished by the local purchasing staff.
 - (7) Make purchases only in accordance with the requirements of these Guidelines and its references.
 - (8) Record all transactions in a document or electronic system similar to the Purchase Card Log, Attachment 2, or Convenience Check Log, Attachment 3, as applicable.
 - (9) Save all customer receipts.
 - (10) Review, complete, sign and date the Statement of Account. (See Section 16).
 - (11) Submit completed Statement of Account and customer receipts to AO within 5 working days of receipt.
 - (12) Comply with monetary and activity limits.
 - (13) Immediately report lost or stolen cards to JPMChase Bank, to the AO, and to the OPC.
 - (14) Inform the merchant that the purchase is tax exempt if applicable, to prevent being charged with taxes (See Section 26).
 - (15) Perform follow-up on purchases to ensure items are received prior to processing the Statement of Account.
 - (16) Ensure compliance with property requirements.
 - (17) Ensure that supplies and services that are purchased with the card are consistent with appropriations guidelines.
 - (18) Complete training prescribed at Sections 30 and 33, and provide proof of training to the OPC.
 - (19) Complete Annual Financial Disclosure Report (OGE 450) or Executive Branch Public Financial Disclosure Report (SF-278) when the Federal cardholder has a single purchase limit that exceeds the micro-purchase threshold.
 - (20) Complete the annual online Ethics Training, or equivalent, if a Federal cardholder. This has been approved by GC-77. Call (202) 586-4040 with questions or contact local counsel.
 - (21). Respond to any data mining inquiries.
 - (22) Give purchase card, and convenience checks, if applicable, to AO when no longer employed with DOE, are taking a temporary leave, or transferring to another DOE office and it has been determined that the card is no longer needed.

- (d) Approving officials will:
- (1) Nominate employees to serve as cardholders by submitting a form such as that illustrated at Attachment 5.
 - (2) Ensure that each cardholder has access to the Policy and Operating Procedures and understand the requirements for use of the DOE Purchase Card.
 - (3) Review and approve, prior to purchase, DOE Purchase Card purchases, except those having blanket letters of approval.
 - (4) Review and approve, in a timely manner, cardholders' monthly Statements of Account ensuring that the statements have supporting documentation and are complete, accurate, and reflect only authorized purchases.
 - (5) Promptly sign, date, and forward all cardholders' Statements of Account and any dispute forms to the Finance Office so that the statements are received by the Finance Office not later than the date required by the Finance Office. If the cardholder has access to PaymentNet, the dispute process must be completed electronically. In accordance with office internal procedures notification e-mails should be sent to appropriate parties. (See Section 17.)
 - (6) Complete the training prescribed at Section 31 and provide proof of training to the OPC. (Also, see Section 33.)
 - (7) Question cardholders about suspicious transactions.
 - (8) Receive and destroy departing employees purchase cards, and convenience checks, if applicable.
 - (9) Notify the OPC of departing employees.
- (e) Finance Offices will:
- (1) Review and reconcile all Statements of Account to the invoice submitted from the JPMChase Bank.
 - (2) Ensure that payments to the JPMChase Bank are made in accordance with the Prompt Payment Act.
 - (3) Distribute DOE Purchase Card charges and credits to the appropriate accounts.
 - (4) Assure all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.
 - (5) Establish procedures for receiving and verifying the amount of rebates received from JPMChase Bank.
 - (6) Notify purchase card OPC of any problems with individual cardholder accounts.
 - (7) Ensure that:
 - (a) proper approvals are present on all statements before charging program office accounts;
 - (b) instances in which cardholders statements are not received in a timely manner are referred to the OPC; and,
 - (c) program accounts are only charged in accordance with the funding direction provided on approved cardholder statements.

4. **PROGRAM FEATURES**

- (a) The DOE Purchase Card is a VISA commercial purchase card that has a unique numbering system which identifies JPM Chase Bank, that it is a Government card, and the cardholder number. The DOE Purchase Card is not to be used by anyone other than the employee whose name appears on it and shall not be used for personal purchases.
- (b) JPMChase Bank will be paid the actual cost of transactions for which the DOE Purchase Card was used.
- (c) Purchases that have been made using the DOE Purchase Card will be paid in accordance with the Prompt Payment Act.
- (d) JPMChase Bank provides program services support, full reporting, purchase authorization, customer service, and account setup services.
- (e) Purchases can be returned to the merchant for credit within 60 days after the date on your invoice where the item appears as a charge. By accepting the purchase charge card as payment, merchants also accept this requirement of the contract between the Government and JPM Chase Bank. If the item is damaged in shipment, is not what you ordered, or if you are dissatisfied in any way, return the purchase to the merchant and request either a replacement item or a credit to your account.
- (f) Federal purchases are tax exempt in those states which honor the tax exempt status of the U.S. Government. See Tax Exemption State Letters at http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=13558&noc=T
- (g) DOE Purchase Cards are mailed to the cardholders' offices. JPMChase Bank will have no record of the cardholder's home address, personal credit history, or social security number.

5. **PURCHASING AUTHORITY**

Each cardholder must have purchasing authority evidenced by either a Delegation of Authority or a Contracting Officer's Certificate of Appointment. This authority allows the cardholders to use the DOE Purchase Card to purchase goods and services within established single purchase and monthly spending limits. The single purchase and monthly or cycle dollar limitation delegated to the purchase cardholder shall accurately reflect the dollar levels of purchases that the cardholder will be making as part of their official duties.

6. **CONDITIONS FOR USING THE DOE PURCHASE CARD**

The DOE Purchase Card will be used for purchases that meet the dollar and activity limits authorized on the DOE Purchase Card. Purchases accomplished using the DOE Purchase Card must meet the following conditions:

- (a) The total of a single purchase may comprise multiple items and cannot exceed the authorized single purchase limit stated in the certificate of appointment or delegation of authority.
- (b) All purchases accomplished using the DOE Purchase Card will be in accordance with [Part 8, "Required Sources of Supplies and Services"](#), [Part 13, "Simplified Acquisition Procedures"](#), and Part 23 entitled, "Environmental, Energy and Water Efficiency, Renewable Energy Technology, Occupational Safety, and Drug-Free Workplace", of the [Federal Acquisition Regulation \(FAR\)](#), these Guidelines, and the Cardholder's Delegation of Purchasing Authority.
- (c) The supplies or services must be available and received prior to the end of the billing period wherever practicable. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and AO on the monthly Statement of Account.

FAR 13.301, Government wide commercial purchase card, states the card may be used to (1) make micro-purchases; (2) place a task or delivery order (if authorized); or (3) make payments, when the contractor agrees to accept payment by the card. Pursuant to FAR 32.1108, the purchase card may be used as a method of payment under certain contracts provided the contract contains a clause authorizing such method of payment through a clause such as that at FAR 52.232-36, Payment by Third Party.

7. **PERSONAL PROPERTY MANAGEMENT AND ACCOUNTABILITY**

(a) **Personal Property Management**

- (1) DOE maintains a personal property management program to maintain adequate inventory controls and accountability systems for all property under its control. A critical element of the personal property management program involves the acquisition and receipt of needed items and the recording of the transaction on the formal accountable records of the Department. The acquisition of personal property can be accomplished by a number of methods, including credit card purchases.
- (2) In all acquisitions of personal property, after receiving the item, the physical property must be issued for use or placed into service and the documentation of receipt must be forwarded to the property management office. Generally, this responsibility lies with other than the end user of the property. However, when the end user has acquired the personal property with a credit card and the property is delivered directly to the cardholder, the cardholder becomes accountable for the property and assumes responsibility for ensuring that the property items are recorded in the property management system.

(b) **Property Accountability**

- (1) **Purchases Shipped or Delivered by the Merchant.** All personal property acquired by using the purchase card should generally be delivered to and processed by the receiving office. The cardholder should not both place the order and receive the goods. This will ensure inventory control identification, as appropriate and recording in the personal property management records.
- (2) **Purchases Hand Carried by the Cardholder.** Personal property purchased and hand carried by the cardholder or delivered directly to the cardholder requires inventory control identification and recording in the personal property management records, as appropriate. As soon as practicable following the purchase of the personal property, the cardholder will advise the property management office in writing (i.e., via E-mail or facsimile)

requesting that the equipment/property be identified and recorded, as appropriate. Written confirmation should include the following information:

- (a) Cardholder name, office symbol, telephone number, building and room number;
- (b) Brief description of the personal property;
- (c) Model No. and Serial No. of the personal property; and
- (d) Receipt verification witness name, office symbol, telephone number, building and room number.

8. PROHIBITIONS AND RESTRICTIONS

- (a) DOE Purchase Card purchases are subject to the following restrictions and prohibitions:
The following are prohibited uses of the DOE Purchase Card:
 - (1) Cash advances;
 - (2) Rental or lease of land or buildings;
 - (3) Purchase of software requiring a negotiated license agreement between DOE and the contractor (excludes “shrink wrap” license affixed to commercially available software);
 - (4) Purchases of food, beverages and entertainment, except under very limited circumstances generally associated with away from work place training that must be approved, by the OPC, in advance in all cases; and
 - (5) The DOE Purchase Card will not be used in lieu of the Government authorized travel charge card.
 - (6) Purchases that utilize third party payment merchants such as PayPal and MyPay are prohibited except with written approval of OPC. Use of such merchants circumvents merchant code blocking, and hinders oversight and data mining capabilities, as well as forfeits disputes rights with the JPMChase Bank.
 - (7) Generally, the following items are centrally managed and procured. Check for local guidance before using the purchase card to obtain the following.
 - (a) Messenger services and package delivery services;
 - (b) Office supplies and paper;
 - (c) Lease or purchase of Government vehicles;
 - (d) Building alterations;
 - (e) Office moves;
 - (f) Carpet installation and repair;
 - (g) Shuttle bus service;
 - (h) Printing jobs;
 - (i) Photocopier equipment; and
 - (j) Products or services to be furnished by Federal Prison Industries (FPI), also referred to as UNICOR, require formal documentation of market research and analysis in accordance with FAR 8.6. Consult your local procurement office for assistance if contemplating a purchase from FPI.
- (b) Banks group merchants within merchant categories based on their type of business. Purchases from the following merchant category codes have been blocked. Should a cardholder need to make a valid purchase from a merchant in one of these category codes, their OPC will need to clear the purchase with the JPMChase Bank. If recurring transactions need to be made from blocked MCC’s the OPC shall submit a request, with justification, to the APC for approval.

<u>Number</u>	<u>Description</u>
3000-3299	Airlines
3300-3499	Car Rental Agencies
4111	Local/Suburban Commuter Passenger Transportation, Including Ferries
4112	Passenger Railways
4119	Ambulance Services
4411	Steamship/Cruise Lines
4511	Airlines, Air Carriers (Not Elsewhere Classified)
4722	Travel Agencies

4723	TUI Travel
4761	Telemarketing of travel related service
4784	Toll and Bridge Fees
4829	Wire Transfer - Money Orders
5309	Duty Free Stores
5422	Freezer and Locker Meat Provisioners
5441	Candy, Nut, and Confectionery Stores
5451	Dairy Products Stores
5541	Service Stations (with or without ancillary services)
5542	Automated Fuel Dispensers
5571	Motorcycle Dealers
5641	Children's and Infants' Wear Stores
5681	Furriers and Fur Shops
5698	Wig and Toupee Stores
5718	Fireplace, Fireplace Screens and Accessories Stores
5733	Music Stores, Musical Instruments, Pianos, Sheet Music
5735	Record Shops
5813	Drinking Places (Alcoholic Beverages) Bars Taverns, Cocktail Lounges, Nightclubs, Discotheques
5814	Fast Food Restaurants
5921	Package Stores - Beer, Wine and Liquor
5932	Antique Shops
5933	Pawn Shops
5937	Antique Reproductions
5944	Jewelry Stores, Watches, Clocks, and Silverware Stores
5945	Hobby, Toy, and Game Shops
5949	Sewing, Needlework, Fabric and Piece Goods Stores
5960	Direct Marketing Insurance Services
5961	Mail Order Houses, Book/Record Clubs, Catalog Stores
5962	Direct Marketing Travel-Related Arrangement Services
5963	Direct Selling Establishments/Door-To-Door Sales
5972	Stamp and Coin Stores - Philatelic and Numismatic Supplies
5973	Religious Goods Stores
5977	Cosmetic Stores
5993	Cigar Stores and Stands
5996	Swimming Pools - Sales and Service
5997	Electric Razor Stores - Sales and Service
6010	Financial Institutions - Manual Cash Disbursements
6011	Financial Institutions - Automated Cash Disbursements
6012	Financial Institutions - Merchandise and Services
6050	Electronic Cash Withdrawal
6051	Non-Financial Institutions - Foreign Currency, Money Orders (not wire transfer), and Travellers Cheques
6211	Security Brokers/Dealers
6300	Insurance Sales and Underwriting
6381	Insurance Premiums
6399	Insurance (Not Elsewhere Classified)
6513	Real Estate Agents and Managers - Rentals
6529	Remote Stored Value Load - Member Financial Institution
6530	Remote Stored Value Load
6531	Payment Service Provider
6532	Payment Transaction - Member Financial Institution
6533	Payment Transaction - Merchant
6611	Overpayments

6760	Savings Bonds
7012	Timeshares
7032	Sporting and Recreational Camps
7033	Trailer Parks and Camp Grounds
7261	Funeral Service and Crematories
7273	Dating and Escort Services
7276	Tax Preparation Service
7277	Counseling Service - Debt, Marriage, Personal
7280	Hospital Patient Personal Funds Withdrawal Accts
7295	Babysitting Services
7297	Massage Parlors
7298	Health and Beauty Spas
7321	Consumer Credit Reporting Agencies
7511	Truck Stop Transactions
7512	Car Rental Agencies (Not Elsewhere Classified)
7523	Automobile Parking Lots and Garages
7524	Express Payment Service - Parking Lots
7531	Automotive Body Repair Shops
7535	Automotive Paint Shops
7538	Automotive Service Shops (Non-Dealer)
7542	Car Washes
7549	Towing Services
7832	Motion Picture Theaters
7833	Express Payment Services (motion pictures)
7841	Video Tape Rental Stores
7911	Dance Halls, Studios and Schools
7922	Theatrical Producers (Except Motion Pictures), Ticket Agencies
7932	Billiard and Pool Establishments
7933	Bowling Alleys
7941	Commercial Sports, Professional Sports Clubs, Athletic Fields, Sports Promoters
7991	Tourist Attractions and Exhibits
7992	Golf Courses - Public
7993	Video Amusement Game Supplies
7994	Video Game Arcades/Establishments
7995	Betting (including Lottery Tickets), Casino Gaming Chips, Off-Track Betting and Wagers
7996	Amusement Parks, Circuses, Carnivals, Fortune Tellers
7998	Aquariums, Seaquariums, Dolphinariums
8211	Elementary and Secondary Schools
8351	Child Care Services
8398	Charitable and Social Service Organizations
8641	Civic, Social, and Fraternal Associations
8651	Political Organizations
8661	Religious Organizations
8675	Automobile Associations
9211	Court Costs, Including Alimony and Child Support
9222	Fines
9223	Bail and Bond Payments
9311	Tax Payments
9401	I-Purchase Pilot
9411	Government Loan Payments
9700	Automated Referral Service

9751	U.K. Supermarkets - Electronic Hot File (For Regional Use Only.)
9752	U.K. Petrol Stations - Electronic Hot File (For Regional Use Only.)

9. **PURCHASES**

Purchases of goods and services should be made based upon a properly approved requisition signed by an authorized employee, independent of the purchase cardholder. The requisition must describe the goods or services to be purchased, the delivery requirements, potential sources, and document that funds are available for the purchase. In limited circumstances, as provided by the AO, purchases may be authorized without prior review, if a blanket letter of authority has been provided to the cardholder. The cost of the goods or services to be purchased shall be determined to be fair and reasonable.

Purchases of services may be made with the purchase card, however, if the nature of the service is subject to the Service Contract Act, refer the matter to the Contracting Officer. Such purchases should be fixed price or fixed hourly rate with a maximum ceiling. If the services are purchased on a recurring basis, consideration should be given to consolidation under a contract. The card may not be used unless ordering and delivery of the services can both occur within the billing period. The card should not be used to acquire services greater than \$2,500.00 subject to the Service Contract Act as formal wage determinations are required above that amount. Service contracts provide labor that are other than bona fide executive, administrative or professional in nature.

Purchases of construction may be made with the purchase card only if local procedures provide for such use. Purchase card purchases of construction may not exceed \$2,000 as a formal contract is required above that amount.

If the cardholder purchases goods or services directly from a merchant, the merchant should give the cardholder a copy of the charge slip and, if applicable, any other customer receipt. The cardholder must ensure that the charge slip contains full documentation of goods or services purchased. The cardholder is required to save the charge slip and any other receipt for forwarding to the cognizant AO along with the monthly Statement of Account. In addition, if an item is returned to the merchant and a credit is given, the credit slip should also be saved and attached to the Statement of Account which shows the credit.

10. **PREPARATION OF INTERNAL REVENUE SERVICE FORMS FOR CERTAIN PURCHASES**

Contractors receiving greater than \$600.00 annually in purchase card transactions are issued Standard Forms 1099 for those transactions and a copy is furnished to the Internal Revenue Service. Since multiple cardholder's may order from the same merchant, all transactions, no matter the dollar amount, should be reported to the finance office. The cardholder should obtain the merchant's Taxpayer Identification Number, or Social Security Number, if applicable, and provide it to their local finance office. Purchases made through use of the DOE-C Web or STRIPES systems already conform to this requirement. In the case of purchases outside either of these systems, the cardholder should refer to their local procedures concerning any special procedures to facilitate this requirement.

11. **ORAL PURCHASES (INCLUDING TELEPHONE ORDERS) AND MAIL ORDER PURCHASES**

- (a) Oral purchases and mail order purchases to acquire supplies or services may be accomplished using the DOE Purchase Card provided that (1) the supplies or services can be described in sufficient detail so that the parties have a clear understanding of what is required; (2) the amount of the purchase is at or below the micro-purchase threshold; and (3) a purchase order or contract is not required by either the merchant or DOE. These types of purchases must be documented. Documentation will address such things as extent of competition. (See Section 11.)
- (b) As used in these Guidelines, oral purchasing procedures mean a procedure whereby an order is placed using the purchase card through a verbal agreement which is made in person or via telephone. The cardholder verbally places the order, the merchant supplies the items or services requested by the cardholder, and payment is made to the merchant using the purchase card.

- (c) When an order is placed via telephone using the purchase card, the cardholder will:
 - (1) Notify the merchant that the purchase is tax exempt. Should a merchant refuse to acknowledge the tax exempt status of the purchase, the ultimate recourse for the cardholder is to inform the merchant that the Government's purchase will be taken elsewhere. Contractors may or may not be tax exempt depending on the contractor's own tax exempt status.
 - (2) Ensure that the items or services acquired will be received prior to the end of the billing cycle. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and AO on the monthly Statement of Account. Therefore, the cardholder should confirm that the merchant agrees not to charge the purchase card until shipment is made so that the receipt of supplies may be certified on the monthly Statement of Account. NOTE: Subscriptions may be telephonically ordered and payment authorized even though the subscription has not been received by the end of the billing cycle.
 - (3) Ensure that the price quoted represents the full obligation of the Government for the item or service acquired. Cardholders will ensure that the prices quoted represent the total price to the Government, including shipping charges, packaging, etc., to avoid future billing and payment problems.
 - (4) Instruct the merchant to include the following information on the shipping document or packing slip, if required. This information will alert the receiving officer and the requisitioner that the supplies have been purchased with the purchase card:
 - (a) Cardholder's name and routing symbol;
 - (b) Building number, room number, street address, city and state of delivery point; and
 - (c) Cardholder's telephone number.
- (d) The cardholder will execute and maintain appropriate records of each transaction.

12. **RECORD KEEPING**

All cardholders must keep complete and accurate records of their purchases in accordance with the instructions included in Section 34 of these Guidelines. This shall include evidence of receipt of any property or supplies purchased using the purchase card. Central filing of such documentation is acceptable. Automated systems are acceptable provided they provide equivalent documentation. Records of departing employees should be maintained by the AO or another employee for the appropriate retention period. FAR 4.805 requires the retention of purchase card transaction records for 3 years after final payment.

13. **RESERVATION/CERTIFICATION OF FUNDS**

The use of the Strategic Integrated Procurement Enterprise System (STRIPES) will fulfill this requirement. If STRIPES has not been implemented within your office then local procedures shall be established to reserve and certify funds.

14. **CARD ABUSE**

Use of the card for other than Official Government business may be considered as an attempt to commit fraud against the U. S. Government and may result in immediate cancellation of the card and disciplinary action against the cardholder under applicable Departmental or Government-wide administrative procedures. Suspected fraudulent misuse should be reported to the Office of the Inspector General and the OPC. The cardholder will be personally liable to the Government for the amount of any non-approved purchases and possible subjection to a penalty under 18 U.S.C. 287.

15. **REPORTING**

At the end of the billing cycle, JPMChase Bank will issue detailed statements as follows:

- (a) Cardholders will receive a Statement of Account showing all purchases and credits processed by JPMChase Bank during the billing cycle.
- (b) The Finance Office will receive a consolidated statement of all purchases and credits applicable to all cardholders.

16. **RECONCILIATION PROCESS**

Each monthly Statement of Account must be reviewed and approved, in a timely manner, by both the cardholder and an AO. An AO should normally be responsible for no more than five cardholders, or 500 transactions per month, except with the approval of the HCA, or designee. For National Nuclear Security Administration (NNSA) contracting activities, an AO should be responsible for no more than a reasonable number of cardholders consistent with the activities normal span of supervisory control except with the approval of the HCA, or designee.

Upon receipt of the statements from JPMChase Bank, the following actions will be performed:

- (a) Cardholders will:
- (1) Reconcile the Statement of Account with their Purchase Card Log, Convenience Check Log, if applicable, copies of charge/credit slips and any other customer receipts, and certify that the supplies and services are in accordance with the orders that were placed.
 - (2) Retain any charge/credit slips and customer receipts for purchases not listed on the Statement of Account for the next billing cycle.
 - (3) Document statement errors with an explanation using the JPMChase Bank cardholder dispute form and forward a copy to JPMChase Bank. If the cardholder has access to PaymentNet, the dispute process must be completed electronically. (See Section 17.)
 - (4) Certify the receipt and accuracy of all purchases by signing and dating the Statement of Account.
 - (5) Forward the reconciled Statement of Account, charge/credit slips, other customer receipts and, if applicable, the completed dispute form (if using PaymentNet a copy should be printed) to the AO within five working days of receipt of the Statement of Account.
 - (6) If cardholder does not have a customer copy of the receipt, the cardholder should request a copy from the merchant. If a copy of the receipt can not be obtained, the cardholder will mark the word "lost" over in the date of purchase column on the Statement of Account and attach an explanation. If the cardholder is planning to be on travel or on leave and will not be available to review the Statement of Account at the time it is received, the cardholder should provide the AO with the charge/credit slips.
- (b) Approving officials will:
- (1) Review the individual cardholder's Statement of Account for accurate reconciliations, applicable logs, supporting documents (e.g., receipts, explanations), authorized purchases, credits, budget and cost classifications, and other related information.
 - (2) Obtain any other necessary information in a timely manner from the cardholders within their jurisdiction.
 - (3) Approve by signing and dating the reconciled Statements of Account and forward them to the Finance Office by the 15th day of each month. Return receipts and other supporting documentation to the cardholder for record maintenance unless local procedures provide for Finance Office maintenance of records.
- (c) Finance Offices will:
- (1) Review Statements of Account and any dispute forms for accurate reconciliations.
 - (2) Account for all DOE Purchase Card transactions.
 - (3) Reconcile Finance Offices consolidated statement with cardholders' Statements of Account.
 - (4) Reconcile the JPMChase Bank's invoice with the consolidated report.
 - (5) Make payment to JPMChase Bank in accordance with the Prompt Payment Act.
 - (6) Assure all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.

17. **BILLING ERRORS AND DISPUTES**

(a) Dispute Form

If a cardholder receives a Statement of Account that lists a transaction for an item or service that has not been received, or represents an unauthorized charge, the cardholder or AO will complete the cardholder dispute form and forward a copy of the form to JPMChase Bank and the original to the Finance Office with the cardholder's reconciled monthly Statement of Account and supporting documentation. If the cardholder has access to PaymentNet, this process must be completed electronically. When a cardholder files a dispute, there is a place to enter additional e-mail addresses for notification that a dispute has been submitted. In accordance with office internal procedures, notification e-mails should be sent to appropriate parties. Check your office's internal policy to identify any individuals the cardholder must add in the

notifications section. JPMChase Bank will credit the transaction until the dispute is resolved. JPMChase Bank will assist in reconciling the questioned item only if the dispute is filed within 90 calendar days from the date that transaction has posted to the Statement of Account. However, it is the responsibility of the cardholder to make every effort to resolve errors, discrepancies and disputes.

Maximum efforts should be made to initiate a transaction dispute (when needed) with JPM Chase Bank as soon as possible. Merchants will only be charged back for a disputed transaction within 120 calendar days from the transaction date. If the full 90 calendar days expires before filing a dispute, only 30 days remain for JPMChase Bank to investigate the dispute and charge back the merchant if necessary. The less time allowed for thorough investigation of the dispute, the greater the potential for fewer disputes being ruled in favor of the government/cardholder.

(b) Defective Items

If items purchased with the purchase card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct a faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors in that disputed items are reported using the dispute form by forwarding a copy to JPMChase Bank and a copy to the Finance Office with the monthly Statement of Account. The 90 day period applies to defective items as well as questioned items.

18. **DEPARTURE OF EMPLOYEES**

(a) Employees Leaving the Agency

If a cardholder's employment is ending (e.g., resignation, retirement), the DOE Purchase Card should be destroyed prior to the release date. The card, and convenience checks, if applicable, shall be given to the AO for destruction. The AO must notify the OPC of the departing employee so the cardholder's access to PaymentNet can be terminated. The Cardholder's letter of delegation or Contracting Officer warrant will be cancelled at the same time.

(b) Transferring Employees

If a cardholder is transferring to another position, which will also require use of the purchase card, the cardholder will notify the OPC. The OPC, in consultation with the losing and gaining AOs and JPMChase Bank will arrange for transfer of the account to the gaining office. The gaining and losing offices will cancel and reissue the Cardholders letter of delegation or Contracting Officer warrant. If it is determined that the purchase card should not be retained by the cardholder, the notification procedures outlined above should be followed.

19. **UTILIZATION OF SMALL BUSINESS**

FAR Part 13, Simplified Acquisition Procedures, prescribes that acquisition of supplies and services of an anticipated dollar value of \$3,001 through \$100,000 will be reserved exclusively for small business concerns. Only when there is no reasonable expectation of obtaining the goods or services from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, may the purchase be made from a large business. Each such purchase will be appropriately documented.

20. **COMPETITION**

Purchases not exceeding \$3,000 are called "micro-purchases" and may be made without securing competitive quotations if the cardholder considers the prices obtained from a single source to be reasonable. Purchases made without securing competition will be distributed among qualified suppliers by means of rotating recurring purchases among merchants. If a purchase recurs frequently, consideration should be given to consolidating the requirements to obtain quantity discounts. Refer such matters to your OPC.

21. **MICRO-PURCHASES UNDER THE DOE PURCHASE CARD PROGRAM**

Per FAR 13.201 simplified acquisition procedures are to be used for acquiring products and services valued at or below the micro-purchase threshold .

The primary objective of micro-purchase procedures is to dramatically simplify the method in which Government officials can acquire low-dollar value products and services in the performance of their mission duties and responsibilities.

Key streamlining features of the micro-purchase program are that (1) purchases may be made without securing competitive quotations if it is determined that the price for the purchase is reasonable, and (2) purchases are exempt from the provisions of the Buy American Act and the small business set-aside provisions of the Small Business Act.

The following requirements apply to micro-purchases:

- (1) Micro-purchases do not need to be competed. However, noncompetitive micro-purchases should be equitably distributed among qualified merchants, i.e., if there are multiple merchants and a recurring requirement, rotate the award among the merchants.
- (2) The mandatory sources described in Section 27 of these Guidelines apply to micro-purchases. In addition, all other requirements contained in these Guidelines apply to micro-purchases.

22. **PROCUREMENT INTEGRITY REQUIREMENTS FOR FEDERAL EMPLOYEE PURCHASE CARDHOLDERS**

FAR Subpart 3.104 implements the Federal Government's policy related to conduct and procurement activities of Federal employee procurement officials. For the purposes of these procedures, purchase cardholders are considered procurement officials. This applies to the cardholder's AOs to the extent that the AO had personal and substantial participation in a purchase card transaction.

For cardholders whose purchases do not exceed the Simplified Acquisition Threshold, \$100,000, the requirements of FAR 3.104-3(c) do not apply. Namely, if a cardholder or AO is contacted by a person who is a bidder or offeror for a purchase transaction regarding non-Federal employment, the cardholder or AO need not:

- Promptly report the contact in writing to his/her supervisor and to the designated agency ethics official; and
- Reject the possibility of non-Federal employment; or
- Disqualify himself/herself from further personal and substantial participation in that purchase.

Prohibited Conduct of Federal Procurement Officials - During the conduct of any Federal agency procurement, including purchase card transactions, of property or services, no procurement official will knowingly:

- (1) Solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any officer, employee, representative, agent, or consultant of a competing contractor;
- (2) Ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money, gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any *competing* contractor for such procurement; or,
- (3) Disclose any proprietary or source selection information regarding such procurement directly or indirectly to any person other than a person authorized by the head of such agency or the contracting officer to receive such information.

23. **ACQUISITION REGULATION**

The FAR applies to purchase card transactions. See especially, Subpart 3.104, Procurement Integrity, [Part 8, Required Sources of Supplies and Services](#), [Part 13, Simplified Acquisition Procedures](#), and Part 23, Environmental, Energy and Water Efficiency, Renewable Energy Technology, Occupational Safety, and Drug-Free Workplace, of the [FAR](#). Links to these parts are provided after the Table of Contents.

24. **PROGRAM SUPPORT**

The purchasing and finance offices will provide full program support and assistance to cardholders and AOs. Each of these offices will identify staff members who can assist cardholders and resolve problems which may be encountered.

25. **HEAD OF THE CONTRACTING ACTIVITY ANNUAL REVIEWS**

The HCA is responsible for the conduct of an effective and efficient acquisition program. Accordingly, purchase cardholders and AOs are responsible for the card purchases in accordance with these Guidelines and the references herein. The HCA should conduct and document annual reviews of cardholder records to determine the extent of adherence to prescribed procedures, guidelines, policies, regulations, and good management practices, and to identify any needs for improvement,

guidance and/or training. These reviews should be conducted in the first quarter of each fiscal year and should assess the prior fiscal year's purchase card program. Annual reviews should include an assessment of the appropriateness of transaction dollar limitations as well as a validation of the need for the account based upon usage, e.g. no transactions within the past six months. If purchases are at significantly lower levels, lower spending limitations should be considered. The review process should consist of a random sampling of cardholder records. The sampling should include a sufficient number of purchase cardholder records under each of your established AO accounts. The number selected must be large enough to provide an adequate sampling of purchase card operations within your office. The reviewer must complete one checklist (Attachment 8) per each individual cardholder record reviewed in the random sample selected. The report should include areas of non-compliance, recommendations for improvements identified in the checklists, and areas of purchase card best practices. For example, any areas of concern or problems found during any aspect of the review should be summarized, along with a discussion of what steps have been taken to correct the areas of non-compliance. Only findings related to areas of non-compliance should be cited. Any best practices or recommendations provided will be used to improve the purchase card program. A copy of the annual review shall be forwarded to the APC no later than January 1 of each calendar year. Additionally, the OPC should conduct periodic oversight reviews to identify any seemingly abnormal purchases so that they may be promptly reviewed and any problems resolved.

26. **U.S. GOVERNMENT TAX EXEMPT PURCHASES**

This section is applicable to use of the purchase card by Federal employees. The U.S. Government's tax exempt status does not extend to contractors even when they are operating a Government facility.

Each DOE Purchase Card is embossed with the notice: "U.S. GOVT TAX EXEMPT." The cardholder must inform the merchant prior to placing the telephone order or making an over the counter purchase that the purchase is exempt from all state or local taxes, including sales taxes. Depending on an organization's ownership type, the Management and Operating Contractor may be tax exempt in its own right. The SMARTPAY2 Card is viewed as a Government card and a determination has been made that it would be inappropriate to emboss any other tax exempt representation on the card. When a management and operating contractor is authorized use of the SMARTPAY2 card, the JPMChase Bank will furnish a card without the US Government Tax Exempt logo.

To the extent that the merchant does not initially acknowledge that DOE Purchase Card purchases are exempt from state and local taxes, the cardholder will specifically inform the merchant that the Government wide card provides that all card purchases will be exempt from state and local taxes. In addition, FAR Subpart 29.302, "Application of state and local taxes to the Government," states that purchases and leases made by the Federal Government are immune from state and local taxation. FAR Subpart 29.305, "State and local tax exemptions," states that evidence of exemption from state and local taxes includes copies of purchase orders, shipping documents, purchase card imprinted sales slips, paid or acknowledged invoices, or similar documents that identify an agency of the U.S. as the buyer.

U.S. Tax Exemption Certificate (SF-1094) is no longer used for micro-purchases. The Internal Revenue Service suggests that Federal agencies instead furnish merchants their Employer Identification Number as evidence of tax exemption.

Each state has provided GSA a tax exemption letter discussing its statutes in this area. They are available at: http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=13558&noc=T

27. **MANDATORY SOURCES**

- (a) Cardholders are subject to the regulatory requirements contained in FAR Part 8, "Required Sources of Supplies and Services."
- (b) By law, the AbilityOne Program, previously known as the Javits-Wagner-O'Day Act Program (JWOD), is a mandatory source program for the Federal Government. The program was established as a result of the passage of the Wagner-O'Day Act of 1938. That Act and subsequent amendments are designed to promote the socioeconomic goal of generating employment and training opportunities for persons who are blind or are otherwise severely disabled. The JWOD program carries the highest socioeconomic priority involving Federal acquisitions in that no other provision of the FAR permits exception to the mandatory nature of AbilityOne products and services provided by the National Industries for the Blind and NISH nonprofit agencies. In addition, the provisions of the Federal Acquisition Streamlining Act of 1994 do not amend the mandate to procure AbilityOne products and services set forth in the JWOD Act. Purchase cardholders are

prohibited from acquiring supplies equivalent to AbilityOne items from other sources, including discount office supply stores and firms supplying Federal agencies under consolidated office supply contracts except as provided for at Section 28 below. Further detailed guidance for the purchase of office supplies follows in Section 28 below.

- (c) Federal Prison Industries (FPI), also known as Unicor, is a mandatory source for items listed in the FPI schedule at <http://www.unicor.gov> but purchases from Unicor require special analysis. Before procuring from FPI, nonprocurement cardholders should consult with their procurement office.

The FPI Board of Directors announced its decision to increase the blanket waiver relating to small dollar value purchases from the previous threshold of \$2,500 to a threshold of \$3,000, effective April 12, 2007. Customers may, however, still purchase from FPI at, or below, this threshold, if they so choose. No waiver is required to buy from an alternative source. See FAR 8.605 for exceptions to the use of FPI.

28. **OFFICE SUPPLIES AND ABILITY ONE**

Under the provisions of the Javits-Wagner-O'Day Act, AbilityOne contractors are the exclusive distributors of AbilityOne office supplies with the following ordering options:

WWW.JWOD.COM. This is AbilityOne's on-line system for ordering next-day delivery of thousands of Skilcraft and other AbilityOne products. This is the recommended ordering option for purchase cardholders using the purchase card as the most convenient and efficient method of purchasing office supplies.

AbilityOne's Corporate Single Award Schedule (NIB/NISH). This schedule offers a variety of office supplies that includes computer paper, writing instruments and desk supplies.

GSA Advantage On-Line Shopping Service. This Internet site (<http://www.gsaadvantage.gov>) allows customers to browse, search and review prices and delivery options before placing an order on the Internet. GSA's National Help Line at 800-488-3111 will answer questions and refer you to local AbilityOne Program assistance through Customer Service Directors in each state.

29. **COMPLEX-WIDE STRATEGIC SOURCING OPPORTUNITIES DOE-WIDE ACQUISITION VEHICLES READY TO USE**

Strategic Sourcing acquisition instruments are available on the DOE Procurement Home Page for use by all U.S. Department of Energy (DOE) activities. In addition, subject to the specific ordering procedures of each award, DOE site and facility contractors are eligible to use these instruments. Hyper-text links are provided so you can examine each instrument and then the 'Schedule' to determine what is available and at what price. An activity or contractor can easily place Orders against the contract by following the Ordering Procedures linked under each instrument.

The ordering procedures are located at <http://www.management.energy.gov/1503.htm> .

30. **QUALIFICATIONS AND TRAINING REQUIREMENTS FOR PURCHASE CARDHOLDERS**

FAR Subpart 1.603-3, Appointment, states that contracting officers shall be appointed in writing on a Standard Form (SF) 1402, Certificate of Appointment, stating any limitations on the scope of authority to be exercised. The SF 1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding micro-purchase authority (i.e. above \$3,000). A Certificate of Appointment is not required for cardholders exercising only micro-purchase authority. A Delegation of Purchasing Authority will evidence this appointment. In accordance with DOE Order 361.1B, Acquisition Career Management Program, the following training and experience is required for purchase cardholders. Contractor personnel, while not held to Federal training standards, should possess equivalent training and experience while serving in purchase cardholder positions.

Minimum Training Requirement for All Purchase Cardholders:

- All cardholders should receive training on the Purchase Card Program arranged for or presented by the local OPC. This should include self study of this Guide and any local implementing instructions or training materials. Offices may grant 3 hours training credit for this local training.
- GSA SMARTPAY2 Purchase Card Program, a 4 hour online training course addressing responsible use of the purchase card at <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm> A Learner ID and password are required before taking this course online.
- and 1 hour training entitled, “*Affirmative and Environmentally Preferable Procurement Training for Purchase Card Users and Approving Officials*”, available at <http://www.management.energy.gov/APPandPurchaseCards0205Rev.ppt>
- 16 hours of continuous learning training every two years

Recommended Training for Micropurchase Cardholders

1-day Government-wide Purchase Card courses available from the GSA Interagency Training Center; USDA Graduate School, Management Concepts, Inc., and other training centers.

Minimum Experience and Additional Training Requirement for Cardholders with single purchase limit exceeding the micro-purchase threshold through \$25,000. (These requirements are in addition to the requirements immediately above.)

- Experience: At least 6 months of experience as a cardholder at the micro-purchase threshold; and,

Additional Training:

- Training course of at least 16 hours on simplified acquisition techniques, including market research, competition, commercial item purchasing, and socioeconomic procurement programs. This training may be waived by the HCA for experienced cardholders who have acquired experience equivalent to this training.
- 16 hours of continuous learning training every two years

Other Training Requirements

In addition to this formal training, the OPC will conduct or arrange for biennial refresher training seminars for all cardholders using this Guide, lessons learned, and feedback from the annual review source material. As part of this refresher training, cardholders will complete a certification that they have read and understand the DOE purchase card policy and procedures.

31. **APPROVING OFFICIAL TRAINING**

(a) **Training**

The OPC shall arrange for or provide AO training. This training should be at least four hours in length and encompass the roles and responsibilities of an AO as well as an understanding of the responsibilities of the cardholder. Biennial refresher training must be provided. As part of this refresher training, AOs will complete a certification that they have read and understand the DOE purchase card policy and procedures.

(b) Available Online Training

Online training is available.

- Course Title: GSA SMARTPAY2 Purchase Card Program. This online training tool addresses responsible use of the purchase card by your cardholders. <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm> . A Learner ID and password are required to taking this course online. and 1 hour training entitled, “Affirmative and Environmentally Preferable Procurement Training for Purchase Card Users and Approving Officials”, available at <http://www.management.energy.gov/APPandPurchaseCards0205Rev.ppt>

32. **ORGANIZATIONAL PROGRAM COORDINATOR TRAINING**

Individuals appointed as OPCs shall be experienced contracting personnel. All OPCs shall complete the SMARTPAY2 on line Training available at: <http://www.gsa.gov/Portal/gsa/ep/channelView.do?pageTypeId=8199&channelId=-13445>. OPCs are also expected to participate in recurring telephone conference calls which will be scheduled by the APC. Contractor personnel serving in these positions should have course work equivalent to that associated with the DOE Certification levels. All OPCs are encouraged to attend the Annual Purchase Card Training Conference sponsored by the JPMChase Bank and the GSA.

33. **QUALIFICATION STANDARDS FOR CONTRACTING AND PURCHASING PERSONNEL**

As established in the U.S. Department of Energy Acquisition Career Management Program Handbook, the proficiency levels for contracting and purchasing personnel are defined below.

1102 Series Certification Levels	Grade
Level I	GS-05 through GS-07
Level II	GS-09 through GS-12
Level III	GS-13 and above
1105 Series Certification Levels	Grade
Level I	GS-05
Level II	GS-06 through GS-08
Level III	GS-09 and above

Cardholders, AOs, and OPCs have a one year period to complete any new training requirements.

34. **DOCUMENTATION FOR EACH PURCHASE**

Each card purchase will be manually or electronically documented by completion of the following :

- Purchase Card Quotation Worksheet
- Purchase Card Log, and Convenience Check Log, if applicable.
- Evidence of Property Receipt

Similar local forms which capture the necessary information are acceptable. A copy of each of these forms will be submitted with the monthly Statement of Account to the AO. The original of each of these forms will be maintained by each cardholder for record keeping purposes.

If using STRIPES, data entered can satisfy the Purchase Card Quotation Worksheet and Purchase Card Log requirement if the proper report is generated. Additionally, if a copy of the property tag is uploaded into STRIPES, then STRIPES will fulfill this requirement.

35. **LOST OR STOLEN CARDS**

(a) **Telephone Notification**

If the purchase card is lost or stolen, it is the responsibility of the cardholder to notify their OPC and the JPMChase Bank as soon as practicable at the following telephone numbers 24 hours/day:

Inside the continental United States - 1-888-297-0781

Outside the continental United States - call collect 1 (847) 488-4441

(b) **Written Notification**

The cardholder will also notify the AO and the OPC of the lost or stolen card within one work day after discovering the card missing, or as soon as practicable. The AO will submit a written report to the OPC within 5 work days. The report will include the following information:

- (1) Card number;
- (2) Cardholder's complete name;
- (3) Date and location of the loss;
- (4) Date and time JPMChase Bank was notified;
- (5) Any purchases made on the day the card was lost/stolen, or the last known purchase before the card was lost/stolen;
- (6) Any other pertinent information.

(c) **Card Replacement**

A new card will be mailed within 2 business days of the loss or theft. A card that is subsequently found should be cut in half and given to the AO.

(d) **Unauthorized Use**

The Government will not be liable for any unauthorized use of the card. "Unauthorized use" means the use of the purchase card by a person other than the cardholder, who does not have the actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit. A cardholder who makes unauthorized purchases or carelessly uses the card may be liable to the Government for the total dollar amount of unauthorized purchases made in connection with the intentional or negligent use of the card. In addition, the cardholder may be subject to disciplinary action for unauthorized or negligent use of the card, conform to USC or penalty under Title 18 United States Code 287.

36. **AFFIRMATIVE PROCUREMENT PROGRAM**

This section discusses Government practices for maximizing the purchase of products with recycled or biobased content. These requirements have been incorporated into the DOE facility management contracts so purchase cardholders, Federal or contractor, need to be aware of these requirements. Section 6002 of the Resource Conservation and Recovery Act and Executive Order 13423, Strengthening Federal Environmental, Energy, and Transportation Management, require Federal agencies to develop Affirmative Procurement Programs for Environmental Protection Agency (EPA) or US Department of Agriculture (USDA)-designated items when purchases of these items exceed \$10,000 for the Department in a fiscal year. Refer to FAR Subpart 23.4 for further guidance.

The EPA is responsible for designating items that are or can be made with recovered materials. EPA-designated items are listed at 40 CFR Part 247, "Comprehensive Guideline for Procurement of Products Containing Recovered Materials" (CPG). Current items are identified in the attached list. In addition, EPA's Recovered Materials Advisory Notice (RMAN) provides recovered material content ranges for designated items. EPA's Home Page for this topic is <http://www.epa.gov/epaoswer/non-hw/procure/index.htm>.

One hundred percent of an agency's purchases of EPA-designated items are to contain recovered materials unless written justification is provided that the recycled item does not meet performance, availability, competition, or price criteria.

DOE's Environmentally Preferable Purchasing Program

The Department's Environmental Executive has issued guidance and outreach tools for the U.S. Department of Energy Environmentally Preferable Purchasing Program. This guidance outlines the Department's affirmative procurement program for purchasing EPA and USDA-designated items. Extensive information on this program is available on the Internet at http://www.hss.energy.gov/pp/epp/outreach_tools.html

The U.S. Department of Agriculture established a Biobased Preference Program for Federal agencies. The FAR was amended to merge this with the EPA recycled content program. The merged programs are referred to as the Affirmative Procurement Program at the Federal level or the Environmentally Preferable Purchasing Program at DOE.

The Department of Energy Acquisition Regulation (DEAR), Parts 923 and 970, provide for the acquisition and use of environmentally preferable products and services, including recycled content and biobased products. It includes a clause for incorporating environmentally preferable purchasing into the Department's facility management contracts.

Best Practices

Affirmative Procurement Program purchases must be reported. Procedures vary from site to site. If cardholders purchase these items they should consult their Site Recycling Coordinator. In the case of purchases through the GSA Advantage system, if your order from GSA stores stock with your GSA Account (Activity Address Code) GSA will report the purchase. If you order direct from the merchant or create your own order in GSA Advantage, you need to report the purchase. You should also report purchases from Federal Supply Schedule merchants.

Procurement initiators should consider Federal supply sources such as the GSA, the Government Printing Office, and the Defense Supply Center as sources for recycled products. These sources offer products that have been competitively bid, and meet or exceed recycled content and performance standards. EPA-designated items purchased from GSA, Government Printing Office, or the Defense Logistics Agency do not have to be tracked and reported by individual agencies as GSA performs this function.

Procurement initiators should include content requirements in their statements of work/specifications. Contracting officers do not process procurement requests for EPA or USDA-designated items without the requisite recycled content unless a justification accompanies the request.

ITEMS LISTED IN EPA'S COMPREHENSIVE PROCUREMENT GUIDELINES

Construction Products

Building insulation products
Carpet (Polyester)
Carpet cushion
Cement and concrete containing
 fly ash
 ground granulated blast furnace slag
 Cenospheres
 Silica fume
Consolidated and reprocessed latex paint
Floor tiles
Flowable fill
Laminated paperboard
Modular threshold ramps
Nonpressure pipe
Patio blocks

Railroad grade crossing surfaces
Roofing materials
Shower and restroom dividers/partitions
Structural fiberboard

Landscaping Products

Compost and fertilization made from recovered organic materials
Garden and soaker hoses
Hydraulic mulch
Lawn and garden edging
Plastic lumber landscaping timbers and posts

Miscellaneous Products

Awards and plaques

Bike racks
Blasting grit
Industrial drums
Manual grade strapping
Mats
Pallets
Signage
Sorbents

Non-Paper Office Products

Binders, clipboards, file folders, clip portfolios, and presentation folders
Office furniture
Office recycling containers
Office waste receptacles
Plastic desktop accessories
Plastic envelopes
Plastic trash bags
Printer ribbons
Toner cartridges

Paper and Paper Products

Commercial/Industrial sanitary tissue
Miscellaneous papers

Biobased Products

The following is a list of biobased products that displace petroleum and are available now.

- Adhesives
- Cleaners & solvents
- General purpose Cleaners meeting Green Seal Standard of which many are biobased
- Construction materials
 - Caulk
 - Insulation (MS Word 62 KB)
 - Roofing sealant
 - Carpet - Broadloom with biobased backing
 - Carpet - Tiles with biobased face
- Fuel additives
- Inks
- Lubricants
- Papers
 - Kenaf
- Packaging
- Plastics
- Sealants
- Sorbents

Newsprint
Paperboard and packaging products
Printing and writing paper

Park and Recreation Products

Park benches and picnic tables
Plastic fencing
Playground surfaces
Playground equipment
Running tracks

Transportation Products

Channelizers
Delineators,
Flexible delineators
Parking stops
Traffic barricades
Traffic cones

Vehicular Products

Engine coolants
Rebuilt vehicular parts
Re-refined lubricating oils
Retread tires

For more detailed information on products and suppliers, see the catalog of biobased products at: <http://www.biopreferred.gov/Catalog.aspx> . Also, this website should be accessed periodically for possible updates.

37. **ENERGY EFFICIENCY**

Reference: FAR 10.002(e), FAR 23.203 and Executive Order 13423

Overview

This section discusses the procurement of energy efficient and water-saving products.

Background

Executive Order 13423 directs Federal agencies to increase, to the extent life cycle cost-effective, purchases of energy efficient and water-saving products. Energy-efficient products are defined as those identified through the Energy Star Program or those that are in the upper 25 percent of energy efficiency as designated by the Federal Energy Management Program. The Energy Policy Act of 2005 also requires that these products be supplied under Federal contracts for construction and other services.

Among other things, the Order requires goals and reporting for energy and water efficiency in Federal facilities.

In addition, each agency's implementation program is to be designed to speed the introduction of cost-effective, energy-efficient technologies into Federal facilities. The Order assigns the Department of Energy, through its Federal Energy Management Program, the lead in implementing the Order. While it is unlikely that cardholders will be making acquisitions of this type, seek further information if you are purchasing such things as electrical appliances, office equipment, construction products, etc.

Further Information

For more information on the Product Recommendation program or to request that an efficiency recommendation be developed for a specific product, contact the Federal Energy Management Program at 877-337-3463. The Home Page for this effort is at <http://www.eere.energy.gov/femp>. For Energy Star Program information see <http://www.energystar.gov>.

38. **CONVENIENCE CHECKS**

JPMChase Bank will furnish convenience checks upon request. These may be used for purchases from merchants who do not accept the purchase card. When a purchase is made with a convenience check, the check value will be treated as a charge against the cardholders account. There is a charge of 1.5% of the face value of each check processed. Cardholders are to manage such checks in the same manner as they do card purchases, i.e. reservation of funds, AO coordination, documentation, maintenance of receipts, and reconciliation. Cardholders individual purchase limits are the same for convenience checks as for card transactions except those convenience checks exceeding \$3,000 must receive prior approval from the OPC and shall never exceed \$10,000. The practice of allowing contracting officers to issue convenience checks up to the limit of their warrants has been eliminated.

The purchase card is the preferred method for completion of micro-purchases. When considering the use of convenience checks, the total cost to the Government, including the 1.5% fee, should be included in determining which method is the best value for the Government. If there is another merchant from whom the transaction could reasonably be completed then that method might offer a better value than utilizing the convenience check.

Convenience checks shall not be written to cash, to the account holder or to other employees. Cardholders must maintain a Convenience Check Log which must include the check number, merchant name, merchant Tax Identification Number (only needed when issuing checks for services to an entity in amounts expected to exceed \$600 in a 1 year period), the items purchased, the dollar amount of the purchase, the dollar amount of the check fee, and the total cost.

Convenience Checks

Convenience checks shall be issued and accepted domestically and internationally by merchant establishments and financial institutions. Convenience checks are an integrated part of the purchase card program. The checks shall be guaranteed by the JPMChase Bank against theft or loss, thus affording the agency protection against financial loss when using the JPMChase Bank's product. The JPMChase Bank shall:

- (1) Assist agencies in the implementation of their convenience check program;
- (2) Provide a supply of checks to a designated cardholder drawn on the cardholder's purchase card account;
- (3) Process the checks as they are presented for payment;
- (4) Provide a listing of the checks cleared on the cardholder's statement of account and official invoice as a separate line item;
- (5) Provide convenience checks with purchasing limits not to exceed \$3,000 as designated by the agency;
- (6) Ensure that convenience checks are multi-copied (one copy for the cardholder's records, the original for the merchant);
- (7) Store cleared convenience checks in accordance with Record Retention and Retrieval;
- (8) Provide copies of cleared convenience checks within 14 calendar days of the agency's request;
- (9) Have the ability to stop payment on the convenience check within 24 hours, as requested by the OPC;
- (10) Provide electronic access or JPMChase Bank-provided software to enable agencies to automate their convenience check system. The system shall, at a minimum, provide the ability to track, add, tally, report and reorder convenience checks;
- (11) Provide an audit trail which permits tracing of all transactions; and
- (12) Establish payment procedures for agency-issued convenience checks. Payment for these checks shall not occur prior to use by the agency.

Convenience Check Account Establishment: Within 10 calendar days after receipt of a task order issued in accordance with the terms and conditions of this contract, the JPMChase Bank shall contact the OPC to discuss implementation procedures and, if requested by the agency, meet with agency representatives to review specific requirements. All JPMChase Bank travel costs associated with this meeting shall be borne by the JPMChase Bank.

Convenience Check Inventory Replenishment: The JPMChase Bank shall provide the following inventory replenishment options:

- Automatic replenishment; and
- Toll free or collect telephone line reorder capability; and
- 24 hour replenishment when requested by the OPC.

39. ELECTRONIC AND INFORMATION TECHNOLOGY (EIT)

- (a) This section implements section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), and the Architectural and Transportation Barriers Compliance Board Electronic and Information Technology (EIT) Accessibility Standards (36 CFR part 1194).
- (b) Further information on section 508 is available via the Internet at <http://www.section508.gov>.
- (c) When acquiring EIT, Cardholders should be aware that agencies must ensure that –
 - (1) Federal employees with disabilities have access to and use of information and data that is comparable to the access and use by Federal employees who are not individuals with disabilities; and
 - (2) Members of the public with disabilities seeking information or services from an agency have access to and use of information and data that is comparable to the access to and use of information and data by members of the public who are not individuals with disabilities.
- (d) When cardholders acquire EIT, they should ask whether the equipment users may have disabilities such that special features may be required and ask the merchant if the equipment they plan to provide will afford equal access for those with disabilities.

40. **DEBARMENT AND SUSPENSION**

There is a formal system by which contractors and individuals may be excluded from eligibility for Federal procurement or assistance programs in case of certain serious offences. The Excluded Parties List System is available on the Internet at <http://epls.arnet.gov>. Purchases are not to be made from parties on the list. A merchant's name may be entered to ensure that the merchant is not on the list.

41. **SMARTBUY PROGRAM AND INFORMATION TECHNOLOGY**

SmartBUY is a government wide enterprise software licensing initiative established to maximize the buying power of the government and decrease the cost of widely used commercial software. The requisitioner/user must check http://www.cio.energy.gov/it-acquisition/smart_buy.htm to see if what they need to buy is on the list of SmartBUY agreements in place and annotate the purchase request accordingly. If there is an agreement in place, the cardholder must purchase in accordance with that agreement. If the required software is not available under an existing SmartBUY agreement, the requirement shall be processed internally under normal local procedures. Waivers will need to be obtained from the CIO and GSA for any pending agreements. M & O contractors are encouraged to utilize the SmartBUY Program. For further information please contact Cuttie Bacon, OCIO, at cuttie.bacon@hq.doe.gov or phone (202) 586-2000, and be sure and check the website periodically for current actions and related guidance.

Internet Protocol Version 6 (IPv6)

Cardholders should ensure Information Technology systems and products are able to receive, process, and transmit or forward IPv6 packets and should interoperate with other systems and protocols in both IPv4 and IPv6 modes of operation.

Attachment 1

PURCHASE CARD QUOTATION WORKSHEET

CARDHOLDER NAME: _____

PRICE ESTIMATE: _____

Accounting and Appropriation Data:

Fund	Year	Allottee	Reporting Entity	SGL	Program Project	\$ Value

Description: _____

Merchant Quotations:

	Merchant 1	Merchant 2	Merchant 3
Merchant Name			
Point of Contact			
Telephone #			
Price Quote			
Delivery Date			

DOE Approving Official:

Signature: _____

Name: _____

Date: _____



DEPARTMENT OF ENERGY

Local site, address, etc

Attachment 4



SmartPay 2
Dispute Form

Please be advised that Visa & MasterCard require that attempts be made to resolve your dispute with the merchant before notifying us. We must be notified within 90 days of the processing date of the transaction you are questioning.

Cardholder Name:
Account #:
Merchant Name:
Transaction Date: Transaction Amount: \$
Posting Date:
Reference #:

Please Circle one of the following choices applicable to your dispute. Include all necessary information/documentation.

- 1. I do not recognize the above-mentioned charge. I have attempted to contact the merchant to obtain further information.
2. I have been billed more than once by the same merchant. I authorized one charge with this merchant only. My card was in my possession at the time of the transaction.
Valid Charge \$ Reference # Transaction Date:
Invalid Charge \$ Reference # Transaction Date:
3. I canceled: Service / Airline Ticket / Hotel Reservation on (date). Cancellation#
4. I have not received the merchandise that was to be shipped to me on (date). I have requested credit.
5. Merchandise that was shipped to me arrived damaged or not as described. I returned it on (date) and asked the merchant to credit my account. I am providing a copy of my returned mail receipt.
6. Merchant was to issue credit for merchandise I returned to the store. I have enclosed a copy of my credit receipt.
7. I have been charged for a purchase that was paid for by other means. I am providing a copy of the documentation showing the other method of payment.
8. I have been billed for an incorrect amount. My receipt shows \$, however, I was billed \$
I am providing a copy of my receipt showing the correct amount.
9. I did not authorize the above-mentioned charge. I have attempted to contact the merchant to resolve dispute.
(If this is a VISA account, Visa regulations require that your account be closed prior to pursuing this dispute reason. Please call Customer Service to assist you in closing your account.)
10. Other: I am attaching detailed information that describes the dispute.

Work Phone () Email:

Fax

Signature Date

Please complete and mail or fax this form to
USPS JPMorgan Chase, ATTN: Dispute Dept. IL1-6225, P.O. Box 2015, Elgin, Illinois, 60121-2015
Email CCS-Disputes@jpmchase.com
Fax (847) 931-8861.

Recommendation for Appointment Purchase Cardholders

The following findings and determinations are made pursuant to applicable laws and regulations.

1. There is a clear and convincing need to delegate purchase card authority.
2. _____ [insert cardholder name], the nominee purchase cardholder, is an employee, of or detailed to the U.S. Department of Energy, or Management and Operating Contractor employee of _____ [insert office or M&O contractor name]. The proposed single purchase limit for the nominated cardholder is _____ [insert either \$3,000 or \$25,000]. The requirements for qualifying as a contracting officer for purchase cardholders are listed below.
3. The proposed cardholder has met the minimum qualifications as follows:

Experience:

- **None for purchase cardholders with a single purchase limit of \$3,000.**
- **For purchase cardholders with a single purchase limit exceeding \$3,000 and up to \$25,000:**
- At least 6 months of experience as a Government purchase cardholder at or above the micro-purchase threshold. The nominee was delegated authority on _____ [insert date], or
 - 1 year of experience as a Government Contracting Officer's Representative (COR). The nominee has been a COR with _____ [insert name of agency] for the period _____ [insert beginning/ending dates].

Minimum Mandatory Training:

- **For cardholders with a single purchase limit of \$3,000:**
- GSA Online SmartPay training course found at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining> (attach a copy of the SmartPay Training Certificate)

- On-line Affirmative and Environmentally Preferable Procurement Training found at <http://www.management.energy.gov/APPandPurchaseCards0205Rev.ppt> (attach a copy of the certificate)
- **For cardholders with a single purchase limit exceeding \$3,000:**
 - GSA Online SmartPay training course found at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining> (attach a copy of the SmartPay Training Certificate)
 - Two-day seminar on Simplified Acquisition Procedures _____ [insert date and provide copy of certificate of completion]
 - On-line Affirmative and Environmentally Preferable Procurement Training found at <http://www.management.energy.gov/APPandPurchaseCards0205Rev.ppt> (attach a copy of the certificate)
- **For Approving Officials**
 - GSA Online SmartPay training course found at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining> (attach a copy of the SmartPay Training Certificate)
 - On-line Affirmative and Environmentally Preferable Procurement Training found at <http://www.management.energy.gov/APPandPurchaseCards0205Rev.ppt> (attach a copy of the certificate)

4. The nominee purchase cardholder will occupy the following organizational position [provide Title, Series, Grade] and is responsible for the processing of all card transactions for the purchase card issued in his/her name.

Title	Series	Grade
-------	--------	-------

5. The nominated purchase cardholder and the primary and alternate approving officials are listed below:

Nominated Purchase Cardholder Name: _____

Nominated Purchase Cardholder Office Symbol: _____

Nominated Purchase Cardholder Telephone No.: _____

Primary Approving Official Name: _____

Primary Approving Official Office Symbol: _____

Primary Approving Official Telephone No.: _____

Alternate Approving Official Name: _____

Alternate Approving Official Office Symbol: _____

Alternate Approving Official Telephone Number: _____

6. The nominee's business acumen, judgment, character, reputation, and ethics are sound and the nominee's personal qualifications statement has been evaluated and the experience, education and training meet the established DOE minimum qualifications.

7. (FOR FEDERAL EMPLOYEES ONLY)

The nominee has completed Annual Financial Disclosure Report (OGE-450) or Executive Branch Public Financial Disclosure Report (SF-278) and has been cleared by the Assistant General Counsel for General Law (GC-80) or Local Field Counsel. The GC-80 or Local Field Counsel clearance is dated _____.

8. The nominee is well-qualified for the delegation of purchase card authority.

Supervisor:

Signature of supervisor of the nominee cardholder

Date

Typed/Printed Name

Concur:

Signature of Designated Official or
Head of Contracting Activity

Date

Typed/Printed Name

Attachment 6

DOE-XXXX

DATE

MEMORANDUM FOR JOHN SMITH

SUBJECT: APPOINTMENT AS PURCHASE CARD APPROVING OFFICIAL

Ref: (a) DOE Purchase Card Policy and Operating Procedures, November 2008

In accordance with reference (a), you are hereby appointed as an Approving Official for DOE-XXXX. The current cardholders under this account are indicated below.

NAME	TYPE CARD	SINGLE PURCHASE LIMIT	MONTHLY PURCHASE LIMIT
Jane Doe	SUPPLY & SERVICE	\$ 3,000.00	\$ 10,000.00
Helen Smith	SUPPLY & SERVICE	\$ 3,000.00	\$ 100,000.00

Your responsibilities include but are not limited to the following:

- (1) Ensure that each cardholder has received training, maintains copies of referenced document and any applicable local procedures, and understands the requirements for use of the Government Purchase card.
- (2) Pre-approve all your cardholders' purchases unless you authorize blanket purchase authority in writing. Ensure that the requested items are for official government use and that the items are authorized for purchase in accordance with reference (a).
- (3) Review and approve cardholders monthly Statement of Account ensuring that the statements have supporting documentation and are complete, accurate, and reflect only authorized purchases.
- (4) Verify the validity of all purchases listed on the cardholders' monthly Statements of Account prior to certification. Reconcile approving official consolidated monthly Statement of Account with cardholders' monthly Statement of Account.
- (5) Promptly sign and date and forward all cardholders Statements of Account to the responsible financial office in a timely manner.

This appointment is automatically terminated upon the Approving Official's employment ending (e.g., resignation, retirement, reassignment).

You are required to sign, date, and return a copy of this appointment letter to the undersigned. Should you have any questions concerning these instructions or the level of your authority, please contact me at 202-287-XXXX.

John Smith
Organizational Program Coordinator FAC C Level III
Department of Energy

APPROVING OFFICIAL ACKNOWLEDGEMENT

In accordance with DOE Purchase Card Policy and Operating Procedures, I have reviewed, understand, and acknowledge my responsibilities as a DOE Purchase Card Approving Official. I have completed the required Approving Official training as recommended by the Organizational Program Coordinator.

(signature)

(date)

Attachment 7

SAMPLE

DATE:

MEMORANDUM FOR JANE DOE

SUBJECT: DELEGATION OF PURCHASE CARD BLANKET APPROVAL AUTHORITY

The purpose of this memorandum is to delegate “blanket approval authority” to Jane Doe, purchase cardholder for the Department of Energy, for certain Government-wide Commercial Purchase Card purchases, described herein.

As your Approving Official, I hereby delegate to you approval authority to use the purchase card to procure routine office supplies and services only, up to \$XXX.XX per single transaction. You are required to adhere to the policy and responsibilities outlined in the DOE Guidelines and Operating Procedures.

This memo must be filed and maintained with your account records to support approval authority in an audit/compliance review.

This delegation is effective immediately and is valid until my appointment as your approving official is terminated.

Name, Approving Official
Office

PURCHASE CARD PROGRAM
SELF ASSESSMENT GUIDE

A. Organizational Program Coordinator Duties

1. Are delegations of authority or certificates of appointment issued to individual cardholders? Certificates of appointment are to be used above the micro-purchase level.
2. Do the delegations of authority or certificates of appointment identify purchase limitations and are these consistent with those furnished in Payment Net System?
3. Are copies of the delegations of authority and certificates of appointment maintained in a current status?
4. Are Approving Officials formally appointed in writing?
5. Do local procedures include an internal review function?
6. Do the local procedures ensure funds availability in advance of transactions?
7. Is the local program coordinator identified to cardholders?
8. Is the cardholders Approving Official a supervisor or a person independent of the cardholder?
9. Have personnel involved in the program received adequate training?
10. Have reasonable limitations been identified to JPMChase Bank, i.e., individual/monthly transaction limitations, and appropriate merchant activity code categories?

B. Card Usage Requirements

1. Does the single purchase dollar limitations for card holders accurately reflect the types of purchases being made by card holders?
2. Do prices appear reasonable and do the items purchased appear appropriate for official use?
3. Do cardholders question the inclusion of sales tax on invoices?
4. Do the cardholders dispute questionable transactions?

5. In the absence of adequate price competition, do files contain a statement of price reasonableness?
6. Were there any prohibited items purchased?
7. Are mandatory sources of supply and priorities for use of Government Supply Sources being used as required by FAR Part 8?
8. Have recurring purchases been made from the same merchant without equitably rotating purchases among qualified merchants? If not, was a justification included in the file?
9. Were purchases made from the required EPA-designated lists (Greening Acquisition Requirements)?
10. Does there appear to be any split purchases in an effort to stay within the cardholder's single purchase limit?
11. Were convenience checks used in accordance with DOE guidelines?
12. Is property purchased with the purchase card centrally received and entered into the property records?

C. Documentation Requirements

1. Do the cardholders maintain a log of transactions adequate to identify the transaction, the merchant, the date of the order, the item(s) purchased, the price, and date of receipt if other than the date of the order?
2. Are merchant receipts obtained by the cardholders and maintained to document the purchases at time of invoice?
3. Do the cardholders reconcile their statements of account (invoices) and submit them to their Approving Officials in a timely manner? Reconciliation generally includes entering on the invoice the purchase item description, any accounting data which may be required by local procedures, attaching the merchant receipts, signing the invoice, and forwarding the package to the approving official.

D. Financial Compliance

1. Do the Approving Officials review, question, and approve the invoices and forward them to the finance office in a timely manner?
- 2.. Does the finance office process a "notice of invoice adjustment" form to the JPMChase Bank when it makes payment for greater or lesser than the amount of the invoice?

E. Requirements for Purchases Over \$3,000

1. For transactions above micro-purchase, is a file maintained to document issuance of the synopsis, small business coordination, approval of noncompetitive procurement, and other required approvals or coordination?
2. When the price exceeds the micro-purchase threshold, was the purchase made with a small business (FAR Part 13)?
3. When the price exceeds the micro-purchase ceiling, does the cardholder obtain and document competition or document and justify the reason for no competition?
4. Were purchases above \$3,000 entered into the Federal Procurement Data System – Next Generation (FPDS-NG) Reporting?

F. Miscellaneous

1. Do the cardholders, approving officials, finance officers, and organizational program coordinator receive appropriate reports from the JPMChase Bank?

APPENDIX

Purchase Card Contacts
Agency Program Coordinator and
Organizational Program Coordinators

Agency Program Coordinator

Office of Procurement and Assistance Management
Denise Clarke
202-287-1748
deniset.clarke@hq.doe.gov

Organizational Program Coordinators

Federal Sites

Chicago Operations Office
Stephanie Fuller
630-252-2722
stephanie.fuller@ch.doe.gov

Environmental Management Consolidated Business Center
Patricia Brechlin
513-246-0549
patricia.brechlin@emcbc.doe.gov

Federal Energy Regulatory Commission
Kevin Woody
202-502-6715
kevin.woody@ferc.gov

Golden Field Office
Tammie Lawler
303-275-4782
tammie.lawler@go.doe.gov

Headquarters Procurement
Deborah Black
202-287-1416
deborah.black@hq.doe.gov

Idaho Operations Office
Janet Surrusco
208-526-5477
surrusjk@id.doe.gov

National Energy Technology Laboratory
Tom Gruber
412-386-5897
thomas.gruber@netl.doe.gov

National Nuclear Security Administration
Sandra Linhares
505-845-4461
slinhares@doeal.gov

Naval Reactors Laboratory Field Office
Mary Beth Spisak
412-476-7271
spisak@bettis.gov

Oak Ridge Operations Office
Carol Jennings
865-574-5563
jenningscs@oro.doe.gov

Office of Civilian Radioactive Waste Management
Clarita Jones
702-794-5411
clarita.jones@ymp.gov

Office of River Protection
David Garcia
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