

PART 26 PURCHASE CARDS

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26.1 PURCHASE CARD (P-CARD) PROGRAM

INFORMATION:

(a) This part prescribes policies and responsibilities of parties for BPA's Purchase Card (P-Card) Program. The purchase card is a purchasing/payment tool established to streamline the purchasing process for standard, off-the-shelf, commercially available items and services. The program consists of the Agency/Organizational Program Coordinator (A/OPC), Card Holders (CH), Approving Officials (AO), Convenience Check writers, administrative or support staff, and supervisors of CHs and AOs.

(b) BPA maintains a contractual relationship with a financial institution for issuing the purchase cards and servicing these accounts.

(c) The authority to use a BPA Purchase Card is delegated from the HCA to the Card Holder through the application, training, and purchase card issuance process. A Certificate of Appointment as described in Part 2 of this Instruction is not required.

26.2 DEFINITIONS

"Agency/Organizational Program Coordinator (A/OPC), also known as and hereafter referred to as the P-Card Program Manager, is the person responsible for managing the P-Card Program for an organization.

"Approving Official (AO)" is the person who has primary responsibility for ensuring the Card Holder has used the P-Card in accordance with this policy and procedures in the P-Card Manual. The AO certifies the CH's monthly statement and approves the accounting via the agency's financial system.

"Card Holder (CH)" is a person with authority delegated by the HCA (via the P-Card Program Manager) to make off-the-shelf purchases of supplies and services with a Purchase Card (P-Card).

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“Convenience Check” is a check (also known as a third-party draft) written by a Card Holder. It is used in lieu of the purchase card to complete a transaction with a payee/vendor who cannot or will not accept or process a P-Card transaction. Convenience checks are used infrequently at BPA, and only by named personnel approved by the Chief Certifying Officer in Finance.

“Final Pay Clearance” is the form and process used to ensure that the employee has returned BPA property prior to their leaving. For the P-Card Program, this means cancellation of the P-Card and receipt of all certified statements.

“Non-Emergency Field Purchases” are purchases needed to complete assigned field projects that would be delayed if the purchase is not executed immediately.

“P-Card Manual” is the manual issued by Supply Chain Services that contains operational guidance for all agency personnel who have a role in P-Card transactions. This manual is prepared by the P-Card Program Manager.

“P-Card Program Manager” is the same as the A/OPC.

“Personal-Use Items” are items that are solely of benefit to individual BPA employees. A specific listing of prohibited purchases and vendors may be found in the P-Card Manual.

“Purchase Card”, also known as P-Card, is the credit card issued by a financial institution to named BPA employees, used to execute certain BPA purchases as described in 26.3.

26.3 POLICY

(a) Only standard, off-the-shelf materials and services that are needed to complete jobs or projects necessary to fulfill BPA’s mission and are within the delegated P-Card authority and official business shall be made.

(b) Property that is tracked and tagged in accordance with the BPA Asset Management Instructions (AMI), items or material that require testing or inspection, or those items requiring blueprints may not be purchased by P-Card. The AMI is online at this BPA internal website: (<http://internal.bpa.gov/Policy/Purchasing%20and%20Property/Pages/AssetManagementInstructions.aspx>),

(c) Purchase-Card authority shall be used only by the employee whose name appears on the card and shall not be re-delegated.

(d) Deliberate use of the P-Card for other than authorized purchases shall result in the revocation of the P-Card and removal of the CH from participation in the P-Card Program. These activities may be viewed as committing fraud against the Government and the individual may be subject to disciplinary action and/or criminal penalty under 18 U.S.C.§287.

(e) Personal-use items shall not be purchased with Government funds except as defined in this instruction (see BPI 6.9), the BPA Manual, Safety and Health Program Handbook, specific Personnel Letters, etc. See the P-Card Manual for a complete listing. The Card Holder, and AO if the purchase action has been certified, may be held personally and financially responsible for personal-use items purchased outside of this policy.

(f) Card Holders who fail to properly execute their assigned responsibilities may be held personally liable to BPA for the amount of any unauthorized purchases, and may be subject to disciplinary action and/or criminal penalty under 18 U.S.C.§287.

(g) Each Card Holder shall have a fully trained and qualified Approving Official who is not subject

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to control or supervision in any way (including as a Team Lead) by the CH.

(h) An Approving Official shall not certify a purchase if it cannot be identified as a legitimate purchase for BPA purposes. When an AO has certified a Card Holder's transaction, the AO becomes responsible for those purchases.

(i) Approving Officials who fail to properly execute their assigned responsibilities may be held personally liable to BPA for the amount of any unauthorized purchases that have been certified, and may be subject to disciplinary action and/or the criminal penalty under 18 U.S.C. §287.

(j) All Card Holders and Approving Officials shall attend the required first time and refresher training and follow all policies and procedures in this Instruction and the P-Card Manual.

(k) Purchase Card training for all new Card Holders and Approving Officials, as scheduled by the P-Card Program Manager, shall contain the following:

1. CH- and AO-delegated purchasing authority;
2. CH, AO, and Card Holder's Supervisor responsibilities;
3. What is considered acceptable documentation for purchases;
4. How to assess potential risks to BPA associated with the P-Card (examples: suspicious e-mails that request detailed personal or purchase-card account information, using the wrong card for a transaction, add-on charges not agreed to by the purchaser, exempted taxes);
5. Authorized dollar limits for CHs and Merchant Category Code (MCC) restrictions;
6. Prohibited and coordinated purchases;
7. Prohibition of personal-use items;
8. Property policy;
9. Formal "Acknowledgement of Responsibilities";
10. Practice review and reconciliation of a P-Card statement.

(l) All Card Holders and Approving Officials shall also attend refresher training at least every two years as scheduled by the P-Card Program Manager. Refresher training may cover the topics mentioned in (k) above and may also include discussion of results of compliance reviews or audits, real and practice problem scenarios, etc.

(m) BPA will do business with responsible and reputable firms and individuals. Card Holders shall not knowingly place orders with firms or individuals who are delinquent on a Federal debt, or have been debarred or suspended by the Federal Government. The General Services Administration maintains a list of such entities, entitled the Excluded Parties List System (EPLS). If a Card Holder suspects a vendor's status, the Card Holder shall check the list at <http://www.epls.gov/> or contact the P-Card Program Manager before placing the order.

26.4 RESPONSIBILITIES

26.4.1 Head of the Contracting Activity (HCA)

The Head of the Contracting Activity (HCA) shall:

(a) Delegate authority to the P-Card Program Manager to establish Card Holder and Approving Official accounts and make appropriate decisions to effectively manage the P-Card Program;

(b) Develop, publish, and maintain BPA Purchase Card Policy as part of the Bonneville Purchasing Instructions;

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(c) Review the P-Card Manual to ensure the procedures are consistent with the policies in this Instruction;

(d) Conduct appropriate P-Card Program reviews to ensure effective management and compliance with current policy and procedures; and

(e) Consult with the P-Card Program Manager before implementing new procurement or property policies that could impact the P-Card Program; and

(f) Review and approve or deny any requests for single purchase limit one-time increase above \$10,000 and monthly purchase limit requests above \$50,000, as requested by a Card Holder through the P-Card Program Manager.

26.4.2 Supply Chain Services:

The Supply Chain Services organization shall designate the P-Card Program Manager, whose duties and responsibilities shall include management of the P-Card Program.

26.4.3 Agency/Organizational Program Coordinator (A/OPC) or P-Card Program Manager

The Agency/Organizational Program Coordinator (A/OPC), also known as the P-Card Program Manager, shall:

(a) Develop and publish procedures in the P-Card Manual, and implement the P-Card Program in accordance with the following policies and procedures:

- (1) Bonneville Purchasing Instructions (BPI);
- (2) Asset Management Instructions (AMI);
- (3) The award instrument with the financial institution (BPI 26.1(b));
- (4) OMB Circular A-123, Appendix B; and
- (5) Other relevant internal policies issued by the Finance, Human Capital and Safety Offices;

(b) Educate Card Holders and Approving Officials in lost card procedures;

(c) Conduct P-Card training for all new Card Holders and Approving Officials and refresher training every two years for all CHs and AOs in accordance with this policy;

(d) Determine suitability of Card Holders and Approving Officials;

(e) Provide advice and guidance to Supervisors, Card Holders, Approving Officials, data entry persons, and vendors;

(f) Review P-Card statements to ensure policies and operational procedures are being followed, using data mining tools in addition to hard copy review;

(g) Take appropriate action when policies have not been followed, including immediate cancellation of the card and reporting possible fraud to the HCA, Financial Management and Internal Audit;

(h) Communicate all issues, including resolutions, audit results, and new policies to affected Card Holders, Approving Officials, and Supervisors;

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- (i) Report Card Holder problems that have not been reconciled to CH's Supervisor and CH's Approving Official;
- (j) Maintain Card Holder profiles and Official Files on site for all certified P-Card Statements for six and one quarter years;
- (k) Generate all required or requested DOE, BPA Finance, HCA, Supply Chain, Supervisor and Approving Official reports;
- (l) Review and approve all Card Holder requests for one-time single purchase limit increase up to \$10,000, and forward higher requests to the HCA. Review and approve all Card Holder requests for monthly purchase limit increases up to \$50,000, and forward higher requests to the HCA. Oversee execution of all increased authorities for one-time and monthly limit increases and rescission of same when the transaction(s) are completed;
- (m) Report to the HCA violations of Card Holder or Approving Official authorities and responsibilities, when the P-Card Program Manager has directed the CH or AO to make a refund payment to BPA or take other action to resolve an erroneous or improper purchase;
- (n) Initiate and ensure completion of the Card Holder and Approving Official "Acknowledgement of Responsibilities" form, maintaining copies for the duration of the CH's or AO's term of service; and
- (o) Attend all training required to achieve NOMINAL Certification, as defined in BPI Appendix 2-A, Appointment as a BPA Contracting Officer. The P-Card Program Manager shall also complete a minimum of 20 hours of relevant purchasing or purchase card training per year.

26.4.4 Approving Official (AO)

All Approving Officials shall:

- (a) Follow all policies and procedures in the "Acknowledgement of Responsibilities," P-Card Manual, Bonneville Purchasing Instructions, BPA Manual, and Asset Management Instructions and ensure their Card Holders do the same;
- (b) Sign and date the AO "Acknowledgement of Responsibilities" received during training, and submit to the P-Card Program Manager;
- (c) Review statements to ensure all purchases are official and necessary, incidental to the proper execution of BPA's programs and mission, and to check for signs of re-delegation;
- (d) Attend initial P-Card Training before becoming an AO and required refresher training;
- (e) Understand their responsibility to not certify purchases that cannot be identified or determined to be proper; and
- (f) Assist the Supervisor in determining appropriate purchase limits for Card Holders.

26.4.5 Card Holder (CH)

All Card Holders shall:

- (a) Ensure that purchases are official and necessary to the proper execution of BPA's programs and mission, and that all policies in the CH "Acknowledgement of Responsibilities," P-Card

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Manual, and relevant portions of the Bonneville Purchasing Instructions, BPA Manual, Asset Management Instructions; and other relevant policies such as Personnel Letters, Safety and Health Handbook, etc., are followed;

(b) Sign and date the CH “Acknowledgement of Responsibilities” received during training, and submit to the P-Card Program Manager;

(c) Dispute original charges if an agreed-upon credit does not appear on the next statement;

(d) Immediately notify the financial institution and P-Card Program Manager if fraudulent charges appear on their statements;

(e) Promptly reconcile monthly statements, dispute unrecognized or inaccurate purchases or other incorrect charges, enter accounting information into the current purchasing data system, and forward to the Approving Official in accordance with procedure;

(f) Have reasonable assurance that funds are available prior to making purchases;

(g) Never purchase anything that solely benefits an individual employee such as personal clothing or footwear, eye glasses, sleeping rooms, medical services, entertainment, food (except as authorized by the agency recognition program), alcohol, tobacco products, etc.;

(h) Obtain the “best buy” for BPA, asking for Government or Best Customer discounts. When determining which vendor to choose, a CH must consider the total cost of merchandise such as quality, timeliness versus urgency of delivery, quantity, ease of service, warranties, support and maintenance, standardization, shipping costs, CH’s time, etc.;

(i) Attend initial P-Card Training prior to receipt of a P-Card, and prescribed refresher training at least every two years, regardless of when initial training is received;

(j) Inform merchants that they cannot charge the P-Card number until the order is complete and the merchandise has been shipped; and

(k) Never split purchases or allow vendors to split orders to fit within the cardholder’s single purchase limit.

26.4.6 Supervisors

Supervisors of Approving Officials and P-Card Holders shall:

(a) Request CHs and AOs via the P-Card application memo in the P-Card Manual;

(b) Consult with AO to ensure purchase limits requested are appropriate for the employee’s occupation or organizational business needs;

(c) Ensure the requested AO is within the same major organization, is not under the control or supervision of the CH, and is in a position to question purchases as necessary;

(d) Review P-Card policies and procedures, especially as they relate to prohibited personal-use items and communicate the expectations that both CHs and AOs will follow them;

(e) Support the AO in carrying out the certification function; and

(f) In coordination with the P-Card Program Manager, take the following action for improper purchases as necessary:

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- 1) Request immediate cancellation of CH account (if not already canceled);
- 2) Designate new AO if appropriate;
- 3) Require CH to return merchandise for credit as appropriate;
- 4) Require CH to pay for improper purchases personally;
- 5) Other appropriate disciplinary action of the CH and/or AO as appropriate.

26.4.7 Finance Office

The Finance Office shall:

- (a) Review and reconcile the monthly invoice from the financial institution with the total amount of purchase transactions;
- (b) Report to the P-Card Program Manager any anomalies or problems discovered during review and reconciliation;
- (c) Ensure payments to the financial institution are made in accordance with applicable policy and the award instrument;
- (d) Ensure that all rebates offered by the financial institution are calculated correctly;
- (e) Approve or disapprove applications for convenience checks and review quarterly convenience check report; and
- (f) Determine appropriateness to purchase personal-use items (in coordination with subject matter experts) and maintain a listing of approved personal-use items.