

Purchase Card Refresher Training

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What is a Purchase Card

- The commercial Purchase Card is a VISA credit card, similar to your own personal credit card, which allows you to use the card for Official US Government purchases only. Purchases are constrained by your single and monthly limits.
- Purchases made with the Purchase Card are billed to the Government through the Purchase Card Management System (PCMS). The card is subject to existing procurement regulations in accordance with Departmental Regulation 5013-6.



Government Benefits

- **The government benefits from your use of the Purchase Card because:**
 - It is the Primary method for making micro-purchases, which are purchases of \$2,500 or less.
 - It reduces procurement and related payment paperwork, therefore saving time and money in processing.
 - The government only makes 1 payment to the purchase card contractor, instead of multiple payments to individual merchants.
 - It is accepted by merchants without question.



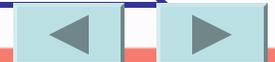
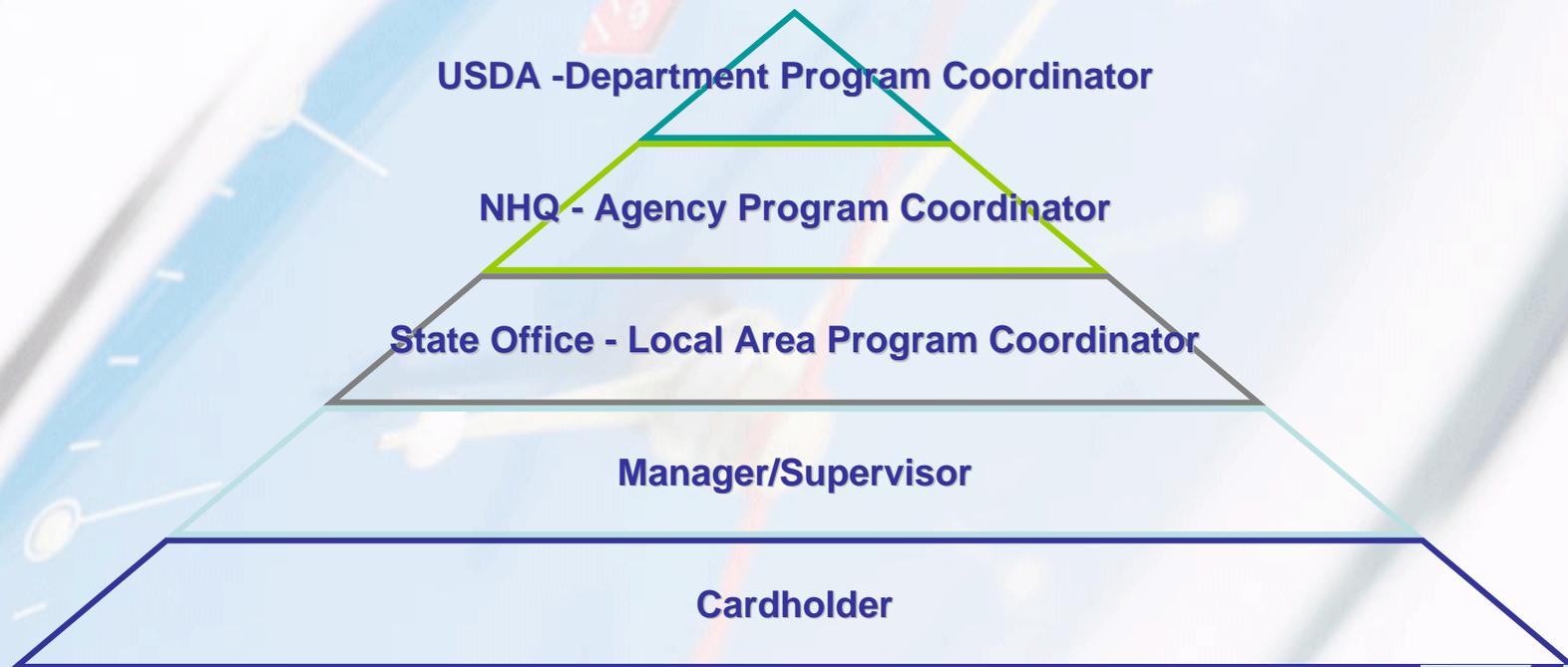
Cardholder Benefits

- You decide what to purchase, when to buy it, and the appropriate source.
- You get what you need when you need it.
- The card saves time and reduces paperwork.
- The card is widely accepted at more than 12 million locations.
- If a supplier does not accept VISA, the bank can assist them in becoming VISA capable.



Responsible Parties

- The management of the Purchase Card Program and Property Management (OPPM), United States Department of Agriculture (USDA). The hierarchy is depicted below:



Cardholder Responsibilities

- NEVER use your Purchase Card for personal reasons.
- NEVER lend your Purchase Card to someone else (this includes your family, staff or supervisor).
- YOU are the only authorized user of this card.
- If you lose your card or suspect that it has been stolen, contact the back by phone as soon as possible and also inform the LAPC. If you find your card after having reporting it lost or stolen, cut it in half and discard it.
- If you leave the agency or no longer need the card, return your card to the LAPC who will cancel the account. Reconcile all transactions in PCMS and inform the LAPC of any unresolved transactions.



Authorized Use of the Card

- To Purchase goods and services under the micro-purchase threshold.
- Rent, on a short term basis (up to 180 days), meeting and conference rooms. Purchase repairs or maintenance to government-owned vehicles in an emergency situation (e.g. when the cardholder cannot find a vendor that will accept the fleet card).



Unauthorized use of the Card

- **The Purchase Card cannot be used for:**
 - Cash advances and/or travel advances.
 - Long term (more than 180 days) rental or lease of land or buildings.
 - Purchase of hazardous items such as firearms, ammunition, and explosives.
 - Purchase of airline, bus, train or other travel related tickets and purchase of meals, lodging, or subsistence costs. The Government Travel Card should be used for these items.
 - Personal purchases or as identification. Items purchased with the card are for official government use only.



Unauthorized Use of the Card



- Splitting requirements into several purchases merely to avoid the cardholder's delegated single-purchase limit.
- Advance payment to a merchant prior to receipt of goods/services, unless authorized by law (i.e., subscriptions, registration fees, and training).
- Acquisition of commercial sources of products or services available from a required source in time to meet the agency needs.



Unauthorized use of the Card



- Other unauthorized purchases include, but are not limited to:
 - Greeting Cards.
 - Parking tickets against a government vehicle.
 - Insurance of items being shipped to or for the government (the government is self insured).
 - Meals for federal employees at office or agency functions.
 - Shipment of household goods.
 - Day Planners and refills from any source other than JWOD (mandatory product source in Daymax).
 - Party Supplies (cups, plates, decorations, etc.)



Purchase Limits

- **Use of the Purchase Card by a cardholder is subject to a single purchase limit and a monthly purchase limit. The purpose of each dollar limit is as follows.**
 - Single Purchase Limit – The single purchase limit is a dollar amount on the procurement authority delegated to the cardholder. A “single purchase” is the total of those items purchased at one time from a particular vendor location.



Purchase Limits

- **Multiple items may be purchased at one time using the card; however, no single purchase may exceed the authorized single purchase limit.**
 - Splitting purchases merely to stay within the single purchase limit is a violation of the law.



Purchase Limits

- **Example of a split purchase:**



- The cardholder's single purchase limit is \$2,500.
- The items to be purchases total \$3,000.
- The cardholder divides the purchase into 2 individual charges to stay within the authorized single purchase limit.



Purchase Limits

- **Monthly Purchase Limit:**

- The maximum total dollar amount a cardholder is authorized to procure each month.
- This amount is established in PCMS and at the Bank. The monthly purchase limit applies to the monthly total of all purchase card transactions. The monthly cycle runs from the 7th of one month to the 7th of the next month.
- Changes to the cardholder's limits should be directed to the LAPC by the cardholder's manager or supervisor.



Sources of Supply



- Agency current inventory – Items on hand at field and in the state office.
- Excess from other agencies.
- Federal Prison Industries.
- JWOD – (Javitz-Wagner O’Day Act) Committee for Purchase from People Who Are Blind or Severely Disabled. (OfficeMax, BCOP Federal, USDA Advantage)
- Federal Supply Schedules – GSA Advantage (www.gsaadvantage.gov)
- Commercial Sources – Open Market

*****This type of purchase is used only when the items requested are not available from the above mentioned sources*****



How to use Your Purchase Card

- Select the appropriate source for the purchase.
- Determine if the purchase amount is within your single-purchase limit. If not, contact your Area Program Assistant for assistance.
- Purchase goods/services. Inform the merchant that the purchase is for “Official Government Business” and is not subject to state or local sales tax. Pay sales tax if merchant refuses to waive it.



How to use Your Purchase Card



- Retain receipt (i.e. cash register receipt, VISA charge slip). If order is placed over the phone or online from a computer, you may need to ask the vendor to e-mail or fax a copy of the receipt. Make sure you print a copy of the purchase information.
- Reconcile the transaction in PCMS within 30 days of the posting. Document if the supply item purchased was not available through mandatory sources in the "Comments" field.



Ordering IT Equipment



- Technical Approvals (TA) are required for any type of computer items, (i.e. hard drives, software, mouse, monitors, flash drives, etc.)
- Requests are to be submitted on an AD-700 to the State Office so that TA can be requested from ITS.
- When a TA is received, the approved AD-700 will be forwarded to the requester for purchase if the dollar amount is within their single purchase limit. Otherwise, the items will be ordered by a Contracting Officer.



Ordering Equipment

- Furniture and Equipment orders must be approved by the State Office.
- Please submit requests through your Area Office.
- Furniture and equipment include:
 - Chairs, desks, tables, laser levels, measuring wheels, etc.



Reconciliation Requirements

- It is USDA policy that cardholders shall reconcile their accounts no later than 30 days after a transaction appears in PCMS, absent extenuating circumstances. Failure to reconcile timely and accurately may cause inaccuracies in agency status of funds information.



Reconciliation Requirements

- Failure to timely and accurately reconcile shall constitute grounds for management to revoke your purchase card privileges and possible disciplinary action. LAPCs shall deactivate the account of any cardholder who fails to reconcile transactions within 60 days after each transaction appears in PCMS. Accounts will not be reactivated until all transactions in the account are reconciled.



Retention

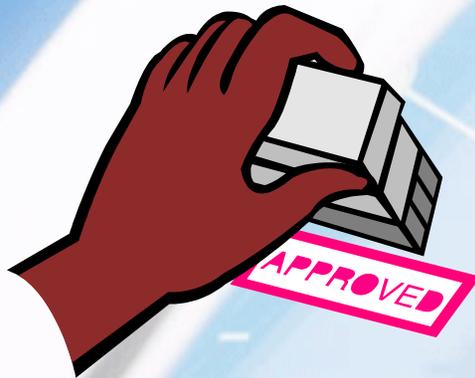


- Retain documentation supporting your purchases (i.e., sales receipt, packing slip, or screen print of an electronic purchase) for three years after final payment. Proof-of-purchase documentation is necessary for all transactions.
- Following the retention period, the files should be shredded.
- If you separate from the agency, turn in all documentation to the LAPC.



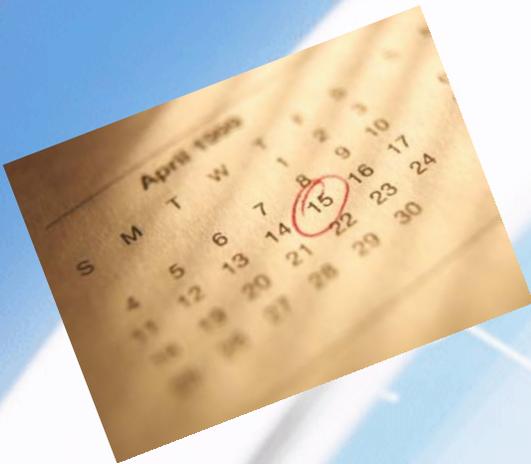
Canceling/Returning Purchases

- **To cancel an order:**
 - Immediately contact the merchant to cancel before the item is shipped.
 - If the transaction was already processed, a credit should be issued to your account.
 - Recognize that special order items may include a restocking fee.



Canceling/Returning Purchases

- **To Return a purchase:**
 - Return within 60 days of the date on the invoice.
 - Request replacement or credit for returned items.
 - The credit should be posted to your account, not given as cash or check.



Purchase Disputes



- Contact the vendor directly to resolve disputed transactions.
- Keep in mind that transactions are paid, then disputed.
- Try to resolve any disputes before processing it through PCMS.
- If the dispute with the vendor cannot be resolved, complete the dispute screen in PCMS, followed by the banks dispute form.
- You have 60 days from the purchase date to file a dispute.



Purchase Disputes

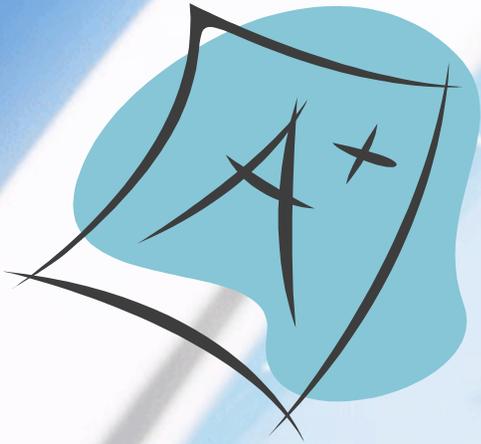


- If you file a dispute and the bank agrees with the merchant, the dispute then goes to arbitration in coordination with VISA rules and regulations.
- The merchant must provide documentation with your signature to get the bank's compliance.
- Failure to take action on a dispute transaction is considered misuse of the purchase card.



Supervisor Review

- **Your supervisor performs a quarterly review of all your Purchase Card Transactions. He/She uses the checklist below to determine if you are correctly using your card.**
- **Transactions are:**
 - For official government business only.
 - Represent legitimate needs of the government.
 - Are within your micro-purchase limit.
 - Are appropriate for your position.
 - Are not for any prohibited items.
 - Are reconciled in PCMS every 30 days.
 - Are not “split” to avoid micro-purchase authority.
 - Adequate descriptions are entered in PCMS.



Ethics Training



- **There is a quick tutorial on the ethical concerns and standards of conduct for using Government Credit Cards.**
 - Namely, the “do’s and don’ts” for cardholders and supervisors of cardholders. The tutorial can be found on the following website”
 - [Http://www.usda-ethics.net/training/module_20/index.htm](http://www.usda-ethics.net/training/module_20/index.htm)
- All cardholders are required to complete the tutorial and provide a copy of the training certificate to the LAPC.
- Upon completion of the above training, cardholder thresholds will be increased from \$250 single purchase limit to \$1,000 single purchase limit and \$2,500 monthly limit.





The End – Thank You

Any Questions



United States Department of Agriculture

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