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Manual

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The REE Purchase Card Program Manual has been revised to incorporate the changes in purchase card policy, regulations and procedures. Please note that the REE Purchase Card Program Manual is not by itself a complete document. It must be used in conjunction with Departmental Regulation 5013-6, USDA Purchase Card Program Guides, and other Departmental and REE guidance.

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1. Policy

REE policy states:

- Supervisors-of-record shall designate in writing the employees to be cardholders.

- The supervisor-of-record or equivalent is the designated approving official (AO) for a cardholder. The appointment of an equivalent AO that is not the cardholder's supervisor-of-record does not absolve the supervisor-of-record of the responsibility over the cardholder's job performance and purchase card transaction activity. The "equivalent AO" must be (1) the same or higher grade than the cardholder, (2) must be in the same program or Area/Location/Office as the cardholder or supervisor-of-record, and (3) must satisfy the mandatory AO training requirements.

  A written justification explaining why a change in the AO is required must be submitted by the supervisor-of-record to the Local Agency Program Coordinator (LAPC) for review and recommendation for decision by the Agency Program Coordinator (APC). The APC will forward the final decision to the LAPC and Area Agency Program Coordinator (AAPC) for file retention. A cardholder shall only have one AO. When the AO role becomes vacant, the office shall designate an Acting AO in accordance with the above-mentioned guidance.

- To the maximum extent practicable, purchases that fall within the micro-purchase threshold ($3,000-supplies; $2,500-services; and $2,000-construction) shall not be forwarded to the procurement office for processing.

- Commercial purchase cards shall not be issued to cooperator employees.

- Cardholders are to seek vendors that accept the purchase card.

- Cardholders are not to use prior year funds on the purchase card. The only exception to this rule is for transactions that were properly recorded on a Period End Estimate. These transactions must be re-allocated to the prior year within the first month of the new fiscal year. EFT payment must be used for contracts that will cross fiscal years and use prior year funding.

- Purchasing agents shall maximize the use of purchase cards for all purchases within the simplified acquisition threshold.

- The purchase of supplies and services with the Governmentwide commercial purchase card shall be accomplished in accordance with all requirements of this Manual, FAR, DR, AGAR, OMB, and other laws and regulations governing simplified acquisitions.

- Purchase card transactions shall be approved/final approved by the appropriate personnel on a monthly basis in accordance with the requirements of this Manual and DR 5013-6, Use of the Purchase Card and Convenience Check.

- The use of the purchase card/convenience check with Recovery Act funds is prohibited.

- AO's of cardholders shall be properly trained in the use of the purchase card/convenience check to monitor the purchasing activity of cardholders in their units.

- New cards will be issued to replace lost/stolen cards. Replacement cards for employees retiring, or separating from the agency or to employees being reassigned to other duties that require a card will be evaluated based on the need of the card by the office.

- The maximum number of cardholders assigned to an LAPC should not exceed 75. However, in consultation with the AAPC and APC, this number can be adjusted.

- Convenience Checks shall only be issued when one of the Debt Collection Improvement Act (DCIA) waivers is applicable. Cardholders are encouraged to use alternative payment methods identified in AGAR Advisory 52, Prohibition on Using Convenience Checks for Purchase or Payments and DR 5013-6 in lieu of convenience checks.

2. Special Instructions

2.1 AAPC File Maintenance. AAPCs are to maintain a file of each LAPC. The file should include a copy of the LAPCs Training Certifications, LAPC Designation Letter, completed quarterly reports, and other documents as required by the APC or DPM. AAPCs should maintain their files in electronic format to facilitate effective oversight of the files when transitioning the files to preceding AAPCs, and for data calls. Maintaining a hard copy file that includes the required certifications and documents of each LAPC is acceptable.

2.2 Access to AXOL. User IDs/passwords are required to access AXOL. The cardholder self-registers to create a unique user ID/password to log in to AXOL. AAPCs are responsible for creating the user ID/password for LAPCs and AOs.

2.3 Accountable/Sensitive Property. When purchasing agents purchase accountable/sensitive property, they are responsible for providing a copy of the purchase document (e.g., requisition, SF 1449, or SF 347) to their personal property office. The purchase document should indicate that the accountable property was purchased with the purchase card, a description, and manufacturer of the item acquired. The property office needs a copy of the purchase document, at the time of purchase, in order to forward it to the accountable property officer or fundholder to request required information for reconciliation of the agency suspense report.

Cardholders and property officials will work together to ensure that property officials receive appropriate purchase documentation at the time of purchase for all accountable/sensitive property acquired with the purchase card.

The following is a list of property determined sensitive for REE. Only procurement personnel may acquire these items:

- Firearms (regardless of cost)

- Law enforcement badges (regardless of cost)

2.4 Approval/Final Approval Process. Guidelines to approve/final approve transactions within AXOL are available in the *USDA Cardholder's Purchase Card Program Guide* and the *USDA Approving Official's Purchase Card Program Guide*. These guides are available on the USDA CCSC Web site in the reference section. Several "quick guides" are also available on the USDA CCSC Web site to assist cardholders and AOs in the approval process.

- **Purchase Card Transactions**. In addition to the information in the *USDA Coordinators' Purchase Card Program Guide* and *USDA Cardholders' Purchase Card Program Guide*, when entering:

  - Item Description
    - For training or conference registration, include the name of the employee and title of training course or conference;
    - For delivery mail services enter the air bill or invoice number. If the air bill number is included in the Merchant Name field, enter "shipping charges,"
    - For Green purchases include description of what makes the purchase "green," If this information is not readily available, cardholders should enter the green category the product is identified with (i.e., recycled content, Bio-Based, Energy Star, etc.).
  - Agency Specific Data
    - Cardholders must enter the purchase card log number for each transaction to facilitate review of the purchase card transaction. ARS, NIFA, and ERS cardholders must use CATS, NATS, and EATS as their purchase card log number. NASS must use their manual purchase card log number.
    - For all Green purchases the cardholder must enter the word "Green" for the Green Purchase Pilot Program.

- **Check Transactions.** In addition to the information in the *USDA Coordinators' Purchase Card Program Guide* and *USDA Cardholders' Purchase Card Program Guide*, when entering:

    - Goods Received (Rcvd) Date, enter the date the check was written.
    - Item Description for training or conference registration, include the name of the employee and the title of the training course or conference.

- **Locked Transactions**. Cardholders/AOs are to perform a manual approval of transactions that are no longer available under the cardholder's approval queue. Cardholders are to select the transaction from the Transaction Management/Transaction List screen. Cardholders are to click on the "Comments" tab, print a copy of the Comments page, enter the appropriate information for each field on the printed comments page, and obtain manual approval from the AO. The AO is to certify that the transaction is for official government business. The printed comments page must be filed in the cardholder's transaction file.

Specific BOC codes should be used in approving transactions. These codes are shown in the following table. **Please note: The BOC should be changed at any dollar amount for the "Type of Action" identified by an asterisk (*).**

TYPE OF ACTION	BUDGET OBJECT CODES
Purchases <$1,000	2670 (ARS and NIFA use only)
Training (SF-182's)*	2523
Check Fees*	2581
Registration Fees*	2570
United Postal Service (UPS), mail services*	2353
Foreign Orders/Government Entities/Universities*	2670

2.5 Approval Review Process. USDA DR 3013-6 requires cardholders to approve, and AOs to final approve their transactions in AXOL no later than 30 days after a transaction posts in AXOL in compliance with existing guidelines and procedures, and absent extenuating circumstances. LAPC's and AAPC's have a responsibility to ensure that cardholders approve and AO's final approve transactions in accordance with the prescribed guidance. Failure to approve/final approve transactions within 60 days will result in the suspension of purchase card privileges by the USDA CCSC until the cardholder's the delinquent transactions are final approved in AXOL.

2.6 AXOL Releases. US Bank will inform all users when an update to AXOL is ready for release. This information will be posted in AXOL.

2.7 Cardholder Reassignment/Transfer. The APC has the capability to reassign/transfer existing AOs and cardholders within the REE Agencies (ARS, ERS, NASS, and NIFA). However, this shall be the primary responsibility of the AAPCs. LAPCs or AOs shall forward the reassignment/transfer request to their respective AAPC using the Reassignment/Transfer Cardholder Request Form (Exhibit 1).

- **Reassignment/Transfer within an ARS Area**. The LAPC shall forward the Reassignment/Transfer Request to their BSC AAPC. The AAPCs have the capability to reassign/transfer an existing AOs and cardholders within the Areas managed by their BSC. If the transfer is between Areas managed by separate BSCs, the AAPCs shall coordinate to reassign/transfer the cardholder to the appropriate new "Company" field in AXOL.

- **Reassignment within ARS Headquarters, AFM, ERS, NASS, and NIFA**. The National Capital Region BSC AAPC has the capability to reassign/transfer an existing AOs and cardholders within the respective offices of ARS Headquarter Program Offices, AFM, ERS, NASS, and NIFA.

2.8 Cardholder Set Up Instructions. When ordering cards, the following information should be entered on the USDA Cardholder Request for Purchase Card form: Agency/Division/Office, enter the Agency/Area/Office/Staff, (e.g., USDA ARS PWA). In Office Address 1, enter the street address of the cardholder. The LAPC should review the account information to ensure it has been entered correctly. The completed form and all required training certificates are then forwarded to the respective BSC AAPC for processing.

2.9 Federal Procurement Data System Reporting. Warranted procurement personnel must process transactions over the micro-purchase limit in the Integrated Acquisition System (IAS). IAS will ensure the completion of FPDS-NG for these transactions.

2.10 Functional Entitlement Groups (FEGs). For REE purposes, the following FEGs are available to be assigned to the following users to perform management and oversight of the purchase card program, including querying reports:

User/Role	Functional Entitlement Group
Approving Official	PAGC_AO4
LAPC/AAPC	PAGC_APC-LAPC
FPOC	PAGC_RPT

2.11 LAPC Changes. When there are changes to an LAPC, the AAPC must be notified to process the change through AXOL. The supervisor of the new LAPC must approve and submit the AAPC/LAPC Nomination Request Form (Exhibit 2) to the AAPC.

2.12 FPOC Changes. When there are changes to an FPOC, the AAPC should be notified to process the changes through AXOL. The supervisor of the new FPOC must submit a Financial Point of Contract Setup/Maintenance Form (Exhibit 4) to the AAPC

2.13 LAPC File Maintenance. LAPCs are to maintain a file of each cardholder and AO under their "Company" in AXOL. The file should include a copy of the training certifications, requests to approve/final approve pending transactions, copies of administrative and/or disciplinary actions, and any requests to modify/change names and spending limits. LAPCs should maintain their files in electronic format to facilitate effective oversight of the files when transitioning the files to preceding LAPCs, and for data calls. Maintaining a hard copy file that includes the required certifications and documents is acceptable.

2.14 Merchant Category Code. The Merchant Category Code (MCC) restricts the types of merchants from which purchases can be made. The blocked MCCs can be viewed at http://www.dm.usda.gov/procurement/ccsc/MCCandBOCcrosswalk_20090123.htm.

2.15 Prohibition on Acquiring Telecommunications. Cardholders shall not use the purchase card and/or the related alternative payment methods to acquire or pay for telecommunications services, supplies, or equipment in excess of $350, except as provided in AGAR Advisory No. 58A.

2.16 Prohibition on Writing Convenience Checks Over $2,500. AGAR Advisory No. 52, dated July 2, 2003, prohibits the issuance of convenience checks over $2,500. Warranted purchase cardholders that need to issue convenience checks over $2,500 due to a **documented emergency** shall secure approval from the REE Agency Program Coordinator. An emergency is defined as an unexpected, serious occurrence or situation that would result in injury, financial, or otherwise, to the Government. Purchase cardholders are to follow the guidance in APD Purchase Card Alert No. 2004-09, dated May 2004 to obtain approval.

2.17 Purchase of Construction by Non-procurement Cardholders. As a reminder**,** the single purchase limit for construction is $2,000. Refer to DR 5013-6, Definitions, for the definition of construction.

2.18 Purchase of Controlled and Hazardous Biological and Radioactive Substances. Requests for purchases of firearms, ammunition, explosives, or biological and radioactive materials shall be submitted to the servicing procurement office through IAS with a copy of the required approvals and licenses and/or permits. A requisition shall be prepared in IAS by the requester and attach a "certification statement" that the materials are required in support of the research project and they meet agency, departmental and regulatory requirements as applicable. The Research Leader/fundholder must approve purchases of all hazardous biological and radioactive substances and maintain original copies of all authorizations in their personal files and provide facsimile copies to the purchasing agent for their files.

Requests for chemicals identified by the Drug Enforcement Administration (DEA) on the Regulated Chemicals (Lists I and II) in the 21 Code of Federal Regulation (CFR) 1310.02 – Substances Covered (a link to the lists can be found on Exhibit 5), shall be submitted to the servicing procurement office through IAS. Licenses or permits are not required to purchase the chemicals on the Regulated Chemicals (Lists I and II). However, a requisition shall be prepared in IAS by the requester and attach a "certification statement" that the regulated chemicals are required in support of the research project and that they meet agency, departmental, and regulatory requirements, as applicable. Purchasing agents shall comply with the tracking requirements by completing the required compliance form as instructed by the merchant. A copy of the compliance form shall be included in the purchase card file.

In addition to the types of items identified in DR 5013-6, non-procurement cardholders are restricted from using the purchase card/convenience check to buy hazardous materials identified on the Restricted Hazardous Materials, Controlled Substances, and Regulated Chemicals Table (Exhibit 5).

2.19 Purchase Card Transactions Over the Micro-purchase Threshold. All purchase card transactions over the micro-purchase limit must be processed in IAS. This will ensure that vendors are registered in the System for Award Management (SAM) database prior to using the purchase card and/or convenience check over $3,000 (Note: Convenience check transactions over $2,500 must have prior approval from the APC). Vendors are not required to be registered in the SAM for purchases under the micro-purchase threshold. A contracting document (e.g., letter form, OF 347, SF 1449, or purchase order), including applicable FAR clauses, shall be generated in IAS for all open-market purchases over the micro-purchase threshold when the payment method is by purchase card or convenience check. When noncommercial items are being acquired, FAR Subpart 52.213-4, Terms and Conditions-Simplified Acquisitions (Other Than Commercial Items), shall be incorporated into simplified acquisitions above the micro-purchase threshold. FAR Subpart 12.301 shall be reviewed to determine the appropriate clauses to incorporate when acquiring commercial items above the micro-purchase threshold. Include the appropriate terms and conditions in the purchase card file for actions exceeding the micro-purchase threshold.

2.20 Purchase of Nonmonetary Awards. Cardholders are reminded to follow the guidance in the USDA Guide for Employee Recognition and REE Human Resources Division (HRD) guidance at http://www.afm.ars.usda.gov/hrd/awards/index.htm or agency internal guidance for purchasing non-

monetary award items. According to the USDA Guide for Employee Recognition, non-monetary awards cannot exceed $250 on any one item and should be appropriate for Federal recognition, suitable

for display, and display the Agency's logo. Further defined from the Department, the keepsake item should clearly symbolize the employer-employee relationship and be something that the recipient could reasonably be expected to value, but not something that conveys a sense of monetary value such as a luxury item (i.e., jewelry, iPods, etc).

2.21 Recordkeeping. Cardholders shall keep an electronic purchase card transaction log as support for funds control operations and to verify invoices of the purchase. In accordance with program requirements, cardholders are to enter the purchase in the purchase card log each time the card is used. ARS, NIFA and ERS cardholders must use CATS, NATS and EATS respectively to keep their purchase card log. This eliminates duplicate data entry and other inherent problems with hard copy logs going back and forth between cardholders and accounting personnel. If there are pricing changes, split transactions, etc., the cardholder is required to update the information in their respective system listed above. NASS cardholders shall keep an electronic purchase card log. See Exhibit 6 for an example of the purchase card log. This log may be modified to meet the needs of the cardholder, but must include the following categories as a minimum:

Agency Reference Number (ARN) (automatically generated in CATS, NATS, and EATS)
Date ordered
Name of the supplier
Description of supplies or services
Total price
Date delivered
Purchase Card or Check Transaction

For NASS, reports generated from AXOL are acceptable logs. The entries on the log shall be sequentially numbered to facilitate purchase card reviews. Documentation to support the transaction is to be labeled using the sequentially numbered log number (referred to as the ARN). Records are to be maintained in the event transactions are not posted in AXOL within a reasonable time period.

- **Over-the-Counter Purchases**. When cardholders make over-the-counter purchases, they must record the purchase in the respective log referenced above and obtain a copy of the charge slip. They should also make sure all carbons have been destroyed. The sales receipt becomes the accountable document.

- **Telephone/Internet Orders**. Cardholders must record all commercial purchase card telephone/internet orders on the respective log referenced above. Shipping documents and/or printout of the electronic confirmation associated with the order will become the accountable document.

- **Convenience Checks.** When a check is issued, annotate on the supporting documentation and log with the date the check was issued, the check number, cardholder's name, and the DCIA waiver number applicable to the check. The Tax Identification Number (TIN) or

Social Security Number (SSN) and DCIA waiver number shall also be entered into AXOL when approving the transaction. The transaction file should also include documentation to verify there are no other vendors who will take an acceptable payment method and meet the agency needs. TINS and SSNs are Personally Identifiable Information (PII) and should not be entered into any log (i.e., CATS, NATS, or EATS). PII should be kept secure in accordance with PII guidance.

2.22 Retention of Cardholder Files. In addition to the information in DR 5013-6, cardholder transaction files shall be maintained by fiscal year. All documentation to substantiate the purchase transaction shall be retained, including purchase card log, according to the retention period in the Coordinators' Purchase Card Program Guide (i.e., retained for three (3) years after final payment in accordance with FAR
Part 4).

2.23 Year-end Spending. In the event that orders placed are not processed in AXOL by September 30 of the current fiscal year, a period-end estimate must be submitted to cover those orders that are not processed. The procedures in the Agency's yearly year-end closing instructions and procedures memorandum should be followed to report the period-end estimate.

2.24 **Use of the Purchase Card to pay for Contract Invoices.** The purchase card may only be used with current year funds.

It is allowable to have service contracts which cross from one FY to the next FY. However, the full amount of the contract award (i.e., obligation) amount must be accurately recorded by FY in the official accounting system for REE. The official accounting system for REE is FMMI. In order to use a prior year for payment of a service contract, there must be an obligation in FMMI that was recorded for the FY. Without the prior year obligation being recorded in FMMI in the prior year, you are essentially creating a *new* obligation using an expired accounting code in FMMI.

All contracts that appropriately cross a FY must be fully obligated in both the official accounting system, FMMI, and the official acquisition system, IAS, and use EFT payments in the year in which they are awarded. IAS EFT obligations are automatically recorded in FMMI at time of award. The obligation creates an unliquidated reserved balance for the contract in the official accounting system that will be decreased as payments are made. These unliquidated obligation amounts are reviewed throughout the year until they have been depleted or completely liquidated as the contract is closed out.

The purchase card payments do not create an unliquidated obligation for the entire amount of the contract in FMMI at the time of award. A purchase card payment only creates an obligation for the amount of the current payment; not the amount of the entire contract. Therefore, we have no authority (no unliquidated obligation), in terms of FMMI, to make these prior year payments. If the contract is awarded and the payment mechanism is to be the purchase card, these contracts must be severed at the end of the fiscal year and re-awarded, using current year funding for the new FY. Period end estimates created in FMMI for year-end spending records reverse almost after the beginning of the new FY (usually by October 5th), and do not create a specific, longstanding obligation for these contracts to draw upon.

- Service Contracts that are set up and paid within the same FY (ex. October 1 – September 30)

may be paid via purchase card with current FY funds.

Service Contracts that are set up in one FY and cross over to the next FY (ex. August 1 – July 31) must be paid by EFT (all funds obligated in FMMI and paid from the FY in which the contract is established).

3. Training Requirements/Certification

3.1 Training Requirements. All roles (AAPCs, LAPCs, AOs, and cardholders) in the Purchase Card Program must be thoroughly trained to ensure proper management and oversight of the Purchase Card Program. The required training is listed in the specific USDA Purchase Card Program Guide for each role. Prior to issuing a card to cardholders, all training, including training for the cardholder's AO, shall be completed.

For FPOC's, the required AXOL training is listed below. Also note that user IDs for FPOC's are not to be established until AXOL training has been completed.

Navigation Basics
My Personal Information
Reporting

3.2 Training Certification. All roles (AAPCs, LAPCs, FPOCs, AOs, and cardholders) should receive certificates that documents successful completion of the required training. Copies of the training certificates must be retained by the appropriate coordinator's files, per Section 5 – Special Instructions, for each role as follows.

Role	Certificates Maintained by
AAPC	REE APC
LAPC	AAPC
Cardholder & AO	LAPC
FPOC	LAPC/AAPC

4. Responsibilities and Procedures

4.1 REE Purchase Card Team. Within REE, individuals have been designated to manage and provide oversight of the Purchase Card Program at different organizational levels. The roles determine the responsibilities of the individuals. Cardholders are to first contact their LAPC in an effort to resolve any issues concerning the purchase card/convenience check or AXOL. When the LAPC cannot resolve the issue, the LAPC will forward the issue to the AAPC for resolution. The issue will be forwarded up the hierarchical chain by the appropriate individual until resolved.

4.2 Summary of Responsibilities. The following are specific responsibilities associated with each role involved in the REE Purchase Card Program:

- **APC.** The APC position is located in AFM, APD, APOB, Beltsville, Maryland. The following responsibilities are in addition to those listed in the *USDA Coordinator's Purchase Card Program Guide*:

- Coordinates the implementation of the program within REE through the Departmental Program Manager (DPM), the bank contractor, the GSA, and the AAPCs.

- Maintains open communication with the FAMD on policy, procedures, and problems relating to the Purchase Card Program.

- Submits APC Annual Purchase Card Program Review to DPM as stipulated in DR 5013-6.

- **AAPC**. The AAPC is located at the BSC. In the absence of the BSC AAPC, the other BSC AAPCs will serve as backup. The AAPC has the following responsibilities in addition to those listed in the *USDA Coordinator's Purchase Card Program Guide*:

    - Point of Contact for the Purchase Card Program in the Areas and Offices serviced by the BSC.

    - Provides guidance to the LAPCs at the locations**.**

    - Establish and maintain the Purchase Card Program within his/her designated Areas and Offices.

    - Monitors purchases using the AXOL and provides the BSC and Area management with information from AXOL utilizing data query.

    - Conducts random quarterly LAPC file reviews for compliance with existing purchase card policy.

    - Immediately reports cases of fraud, waste, and abuse to REE APC.

    - Approves/final approves, on an emergency basis, cardholder/AO accounts in the absence of the LAPC.

    - Submits AAPC Quarterly Purchase Card Program Review Report (Exhibit 8) to the APC. Includes copies of the LAPC Quarterly reports (Exhibit 7) and Approved Monthly Transaction reports used to review cardholder transactions with the Quarterly AAPC Review Report.

    - Verifies LAPCs are reviewing 25 percent of location cardholders on a quarterly basis.

- **LAPC.** The LAPC should be located at the location they oversee. For ARS Headquarters Program Offices, AFM, ERS, NASS, and NIFA the LAPC will be the National Capital Region BSC AAPC. The following listed responsibilities are in addition to those listed in the *USDA Coordinator's Purchase Card Program Guide*:

    - Works with the cardholders, AOs, Financial Contacts, and the AAPC in the implementation and management of the program.

- Conducts quarterly review of 25 percent of location cardholders and their transactions using established standard monthly reports in AXOL for compliance with existing purchase card and Federal acquisition policy.

    - Highlight, note, or otherwise identify the cardholders and transactions selected for review on the report.
    - Create a column to document the report with any discrepancies discovered and addressed with the cardholder and AO as a result of the review.

- Reviews single purchase and monthly cardholder limits, in consultation with the fundholder and appropriate management unit.

- Submits Cardholder Request for Purchase Card and Approving Official Setup/Maintenance Request Forms with required training certificates to the AAPC for processing.

- Prepares and submits Quarterly LAPC Review Report (Exhibit 7) to the AAPC in accordance with the requirements of this Manual and DR 5013-6. Includes copies of the AXOL Approved Monthly Transaction reports used to review cardholder transactions, properly annotated, with the LAPC review findings.

- Issues written warning and guidance for the following types of misconduct. Copies the AO, AAPC, and APC on all warnings and guidance issued to cardholders.

    - writing checks when vendor accepts purchase cards
    - failing on a consistent basis to approve/final approve transactions in AXOL
    - allowing or authorizing another employee to use purchase card
    - circumventing single purchase limit
    - cardholder sharing their AXOL user IDs and passwords, whereby breeching security
    - other policy violations as necessary

- Immediately reports to the APC through the AAPC recommendations for suspension of cardholder purchase card/convenience check accounts for repetitive misuse of purchase cards/convenience checks after consultation with cardholder's supervisor.

- Immediately reports to the APC through the AAPC recommendations for suspension/termination of cardholder purchase card/convenience check for violation of Agency, Departmental, and Federal purchase card rules and regulations.

- Immediately reports cases of fraud, misuse and abuse to the REE APC through the AAPC.

- Conducts monthly review of AO files.

Cardholder. The cardholder has the following listed responsibilities in addition to those listed in the *USDA Cardholder's Purchase Card Program Guid*e. AO must use the USDA Cardholder Request for Purchase Card form to nominate prospective cardholders.

- Forwards purchase card transaction documentation for AO's use in final approving transactions in AXOL.

- Documents all commercial purchase card/check transactions in accordance with the requirements of this Manual and DR 5013-6.

- Makes corrections in the financial system to accounting, BOC, and subaccount codes.

- Changes profile accounting at the end of the current fiscal year to reflect new fiscal year accounting (as required).

- Ensures property information is forwarded to appropriate Property Officer for accountable/sensitive property purchases.

- Prepares log and submits to the Finance Contact, when applicable.

- Initiates disputes in AXOL and follows up on disputes to resolve issue, whether to the bank or merchant, in a timely manner. Informs LAPC of disputes.

AOs. The AO is the first line of internal control over the purchasing activity of cardholders he/she supervises. AOs nominate to the LAPC using the USDA Cardholder Request for Purchase Card form, individuals within their organization that should receive purchase cards and convenience checks. The Approving Official Setup/Maintenance Request Form (Exhibit 3) shall be used to identify new AOs to the LAPC AOs shall ensure that purchase card or convenience check authority is segregated among employees to reduce the risk of error or fraud. AOs shall exercise appropriate oversight to ensure cardholders do not exceed or abuse their delegated authorities. The AO shall have the following responsibilities in addition to those listed in the *USDA Approving Official's Purchase Card Program Guide*:

- Submits the prospective cardholder's name, work address (including all acronyms), telephone number, e-mail address, single purchase limit, monthly cardholder limit, accounting information, and check writing capability to the LAPC. Also include the supervisor-of-record demographic information using the USDA Cardholder Request for Purchase Card Form.

- Takes disciplinary action or other appropriate action for misuse of purchase cards when notified by the LAPC, AAPC, or APC. Notifies the LAPC, AAPC, and APC of the action taken.

- Reviews cardholder transaction documentation when final approving transactions in AXOL no later than 30 days after a transaction has been selected, absent extenuating

circumstances per instructions in DR 5013-6 and *USDA Approving Official's Purchase Card Program Guide*.

FPOC. For REE purposes, these individuals may be located in either the Area or Location. Use Exhibit 7 to nominate FPOCs.

- **Headquarters Finance Contact (Chief, FOB and/or Chief, Financial Systems and Analyses Branch)**. These positions are located in FMAD, AFM, Beltsville, Maryland, and shall have the following responsibilities:

  - Works with the APC to ensure accounting requirements are included in the purchase card policy.

  - Communicates any financial concerns to the APC and NFC.

  - Interacts with NFC to resolve accounting related issues.

  - Provides guidance and instructions to the Area Finance Contacts (AFC's) and Local Finance Contracts (LFC's) relating to financial issues in AXOL.

- **AFC (Area Budget and Fiscal Office)**. The AFC shall be designated by the BSC Director in consultation with the APC. For REE Headquarters, the AFC will be located in FMAD-FOB. For the offices of NIFA, ERS, and NASS, the AFC will be located in their respective Headquarters offices in Washington, D.C.

  The responsibilities of the AFC are as follows:

  - Reports any Transaction Detail Listing or accounting irregularities to the FMAD-FOB and APC (for AFM, NIFA, ERS, and NASS, this is the NCRBSC AAPC).

  - Works with the NCRBSC AAPC (for NIFA, ERS, and NASS) to ensure accounting requirements are communicated to the Cardholders and fundholders/management unit personnel.

  - Maintains a good understanding of AXOL.

  - Maintains open communication with the designated LFCs for ARS field locations on policy, procedures, and problems relating to the Purchase Card Program.

- **LFCs**. The LFCs will be designated by the cognizant BSC Director for the ARS Areas. The LFC has the following responsibilities:

  - Reviews purchase card/check transactions using data query tool to assure the correct agency, accounting code, and benefiting subaccount are assigned to all purchase card/check transactions befitting their management unit.

- Follow up with cardholders to ensure errors are corrected.

5. Purchase Card Management and Oversight

To aid in the review of purchase card data, several standard reports are available for the APC, AAPCs, LAPCs and AOs to use to create and assist with management and oversight of the Purchase Card Program. An explanation of the reports is listed in the *USDA Coordinator's Purchase Card Program Guide*, Section 7.

Program Reviews. Management and oversight of the Purchase Card Program within a specific Area/Field location/Office/Agency is the responsibility of the LAPC/AAPC. Random cardholder and LAPC reviews are to be performed quarterly.

APC Review. The APC shall conduct an annual program review in accordance with the guidance provided in DR 5013-6. The APC may conduct cardholder reviews using established standard reports as outlined in DR 5013-6. In conjunction with the Procurement and Property Management Reviews, the APC reviews purchase card transactions.

AAPC Review. The AAPC shall conduct random monthly or quarterly physical reviews (either the original documents or scanned/faxed copies) of LAPC files according to the review schedule in the *USDA Coordinator's Purchase Card Program Guide*. The LAPC file review shall be commensurate with the number of LAPCs in the Area. It is encouraged that the AAPC keep a separate file of the LAPC reviews with supporting documentation selected for review. When requested, forward this entire file to the APC for review.

LAPC Review. The LAPC shall conduct monthly and quarterly reviews of cardholder files according to the review schedule in the LAPC Quarterly Review Report (Exhibit 7). The LAPC reviews transaction information in AXOL (or an AXOL Transaction Detail report) and a physical review of the actual documentation. LAPCs are to report quarterly review findings to the AAPC.

AO Review. During the final approval process, AOs shall physically review supporting cardholder transaction documents submitted by the cardholders. AOs should utilize the AO Checklist (Exhibit 9), for reviewing the transactions.

APC, AAPCs, and LAPCs are to capture review findings in the applicable review reports shown in Exhibits 7 and 8 and apply the appropriate administrative action recommended from the Recommended Administrative Actions Table (Exhibit 10). All administrative actions, guidance, and warnings issued to cardholders must be documented in writing to the cardholder, approving official, and APC. LAPCs and AAPCs must refer all major misconduct that may warrant purchase card suspension or termination to the APC for review and action.

6. Abbreviations

AAPC	Area Agency Program Coordinator
AGAR	Agriculture Acquisition Regulation

AFC	Area Finance Contact
AFM	Administrative and Financial Management
AO	Approving Official
APC	Agency Program Coordinator
APD	Acquisition and Property Division
ARS	Agricultural Research Service
ATS	Acquisition Tracking System
AXOL	US Bank Access® Online System
BSC	Business Service Center
CATS	CRIS Allocation Tracking System
CDC	Center for Disease Control
DEA	Drug Enforcement Administration
DPM	Departmental Program Manager
DR	Departmental Regulation
EATS	ERS Allocation Tracking System
ERS	Economic Research Service
FAR	Federal Acquisition Regulation
FEG	Functional Entitlement Group
FPDS-NG	Federal Procurement Data System-Next Generation
FMAD	Financial Management and Agreements Division
FMMI	Financial Management Modernization Initiative
FPOC	Financial Point of Contact
FSB	Fiscal Services Branch
GSA	General Services Administration
IAS	Integrated Acquisition System
LAPC	Local Agency Program Coordinator
LFC	Local Finance Contact
MCC	Merchant Category Codes
NASS	National Agricultural Statistics Service
NATS	NIFA Allocation Tracking System
NFC	National Finance Center
NIFA	National Institute of Food and Agriculture
OB	Operations Branch
OCIO	Office of the Chief Information Officer
OMB	Office of Management and Budget
OSHA	Occupational Safety and Health Administration
REE	Research, Education, and Economics
SAM	System for Award Management
TRVL	Travel System
USDA	U.S. Department of Agriculture

7. References

- DR 5013-6 - Use of Purchase Cards and Convenience Checks
- REE P&P 210.1 - Procurement and Property Management Review

- USDA Coordinator's Purchase Card Program Guide
- USDA Cardholder's Purchase Card Program Guide
- USDA Approving Official's Purchase Card Program Guide
- OMB Circular No. A-123, Management Accountability and Control
- OMB Circular No. A-123, Appendix B, Improving the Management of Government Charge Card Programs
- DR 1110-002, Management Accountability and Control
- Procurement Advisory No. 52 – Prohibition on Using Convenience Checks for Purchases or Payments
- Procurement Advisory No. 58A – Prohibition on Using Purchase Cards or Convenience Checks To Acquire Telecommunications
- Procurement Advisory No. 72 – Federal Procurement Data System – Next Generation (FPDS-NG) Reporting Requirements

- APD 2004-09 Prohibition on Writing Convenience Checks over $2,500
- APD Alert 2011-01 Use of Purchase Card to Pay for Apple iPad Wireless Service Plans
- APD Alert 2011-06 – USDA Mandatory Sources for Office Supplies
- APD Alert 2012-17 – Sustainable Acquisition
- APD Alert 2013-01 – Utility Procurement
- 21 CFR 1300-1310 – Drug Enforcement Administration
- CAAC Letter 99-02, Government wide Commercial Purchase Card Purchases Above the Micro-purchase Dollar Threshold
- USDA/Procurement Homepage - http://www.dm.usda.gov/procurement/
- USDA Charge Card Service Center - http://www.dm.usda.gov/procurement/ccsc/purchase_card.htm
- APD Homepage - http://www.afm.ars.usda.gov/aboutAFM/APD/

- GSA Blueprint for Success: Purchase Card Oversight - http://www.gsa.gov/graphics/fas/Blueprint_For_Success_PurchaseCard_Oversight.pdf

8. Definitions

Agency Reference Number (ARN). The purchase card log number assigned by a cardholder to identify/reference the purchase transaction. This may also be referred to as the document control number. In order to be consistent in assigning the ARN, the cardholder will input their first initial and last name, followed by their sequentially assigned purchase card log number, e.g., DJones 0002.

Area Agency Program Coordinator (AAPC). The Individual in the BSC responsible for the overall management of the purchase card program at the Area level. This person is nominated by the BSC Acquisition Branch Chief, and appointed by the APC for each BSC. The NCRBSC AAPC is responsible for providing overall management of the purchase card program for ERS, NASS, and NIFA.

Agency Program Coordinator (APC). The Individual in the Acquisition and Property Division responsible for the overall management of the purchase card program for REE. The APC coordinates the implementation of the program within REE through the BSC AAPCs and LAPCs.

Bank Contractor. A commercial financial institution that the Government has contracted to provide commercial purchase cards and related support services.

Budget Object Class (BOC) Code. The BOC code that will be initially charged for the goods/services for each purchase transaction.

Business Service Center (BSC). The Administrative and Financial Management offices designated to support the Areas of ARS, ERS, NASS, and NIFA.

Default Accounting Code (DAC). The accounting code that will be charged initially for the goods/services for each purchase transaction.

Functional Entitlement Group (FEG). A grouping of available tasks and functions in AXOL assigned to a group of purchase card users to establish the tasks and functions a group of users may access.

Fundholder. The person who is responsible for the effective management and use of assigned program funds and other resources as evidenced on the annual operating plan(s).

Management Unit Personnel. The person who is directly responsible for the effective management of a staff, office, branch, or division, including program funds and resources. These individuals may be Division Directors, Branch Chiefs, and/or Section Heads.

Purchasing Agent. An individual that has been delegated authority to obligate funds on behalf of the Government to make buys within designated limits above the micro-purchase limit for simplified acquisitions.

Transaction Detail Listing. A report from the Official Accounting System which displays data sent from AXOL and other NFC feeder systems, i.e., IAS, TRVL, etc.

REE Headquarters. The offices located in the Washington Metropolitan Area of ARS, ERS, NASS, and NIFA.

Michael L. Barnes
Director
Acquisition and Property Division

Exhibits

1 Reassignment/Transfer Request
2 AAPC/LAPC Nomination Request Form
3 Approving Official Setup/Maintenance Request Form
4 FPOC Setup/Maintenance Form
5 Restricted Hazardous Materials, Controlled Substances, and Regulated Chemicals
6 Purchase Card Transaction Log
7 LAPC Quarterly Review Report
8 AAPC Quarterly Purchase Card Program Review
9 Approving Official Checklist
10 Recommended Administrative Actions

Exhibit 1

REASSIGNMENT/TRANSFER CARDHOLDER REQUEST

Type of Request: ( ) Reassignment/Transfer within REE (forward request to AAPC)
( ) Reassignment/Transfer within Area (forward request to AAPC)

Cardholder Name: _____

Complete for Reassignment/Transfer:

	FROM	TO
Agent/Level 4:	_____	_____
Company/Level 5:	_____	_____
Division/Level 6:	_____	_____
Department/Level 7:	_____	_____

New Address: _____
_____

Telephone Number: _____
E-mail: _____
Default Accounting Code: _____
Supervisor's Address: _____
_____

Supervisor's Telephone No.: _____
Supervisor's E-mail Address: _____

Signature of New Approving Official: _____

Exhibit 2

AAPC/LAPC Nomination Request Form

Scan and e-mail completed form to BSC AAPC.

Requestor: _____ Telephone No. _____
Title of Requestor: _____

Signature of Requestor: _____ Date: _____

LAPC Name: _____
User ID: _____ (if an existing LAPC or cardholder)
Agency/Area/Location:_____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone Number: _____ E-mail Address: _____

Copy of Training Certificates Attached: ( ) Yes ( ) No
Is the LAPC a cardholder: ( ) Yes ( ) No

For AAPC/APC Use Only:

Agent _ _ _ _ Company_ _ _ _ _ Division_ _ _ _ _ Department_ _ _ _

Level 3_ _ _ _ _ Level 4_ _ _ _ _ Level 5_ _ _ _ _ Level 6_ _ _ _ _ Level 7_ _ _ _ _

Received Date _____ Reject Date _____

Reject Reason:
( ) Does not meet qualification requirements
( ) Other _____

Exhibit 3

Approving Official Setup/Maintenance Form

Name of Cardholder(s): _____ Date of Request: _____
(Attach additional page if needed)
Type of Action: ( ) Add* ( ) Closure** ( ) Replacement*
*Complete "Incoming AO Information" only
**Complete "Departing AO Information"

Departing AO Information:

AO Name: _____ AO User ID: _____
Agency/Division/Office: _____

Incoming AO Information

AO Name: _____
Agency/Division/Office: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No.: _____ E-mail: _____

Copy of Training Certificates Attached: ( ) Yes ( ) No
Is the AO a cardholder? ( ) Yes ( ) No

For AAPC/APC Use Only:

Agent _ _ _ _ Company_ _ _ _ _ Division_ _ _ _ _ Department_ _ _ _

Level 3_ _ _ _ _ Level 4_ _ _ _ _ Level 5_ _ _ _ _ Level 6_ _ _ _ _ Level 7_ _ _ _ _

Received Date _____ Reject Date _____

Reject Reason:
( ) Does not meet qualification requirements
( ) Other _____

Exhibit 4

Financial Point of Contact Setup/Maintenance Form

Type of Action: ( ) Add* ( ) Closure** ( ) Replacement*
*Complete "Incoming FPOC Information" only
**Complete "Incoming & Departing FPOC Information"

Departing AO Information:

AO Name: _____ AO User ID: _____
Agency/Division/Office: _____

Incoming AO Information

AO Name: _____
Agency/Division/Office: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No.: _____ E-mail: _____

Copy of Training Certificates Attached: ( ) Yes ( ) No
Is the AO a cardholder? ( ) Yes ( ) No

For AAPC/APC Use Only:

Agent _ _ _ _ Company_ _ _ _ _ Division_ _ _ _ _ Department_ _ _ _

Level 3_ _ _ _ _ Level 4_ _ _ _ _ Level 5_ _ _ _ _ Level 6_ _ _ _ _ Level 7_ _ _ _ _

Received Date _____ Reject Date _____

Reject Reason:
( ) Does not meet qualification requirements
( ) Other _____

Exhibit 5

Restricted Hazardous Materials, Controlled Substances, and Regulated Chemicals

Hazardous Compound Group	**Regulatory Citation and Agency**	**License or Permit Required for Purchase**	**Items Covered**
Carcinogenic Compounds	29 CFR 1910.1003 OSHA	No	https://www.osha.gov/SLTC/carcinogens/index.html
Controlled Substances (Drugs and other Substances)	21 CFR 1300-1308 DEA	Yes	http://www.ncbop.org/LawsRules/CodeofFederalRegulations1300-1308.pdf
Substances Covered Lists of Regulated Chemicals (Lists I and II)	21 CFR 1310 DEA	No	http://www.deadiversion.usdoj.gov/21cfr/cfr/1310/1310_02.htm
Select Agents and Toxins List (Biological Materials)	7 CFR 331, 9 CFR 121, and 42 CFR 73 APHIS and CDC	Yes	http://www.selectagents.gov/Select%20Agents%20and%20Toxins%20List.html
Mutagents & Teratogens (Reproductive Toxins)	ARS Policy (under development)	No	http://research4.dfci.harvard.edu/ehs/Chem%20and%20Lab/Reproductive%20Toxins.htm
Restricted-Use Pesticides (Insecticides, Fungicides, Herbicides)	40 CFR 152.160-175 EPA	Yes	http://www.gpo.gov/fdsys/pkg/CFR-1996-title40-vol11/html/CFR-1996-title40-vol11-sec152-175.htm

Exhibit 6

Purchase Card Transaction Log for the Month of _____

Name of Cardholder: **Profile Accounting Code:**

ARN	Req. Number	Date Purch.	Vendor	Item Description	Trans. Amount	Check Number	BOC	Accounting Code	Sub Account	Dollar Amount	Date Received

A copy of this record must be sent to the Local Finance Center or AFC by the 1st workday of the following month. Include a copy of the log in the transaction file to support the purchase of the goods or services.

Exhibit 7

REE LAPC Quarterly Review Instructions

The LAPC shall conduct random quarterly reviews of cardholder transactions. The purpose of this review is to ensure that LAPCs perform sufficient management and oversight including a broad look at current cardholder activity (e.g., the past 90 days).

Reviews should be a mix of an overview of transaction information in AXOL (or an AXOL Transaction Detail report) and a physical review of the actual documentation (either the original documents or scanned/faxed copies).

LAPCs should review 25 percent of their cardholder accounts each quarter, ensuring review of transactions from 100 percent of the total cardholder accounts the LAPC manages over the course of a year (this requires that the 25 percent of cardholder accounts reviewed each Quarter vary and be a unique list to total a complete 100 percent review of cardholder accounts for each LAPC at year-end). In addition to reviewing the 25 percent of cardholders, LAPCs shall also review other cardholder transactions looking for inappropriate or questionable transactions (i.e., food, fuel, etc.) The goal is to take a broad look at cardholder activity and a detailed look at specific transactions, including randomly selected and/or questionable transactions. LAPCs should physically review a minimum of 10 percent of the selected cardholder's transactions chosen for review each quarter.

Using the REE LAPC Quarterly Review Checklist, LAPCS shall report the results of their reviews to their Area Agency Program Coordinator (AAPC) by 15th day of the second month following the close of each quarter (i.e., February 15, May 15, August 15, and November 15). AAPCs must submit the REE AAPC Quarterly report to the Agency Program Coordinator (APC) by the end of the second month following the close of each quarter.

If there are any signs of misuse/abuse/fraud, the LAPC will notify the AAPC and APC to conduct an investigation of the transaction and will request transaction documentation from the cardholder. The LAPC shall contact the APC for appropriate guidance and possible administrative action. The LAPC may issue guidance and warnings to cardholders, copying the Approving Official, AAPC, and APC. The LAPC shall not issue any administrative actions.

REE LAPC Quarterly Review Checklist

LAPC Name: _____ Date: _____

AAPC Name _____ Fiscal Year: _____

Location/Area _____

Check Box	Quarter Reviewed:	For the Months of:	Due Date to AAPC:
	Qtr 1	October – December	February 15
	Qtr 2	January – March	May 15
	Qtr 3	April – June	August 15
	Qtr 4	July – September	November 15

NOTE: LAPCs are required to review 25 percent of their cardholder accounts each quarter, ensuring review of 100 percent of the total cardholder accounts the LAPC manages over a course of a year (this requires that the 25 percent of cardholder accounts reviewed each Quarter vary and be a unique list to total a complete 100 percent review of cardholder accounts for each LAPC at year-end).
Please supply the following data regarding your review:

Data Requested		Number #
1.	What was the total number of cardholders at the end of the Quarter?	
2.	Of the total number of cardholders in #1 above, how many were reviewed? *(Should be 25% of Total No. of Cardholders)*	
3.	How many of the cardholders in #1 are no longer under your managing account/supervision as LAPC? *(if any)* *In addition, please note:* • *LAPCs should confirm that purchase cards are issued to current USDA employees.* • *If any cardholder is no longer a USDA employee, LAPC has confirmed that the account is closed.*	
4.	How many of the number of cardholders reviewed in #2 have convenience checks?	
5.	What is the total number of transactions for the Quarter?	
6.	How many of the total number of transactions in #5 were reviewed in AXOL?	
7.	How many of the total number of transactions reviewed in #6 were convenience checks?	
8.	How many of the total number of transactions reviewed in #6 included a review of documentation? *(should be 10% of the number of transactions reviewed in #6)*	
9.	How many of the convenience checks reviewed in #7 included a review of the documentation?	
10.	What is the total number of convenience check transactions for the Quarter?	

Data Elements that must be reported to Office of Management and Budget (OMB)		Number #
1.	Number of cases reported to OIG or APC for possible misuse and/or abuse.	
2.	Number of administrative and/or disciplinary actions taken for card misuse.	
3.	Number of administrative and/or disciplinary actions taken for convenience check misuse.	

LAPCs shall review transactions for compliance with acquisition regulations and with direction give in Departmental Regulation 5013-6 and the Coordinator's Purchase Card Program Guide, with particular emphasis on the following areas:

Area of Transaction Review	No. of Occurrences (if applicable	Comments and/or Administrative Action(s) Taken
Improper purchases – for example: (for a more detailed list, see Section 9 of the Coordinator's Purchase Card Program Guide		
• Split Purchases • Unauthorized Purchases • Personal use • Other		
Accountability – for example:		
• Complete & Timely reconciliation/approval in AXOL • Timely final approval by Approving Official • Other		
Proper use of Convenience Checks – for example:		
• Pre-approval over $2,500.00 • Check is not written self, for cash, to VISA merchant, or to large business • Other		

Additional Findings, Comments, or Recommendations

I affirm that all information provided on this form is true and accurate.

LAPC Signature	Date

Exhibit 8

AAPC Quarterly Purchase Card Program Review

Part 1- Summary of Findings

Area: _____ Date of Review: _____

AAPC Name: _____ Period Covered: _____

Total No. of Cardholders for the Area: _____ Total No. of AOs for the Area: _____

Total No. of LAPCs: _____ Total No. of LAPC Records Reviewed: _____

Total No. of Check writers: _____

Total No. of cases reported to APC for possible card misuse and/or abuse _____

Total No. of administrative and/or disciplinary actions taken for card misuse, including deactivation/cancellation _____

Reporting Dates:

Check Box	For the Months of:	Due Date to APC:
	October – December	February 28
	January – March	May 31
	April – June	August 31
	July – September	November 31

I.	A general introductory paragraph regarding the USDA requirement for an annual review.
	Include a summary of findings pertaining to the following topics:
	a) Findings related to condition of LAPC, cardholder, and AO file
	b) Findings related to card usage requirements
	c) Findings related to check usage requirements
	d) Findings related to cardholder documentation requirements
	e) Findings related to processing requirements
	f) Findings related to miscellaneous requirements
	g) Findings related to requirements for purchases over the micro-purchase threshold
	h) Findings related to the AO Review

II.	Additional findings, comments, recommendations, or best practices (list below):

Part 2 - Review of LAPC Quarterly Reports

Please indicate in the chart below whether the LAPC has submitted their quarterly reports and if they were compliant.

No.	Specific Review Criteria	Yes	No	N/A	Comments/ Notes
	LAPC Quarterly Reports				
1.	**1st Quarterly Review Submitted** (October-December due Feb 15)				
2.	**2nd Quarterly Review Submitted** (January-March due May 15				
3.	**3rd Quarterly Review Submitted** (April-June due Aug 15)				
4.	**4th Quarterly Review Submitted** (July-September due Nov 15)				

Part 3 - Annual Review Checklist of LAPC File

LAPC Name**:** _____ Date of Review: _____

AO Name: _____ F/Y Covered: _____

Type of Review: ( ) Onsite ( ) Electronic

No.	Specific Review Criteria	Compliant Yes	No	N/A
1.	The LAPC keeps individual cardholder files that include training certification, nomination requests, and request for changes to cardholder account information.			
2.	The LAPC performs reviews of cardholder transactions for compliance with existing procurement policies, i.e., random review of cardholder transactions.			
3.	The LAPC performs reviews of AO final approval process in accordance with Departmental procedures.			
4.	The LAPC is maintaining a file of AO training certificates			
5.	The LAPC does not perform oversight of their own purchase card.			

	Additional findings or comments:

I affirm that all information provided on this form is true and accurate.

AAPC Signature	Date

Exhibit 9

Approving Official Checklist

Note to AO: It is required that you review cardholder transactions on a monthly basis. Use this checklist as a guide for reviewing the transactions in accordance with DR 5013-6, REE P&P 213.3M, and OMB Circular A-123, Appendix B. If a cardholder leaves, immediately notify the LAPC to cancel the purchase card and assure that automatic recurring transactions, such as subscriptions and/or UPS, are canceled.

Cardholder Name: _____ Transaction Date: _____
Transaction Description: _____
_____

	YES	NO
Transaction is for official Government business and represents legitimate needs of the Government.		
Transaction is within the cardholder's single purchase limit.		
An adequate item description for the transaction was entered and approved as required (Descriptions such as "office supplies and furniture" are inadequate).		
Funds were available and prior approval was obtained before the purchase of the supplies/services.		
Cardholder has adequate documentation for the transaction (i.e., requisition, invoice, packing slip, receipt, electronic commitment or purchases made over-the counter, by telephone, or the internet)		
If transaction is over $300, there is evidence of independent receipt and acceptance of goods or services from someone other than the cardholder in the file.		
The appropriate budget object code was used.		
Cardholder used required sources (i.e., AbilityOne, NIB/NISH, FSSI BPA)		
The transaction was not split to stay below the single purchase limit or micro purchase limit.		

I affirm that all information provided on this form is true and accurate.

AO Signature	Date

Exhibit 10

RECOMMENDED ADMINISTRATIVE ACTIONS

The LAPC/AACs are not authorized to suspend cards. If the suspension of purchased card privileges is recommended, the LAPC.AAPC must forward the transaction to the APC for review and action possible suspension for a specific time to permanently terminate accounts for repeat or first time serious violations. Serious violations include blatant violations of purchase card policy, splitting purchases, and/or allowing another employee to use purchase card.

TYPE OF MISCONDUCT	PENALTY FOR FIRST OFFENSE	PENALTY FOR SUBSEQUENT OFFENSES
Writing Checks when vendor accepts purchase card	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Failing on a consistent basis to approve transactions	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Allowing or authorizing another employee to use purchase card	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.

Allowing or authorizing another employee to approve transactions in AXOL. Sharing AXOL usernames and passwords	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 60 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Mandatory source violation	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Purchase without necessary prior approvals	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Use of (or authorizing the use of) employees or Government-owned, leased or provided property, facilities, services or purchase cards/convenience checks, for inappropriate or nonofficial purposes.	Written warning from LAPC/AAPC explaining error and policy violation to temporary suspension by APC of purchase card privileges for 30 days depending on severity of policy violation, Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.

Splitting purchases to circumvent single purchase limit, micro-purchase threshold, or convenience check limit.	Written warning from LAPC/AAPC explaining error and policy violation to temporary suspension by APC of purchase card privileges for 30 days depending on severity of policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Writing checks for spot awards, emergency salary payments, and/or transit subsidies, i.e., violation of purchase card/convenience check policy.	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Writing checks over $2,500 without justification and approval from APC	Forward transaction to APC for review and action. Loss of check writing privileges from temporary suspension for a minimum of 30 days	Termination of check writing privileges for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Using prior year funds to pay for service contracts.	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of check writing privileges from temporary suspension for a minimum of 30 days to termination of check writing privileges for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.
Other policy violations	Written warning from LAPC/AAPC explaining error and policy violation. Copy AO and APC.	Forward transaction to APC for review and action. Loss of check writing privileges from temporary suspension for a minimum of 30 days to termination of check writing privileges for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.

Personal use	Termination of purchase card. Forward transaction to APC for review and action. Copy of termination will be sent to AO and the Personnel and Labor Solutions Branch, Human Resources Division.	
Exceeding authority	Ratification. Forward transaction to APC for review and action. Loss of purchase card privileges from temporary suspension for a minimum of 30 days to termination of purchase card for continued offenses. Copy of suspension will be sent to the Personnel and Labor Solutions Branch, Human Resources Division. AO must request reinstatement from APC.	
Fraud Purchases	Termination of purchase card. Forward transaction to APC for review and action. Copy of termination will be sent to AO and the Personnel and Labor Solutions Branch, Human Resources Division. Refer to OIG for investigation.	