

NPARL Micro Purchasing

References:

REE Purchase Card Program - <http://www.afm.ars.usda.gov/ppweb/pdf/213-3M.pdf>

ARS Manual 251.8M Records Management

Goals:

Primary: Get a product of service that meets the government's needs, in a timely fashion at a reasonable price.

Secondary: Ensuring full and open competition and allowing small, historically underutilized business (HubZone, Vet-owned small, service disabled vet-owned small, small disadvantaged, women-owned small) an opportunity to win a fair share of federal contracts.

Using a government Purchase Card

Tax Exemption:

The Purchase Card is issued under the GSA SmartPay program with a prefix of either 4486 or 4716. The card is imprinted with the statement, "US Government Tax Exempt." Charges for all purchases, other than travel, that are billed directly to the Federal Government are exempt from sales tax. Merchants can determine whether an account number is direct billed by identifying the sixth digit of the account number. If the sixth digit is 0, 6, 7, 8, or 9, the card is direct billed and the transactions are exempt from sales tax.

NOTE: For large purchases where the merchant refuses to waive the tax, the cardholder can present a state tax exemption letter. Cardholders can printout state tax exemption letters from the GSA SmartPay web site at <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/>.

Micro Purchase Thresholds

\$3000 General
\$2500 Services
\$2000 Construction

Record Purchases

CATS is the official Log. Each card log must contain the date ordered, description, vendor, cost, and date delivered, date reconciled, and check number if applicable.

Purchasing Goods & Services

Commercial goods and services may be purchased using the card if the needed goods and services are not available from the Federal mandatory sources. Required Sources are listed below in descending order of precedence:

Services:

- Services available from AbilityOne (aka JAWOD, Nib-Nish, & Committee for Purchase from People Who are Blind or Severely Disabled)
- Mandatory Federal Supply Schedules
- Optional use Federal Supply Schedules
- UNICOR (Federal Prisons Industries, Inc.)
- Commercial sources – Open Market

Supplies:

- Agency Inventory
- Excess from other Agencies (www.gsaxcess.gov)
- UNICOR (Federal Prisons Industries, Inc.)
- AbilityOne (aka JAWOD, Nib-Nish, & Committee for Purchase from People Who are Blind or Severely Disabled)
- Wholesale supply sources (such as GSA, DLA, & Dept. of Veterans Affairs)
- Mandatory Federal Supply Schedules
- Optional Use Federal Supply Schedules
- Commercial Sources – Open Market

Competition

Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is considered fair and reasonable. Such purchases must be distributed equitably among qualified suppliers. When practicable, a quotation should be solicited from other than the previous supplier prior to placing a repeat order. The administrative cost of verifying the reasonableness of the price of purchases not in excess of \$3,000 may more than offset potential savings in detecting instances of over pricing. Therefore, actions to verify the reasonableness of the price need be taken only when: Information indicates that the price may not be reasonable (e.g., comparison to previous price paid, personal knowledge of the item involved, comparison to similar items). Purchasing a supply or service for which no comparable pricing information is readily available (e.g., an item that is not the same or similar to other items recently purchased).

Restricted Purchasing

All purchases of firearms, ammunition, explosives or hazardous biological and radioactive substances shall be made by a Warranted Purchasing Agent. Cardholders are restricted from using the purchase card to buy firearms, ammunition, explosives or hazardous biological and radioactive substances and well as the following hazardous materials:

- 1.0% 2-Acetylaminofluorene (2-AAF)
- 0.1% 4-Amniodiphenyl (4-ADP)
- 0.1% Benzidine
- 1.0% 3-3'-Dichlorobenzidine (DCB)
- 1.0% alpha-Naphthylamine (1-NA)
- 0.1% beta-Naphthylamine (2-NA)
- 0.1% 4-Nitrobiphenyl
- 1.0% N-Nitrosodimethylamine (DMN)
- 1.0% beta-Propiolactone (BPL)
- 0.1% bis(Chloromethyl)ether (BCME)
- 1.0% 4,4'-Methylene-bis (2 - chloroaniline)
- 1.0% Ethyleneimine (EI)

IT Purchases: Computers, Laptops, Monitors, Software, Printers, and other peripherals. Approval from the IT Specialist (Kevin Dahl) is required. Approval can be in the form of an e-mail. The purchasing agent must have an AD700 signed by the IT Specialist and the fund holder prior to making the purchase. All electronic purchases will be Energy Star compliant when available. When purchasing electronics,

items will meet the Electronic Product Environmental Assessment Tool (EPEAT) standards for registered products unless there are no EPEAT standards for the products.

Purchases of Telecommunications Resources: The Senior Procurement Executive and the Chief Information Officer have determined that the card and check may not be used to acquire or pay for telecommunications resources, except for emergency purchases of telecommunications products and non-transmission services not to exceed \$350.00. Telecommunications products include, but are not limited to: any component of a network involved in the transmission of analog or digital communications including network routers, bridges, hubs, and Web servers; telecommunications software such as email, groupware or facsimile software; and, end-user devices like telephones, wireless devices, video equipment, and supplies.

Sensitive Property: Laptops, PDA's, Digital Cameras, Camcorders, Projectors, Firearms, & Law Enforcement Badges: Budget Object Class (BOC) code 3141 is used in CATS and US Bank's AXOL. Sensitive property requires a property sticker and is included into the agency's inventory. A signed AD700 must be submitted to the property technician (purchasing agent) when requesting a property sticker.

Transaction Records

Each transaction record must contain:

- Evidence that goods or services were received
- Evidence that priority is given to designated procurement sources, purchases need to be documented as to why you did not use designated procurement sources.
- An invoice, credit receipt, or other sales documentation to validate the dollar amount, quantity, and nature of the items purchased.
 - When a purchase is made over-the-counter, the cardholder must obtain a customer copy of the charge slip.
 - When making purchases by telephone, the cardholder must obtain the shipping documents associated with the order.
 - When downloading a purchased product from the internet, the cardholder must printout the electronic confirmation associated with the order.
 - When a check is issued, annotate on the supporting documentation the date the check was issued, the convenience check number, cardholder's name, and the waiver number applicable to the check. The Tax Identification Number (TIN) or SSN and waiver number shall also be entered into US Bank when reconciling the transaction.

If a cardholder purchases for other than their supervisor, then an AD700 will be printed and a signature from the scientists for whom the purchase is for will be obtained.

File Transaction Records by Vendor or Cardholder Log Number and grouped by Fiscal Year.

Records Retention: 3 years after final payment

The Purchasing Agent will conduct periodic audits for compliance.

Transaction Approval, Final Approval, & Reconciling

The RL authorizes each research scientist the funds to spend on their research projects and programs. Cardholders complete purchases for supplies to support their scientist's research efforts. As transactions appear in US Bank's AXOL system, the cardholder:

- a. reviews the transaction

- b. verifies the charge
- c. completes a short description of the items purchased
- d. verifies the accounting code and the BOC code
- e. annotates the CATS reference number and the date items were received
- f. reconciles the transaction by selecting the “approve” button.

Research scientists final approve all transaction as an “Approving Official” (AO) using the US Bank’s AXOL system by reviewing each transaction and selecting the “Final Approve” button. Questionable transactions and/or transactions with errors should be rejected and sent back to the cardholder for action. Approving Officials should discuss with the cardholder questionable transactions for clarification. Questionable transactions will be immediately brought to the attention of the LAPC for further review and action.

Reconciling in US Bank On-Line Access (AXOL)

Purchase card transactions shall be reconciled on a monthly basis, however it is suggested that cardholders access AXOL weekly to review transactions ensuring the absence of fraudulent activity. If the transactions are not reconciled within 30 days, the account may be deactivated.

Card Misuse\Fraud

Procurement laws, regulations, and procedures place upon the cardholder direct responsibility for the proper and lawful execution of procurement actions. Any act exceeding the cardholder’s authority is no longer an act of the government but becomes a personal responsibility. Misuse of the purchase card will require the purchase card to be withdrawn from the cardholder. Disciplinary actions may be taken against the cardholder. The cardholder may be liable for payment of the purchase. **This may include financial liability and consideration of disciplinary action up to and including removal from position and possible criminal prosecution.**

Unauthorized Use of the Card and Checks

- Long-term (more than 180 days) rental or lease of land or buildings except by warranted real property leasing or contracting officers.
- Purchase of hazardous items such as firearms, ammunition, explosives, or hazardous biological and radioactive substances.
- Purchase of airline, bus, train, or other travel-related tickets and purchase of meals, lodging, or subsistence costs unless authorized by the agency. The Government Travel Card should be used for these items.
- Personal purchases or identification. Items purchased with the card are for official government use only. Additionally, the card must not be used for identification for personal purchases (e.g., while paying for a personal purchase by check), or security for personal purchases.
- Purchase of telecommunications (telephone) services, i.e., major systems such as FTS2001 or DSN. However, telephone/telecommunications equipment may be purchased unless restricted by an agency.
- Splitting requirements into several purchases merely to avoid the cardholder’s delegated single purchase limit.
- Fuel and related supplies and services for government-owned and leased vehicles, aircraft, and other motorized equipment, unless a cardholder cannot reasonably find a vendor for these items that will accept the fleet card or aviation fuel card.

- Personal services unless authorized by statute. Personal services are those where an employer-employee relationship occurs such as when there is continuous supervision of the contractor's employees by the government.
- Writing checks to self or for cash.
- Advance payment to a merchant prior to receipt of goods/services, unless authorized by law (i.e., subscriptions, registration fees, and training).
- Acquisition from commercial sources of products or services available from a required source in time to meet the agency need.
- Other unauthorized purchases include, but are not limited to:
- Greeting cards
- Memberships in an individual's (as opposed to an organization's) name
- Parking tickets against a government vehicle
- Insurance of items being shipped to or for the government (the Government is self-insuring)
- Shipment of household goods
- Meals for federal employees at office or agency functions, unless authorized by law (purchasing food for government employees for a bona fide awards ceremony is permitted by law)

Disputes

Micro-Purchases

When the cardholder sees a transaction and feels the transaction has been charged against the Government credit card in error, the cardholder must make every attempt to contact the merchant for clarification. If the cardholder disagrees with the transaction and/or is unable to resolve the error with the merchant, then the cardholder will dispute the transaction while in the US Bank's Access On-Line (AXOL) system by selecting the transaction in question and clicking on the "dispute" button. You print from AXOL the dispute document and fax it to US Bank immediately after completing the dispute process. The fax number is listed on the dispute document. Within days, the bank will issue a credit for the amount charged and will contact the merchant informing them of the reason why the transaction was disputed and payment was withdrawn. The cardholder will receive written notification from the bank with the results of the dispute action. The cardholder will keep all disputed transaction paperwork in a separate folder for future reference. Action regarding disputed transactions should be taken immediately and without delay. Contact the Local Agency Program Coordinator (LAPC) for assistance and questions.

Convenience Checks

If the check was written in error, the check writer must contact the LAPC and US Bank to issue a "stop payment" on the check. The bank will issue the stop payment immediately and the check writer will work with the merchant in order to resolve the dispute. Contact the LAPC for assistance and questions.