Purchase Card Policy and Operating Procedures

Version 1.0

U.S. DEPARTMENT of ENERGY

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[References: FAR 8; FAR 12; FAR 13; FAR 23; OMB Circular A-123 Appendix B – Improving the Management of Government Charge Card Programs; General Service Administration Worldwide Federal Supply Service Master Contract GS-36F-GA002]

1.0 Summary of Latest Changes

This update (1) simplifies the entire guide, (2) removes HCA approval for purchasing limits up to the micro-purchase threshold, (3) adds prohibited companies, and (4) incorporates administrative updates.

2.0 Discussion

These Procedures outline the Department of Energy (DOE) policy for using the Government purchase card. They supplement and complement the U.S. General Services Administration (GSA) Worldwide Federal Supply Service Contract for Purchase, Travel, Fleet, and Integrated Card Services (Contract No. GS-36F-GA002).

In the event of any inconsistency between these Procedures and higher-level authority, the following order of precedence applies:

1. Federal Acquisition Regulation (FAR)
2. Office of Management and Budget (OMB) Guidelines
3. Terms and conditions of the GSA Master Contract
4. These DOE Procedures

The purchase card program provides DOE with a streamlined method for making authorized micro-purchases and supports improved financial and acquisition management by:

- Offering an alternative to traditional purchase orders and blanket purchase agreements (BPAs);
- Streamlining the acquisition process by reducing paperwork, improving procurement lead times, and expediting contractor payments;
- Reducing administrative costs associated with micro-purchases and BPAs; and
- Enhancing data visibility and auditability by providing detailed statistical information and a clear audit trail to strengthen program oversight and management.

2.1 Applicability.

These Procedures must be used by DOE and authorized contractor personnel using the GSA SmartPay purchase cards.

2.1.1 Authorized Contractors. Government cost-reimbursable contractors must have written authorization from a Federal Contracting Officer (CO) to use purchase cards.

- Contractors receive centrally billed accounts/cards.
- Contractors are fully liable for unauthorized purchases.
- Contractors in the GSA SmartPay® Program must:
  - Comply with GSA SmartPay contract terms.
  - Adhere to DOE Purchase Card Procedures.

  - Develop and implement local purchase card policies and controls.
  - Adhere to the Micro-Purchase Threshold (MPT) approved by the Federal CO.
- Federal COs must ensure contractor purchase card policies, procedures, and controls are properly implemented.

2.2 Card Features.

The purchase card is a VISA commercial purchase card issued, under the DOE SmartPay program, to authorized agency personnel acquiring and paying for supplies and services.

Issuance & Delivery: Cards are mailed to the cardholder's official duty station, or to fully remote cardholders' homes. Citibank does not store personal credit history or social security numbers.

- **Authorized Use:** Only the named employee may use the card, and solely for official Government business.
- **Tax Exemption:** Federal cards are marked "U.S. GOVT TAX EXEMPT" and are exempt from state and local sales taxes per FAR 29.302.
- **Payment & Compliance:** Citibank is paid the actual cost of authorized transactions in accordance with the Prompt Payment Act.
- **Program Support:** Citibank provides full program services, including account setup, authorization, reporting, and 24/7 customer service.

3.0 Program Management

3.1 Key Statutory and Regulatory Framework.

- **41 U.S.C. § 1909 – Management of Purchase Cards**. Requires executive agencies to establish safeguards, including appointing approving officials other than the cardholder, reconciling charges with receipts, and ensuring prompt payment.
- **48 C.F.R. § 13.301 (FAR – Governmentwide Commercial Purchase Card)**. Governs the use of the card for simplified acquisitions, micro-purchases, and payment for supplies and services.
- **GSA SmartPay3 Master Contract**. Sets the terms and conditions for the bank-provided commercial purchase services.
- **41 U.S.C. § 1902 – Procedures Applicable to Purchases below Micro-Purchase Threshold.**
- **Anti-Deficiency Act.** Prohibits federal employees from making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law (31 U.S.C. § 1341(a)(1)(A)). Sufficient funds shall be available prior to each purchase.
  - In accordance with FAR 12.401(d), clause 52.212-4, Terms and Conditions – Commercial Products and Commercial Services, paragraph (s), Unauthorized Obligations, automatically applies to any micro-purchase, including those made with the GPC. This clause prevents violations of the Anti-Deficiency Act.
  - In accordance with FAR 13.401(b), while micro-purchases do not require

written provision or clauses, the clause at 52.232-39, Unenforceability of Unauthorized Obligations, automatically applies to any purchase, including those made with the GPC. This clause prevents violations of the Anti-Deficiency Act.

- **Bona Fide Needs Rule.** This is an appropriations law rule that requires both the timing of the obligation and the legitimate (bona fide) need to be within the fund's period of availability. See 31 U.S.C. § 1502(a). Only buy the quantity you need during the time frame in which it will be used.

3.2 Purchases under the Government Purchase Card (GPC) Program.

- **Purchases up to the Micro-Purchase Threshold (MPT):**
  - Authorized Users: Non-Procurement Cardholders
  - Use simplified acquisition procedures for supplies/services at or below the MPT as per FAR 12.4 – Acquisition of Commercial Products and Commercial Services
  - Goal: Streamline low-dollar value acquisitions. Cardholders must consider quality, availability, reliability, and merchant performance, not just cost.
  - Key Features:
    - Cards can be used as both a purchase and payment method
    - FAR Part 8 – Required Sources of Supplies and Services applies
    - Requires rotation of merchants (i.e., if there are multiple merchants and a recurring requirement, rotate the award among the merchants); small business use is encouraged but not required
    - Exempt from Competition in Contracting requirements, i.e., no competition is required, if price is considered reasonable
    - Exempt from the Buy American Act
    - Contract Reporting does not apply
    - FAR Part 23 – Sustainable Acquisition, Material Safety, and Pollution Prevention applies

- **Purchase Cards Above MPT and up to the Simplified Acquisition Threshold (SAT)**:
  - Authorized Users: Contracting Officers (COs), Ordering Officers, Payment Officials.
  - Authorized Actions:
    - COs & Ordering Officers: Place task/delivery orders against existing contracts if card use is authorized.
    - COs & Payment Officials: Make payments on purchase orders, task/delivery orders, or contracts if the card is accepted.
  - Authority Limits: Cardholders are bound by the *lower* of their warrant authority (e.g., CO's $10M warrant) or their purchase card's single purchase limit
    - *Example*: A CO with a $10M warrant but a $250K card limit can only use the card up to $250K.
  - Compliance: COs and Ordering Officers must comply with all federal procurement laws, FAR, DOE regulations, and local policies, even when using the card. Holding a purchase card *does not* exempt cardholders from issuing

formal written purchase orders/contracts, publicizing purchases, acquisition planning, or meeting all FAR/DOE/local requirements.

- Key Features:
  - Subject to FAR Part 23 – Sustainable Acquisition, Material Safety, and Pollution Prevention
  - Small business restrictions apply
  - Competition requirements apply
  - Price reasonableness (for non-commercial items) applies
  - Buy American Act applies
  - SAM required
  - Contract Reporting applies
  - Contract clauses, provisions, certifications, and any contract ordering requirements (if applicable) are required

- For frequently recurring needs, consider consolidating requirements to get potential bulk discounts.

3.3 Purchasing Authority.

Only employees that have been delegated specific authority (e.g., Delegation of Purchasing Authority or a Contracting Officer Warrant) may obligate/bind the Government, otherwise the purchase is considered an unauthorized commitment.

- An unauthorized commitment is an agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Employees who make unauthorized commitments can face disciplinary action, including being held personally responsible for payment to the vendor.

Delegation of Authority

- Every federal cardholder needs written delegated purchasing authority (*Reference Attachment 6 – Delegation of Purchasing Authority for Purchase Cardholders).*
- This authority allows purchases within established single and monthly spending limits.
- Cardholders must complete required training and have an assigned, trained Approving Official (AO) before receiving purchasing authority.
- A Contracting Officer warrant (SF-1402) is required for cardholders with a single purchase limit above the MPT.
- AOs for warrant-holding cardholders must be experienced contracting personnel.

Single Purchase Limit (SPL)

The SPL is a dollar amount for procurement authority delegated to the cardholder. A “single purchase” is the total of those items purchased at one time from a particular vendor. SPL includes all shipping, handling, taxes (if applicable by state), merchant surcharges, fees, and any other costs associated with the transaction based on the requirement at the time of need. Multiple items may be purchased at one time using the card; however, no single purchase may exceed the cardholder’s authorized single purchase limit or the micro-purchase threshold. Cardholders are not permitted to split a purchase in order to stay under their single or monthly purchase limit.

Monthly Purchase Limit (MPL)
The MPL is the total monthly dollar amount allowed in each month for a cardholder to spend and includes all transactions, reconciled or not. The MPL resets on the 28th of each month.

Thresholds

- For cardholders who are not warranted Contracting Officers, the single transaction limit can be up to the micro-purchase threshold.
- For cardholders who hold a Contracting Officer warrant, the single transaction limit can be up to the simplified acquisition threshold.
- DOE purchase card limits are <u>not</u> automatically increased based on changes to general FAR thresholds (e.g., supplies to $15,000, simplified acquisitions to $350,000).
- **<u>Limits are to be based on cardholder workload and business need</u>.** I.e., cardholders should not be issued a single purchase limit equal to the micro-purchase threshold unless there is a legitimate need for it. Monthly spending limits should not be arbitrary, but based on anticipated or historical usage.

Increasing Authority

- An OPC, or designee, may increase a cardholder's threshold only after considering:
  - The number of active warrants/cardholders.
  - Their respective dollar limits.
  - Anticipated workload.
- The OPC's decision must be documented and include:
  - A Statement of Need with a valid business purpose for the increase, a review of the cardholder's last two months' purchasing history, and/or other supporting information.
  - Evidence that the cardholder possesses the skills and acumen for higher-level purchases.

CitiManager Updates

- Threshold increases can only be entered in CitiManager with a revised Delegation of Authority.
  - Mass/multiple increases are prohibited unless approved by the Agency Program Coordinator (APC).

3.4 <u>Program Support</u>.

The Procurement and Finance Offices provide full support and assistance to Approving Officials (AOs) and cardholders. Each office must designate staff to assist cardholders and resolve program issues, documenting this in local guidance. See Attachment 2 – Requirements for Local Procedures for more information.

3.5 <u>Responsibilities</u>.

3.5.1 <u>Head of Contracting Activity (HCA)</u>. The HCA oversees the purchasing function for a contracting activity; duties may be redelegated.

- **Program Oversight**
  - Designate an Organizational Program Coordinator (OPC) in writing (*See Attachment 3 – Designation of Organizational Program Coordinator*).
  - Ensure OPC appoints AOs and non-procurement cardholders in writing (*See Attachment 5 – Designation of Purchase Card Approving Official* and *Attachment 6 – Designation of Purchasing Authority for Purchase Cardholders*).
  - Ensure OPC authorizes Delegations of Purchasing Authority for non-procurement cardholders with limits up to the micro-purchase threshold, specifying single transaction and monthly purchasing limits.
  - Authorize Delegation of Purchasing Authority (and SF-1402s) for cardholders with limits up to the simplified acquisition threshold, specifying single transaction and monthly purchasing limits.
- **Local Procedures**
  - Approve written local purchase card procedures consistent with FAR, OMB guidelines, GSA Master Contract, GSA SmartPay guidance, and DOE procedures (*Attachment 2 – Requirements for Local Procedures*).
  - Ensure procedures cover property receipt/logging, local prohibitions, and points of contact.
  - Note: Local procedures may supplement but not override DOE procedures.
- **Training & Records**
  - Ensure OPCs, AOs, and cardholders complete mandatory initial training.
  - Ensure refresher training is completed every two years (non-compliance may result in suspension – *see Section 3.7 - Training*).
  - Ensure proper retention of training records.
- **Card Authorization & Control**
  - Authorize purchase cards only when necessary for mission needs.
  - Limit one card per cardholder unless justified and approved (*see Section 3.6 – Guidelines for Issuing a Purchase Card*)
  - Require return of cards during employee separation; OPC suspends account and disposes of card.
  - Ensure departing employees leave purchase logs and records with AO or designated employee.
- **Accountability & Enforcement**
  - Suspend or terminate cardholder accounts for violations, improper reconciliations, or untimely submissions (*see DOE O 333.1, Appendix C*).
  - Counsel or replace AOs who fail to reconcile or meet requirements (*see DOE O 333.1, Appendix C*).

3.5.2 Organizational Program Coordinator (OPC). The OPC manages the purchase card program within their contracting activity or contractor organization.

- **Training & Compliance**
  - Complete required initial and refresher training every two years (See *Section 3.7 - Training*).
  - If also a cardholder, comply with the rules set forth in *Section 3.5.4 – Responsibilities: Cardholder*. (Contractors must complete GSA training and submit to APC with Delegation and AO info).

- **Program Management**
  - Establish and maintain local purchase card policy and guidance (See *Attachment 2 – Requirements for Local Procedures*).
  - Monitor purchase card usage across the activity.
  - Process cardholder applications, maintain current listings, update profiles in CitiManager, and close/suspend accounts as needed.
  - Review and coordinate approval of Delegations of Authority for Contracting Officer cardholders (SF-1402) with HCA.
  - If permitted through delegation, issue non-procurement cardholder delegations and AO appointments
  - Maintain AO and Cardholder rosters with training, limits, appointments, and terminations (*See Attachment 7 – Cardholder Roster* and *Attachment 8 – Approving Official Roster*).
- **Oversight & Controls**
  - Maintain proper span of control (no more than 5 cardholders or 250 transactions per month per AO, unless approved by the APC).
  - Review new cardholder transaction files within 3 months of appointment.
  - Monitor transaction reports for misuse; take corrective action and escalate violations.
  - Ensure segregation of duties (purchase, authorization, receipt). Waivers must be APC-approved.
  - Close unused cards after 6 months (unless approved by the APC as being held for emergency situations, e.g., Continuity of Operations purposes).
  - Safeguard sensitive/pilferable property (*See Section 3.20 – Property Management and Accountability*).
- **Program Support**
  - Assist AOs and cardholders in fulfilling responsibilities.
  - Provide training, reminders, and ongoing guidance.
  - Create and maintain separate AO and cardholder distribution lists for timely communications.
- **Coordination & Reporting**
  - Respond to data mining inquiries within 15 calendar days.
  - Submit quarterly/semi-annual reports to APC (per OMB).
  - Contact APC for OPC, hierarchy, MCC, billing account, or rebate updates.
- **Discipline & Enforcement**
  - Enforce reconciliation deadlines (Cardholder by 5th, AO by 15th; cycle ends on 27th).
  - Submit findings to HCA to determine appropriate disciplinary action for noncompliance (*DOE O 333.1*).
  - Close/suspend accounts for departing or absent employees.

3.5.3 Approving Official (AO). The AO is delegated approving authority by the OPC and is typically the cardholder’s supervisor or an independent official at least one level above the cardholder.

- **Training & Compliance**
  - Complete initial and refresher GSA training (See *Section 3.6 - Training*) and provide proof to the OPC. Non-compliance results in suspension of cardholder spending.
  - Ensure cardholders have access to these Procedures, understand program requirements, and fulfill their responsibilities.
- **Purchase Reviews, Approval, & Reconciliation**
  - Approve purchases in advance unless cardholders have Blanket Approval Authority.
  - Review transaction documents (*See Attachment 10 – Cardholder Transaction Checklist for full list of requirements)* and approve monthly Statements of Account (SOA) by the 15th, ensuring:
    - Transactions are necessary, appropriate, and authorized.
    - Independent receipt/acceptance is documented for all purchases.
    - Suspicious transactions are resolved with the cardholder.
    - SOAs and any disputes are signed, dated, and forwarded to Finance on time (*See Section 3.23 – Disputes and Section 3.21 – Reconciliation Process*).
  - Complete disputes electronically through CitiManager and follow local notification procedures.
- **Monitoring & Reporting**
  - Notify the OPC if reconciliations are late, or if fraud, misuse, or questionable activity is suspected.
  - Notify the OPC promptly to close accounts for separated, transferred, retired, or AWOL employees; destroy departing cardholders' cards.
  - Report lost, stolen, or compromised cards in writing to the OPC within five business days of being notified by the cardholder (in addition to the cardholder reporting to Citibank). (*See Section 3.24 – Lost, Stolen, or Breached Cards*)
- **Independence & Integrity**
  - "Self-generated" purchases (those where the cardholder is both the requestor and the purchaser) require AO pre-approval and independent receipt/acceptance by someone other than the cardholder. AO Blanket Approvals may not be used when the cardholder is the requestor.

3.5.4 <u>Cardholder</u>. A DOE employee, or authorized contractor, issued a purchase card with their name embossed on it, responsible for its proper use.

- **General Use**
  - Use the purchase card only for official Government business, never for personal use.
  - Be the sole user and custodian of the card; do not share account information.
  - Use the card ethically, within spending limits, and in compliance with all federal laws and regulations, and DOE and local policies.
  - Cardholders are responsible for reviewing any applicable terms and conditions before making a purchase.
    - Prohibited terms and conditions are those that involve recurring payments, automatic renewals, provisions of services for an unlimited duration

        - Allowable terms and conditions include those regarding price, delivery, and standard commercial-off-the-shelf (COTS) item terms and conditions (e.g., return policies, warranties, etc.), provided they are consistent with federal laws and regulations.
            - In accordance with FAR 12.103, "unless indicated otherwise, all of the policies that apply to commercial products also apply to COTS items".
- **Non-procurement Cardholders:**
    - Cardholders who do not hold a Contracting Officer's warrant do not have the authority to accept quotes or enter into any agreements with terms and conditions for non-commercial commodities or services, or make a purchase that requires the inclusion of a Statement of Work or Performance Work Statement.
- **Contracting Officer Cardholders:**
    - Cardholders possessing a Contracting Officer's warrant can accept or act upon a quote containing allowable terms and conditions or enter into contracts or agreements with allowable terms and conditions.
        - Clauses stating governing law/jurisdiction is something other the U.S. Federal law, late charges or interest fees, or other terns that would be in violation of fiscal law or application appropriations statutes are prohibited.
- **Training & Compliance**
    - Complete GSA initial and refresher training every two years (See *Section 3.7 - Training*) and provide proof to the OPC. Non-compliance results in suspension.
    - Follow FAR Parts 8, 12, 13, and 23, Section 508, DOE sustainability/environmental requirements, and other applicable regulations when making purchases.
    - Consider small businesses whenever practicable.
    - Obtain Section 889 representation prior to every purchase.
- **Approvals & Funding**
    - Obtain independent purchase request.
    - Obtain AO pre-approval for each purchase (unless covered by a blanket authority or CO warrant (SF-1402)).
    - Secure all additional required pre-approvals (e.g., IT, training, safety).
    - Validate availability of funds (funding amount and type).
    - Never split purchases to stay under single-purchase limits (*See Section 3.8.4 – Prohibitions and Restrictions*)
- **Purchasing & Documentation**
    - Buy only official supplies/services that support the agency mission.
    - Follow Mandatory Sourcing in accordance with FAR Part 8 *(See Attachment 9 – Mandatory Sources Purchase Card Checklist)*
    - Inform merchants of tax-exempt status (See *Section 3.19 – U.S. Government Tax Exempt Purchases*).
    - Record all transactions in an approved log/system (*Attachment 11 – Purchase Card Log,* or equivalent, e.g., STRIPES, Oracle, PeopleSoft).
    - Maintain complete documentation (e.g., purchase requests, funding memos, approvals, receipts, logs, checklists). *See Attachment 10 – Cardholder Transaction Checklist*.

- *Obtain independent verification of receipt of goods/services, including printed name, date, and signature.*
- Upload documentation to the central repository by the 20th of the month.
- Ensure items are shipped only to business addresses, except if an employee is officially designated, in writing, as fully remote. In such cases:
    - The receiver must photograph the item and packing slip, emailing it to the cardholder and property office.
    - Cardholders must not order their own supplies to their home; another cardholder must make the purchase, following the above steps.
    - Personal addresses are prohibited otherwise, leading to loss of authority unless APC grants an exception.
- Packing slips must include cardholder name, routing symbol, delivery/business address, and phone number

- **Reconciliation & Disputes**
    - Responsible for reconciling all transactions and providing a signed and dated Statement of Account (SOA) and all required supporting documentation to the AO by the 5th of the month after the cycle closes (See *Section 3.21 – Reconciliation Process*).
    - Dispute incorrect charges promptly via CitiManager. Track disputes to completion (See *Section 3.23 - Disputes*)
    - Notify Finance Office and/or OPC of questionable transactions.
- **Security & Reporting**
    - Protect card against unauthorized use; maintain GPC separate from personal cards.
    - Immediately report lost/stolen cards to Citibank, AO, and OPC.
    - Contact Citibank if a card is declined; verify account number, limits, and balances.
    - Report unusual requests or AO-approved self-purchases to the OPC.
    - Respond promptly to data mining inquiries; failure after two reminders results in suspension.
    - Relinquish card upon separation, transfer, or extended leave.

3.5.5 Finance Office. Certifying Officers are financially responsible for any illegal, improper, or incorrect payment resulting from an inaccurate or misleading invoice.

- **Payment Coordination & Certification**
    - Work with budget officer/resource management to ensure payments are accurate and charged to the correct appropriation or fund.
    - Ensure/verify that cardholders have adequate funding before payments are made.
    - Ensure program accounts are charged only in accordance with approved cardholder statements.

- **Statement Review & Reconciliation** ***(See Section 3.21 – Reconciliation Process)***
    - Review and reconcile all Statements of Account (SOAs) with the Citibank invoice.
    - Distribute purchase card charges and credits to the proper accounts.

  - Confirm proper approvals are present on all statements before charging program accounts.
  - Refer late or missing cardholder statements to the OPC.
- **Timely Payment**
  - Ensure payments to Citibank comply with the Prompt Payment Act (Public Law 97-177; FAR 52.232-25), requiring payment within 30 days of receipt.
  - Apply automatic interest penalties for late payments.
  - Best practice: pay the invoice in full each month, even if disputes are expected, to avoid interest charges. Citibank will credit adjustments on the following SOA if applicable.
- **Communication & Issue Resolution**
  - Notify the OPC of any problems with individual cardholder accounts.

3.6 Guidelines for Issuing a Purchase Card.

To safeguard the purchase card program's security and integrity, specific guidelines must be met before delegating purchasing authority. These guidelines are detailed in Attachment 5 – Recommendation for Appointment of Purchase Cardholders. Local offices may implement additional guidelines, but existing requirements cannot be removed.

3.7 Training.

3.7.1 Organizational Program Coordinator (OPC) Training.
- **Requirement**: OPCs must be experienced contracting personnel and complete the GSA SmartPay Purchase Card Training for Agency/Organization Program Coordinators (*https://training.smartpay.gsa.gov*).
- **System Access**: Access to DOE Headquarters or Citibank systems is granted only after training completion.
- **Refresher Training**: Must be retaken every two years. Certificates or proof of completion must be submitted to the APC.
- **Non-Compliance**: Failure to retake training after two reminders from the APC will result in access revocation until training is completed.
- **Contractor OPCs**: Must complete coursework equivalent to DOE certification levels.
- All OPCs, both federal and contractor, are encouraged to participate in APC conference calls and attend the Annual Purchase Card Forum.

3.7.2 Approving Official (AO) and Cardholder Training Requirements.
- **Appointment**: A cardholder's appointment is evidenced by a Delegation of Purchasing Authority. A Delegation of Purchasing Authority and the purchase card cannot be issued until the cardholder, AO (and Alternate AO, if applicable) have completed required training.
- **Certification**: Each cardholder and AO must certify that they have received required training, understand regulations and procedures, and know the consequences of inappropriate actions.
- **Contractor Personnel**: Must have equivalent training and experience before serving as cardholders, though not bound by Federal training standards.

- **Minimum Initial Training**: All Federal cardholders and AOs must complete the GSA SmartPay Purchase Card Program for Card/Account Holders and Approving Officials online training (https://training.smartpay.gsa.gov).
- **Contractor Training**: Contractor cardholders and AOs are not required to complete GSA training but must complete equivalent initial and local training. Local training must not conflict with requirements in the FAR, OMB Guidelines, GSA training, or this document. GSA training content should be reviewed annually for updates.
- **Documentation**: For audit purposes, certificates or other confirmation of completion (initial and refresher) must be submitted to the OPC.
- **Refresher Training**: Must be retaken at least every two years.
    - **Cardholders**: Failure to complete after two reminders results in suspension until training is complete.
    - **AOs**: Failure to complete after two reminders results in suspension of all purchase cards under their purview until training is complete.

3.8 Unacceptable Card Activities and Prohibited Card Use.

3.8.1 Unauthorized Use.

- **Definition**: Occurs when the card is used by someone other than the cardholder, without proper authority, and the cardholder receives no personal benefit.
- **Government Liability**: The government is not liable for unauthorized use.
- **Centrally Billed Accounts**: Liability for unauthorized transactions and lost/stolen checks is limited to the lesser of $50 or the value of goods/services obtained before notifying Citibank.
    - If unauthorized transactions appear on the Statement of Account (SOA), contact Citibank Customer Service immediately and file required documentation.
- **Suspicious Activity**: If Citibank detects potential fraud, a temporary hold will be placed on the card until confirmation from the cardholder. If fraud is confirmed, the cardholder may need to complete an Affidavit of Fraudulent Use.

3.8.2 Misuse/Abuse.

- **Definition**: Unauthorized and/or improper use of the government-issued purchase card for unofficial, unauthorized, or personal purposes, or in violation of regulations (FAR, OMB, GSA, or these Procedures). Misuse and abuse are reportable to OMB.
- **Misuse:** Unintentional use of the GPC in violation of the FAR, DEAR, Agency supplements, or Agency policies/procedures. These actions are the result of ignorance and/or carelessness, lacking intent.
- **Abuse**: Intentional use of the GPC in violation of the FAR, DEAR, Agency supplements, or local purchase card policies/procedures. Evidence of intentionality will be inferred from repeat offenses of the same violation, following administrative and/or disciplinary action taken for this violation.
- **Improper Use**: Acquisition of goods or services intended for government use but not permitted by law or regulation.
    - Key characteristics include:
        - Purchases that should not have been made due to statutory, contractual, administrative, or other legal requirements.

        - Purchases made in the wrong amount (e.g., overcharges, undercharges).
- **Cardholder Liability**: A cardholder who commits misuse/abuse may be held personally liable for the total dollar amount of the unauthorized transaction(s). Disciplinary actions may apply, including administrative consequences and/or penalties under 18 U.S.C. § 287 (False, fictitious, or fraudulent claims).

3.8.3 Fraud.

- **Definition**: A deception deliberately practiced with the motive of securing unfair or unlawful gain.
- Fraud can be an attempt to cheat the Federal Government and corrupt its cardholders by using GPC accounts for transactions not part of official Government Business. The following are the three primary categories of purchase card related fraud:
    - **Non-cardholder Fraud**. Examples: lost or stolen card, account takeover, and identity theft.
    - **Cardholder Fraud.** Examples: Kickbacks, falsified transactions, and false statements.
    - **Merchant Fraud.** Examples: False transactions, intentional mischarges, bribes, and gratuities.
- **Who can commit fraud**: Employees (requirement holders, cardholders, AOs, OPCs) and Merchants.

3.8.4 Prohibitions and Restrictions. Purchase card transactions are subject to the following restrictions and prohibitions:

- **Prohibited Personal Use & Financial Transactions**:
    - Cash advances, money orders, and traveler's checks to employees.
    - Cash or gift card refunds.
    - Purchases for personal consumption.
    - Allowing another employee to use the card.
    - Gym memberships for employees.
    - Use in lieu of a government authorized travel charge card; travel or travel-related expenses are generally not allowed. Exceptions include short-term conference/meeting spaces, local transportation services (excluding Washington D.C. area employees), and shuttle services.
    - Peer-to-peer (P2P) payments, such as Venmo (unless approved by APC in writing).
    - Purchases from Temu.
    - Excessive need (i.e., gold-plating)
- **Spending Limits & Contractual Issues**:
    - Construction services above $2,000.
    - Services subject to the Service Contract Labor Standards (SCLS) above $2,500.
    - Recurring purchases from the same merchant without considering other sources and documenting the decision.
    - Rental or lease of land or buildings for a term longer than one month.
    - Purchase of software requiring a negotiated license agreement

        - Negotiated license agreement: a customized contract that defines specific usage rights, restrictions, fees, and support terms. Unlike a standard click-through agreement, this is a bespoke agreement tailored to the agency's specific needs
        - Excludes "shrink wrap" software – mass-produced, COTS software sold in retail packages where the license agreement is often inside the packaging.
        - In accordance with FITARA and DOE Acquisition Guide Chapter 39.3, software is considered IT and approval from the agency CIO is required prior to making the purchase
            - Please contact DOE.OCIO.FITARA-REQUESTS@hq.doe.gov with questions
    - Purchases where the merchant has incorporated prohibited terms and conditions.
    - Pre-paying for purchases, other than for training and subscriptions.
    - Purchases by federal employees for contractor personnel, unless the contract specifies DOE is responsible.
- **Split Purchases:**
    - A split purchase is the deliberate act of dividing a single purchase requirement into two or more transactions as a means of circumventing the cardholder's single purchase limit or other stated purchase limitation.
    - Policy Requirement:
      If a purchase would exceed a cardholder's limit ($3,500 for supplies, $2,500 for services, or $2,000 for construction), it must be acquired using other acquisition procedures by the local purchasing staff—not by splitting into smaller card transactions.

      Examples
      1. Prohibited Split
          - A cardholder receives a purchase requirement for supplies totaling $4,500.
          - The cardholder makes two purchases of $2,250 each to remain under their single purchase limit of $3,500.
          - This is a split purchase and is not permitted.
      2. Allowable Sequential Purchases
          - A cardholder receives a requirement for $3,500 in supplies and makes the purchase.
          - The next day, the cardholder receives a separate, new requirement for another $3,500 in supplies.
          - Both purchases are allowable because they were independent needs known at different times.

    - Cardholder Responsibilities
        - Be alert to potential attempts to circumvent thresholds by splitting requirements.
        - Question requirements that appear to be provided in increments to stay within limits.

        - Document the file when purchases may have the appearance of being split to demonstrate compliance.
- **FAR 40.202 & NDAA 889 Prohibitions**:
    - TikTok/ByteDance.
    - Kaspersky Lab.
    - Drones.
    - Telecommunications and Video Surveillance Equipment. Equipment, systems, or services that use covered telecommunications equipment or services as a substantial/essential component or critical technology. This includes equipment from:
        - Huawei Technologies Company or ZTE Corporation (and affiliates).
        - Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (and affiliates) for public safety, security of Government facilities, critical infrastructure surveillance, and national security purposes.
        - Telecommunications or video surveillance services from such entities or using such equipment.
        - Equipment/services from entities owned/controlled by or connected to a covered foreign country, as determined by the Secretary of Defense.
    - Governmentwide Exclusion Orders.
    - Office of Foreign Assets Control (OFAC) Restrictions.
    - Sudan Prohibition.
    - Iran Prohibitions.
- **Other Prohibited Items**
    - Purchases of supplies or services for GSA fleet-operated vehicles and DOE-owned vehicles.
    - Weapons and ammunition.
- **Thirty Day Delivery**
    - Cardholders generally should seek vendors that have the required inventory supply (or labor capacity, for services) to enable delivery of the purchase within 30 calendar days while also meeting the requirements at a fair and reasonable price. Delivery timeframes in excess of 30 days may cause problems such as tracking purchases against monthly billing cycle limits and shipping items charged to a closed account.
- **Food, Beverages, and Entertainment**:
    - Generally prohibited, except under very limited circumstances associated with away-from-workplace training, in which case advance OPC approval is required.
- **Branding & Aesthetics**:
    - Purchases that are taste-specific or display character-centric brands, logos, or insignia (e.g., sports teams, superheroes, Disney characters, tie-dye colors). Property procured with government funds must appropriately represent DOE and uphold taxpayer trust.
- **Centrally Managed Items (Check Local Guidance Before Purchasing)**:
    - Messenger and package delivery services.
    - Office supplies and paper.
    - Lease or purchase of Government vehicles.

  - Building alterations.
  - Office moves.
  - Carpet installation and repair.
  - Shuttle bus service.
  - Printing jobs (requiring GPO regulations compliance).
  - Photocopier equipment.

Note: This list is not exhaustive and may be supplemented by local prohibitions. Local procedures cannot remove any prohibitions from this list.

Blocked Merchant Category Codes (MCCs): Purchases from MCCs listed in *Attachment 13 – Blocked Merchant Category Codes* are blocked. If a valid purchase is needed from a blocked MCC, the OPC must request a temporary authorization with Citibank. If an OPC needs to permanently unblock a specific MCC because of a valid, recurring business need, the OPC must submit a justified request to the APC for approval.

3.9 Reservation/Certification of Funds.

- **Electronic Systems**: Using STRIPES or contractor systems like CostPoint and Oracle fulfills the requirement for reserving and certifying funds.
- **Manual Process (if no electronic systems)**:
  - Verify available funds before any purchase.
  - Track purchases to ensure sufficient funds.
  - Cardholders must use a Purchase Card Log (See *Attachment 11 – Purchase Card Log*) to record purchases and committed amounts.
- **Obligation Process (Electronic Interface)**:
  - Obligations are recorded when transactions transfer from STRIPES to STARS (Standard Accounting and Reporting System).
  - STRIPES assigns a purchase card order number, converted to a STARS order number upon obligation.
  - STRIPES status changes from "Pending Financial Approval" to "Released" once obligated in STARS.
- **Verification & Reporting**:
  - Within two business days, program offices can generate a report from the Integrated Data Warehouse (IDW) to confirm obligations in STARS.
  - Contact the I-MANAGE helpline (301-903-2500) or visit DOE iPortal for IDW assistance.

3.10 Competition.

- **Micro-purchase Threshold (MPT)**: Purchases not exceeding the MPT can be made without competitive quotes if the cardholder deems the single-source price fair and reasonable.
- **Recurring Purchases**: If competition isn't sought, cardholders must distribute recurring purchases among qualified suppliers by rotating merchants.
- **Consolidation**: For frequently recurring needs, consider consolidating requirements to get potential bulk discounts. Refer such matters to the OPC for review and guidance.

3.11 Mandatory Sources.

(See Attachment 9 – Mandatory Sources Purchase Card Checklist)

- Federal cardholders must comply with FAR Part 8, Required Sources of Supplies and Services, and consider sources in the following order:

  - **Supplies Example (Request: Executive Desk Chair)**:
    1. Check agency inventory.
    2. Check excess from other agencies (GSA's PPMS).
    3. Check FPI/UNICOR.
    4. Check AbilityOne (Procurement List).
    5. Use of Existing Contracts (FAR 8.104)

       (1) must use the existing government-wide contract or blanket purchase agreement to buy the supply or service if the contract has been designated by the Office of Federal Procurement Policy a "required use" contract, unless the Head of Contracting Activity provides an exception (e.g., because the contract's terms and conditions, scope, or performance period do not meet the agency's needs);

       (2) should consider use of other existing government-wide contracts or blanket purchase agreements if there is not a suitable "required use" contract to meet the agency's needs.
    6. Commercial Sources / Open market (ex. DOE Amazon Business Prime Account)
  - **Services Example**:
    1. Ability One Procurement List; NIB/NISH
    2. Use of Existing Contracts (FAR 8.104)

       (a) must use the existing government-wide contract or blanket purchase agreement to buy the supply or service if the contract has been designated by the Office of Federal Procurement Policy a "required use" contract, unless the Head of Contracting Activity provides an exception (e.g., because the contract's terms and conditions, scope, or performance period do not meet the agency's needs);

       (b) should consider use of other existing government-wide contracts or blanket purchase agreements if there is not a suitable "required use" contract to meet the agency's needs
    3. Steps are similar, but exceptions apply to public utility services, Government printing, leased motor vehicle, strategic/critical materials, and helium.
- **Additional Resources**:
  - AbilityOne Procurement List: www.abilityone.gov/procurement_list/index.html

3.12 National Defense Authorization Act (NDAA) 889 (Section 889).

- **Background**: Section 889(a)(1)(B) of the NDAA for FY2019 prohibits the Federal Government from procuring equipment, systems, or services that used covered telecommunications equipment or services as a substantial or essential component of any system. This applies to all micro-purchases.

  - *Reference*: FAR interim rule on Section 889: https://www.regulations.gov/document?D=FAR-2019-0009-0003.

- **Cardholder Compliance - Understanding the Section 889 Prohibition**:
  - (Part A). Do not buy equipment, systems, or services that use covered telecom/video-surveillance gear (Huawei, ZTE, Hytera, Hikvision, Dahua, subsidiaries/affiliates). This applies at all dollar levels, including micro-purchases.
  - (Part B). Your vendor cannot use covered gear in its own operations
  - Section 889 (Part A and Part B) applies to ***all*** purchases at ***all*** dollar values, to include micro-purchases. *Reference*: https://www.acquisition.gov/Section-889-Policies.
  - See *Attachment 17 – Section 889 Verification* for instructions on verifying a vendor's compliance with Section 889.
- **Quick References (Authoritative)**:
  - Acquisition.gov Section 889 hub: https://www.acquisition.gov/Section-889-Policies
  - GSA Section 889 Representations Search tool: https://889.smartpay.gsa.gov/#/
  - GSA SmartPay bulletins on Section 889: https://smartpay.gsa.gov/guidance-and-audits/smart-bulletins/029/
  - DOE implementation memo: https://www.energy.gov/node/4613748

3.13 Federal Commercial Buying Applications.

3.13.1 Amazon Business Prime Account.

Federal GPC holders can use Amazon Business Prime for authorized micro-purchases and acquisitions to leverage benefits such as free and fast shipping, tax-exempt purchasing, and business-specific pricing. Purchases must be made through an official agency Amazon Business account, not personal accounts, and must comply with all procurement policies such as FAR Part 8. (Note: Amazon Business is considered open-market).

3.14 Purchases.

- FAR 12.4 – Acquisition of Commercial Products and Commercial Services – Micro-Purchases authorizes use of the Governmentwide commercial purchase card for:
  - Micro-purchases.
  - Placing task or delivery orders (if authorized).
  - Making payments when contractors accept card payments.
- Agency procedures should encourage card use by CO cardholders for placing orders and payments under authorized contracts.

3.14.1 Authorization.

- Purchases require a written request (requisition, email, or equivalent from an independent official).
- Authorization must identify items/services, quantity, cost estimate, delivery, potential sources, and certify funding.

- "Self-generated" purchases (those where the cardholder is both the requestor and the purchaser) require AO pre-approval and independent receipt/acceptance by someone other than the cardholder.
- Cardholders must determine prices are fair and reasonable.
- Federal cardholders must conduct and document their market research and attempts to procure from mandatory sources in accordance with FAR Part 8 (see *Attachment 9 – Mandatory Sources Purchase Card Checklist*) for each purchase and record each purchase in their Purchase Card Log (*Attachment 10 – Purchase Card Log*, or equivalent).
- Acceptable Section 889 representation obtained.

3.14.2 <u>Shipping</u>.

- Ensure items are shipped only to business addresses, except if an employee is officially designated, in writing, as fully remote. In such cases:
  - The receiver must photograph the item and packing slip, emailing it to the cardholder and property office.
  - Cardholders must not order their own supplies to their home; another cardholder must make the purchase, following the above steps.
  - Personal addresses are prohibited otherwise, leading to loss of authority unless APC grants an exception.
  - Packing slips must include cardholder name, routing symbol, delivery/business address, and phone number

3.14.3 <u>Services (Recurring and Non-recurring)/Thresholds</u>.

- When a cardholder receives a request to purchase services, they must identify whether the services are subject to the Service Contract Labor Standards (SCLS) and determine the applicable threshold.
  - Non-Professional Services are subject to SCLS.
    - Examples: repairing/servicing equipment, packing, custodial, food service, laundry, snow/trash removal, drafting, data collection
  - Professional Services are <u>not</u> subject to SCLS.
    - May be procured up to the micro-purchase threshold, or the cardholder's approved single purchase limit
    - A written determination that the service is professional must be added to the file
    - Examples: architect-engineering, chemists, accountants, lawyers, medical
- The GPC may be used to purchase non-personal services up to the applicable threshold, whether recurring or non-recurring.
  - **Recurring**: Services performed at regular intervals, required on a consistent, long-term basis, with demands that can be accurately predicted. The cumulative total for a recurring service cannot exceed $2,500 in a single fiscal year
    - Examples: maintenance, security.
  - **Non-recurring**: Services that are one-time, infrequent, and unpredictable requirements that are not part of the agency's daily or routine operations. Non-recurring services may not exceed $2,500 per requirement

3.14.4 Construction.

- Allowed only if local procedures permit.
- Limited to $2,000 due to Davis-Bacon Act; contracts required above this amount.

3.14.5 Purchase Planning.

- Plan purchases to combine requirements for discounts, avoiding unnecessary stockpiling.
- Ensure priority needs are purchased first.
- Ensure supplies/services are received within the billing cycle for certification on the SOA.
- Confirm merchants do not charge until shipment (except subscriptions/training).

3.14.6 High-Value Purchases.

- Commodity purchases over $15,000 requiring multiple deliveries/tasks or payments must be handled by procurement using a purchase order.
- Cardholders using the card for payments exceeding $15,000 must be warranted COs.

3.14.7 Card Security.

- Cardholders must use caution when disclosing account numbers to merchants.

3.15 Other Purchases.

3.15.1 Subscriptions.

- Order in organization/position title, not individual names.
- Keep renewal notice/statement with service dates on file.
- May be prepaid, but *do not* set to automatic renewal.

3.15.2 Memberships.

- DOE funds cannot pay for individual memberships to non-Federal entities (5 U.S.C. § 5946), unless expressly allowed by appropriations or under the Government Employee Training Act.
- Organizational memberships may be paid if they benefit DOE and further agency activities.

3.15.3 Advertisements.

- Obtain and retain proof of advertising (copy of ad, affidavit of publication, or publisher’s statement) for reconciliation.

3.15.4 Training Registration.

- Complete any required approvals first (e.g., WorkDay)
- Once approved, cardholders may provide card number for prepayment by phone or registration form.
- Log training and attach approval documents.
- Record purchases for multiple individuals as separate transactions.
- Micro-purchase cardholders can process fees for multiple individuals within their single transaction or monthly limits.

3.15.5 Conference Registration Fees.

- Card may be used for registration (tuition) and meeting rooms.
- Micro-purchase cardholders can process fees for multiple individuals within their limits.
- *Do not* include lodging costs with the registration fee.

3.15.6 Gift Cards.

- Allowed only under an official Employee Incentive/Awards Program.
- Recipients must pay taxes (considered income).
- Track cards from purchase to distribution (date, recipient name, card number).
- Log and store securely in a locked compartment by an authorized person other than the cardholder.

3.15.7 Stamps.

- Log and store securely in a locked compartment by an authorized person other than the cardholder.

3.15.8 Parking Fees.

- Fees/passes should be tied to a vehicle, not an employee.
- Passes cannot be issued in an employee's name.
- Card may be used for government parking accounts requiring "card on file" charges.

3.15.9 Non-FAR Based Transactions.

- Allowed under other authorities (e.g., miscellaneous obligations) but must be approved by the APC.

3.15.10 Information Technology (IT) Purchases.

- Exempt from OCIO review: Peripheral devices (headsets, webcams, keyboards, mice, power cords).
- Require OCIO review: Devices that store, copy, or transfer data (printers, scanners, copiers, fax machines, VoIP phones, thumb drives, external hard drives) *before* purchase.

3.16 Merchant Surcharges.

- **Definition**: A fee (up to 3% for VISA) retailers add when a credit/charge card is used.
  - Not all merchants impose surcharges.
- **Merchant Notification**: Merchants *must* notify cardholders in advance:
  - At store entrance and point of sale.
  - On receipts (surcharge must be itemized).
  - For online purchases, on the first page referencing credit card brands.
- **Cardholder Actions if Surcharge Imposed**:
  - Consider alternative merchants without surcharges.
  - Note: Some states (CT, ME, MA, OK) prohibit or limit surcharges.
  - *Reference*: GSA Smart Bulletin No. 017 for guidance.

3.17 Tariffs.

- **Definition**: Taxes imposed by governments on imported goods.
    - Generally, tariffs should be clearly disclosed, justifiable, and not misleading.
    - Not linked to specific payment methods; applied uniformly regardless of payment form.

- **Restrictions**:
    - Not permitted for purchases through GSA Multiple Award Schedule (MAS) unless included in approved contractor pricing.
- **Cardholder Actions if Tariff Imposed**:
    - Consider alternative merchants without tariffs.
    - *Reference*: GSA Smart Bulletin No. 017 for guidance.

3.18 Government and Higher Education Fees.

- **Variable Service Fees**: Certain government and higher education entities may charge variable (percentage-based) service fees on purchase card transactions.
- **Improperly Assessed Fees**: If a service fee is deemed improper, the cardholder should dispute the charge with Citibank (contractor bank).
- **Cardholder Action**: When a merchant intends to assess such a fee, cardholders should, if possible, use other sources of supply or services that do not charge service fees.
    - *Reference*: GSA Smart Bulletin No. 018 for additional guidance.

3.19 U.S. Government Tax Exempt Purchases.

- **Applicability**:
    - Applies to Federal employees using the purchase card.
    - DOE contractors are *not* automatically tax-exempt; their exemption depends on their organization's ownership type.
- **Cardholder Responsibilities**:
    - Each Federal purchase card is embossed with "U.S. GOVT TAX EXEMPT."
    - Cardholders *must* inform merchants before placing orders (in person, phone, or online) that the purchase is exempt from all state and local taxes.
    - **If a merchant disputes the exemption**:
        - Remind them that all government-wide purchase cards are tax-exempt.
        - Cite FAR 29.302 (Federal purchases are immune from state and local taxation).
        - Cite FAR 29.304 (acceptable evidence of exemption includes purchase orders, shipping docs, card imprints, invoices, etc., identifying a U.S. agency as buyer).
- **Documentation**:
    - The SF 1094 U.S. Tax Exemption Certificate is *no longer used* for micro-purchases.
    - Agencies may provide their Employer Identification Number (EIN) as proof.
- **Resources**:
    - Tax Information by State: https://smartpay.gsa.gov/smarttax/tax-information-by-state/
    - GSA Smart Bulletin No. 020 provides additional guidance.

- **Special Note on Contractors**:
    - Citibank issues cards to authorized contractors *without* the tax-exempt logo.
    - However, DOE contractors are guaranteed tax exemption when purchasing through GSA systems (Advantage, FSSI, Supply Store, etc.). Use of these systems is strongly encouraged.

3.20 Property Management and Accountability.

3.20.1 Accountable Property. Nonexpendable personal property with an expected useful life of two years or longer and an acquisition value warranting tracking in the agency's property management system. This includes capitalized, sensitive, and high-risk property.

3.20.2 Personal Property. Any property other than real property, which can be tangible (physical) or intangible (e.g., copyrights).

- **Management**: DOE's Personal Property Management Program ensures accountability throughout the lifecycle of government property. Both DOE and contractors must formally document receipt of personal property, regardless of acquisition method.

- **Accountability**:
    - **Central Receiving**: Property delivered to a central receiving office will be processed there. Receipt documentation must be forwarded to the property management office.
    - **Cardholder Receipt**: Cardholders and managers are accountable for property they purchase until formally transferred. Cardholders must reconcile purchases and update the Accountable Property Officer (APO).
    - **Reporting to Property Management**: Personal property received by a cardholder must be reported to the property management office for recording in the appropriate system. Documentation must include: cardholder details, item description (model/serial no.), original cost, delivery date, and receipt verification witness.
    - **Cardholder Accountability**: Abuse or non-compliance will lead to suspension until training is completed and accountability documents are current.
    - **Official Use**: Personal property is for official use only. (e.g., a work-related device should not store personal music).
- **Receiving**: Establishes custody and accountability. The authorized individual verifies item quantities and descriptions against receiving documents. Discrepancies must be reported immediately.
    - If an item is delivered directly to the end-user, they must notify the authorized individual responsible for documenting the receiving process.
- **Local Procedures**: Each site's Organizational Program Coordinator (OPC) must establish local policies for property accountability, including:
    - **Property Receipt Notification**: Process to notify property management upon receipt, especially for deliveries outside central receiving.
    - **Property Recording**: Process for recording property in tracking and financial systems, designating sensitive, high-risk, or accountable items.

  - **Independent Receipt/Acceptance**: Procedures for documenting independent verification of receipt, including for remote or urgent purchases.
  - **U.S. Government Labeling**: Cardholders/custodians must coordinate with property management to affix U.S. Government labels and enter items into the Property Management System.
  - **Missing, Stolen, or Damaged Property**: Guidelines for cardholders/custodians.
  - **Documentation**: Maintain documentation consistent with retention policies.
  - *Note*: These should not disrupt purchase card benefits and must align with agency property standards.
- **Procurement Guidelines**: Purchasers have a fiduciary responsibility to select items representing the agency's mission and taxpayer trust. Taste-specific or character-centric branded items are prohibited unless of an official nature.
  - **Acceptable Examples**: Standard office equipment (Dell laptop), OSHA-compliant safety gear, official DOE-logo merchandise, generic office supplies.
  - **Unacceptable Examples**: Personalized items (caricature mug), luxury brands (designer chair), pop culture/fictional character items, items with political/ideological messaging.

3.20.3 <u>Sensitive Property</u>. Items requiring special control due to high risk of loss, theft, misuse, national security, or export control. Includes weapons, explosives, radioactive materials, precious metals, and IT equipment with memory capability.

3.20.4 <u>Receipt</u>. Written acknowledgment of physical possession and acceptance of accountable/custodial ownership.

3.20.5 <u>Received</u>. An individual or organization has taken physical possession and is responsible for the purchased personal property.

3.21 <u>Reconciliation Process</u>.

Each monthly Statement of Account (SOA) must be reviewed and approved promptly by both the cardholder and an Approving Official (AO).

3.21.1 <u>Cardholder Reconciliation Responsibilities</u>.

Upon receipt of statements from Citibank, the following actions must be performed by the 5th of the month, or sooner if local procedures require.

- **Reconcile SOA**: Compare SOA against Purchase Card Log, itemized slips, receipts, and orders.
- **Annotate Receipts**: Provide clear descriptions for all purchases.
- **Log Requirements**: Ensure the Log includes: item description (detailed), unit/quantity, purchase amount, funding availability, merchant name, and receipt date.
- **Federal Cardholders**: Must attach market research documentation (see Attachment 9 – Mandatory Sources Purchase Card Checklist) for each transaction.

- **Supporting Documentation**: Retain all itemized receipts, charge/credit slips (or itemized quotes if acceptable), requester's written request (or documented details), and funding availability at time of purchase. Keep receipts for items not yet on SOA.
- **Disputes/Errors**: See *Section 3.23 – Disputes*.
- **Certification & Submission**: Certify accuracy by signing/dating SOA and citing proper accounting codes. Forward reconciled SOA and supporting documents to the AO by the 5th of the month following the billing cycle end.
- **Missing Receipts**: If a receipt is missing, request a copy from the merchant. If unavailable, mark "lost" on SOA and attach an explanation.
- **Credits**: Reconcile future credits back to original purchase documentation.
- **Special Situations**: If you are on travel/leave, provide all documentation to AO in advance. Review CitiManager transactions throughout the cycle for early issue detection.

3.21.2 Approving Official (AO) Reconciliation Responsibilities.

- **Review & Oversight**: Examine each cardholder's SOA for proper reconciliation, complete documentation, independent receipt/acceptance (with tagging if applicable), authorized purchases, and correct financial coding. Request additional information as needed.
- **Approval & Submission**: Approve SOAs by signing and dating, either electronically or in hard copy. Forward to the Finance Office by the 15th of each month (or earlier). Return receipts/documentation to cardholders for retention (unless local procedures state otherwise).
    - AOs must never review or approve their own purchase requests.
- **Certification**: AO signature confirms purchases were authorized/necessary, market research (if applicable), no repetitive/split purchases, complete/accurate documentation, and property received/tagged.
- **Continuity**: If AO is unavailable and no alternate, OPC must review/approve. All reviewers must have GSA cardholder training.
- **Financial Responsibility**: AOs may be held financially responsible for payments if billing accuracy is not ensured.

3.21.3 Finance Office Reconciliation Responsibilities.

- **Review & Certification**: Review SOAs and disputes for accurate reconciliation and supporting documentation.
- **Reconciliation**: Account for all transactions; reconcile consolidated statement against individual SOAs and Citibank's invoice.
- **Payment Processing**: Make timely payments to Citibank per the Prompt Payment Act (30 days of receipt). Apply interest penalties for late payments. Verify funding and proper use of appropriations.
- **Best Practice**: Pay invoice in full monthly, even with pending disputes, to avoid interest. Citibank will make credit adjustments on the next SOA.
- **Communication**: Notify OPC of cardholder account problems.

3.22 Credits and Rebates (Vendor Incentives).

- **General Rule**: Rewards, points, rebates, incentives, or discounts from purchase card transactions are Federal Government property and for official business only. Personal use is prohibited by the Standards of Ethical Conduct.
- **Cardholder Responsibilities**:
    - **Use of Incentives**: Prioritize price reductions at purchase. If rebates are received via check, make them payable to the U.S. Treasury and forward them to the OPC or Finance Office. If gift cards, forward to the OPC or Finance Office for official use.
    - **Prohibited Practices**: Do not solicit or accept cash, merchandise, or store credit for government purchases. Ensure credits for returned goods are documented on the monthly SOA.
    - **Monitoring**: Review SOAs to confirm credits/rebates are applied. Retain and submit charge slips, receipts, and credit slips with the SOA and purchase card log for AO review.
    - **Returns/Exchanges**: Comply with merchants' policies. Returned items must be properly credited on the SOA, and all documentation retained.

3.23 Disputes.

- **Definition**: A disagreement between a cardholder and a merchant regarding SOA items (e.g., billed but not received, returned but not credited, unauthorized charges).
- **Resolution Process**:
    - **Initial Attempt**: Cardholder or AO must first try to resolve the issue directly with the merchant.
    - **Formal Dispute**: If unsuccessful, initiate a formal dispute with Citibank.
        - **With CitiManager**: File disputes electronically, adding required notification emails per local policy.
    - **Bank Actions**: Citibank suspends the disputed charge and provides temporary credit. Merchants must respond within 21–45 days. If no response within 45 days, the charge is resolved in the cardholder's favor. If in the merchant's favor, the charge reappears on the next SOA with an explanation.
- **Oversight/Monitoring**: A/OPCs must monitor cardholder disputes. AOs are not required to review disputed transactions. Merchants with high dispute rates should be reviewed.
- **Cardholder Responsibility**: Disputes must be filed within 90 calendar days of the transaction date. Failure to dispute timely may result in personal liability.
- **Non-Disputable Charges**: Taxes, shipping charges, restocking fees, and eBay transactions.

3.24 Lost, Stolen, or Breached Cards.

3.24.1 Telephone Notification. Cardholders must notify their AO, OPC, and Citibank within one workday of discovery. Contact numbers: 1-800-790-7206 (domestic), 1-904-954-7850 (international collect).

3.24.2 Written Notification. Cardholders also notify AO and OPC within one workday. AO submits a written report to the OPC within 5 workdays, including: card number, cardholder name, loss date/location, Citibank notification date/time, purchases made on/before loss date, and other pertinent information.

3.24.3 Card Replacement. Citibank blocks the old account and issues a new one. Standard delivery is default; expedited shipping requires OPC/cardholder justification in CitiManager. Cards cannot be expedited to a PO Box. Found cards should be cut in half and given to the AO for destruction.

3.25 Departure of Cardholders.

3.25.1 Cardholders Leaving the Agency.

- **Action**: Destroy the purchase card (cut in half) and give it to the AO before the release date.
- **Notification**: AO notifies the OPC to terminate CitiManager access and close the account.
- **Cancellation**: The Cardholder's Delegation of Purchasing Authority or SF-1402 must be cancelled.
- **Verification**: OPC reviews separated employees list to confirm access removal and card destruction.
- **Financial**: Ensure no outstanding bills or transactions. Provide contact information for follow-up.
- **Closure**: Close cards/accounts if no further transactions are expected.
- **Reference**: GSA Smart Bulletin No. 041.

3.25.2 Transferring Cardholders.

- **Notification**: Cardholder notifies the OPC.
- **Coordination**: The current OPC arranges the transfer with the new OPC
- **Information**: Losing office provides cardholder contact information to the new OPC.
- **Authority**: Delegation of Purchasing Authority or SF-1402 must be cancelled and reissued by both offices.
- **Non-Retention**: If the card is not retained, follow separation procedures above.
- **CitiManager**: Close the account from the losing office's hierarchy and create a new account in the acquiring office's hierarchy.

3.26 Reporting.

- **Cardholder Statements of Account (SOA)**:
  - Each cardholder receives a monthly SOA with all purchases and credits.
  - Delivery method (online/hard copy) depends on local office guidance.
- **Finance Office Consolidated Statement**:
  - The Finance Office receives a consolidated monthly statement covering all cardholders within the organization.

3.27 Record Retention.

- **Federal Employees**: Retain purchase card transaction records for six years after final payment (FAR 4.309).

- **Contractor Employees**: Retain purchase card transaction records for three years after final payment (FAR 4.703).
- **General Requirements**:
  - Centralized filing or automated systems are acceptable if they provide equivalent documentation.
  - Cardholders must maintain complete and accurate records, including evidence of receipt (*See Section 3.20 – Property Management and Accountability*).
- **OPC Responsibilities**:
  - Retain records and related documents (AO designations, cardholder appointments/warrants).
  - Retain transaction records of departing employees.

3.28 <u>End of Fiscal Year Spending Cut Off Dates</u>.

- OPCs must coordinate with the Finance Office to establish end-of-year purchase cut-off dates.
- Local guidance should address:
  - The established cut-off date.
  - Procedures for emergency purchases after the cut-off.
  - Steps during a continuing resolution when funds are not readily available.

3.29 <u>Category Management</u>.

- **Objective**: Leverage DOE's purchasing power through efficient acquisition methods.
- **Agency/Office Responsibilities**:
  - Comply with DOE- and agency-specific requirements.
  - Utilize Best-in-Class (BIC) and Spend Under Management (SUM) solutions identified by OMB and the DOE Acquisition Council (DAC).
  - Analyze purchasing patterns for strategic sourcing opportunities.
  - Use purchase card-enabled contracts that generate rebates.
- **Program Oversight & Reporting (DOE Category Management Working Group - CMWG)**:
  - Uses purchase card transaction data to support SUM initiatives.
  - **Data Sources for OPCs and AOs**:
    - **CitiManager Reports**: Quarterly Vendor Report, Summary Quarterly Vendor Analysis Report.
    - **Intellilink Dashboard**: Spend Summary by MCC Group/MCC/Merchant.
  - **Data Uses**: Identify frequent merchants, assess strategic sourcing opportunities, and identify enterprise-level contract potential.
- **Coordination**: Local analysis results should be submitted to the APC to identify potential DOE-wide opportunities.

3.30 <u>Sustainability Environmental Requirements</u>.

- Ensure all transactions, including micro-purchases, comply with sustainability requirements (FAR 23.100 and FAR 12.403(a)(1)).
- Refer to the DOE Acquisition Guide and [https://www.gsa.gov/governmentwide-initiatives/federal-highperformance-buildings/highperformance-building-clearinghouse/procurement for more information](https://www.gsa.gov/governmentwide-initiatives/federal-highperformance-buildings/highperformance-building-clearinghouse/procurement).

- **Three Principles of Green Purchasing**:
  - **Reduce**: Prioritize reducing purchases (e.g., installing no-wax flooring to eliminate wax/stripper needs).
  - **Reuse**: Reprocess items for reuse (e.g., water-soluble cutting oil).
  - **Buy Green**: Purchase environmentally preferable products.
- **Three Tiers of Federal Green Purchasing Program**:
  - **Statutory Mandates (e.g., buy products that are)**:
    - Alternative fuel vehicles/fuels.
    - USDA-designated biobased products.
    - ENERGY STAR certified, FEMP designated, low standby power energy-efficient products (EPA/DOE).
    - Non-ozone depleting (SNAP) chemicals or alternatives.
    - Renewable energy.
    - EPA-designated recycled content products.
    - WaterSense certified water-efficient products/services.
  - **Products/Services Identified by EPA Programs (e.g., buy products that are)**:
    - Safer Choice labeled products (safer ingredients).
    - SmartWay Transport partners and SmartWay products (fuel-efficient).
  - **Non-Federal Specifications, Labels, and Standards**:
    - Refer to EPA's website for recommendations on specifications, standards, and ecolabels for federal purchasing.
- **Resources**: Many green products are commercially available or through GSA stock/schedule programs, DLA, or AbilityOne.

- **Further Guidance**:
  - Office of Federal Sustainability website resources.
  - DOE Acquisition Guide Chapter 23.1 (Sustainable Acquisition Policy).
  - DOE Sustainable Acquisition website on FedCenter (FAQs, successful product examples, training).

3.31 <u>Information and Communication Technology (ICT)</u>.

- **References**: DOE Acquisition Guide Chapter 39.203, Section 508 of the Rehabilitation Act of 1973, Section508.gov, Accessibility Requirements Tool (ART), U.S. Access Board.
- **Definition of ICT**:
  - ICT includes information technology and other equipment, systems, technologies, or processes primarily for creating, manipulating, storing, displaying, receiving, or transmitting electronic data and information, and associated content.
- **Accessibility Requirements**:
  - When acquiring ICT, agencies must ensure employees and the public with disabilities have comparable access to and use of information and data as those without disabilities.
  - This is especially important for public-facing products/services (e.g., kiosks, online portals).

- **Procurement Standards**:
  - Unless an exception applies (FAR 39.104-4), all ICT acquisitions must meet applicable accessibility standards (36 CFR 1194).
- **Cardholders should**:
  - Consider if equipment users require accessibility features.
  - Ask vendors if the ICT product/service provides equal access for individuals with disabilities.

3.32.1 Phishing Attempts.

- **Definition**: A fraudulent attempt to obtain sensitive information (e.g., user IDs, passwords, credit card details) by pretending to be a legitimate source.
- **Reporting Requirements**:
  - Report suspected phishing scams or suspicious activity to:
    - OPC
    - Citibank at spoof@citi.com
  - After Citibank confirms the attempt, the OPC forwards the final email to the APC.
- **Citibank Policy**: Citibank will not request account or personal information via email, phone call, or text message. Never respond to such requests through these channels.
- **Common Phishing Tactics**:
  - Threatening account closure/suspension for immediate action.
  - Fake surveys requesting personal/account details.
  - Claims of a "compromised" account needing verification.
  - Notices of "unauthorized charges" requesting account details.
  - Requests to "refresh" or "verify" billing information.
- **Cardholder Actions**:
  - If contacted by email, phone, or text appearing to be from Citibank:
    - Treat with suspicion; do not give out information.
    - Do not reply or click links in suspicious emails.
    - Do not provide personal or charge card details over phone, email, or text.
    - Report immediately: Call Citibank using the number on the back of your card or your SOA.
    - If you believe the request is valid, verify by contacting Citibank directly.
    - If information was mistakenly provided, contact Citibank immediately at 1-800-790-7206.

3.33 Foreign Currency Conversion Fees.

- Citibank must convert all foreign currency charges to U.S. Dollars on the SOA, invoice, and reports.
- Conversion must use the interbank rate (or official rate, if legally required) at the time of transaction processing.
- Citibank must identify:
  - The conversion rate used.
  - Any third-party fees associated with the foreign purchase.
- Refer to Smart Bulletin No. 007 for additional details.

3.34 Emergency Situations.

- In emergencies (e.g., natural disaster), immediate access to all Merchant Category Codes (MCCs) may be required.
- Cardholders must contact the APC immediately for coordination.
- Citibank will grant full MCC access only at the APC's direction.
- Refer to FAR Part 18, Emergency Acquisitions for further guidance.

3.35 Innovative Payment Solutions.

- GSA offers solutions to increase payment flexibilities, provide efficient payment strategies, and expand rebate potential.
- Cardholders should contact the APC for additional details.

4.0 Attachments

Attachment 1 – Definitions and Acronyms
Attachment 2 – Requirements for Local Procedures
Attachment 3 – Designation of Organizational Program Coordinator
Attachment 4 – Recommendation for Appointment of Purchase Cardholders
Attachment 5 – Designation of Purchase Card Approving Official
Attachment 6 – Delegation of Purchasing Authority for Purchase Cardholders
Attachment 7 – Cardholder Roster
Attachment 8 – Approving Official Roster
Attachment 9 – Mandatory Sources Purchase Card Checklist
Attachment 10 – Cardholder Transaction Checklist
Attachment 11 – Purchase Card Log
Attachment 12 – Blanket Letter of Authority
Attachment 13 – Blocked Merchant Category Codes
Attachment 14 – Procurement Management Reviews (PMR) and Procurement Evaluation and Re-Engineering Team (PERT)
Attachment 15 – Available CitiManager Reports
Attachment 16 – Using the Amazon Business Prime Account (ABPA)
Attachment 17 – Section 889 Verification

Attachment 1 – Definitions

Abuse: Intentional use of the GPC in violation of the FAR, DEAR, Agency supplements, or local purchase card policies/procedures. Evidence of intentionality will be inferred from repeat offenses of the same violation, following administrative and/or disciplinary action taken for this violation. Reportable to OMB.

Agency Program Coordinator (APC): The individual having overall responsibility for the management of the DOE-wide purchase card program. Serves as the lead DOE representative in discussions with Citibank at the Agency level.

Anti-Deficiency Act: See 31 U.S.C. 1341

Blanket Letter of Authority: A written approval issued by an AO identifying certain types of purchases that cardholders under their purview can make without seeking their AO's approval prior to the transaction. (Note: Blanket Letter of Authority does not serve as an Independent Request for purchase)

Bona Fide Needs Rule: This is an appropriations law rule that requires both the timing of the obligation and the legitimate (bona fide) need to be within the fund's period of availability. See U.S.C. 1502(a).

Bulk funding: A system whereby the CO receives authorization from finance to obligate a specified lump sum of funds and reserves for a specified period of time rather than obtaining individual obligation authority on each purchase document. Bulk funding is particularly appropriate if numerous purchases, using the same type of funds, are to be made during a given period.

Certificate of Appointment (SF-1402): A formal written CO warrant that is issued by the HCA to a cardholder which states any limitations on the scope of authority to be exercised. The SF-1402 must be used to evidence the CO appointment for delegation of cardholders exceeding micro-purchase authority.

Competition: When at least three responsible offerors, independently competing, provide quotations that can satisfy the Government's requirement, considering market price, quality and delivery.

Consolidated Statement: A monthly statement sent by Citibank to the Finance Office which lists purchases and credits issued to all the cardholders under their purview.

Construction:
Definition
Construction includes the construction, alteration, or repair of buildings, structures, or other real property, and covers improvements of all types.

- Examples:
    - Building a new structure

    - Repairing a hole in a parking lot or street
    - Replacing a leaking roof, window, or similar component
- Note: Some activities that may appear to be *services* are legally considered *construction*, depending on the volume and type of work being performed.

Micro-Purchase Threshold

- The MPT for construction is $2,000, set by 40 U.S.C. 31, Subchapter IV, Wage Rate Requirements (Construction) (formerly the Davis-Bacon Act).

Above $2,000

For construction activities exceeding the $2,000 threshold, additional labor and compliance statutes apply. These include, but are not limited to:

- Construction Wage Rate Requirements (formerly Davis-Bacon)
- Contract Work Hours and Safety Standards statute
- Copeland (Anti-Kickback) Act

Such acquisitions require inclusion of specific contract clauses, terms, and conditions.

Cardholder Responsibilities

- At or below $2,000: Cardholders may use the purchase card for allowable construction micro-purchases.
- Above $2,000 (aggregate): All requirements must be referred to the procurement office for handling under appropriate acquisition procedures.

Data Mining: An automated process used to scan databases to detect patterns, trends and/or anomalies for use in risk management or other areas of analysis.

Delegation of Purchasing Authority:

A Delegation of Purchasing Authority is a formal written delegation issued by the Head of the Contracting Activity (HCA), or designee, granting purchase card authority to an individual cardholder.

- Scope of Authority:
    - Applies to cardholders with single purchase authority up to the micro-purchase threshold.
    - This authority is not evidenced by an SF-1402 (Certificate of Appointment).
    - Delegations specify:
        - The cardholder’s single purchase limit,
        - The monthly/cycle spending limit,
        - Any other applicable conditions, and
        - The Approving Official (AO) assigned to the cardholder.
- Flexibility for Threshold Changes:
    - If the single purchase limit equals the MPT, the delegation should simply state “micro-purchase limit.”
    - This ensures that the delegation letter remains valid in the event the MPT is changed in the FAR, without requiring reissuance.
- Transaction Limits:
    - Offices may restrict the number of transactions allowed for a cardholder.
    - Any such restrictions must be explicitly stated in the written delegation.

📌 Reference: Attachment 5, *Delegation of Purchasing Authority for Purchase Cardholders*

Declined Transactions: Transactions where authorization has been refused by Citibank's transaction authorization system.
Dispute: When a cardholder formally challenges a transaction on their statement due to fraud, a billing error, or an issue that the cardholder is unable to resolve directly with the merchant (e.g., not receiving goods/services, receiving defective items, not getting promised refunds, etc.)

Fair and Reasonable: A determination that the price is what a prudent person in the ordinary course of business would pay without any undue influence.

Purchase Card: A distinctly designed VISA purchase card issued by Citibank under the GSA SmartPay Program. The purchase card is embossed with the employee's name and can only be used by the employee. "U.S. Government Tax Exempt" is embossed on the card, except for cards issued to contractors. The card is uniquely designed so that it will not be easily confused with other cards.

The GSA Master Contract states that cost-reimbursement contractors paying Citibank directly are not tax exempt and must not be issued purchase cards with the phrase "US Government tax exempt".

Hierarchy: The foundation on which an agency's reporting structure is based. It is integral to the way the agency views and accesses card transaction data. The hierarchy has been developed based on the individuals or groups within each office who need access to reports, monitor cardholder activity, and access transactions for edit, review, and approval.

Improper Purchase: Reference: OMB Circular A-123 Appendix B. An improper purchase is any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other applicable requirements. Incorrect amounts include overcharges and undercharges. An improper purchase can be one of two types - unauthorized or incorrect.

Unauthorized Purchase: Consist of items that are intentionally purchased and are outside of the cardholder's purchasing authority.

Incorrect Purchase: Are mistakes that are the result of an unintentional error during the purchase process. A series of seemingly incorrect purchases may require additional scrutiny to determine whether these purchases are actually unauthorized purchases.

Limits:

- Single Purchase Limit: The maximum dollar limit for an individual purchase card transaction.
- Monthly Spending Limit: The maximum dollar amount authorized to be spent by the cardholder within a 30-day period.
- Cycle limit: The maximum dollar amount authorized to be spent by a cardholder within the billing cycle.

Merchant Category Codes (MCC): MCC's are established by the bankcard association or banks to identify different types of businesses. Merchants select the codes best describing their business. Refer to Attachment 13 for a list of blocked MCCs.

Micro-purchase: A micro-purchase is an acquisition of supplies or services using simplified acquisition procedures that does not exceed the applicable micro-purchase threshold:

- Supplies: up to the micro-purchase threshold
- Construction (subject to Wage Rate Requirements – Construction): $2,000
- Services (subject to Service Contract Labor Standards): $2,500

☞ For less commonly used thresholds, refer to FAR Subpart 2.101 (Definitions).

Misuse: Unintentional use of the GPC in violation of the FAR, DEAR, Agency supplements, or local policies/procedures. These actions are the result of ignorance and/or carelessness, lacking intent. Reportable to OMB.

Payment Official: A person that holds a card, usually a ghost card, for the sole purpose of making payments under established contracts. The dollar value should be delegated by the HCA, or designee, or the Chief Financial Officer.

Prompt Payment Act: Public Law 97-177 (96 Stat 85, U.S.C. Title 31, Section 1801) requires prompt payment of invoices (billing statements) within 30 days of receipt (FAR Subpart 52.232-25, Prompt Payment). An automatic interest penalty is required if payment is not timely.

Purchase Card Log: A manual or automated record where each cardholder documents individual purchase card transactions, including evidence that mandatory sources were considered.

- Supporting Documentation:
  Entries in the log may be supported by internal documentation (e.g., procurement requests, funding memos, or email requests). Together, the log and supporting documentation must create a clear audit trail showing:
  - The decision to use the purchase card, and
  - Any special approvals obtained prior to purchase.
- Minimum Log Requirements:
  At a minimum, each entry must include:
  - Date the item or service was ordered
  - Merchant's name
  - Dollar amount of the transaction
  - Description of the item or service ordered
  - Evidence of receipt (e.g., notation that goods/services were received)

Rebates: A rebate is a monetary payment provided by Citibank to DOE based on total sales volume in a given quarter.

- Payment Schedule: Rebates must be paid by the 15th of the month following the end of the quarter.
- Reporting: Citibank uploads rebate reports into CitiManager.
- Accounting Treatment: In accordance with the DOE Accounting Handbook, Chapter 13:

1. Federal Sites Receiving Rebates
    - Rebates must be recorded as a refund to the same appropriation account(s) as the original disbursements.
    - Rebates may be used for any legitimate purchase within the appropriation or account to which they are returned, unless otherwise restricted by statute.
2. Contractors Receiving Rebates
    - Rebates must be deposited to the DOE special financial institution account.
    - Rebates must then be:
      a. Credited as a refund to the same account(s) initially charged, and
      b. Applied to offset costs related to the same general purpose for which the original purchase(s) were made.

Reconciliation: the process of comparing a cardholder's statement against the cardholder's internal records (receipts, purchase logs, etc.) to ensure all transactions are accurate, authorized, and properly recorded.

Services:

Recurring Services: Services performed at regular intervals having a demand that can be accurately predicted on an annual basis may be purchased with the GPC if they do not exceed $2,500 per fiscal year. Recurring services requirements estimated to exceed $2,500 per fiscal year shall be acquired through Procurement.

Non-recurring Services: These services involve one-time, unpredictable, or occasional requirements, and may be purchased with the GPC up to $2,500 whenever a requirement occurs.

Professional Services: specialized, knowledge-based technical functions – such as program management support, engineering, or technical analysis – provided by an independent contractor on an infrequent, non-recurring basis.

Split Purchase: A split purchase is the deliberate act of dividing a single purchase requirement into two or more transactions as a means of circumventing the cardholder's single purchase limit or other stated purchase limitation. This practice is a violation of Federal procurement law and is prohibited.

Statement of Account (SOA): A monthly report issued by Citibank to each cardholder. It lists all purchase card transactions and credits processed during the billing cycle.

- Cardholder Copy:
    - Sent directly to the cardholder (either electronically through CitiManager or in paper form if local procedures require).
    - Must be reconciled by the cardholder against their Purchase Card Log, receipts, and supporting documentation.
    - Must be certified and forwarded to the Approving Official (AO) by the 5th day of the following month (or earlier if required by local procedures).
- Approving Official (AO) Role:
    - Reviews and approves the cardholder's SOA by the 15th of the month (or earlier if local procedures require).
    - Ensures all transactions are properly supported, accurate, and authorized.

- Finance Office Copy:
  - Receives a consolidated SOA covering all cardholders within the organization.
  - Used to reconcile and process payment to Citibank in accordance with the Prompt Payment Act.

Unauthorized Commitment: An agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government.

30 Day Cycle: A monthly reporting/billing cycle which begins on the 28th of one month and ends on the 27th of the following month.

Required for both federal and contractor sites

Attachment 2 – Requirements for Local Procedures

Local procedures are required for each SmartPay participating office. In an effort to eliminate the chance of incorrectly transposing information in these Procedures, it is strongly recommended that the local procedures supplement these Procedures and not attempt to duplicate them.

General:

At a minimum, local procedures must include:

- Local prohibitions of supplies/services.
- How to reserve and certify funds.
- Identification of internal staff members who can assist cardholders.
- If purchases of construction may be made. Purchase card purchases of construction may not exceed $2,000 as a formal contract is required above that amount.
- Establish end of the year cut-off purchasing procedures, the steps the cardholder should follow in an emergency situation after the cut-off date and what steps should be taken in the event of DOE being under a continuing resolution where funds are not readily available.
- If SOA must be forwarding to the Finance Office before the 15th day of each month.
- Procedures for returning the purchase card, purchase card log and all associated documentation, when cardholders are departing DOE, taking temporary extended leave or transferring to another DOE office and it has been determined that the card is no longer needed.
- Establish how cardholders certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions.
- If the cardholder has access to CitiManager, the dispute process must be completed electronically. In accordance with local policy, notification e-mails should be sent to appropriate parties. Check your office's local policy to identify any individuals the cardholder must add in the notifications section.

Property:

At a minimum, the guidance should include:

- A process of notifying the office property management activity of property receipt, including situations where property is delivered at locations other than a central receiving facility;
- A process for the office to record property in the agency property tracking system and financial systems, including the designation of property as sensitive or accountable, when applicable;
- Documentation of independent receipt and acceptance, when appropriate, to ensure that items purchased were actually received, including procedures addressing remote locations and emergency/urgent purchases where independent acceptance may be difficult or impossible; and

- Procedures for cardholders and/or custodians of the property to follow when property is determined to be missing, stolen, or damaged.

These policies and procedures must be implemented as not to unnecessarily disrupt the streamlined benefits associated with the use of the purchase card. Offices should ensure that controls of property are consistent with agency standards for property purchased through other methods. In addition, local policies and procedures for property management and control are to be consistent with agency standards for property purchased through other methods.

Required for new OPCs (both federal and contractor) but can be tailored to meet the specific needs of each site. A signed copy must be submitted to the APC along with their GSA OPC training certificate.

<u>Attachment 3 – Designation of Organizational Program Coordinator</u>

MEMORANDUM FOR: (OPC's Name)

FROM: HEAD OF CONTRACTING ACTIVITY OR DESIGNEE

SUBJECT: DESIGNATION OF ORGANIZATIONAL PROGRAM COORDINATOR

Reference: DOE Purchase Card Policy and Operating Procedures, XXXXX 20XX

In accordance with the referenced Procedures, you are hereby designated as an Organizational Program Coordinator (OPC).

Your responsibilities include, but are not limited to, the following:

1. Completing all required initial and refresher training (every two years).
2. Establishing local purchase card policy and guidance.
3. Monitoring purchase card usage for the contracting activity.
4. Managing accounts, including:
   - Processing purchase card applications;
   - Maintaining a current listing of all cardholders and Approving Officials (AOs);
   - Closing accounts in cases of cardholder departure, abuse, misuse, card compromise, or card loss.
5. Approving delegation of purchasing authority up to the micro-purchase threshold for cardholders.
6. Authorizing Delegations of Purchasing Authority for cardholders up to the micro-purchase threshold.
7. Managing cardholder accounts in Citibank (CitiManager) to ensure account profiles are accurate and current, including purchase limits, cycle limits, email addresses, phone numbers, and Merchant Category Codes (MCCs).

This appointment automatically terminates upon the OPC's separation from DOE (e.g., resignation, retirement, reassignment) or upon written cancellation by the Head of Contracting Activity (HCA).

You are required to sign, date, and return a copy of this designation letter to the undersigned. For any questions concerning these responsibilities or the scope of your authority, please contact me at __________.

[Signature Block of HCA or APC]
Name: ____________________________
Title: ____________________________
Organization: ____________________
Date: ____________________________

Organizational Program Coordinator Acknowledgement

I acknowledge and accept my responsibilities as an Organizational Program Coordinator (OPC) in accordance with the DOE Purchase Card Policy and Operating Procedures. I confirm that I have completed the required training as directed by the Agency Program Coordinator.

Signature: ____________________________
Name (Print): _________________________
Date: ________________________________

Required for Approving Officials (both federal and contractor) but can be tailored to fit the specific needs of each site.

<u>Attachment 4 – Appointment as Purchase Card Approving Official</u>

MEMORANDUM FOR: (Approving Official's Name)

FROM: ORGANIZATIONAL PROGRAM COORDINATOR

SUBJECT: DESIGNATION OF PURCHASE CARD APPROVING OFFICIAL

Reference: DOE Purchase Card Policy and Operating Procedures, XXXXX 20XX

In accordance with the referenced Procedures, you are hereby appointed as an Approving Official for ______________ [insert cardholder's name]

Your responsibilities include but are not limited to the following:

(1) Ensure that each cardholder has received training, maintains copies of referenced document and any applicable local procedures, and understands the requirements for use of the purchase card.

(2) Pre-approve all your cardholders' purchases unless you authorize blanket purchase authority in writing or the cardholder has a SF-1402. Ensure that the requested items are for official government use and that the items are authorized for purchase in accordance with the referenced Procedures.

(3) Review and approve cardholders monthly Statement of Account ensuring that the statements have supporting documentation and are complete, accurate, and reflect only authorized purchases.

(4) Verify the validity of all purchases listed on the cardholders' monthly Statements of Account prior to certification. Reconcile approving official consolidated monthly Statement of Account with cardholders' monthly Statement of Account.

(5) Promptly sign and date and forward all cardholders Statements of Account to the responsible financial office in a timely manner.

This appointment is automatically terminated upon the Approving Official's employment ending (e.g., resignation, retirement, reassignment) or the Head of Contracting Activity canceling this Appointment.

Acknowledgement

You are required to sign, date, and return a copy of this appointment memorandum to the undersigned. If you have any questions about these responsibilities or the level of your authority, please contact me at XXX-XXX-XXXX.

[Signature Block – Organizational Program Coordinator]

Approving Official Acknowledgement

In accordance with DOE Purchase Card Policy and Operating Procedures, I acknowledge my appointment as an Approving Official. I confirm that I have completed AO training, understand all regulations and procedures, and know the consequences of inappropriate actions. I also understand I must retake required training every two (2) years.

Signature: ___________________________________ Date: ________________

Name (Print): ________________________________

Required for cardholders (both federal and contractor). The list may be added to but none of the 10 elements can be removed.

Attachment 5 – Recommendation for Appointment of Purchase Cardholders

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

1. There is a clear and convincing need to appoint a cardholder for the following reason (quantify where practicable).

2. ___________________________[insert cardholder name], the nominated purchase cardholder, is an employee of or detailed to the U.S. Department of Energy. The proposed single purchase limit for the nominated cardholder is ________________.

   ___________________________[insert contractor name], the nominated purchase cardholder, is an employee of ______________[insert cost-reimbursement contractors legal name]. The proposed single purchase limit for the nominated cardholder is ________________.

3. Time will be allotted to the cardholder to perform their cardholder responsibilities.

4. _______________________ will be responsible for purchasing the following types of supplies/services ________________________.

5. The GSA Online SmartPay training course found at https://training.smartpay.gsa.gov/ has been completed. (Attach a copy of the SmartPay Training Certificate.)

   [Contractor's with their own training course]
   The online training course has been completed. (Attach a copy of the training certificate.)

6. Refresher training will be completed no less than every two years.

7. The cardholder has read and certified that they understand the guiding policies on purchase card usage.

8. The nominee's business acumen, judgment, character, reputation, and ethics are sound, all while being an effective steward of taxpayer dollars. **Specific examples/details must be provided to demonstrate the cardholder has the necessary skills, knowledge and business acumen to purchase under the new threshold.**

9. The nominee is well qualified for the appointment.

10. Are there are at least two cardholders purchasing the same types of supplies/services in this office? ☐ Yes ☐ No. If yes, provide an explanation why the existing cardholders cannot meet the purchasing requirement.

The primary and alternate approving officials are listed below:

Primary Approving Official Name: ____
Primary Approving Official Telephone No.: __________________________________

Alternate Approving Official Name: ____
Alternate Approving Official Telephone Number: ____________________________

Supervisor:

____ ______________________
Signature of supervisor of the nominee cardholder Date

____
Typed/Printed Name

Required for cardholders (both federal and contractor) but can be tailored to meet the specific needs of each site.

Attachment 6 – Delegation of Purchasing Authority for Purchase Cardholders

MEMORANDUM FOR: (Cardholder's Name)

FROM: (Organizational Program Coordinator's Name)

SUBJECT: Delegation of Purchasing Authority for Purchase Cardholders for Government Employee

Delegation of Purchasing Authority for Purchase Cardholders for Contractor Employee
(Cost Reimbursement Contractor's Legal name)
(Contract Number)

Pursuant to DOE Acquisition Guide Chapter 13.301, you are hereby delegated as a Purchase Cardholder with the following limits:

Single Purchase Limit:__________________ (or 'micro-purchase limit')
Monthly/Cycle Limit: __________________
Approving Official (AO): __________________

This formal Purchase Cardholder delegation is personal to you and may not be re-delegated to others.

Scope of Authority
The Purchase Cardholder will be responsible for purchasing the following types of supplies/services:
____.
Any purchases outside these descriptions or thresholds require written prior approval from your Approving Official.

Federal Cardholders

You are required to make purchases in accordance with:

- FAR Part 8 – Required Sources of Supplies and Services
- FAR Part 12 – Acquisition of Commercial Products and Services
    - Subpart 12.4 – Micro-purchases
- FAR Part 13 – Simplified Procedures for Noncommercial Acquisitions
    - Subpart 13.4 – Micro-purchases
- FAR Part 23 – Sustainable Acquisition, Material Safety and Pollution Prevention

You are also required to complete the GSA Online SmartPay training course at https://training.smartpay.gsa.gov/. Training must be retaken every two (2) years, and certificates maintained in your file.

Contractor Cardholders

Contractor cardholders must complete equivalent contractor-developed training and provide certification of completion. Training must be refreshed at least every two (2) years.

Acknowledgement of Responsibilities

By signing this memorandum, you acknowledge that:

- You have completed the required training;
- You have read and understand DOE Acquisition Guide Chapter 13.301 and local Operating Procedures;
- You understand the consequences of inappropriate actions and agree to comply with all applicable laws, regulations, and DOE Purchase Card Policies.

This delegation will terminate immediately upon closure of your account, transfer to another office, or separation from employment.

[Signature Block of OPC]

Name: ____________________________
Title: ____________________________
Organization: ____________________
Date: ____________________________

***The following signature is required for warranted cardholders with spending limits above the micro-purchase threshold.*

[Signature Block of HCA or designee]

Name: ____________________________
Title: ____________________________
Organization: ____________________
Date: ____________________________

Cardholder Acknowledgement

I acknowledge receipt of this Delegation of Purchasing Authority and accept my responsibilities as a Purchase Cardholder in accordance with DOE policies and procedures.
Signature: ___________________________
Name (Print): ________________________
Date: ________________________________

Required for OPCs (both federal and contractor) but can tailored to meet the specific needs of each site.

Attachment 7 – Cardholder Roster

NAME	SINGLE PURCHASE LIMIT	MONTHLY PURCHASE LIMIT	APPOINTMENT DATE	INITIAL TRAINING	REFRESHER DATE	TERMINATION DATE	APPROVING OFFICIAL

Required for OPCs (both federal and contractor) but can tailored to meet the specific needs of each site.

<u>Attachment 8 – Approving Official Roster</u>

NAME	APPOINTMENT DATE	INITIAL TRAINING	REFRESHER DATE	TERMINATION DATE

Highly recommended for every cardholder purchase.
(Regardless of format/template, all cardholders are required to conduct and document market research and attempts to procure supplies/services from mandatory sources IAW FAR Part 8 prior to each purchase)

Attachment 9 – Mandatory Sources Purchase Card Checklist

1. Cardholders are subject to the requirements of FAR Part 8, Mandatory Sources, and the order of consideration for supplies and services indicated in the chart below.

List of Mandatory/Required Sources	Supplies	Services
Inventories of the Requiring Agency	1	
Excess from Other Agencies	2	
Federal Prison Industries (FPI), also known as UNICOR	3	
Ability One Procurement List; NIB/NISH	4	1
Use of Existing Contracts (FAR 8.104) (1) must use the existing government-wide contract or blanket purchase agreement to buy the supply or service if the contract has been designated by the Office of Federal Procurement Policy a "required use" contract, unless the head of the contracting activity provides an exception (e.g., because the contract's terms and conditions, scope, or performance period do not meet the agency's needs); (2) should consider use of other existing government-wide contracts or blanket purchase agreements if there is not a suitable "required use" contract to meet the agency's needs.	5	2
Commercial Sources / Open Market (ex. DOE Amazon Business Prime Account)**	6	3

2. To make a purchase from other than a mandatory source, the cardholder shall provide written justification for the purchase and include market research documentation as an attachment to this form. The paragraph below provides the justification for making a purchase through a commercial, open-market source:

   (only make one selection: complete fill-ins for either paragraph A or B, as applicable)

   A. On Click to enter date. , I performed market research and found Click to enter name of supply/service being purchased. was not available through a mandatory source. Therefore, the purchase was made through a commercial, open-market source.

B. On Click to enter date. , I performed market research and found Click to enter name of supply/service being purchased <u>was</u> available through a mandatory source. However, (select all applicable below):

☐ Cost was significantly greater than the commercial, open-market source

☐ Delivery time would not meet need

☐ Quality needed was not available

☐ Other:

Click or tap here to enter text.

3. Any additional approvals, if required (e.g., IT, training, safety): Yes ☐ No ☐ N/A ☐
4. Other documentation that may support this transaction: Yes ☐ No ☐ N/A ☐

Cardholder Signature and Date: Click or tap here to enter text.

<u>Attachment 10 – Cardholder Transaction Checklist</u>

Helpful checklist for cardholders and AOs

Before You Buy

☐ Independent request received

☐ Item is NOT on the Prohibited Items list

☐ Verified/documented funding available

☐ AO approval obtained (if no Blanket Letter of Authority or warrant)

☐ Checked mandatory sources (FAR Part 8) & documented results

☐ Determined price is fair and reasonable

☐ Rotated sources (if applicable)

☐ Itemized quote/screenshot obtained (for online/service purchases)

☐ Verified total cost (incl. shipping) below single purchase limit

☐ Within statutory thresholds:
- Construction ≤ $2,000
- Services ≤ $2,500
- Commodities ≤ $15,000

☐ Verified tax exemption applied

☐ Provided vendor correct POC & shipping address

☐ Provided vendor any special instructions

☐ Verified purchase does not agree to any Terms & Conditions other than price and delivery

Prohibited T&C include:
- automatic renewal clauses
- clauses stating governing law/jurisdiction is something other than U.S. Federal law
- clauses limiting merchant liability for damaged goods or negligence
- late fees or interest charges.

☐ Vendor will charge card only after shipment/receipt (except training/subscriptions)

☐ Any surcharge ≤ 3%

☐ Green purchasing verified (if required)

☐ Additional approvals obtained (e.g., Training, Safety, IT, etc.)

☐ Section 889 Verification obtained (if required by DOE)

Receipt of Goods and Services

☐ Independent verification of receipt of goods/services: Printed name, signature, and date by an individual other than the cardholder, testifying that goods/services were received by the Government

☐ Independent property receipt completed (if applicable)

☐ Property Reporting Documents (if applicable)

☐ Accountable/Personal/Sensitive Property reported (if applicable)

Reconciliation

☐ All transactions match Citibank Statement order, dates, and amounts

☐ Signed, dated, and forwarded Citibank Statement to AO by the 5th after cycle end

☐ Purchase documentation file includes:
- Independent request
- Itemized quote (for commodities/services)
- Itemized receipt
- Verification of funding
- AO approval (blanket or individual)
- Additional approvals (if required)
- Property receipt documentation, as applicable
- Citibank Statement (signed/dated by cardholder and AO)
- Purchase Card Log (completed IAW agency and local requirements)
- Citibank Statement (signed/dated by cardholder and AO)

Required for cardholders (both federal and contractor), if electronic systems such as STRIPES, Oracle or PeopleSoft are not used.

<u>Attachment 11 – Purchase Card Log</u>

Page: _______of_______
Statement Date: ________

CARDHOLER NAME: ____________________
STARTING BALANCE: $__________________

REQUESTOR	ORDER DATE	MERCHANT NAME	DESCRIPTION OF PURCHASE	TOTAL PRICE	DELIVERY DATE	PROPERTY ID NO.#

Approving Officials (both Federal and contractor) may issue a Blanket Approval Authority memorandum to their cardholders if they choose not to pre-approve individual transactions. This can be tailored to meet the specific needs of each site.

Attachment 12 –Blanket Approval Authority

DATE:

MEMORANDUM FOR (Cardholder's Name)

FROM: APPROVING OFFICIAL

SUBJECT: BLANKET APPROVAL AUTHORITY

Purpose
The purpose of this memorandum is to formally authorize blanket approval authority for certain routine purchase card transactions by: (Cardholder's Name)

Authorization
As your Approving Official, I authorize you to use the purchase card for:

- Routine office supplies and services only
- Up to $__________ per single transaction

All purchases must comply with the DOE Purchase Card Policy and Operating Procedures and any applicable local purchase card procedures.

Restrictions

- You must obtain written prior approval from me for any purchases outside of the scope or thresholds listed above.
- This memorandum must be filed and maintained with your purchase card account records for use during audits or compliance reviews.

Duration
This authorization is effective immediately and remains valid until:

- My appointment as your Approving Official is terminated, or
- This blanket approval is formally rescinded in writing.

[Signature Block – Approving Official]

Name: ________________________________
Title: ________________________________
Date: ________________________________

Attachment 13 – Blocked Merchant Category Codes

2732	Cable And Other Pay Television Service
2829	Sending Money
3000 - 3301	Airlines
3351 - 3441	Automobile/Vehicle Rentals
4112	Passenger Railways
4119	Ambulance services
4411	Steamships and Cruise Lines
4511	Air Carriers, Airlines-Not Elsewhere Classified
4722	Travel Agency
4723	Package Tour Operations
4761	Telemarketing of Travel related Services
4785	Motorway (Manual Tickets)
4813	Keyentry Tele Mercnt Lcl/Lng Dist. Non Face To face
4829	Wire transfers and money orders
5299	Warehouse Club Gas
5309	Duty Free Stores
5422	Freezer and locker meat provisioners
5441	Candy, Nut, And Confectionery Stores
5451	Dairy Products Stores
5571	Motorcycle shops and dealers
5641	Children’s And Infants’ Wear Stores
5681	Furriers and fur shops
5698	Wig And Toupee Stores
5718	Fireplace, Fireplace Screens And Accessories Stores
5733	Music Stores – Musical Instruments, Pianos, And Sheet Music
5813	Drinking places (alcoholic beverages) — bars, taverns, night-clubs, cocktail lounges and discothèques
5814	Fast food restaurants
5816	Digital Goods – Games
5921	Package Stores --Beer, Wine & Liquor
5932	Antique Shops – Sales, Repairs, And Restoration Services
5933	Pawn shops
5937	Antique reproduction shops
5944	Jewelry Stores, Watches, Clocks, And Silverware Stores
5949	Sewing, Needlework, Fabric And Piece Goods Stores
5960	Direct Marketing – Insurance Services
5961	Mail Order
5962	Direct Marketing – Travel-Related Arrangement Services

5963	Door-to-door sales
5972	Stamp And Coin Stores
5973	Religious Goods Stores
5977	Cosmetic Stores
5993	Cigar Stores And Stands
5996	Swimming Pools – Sales And Service
5997	Electric Razor Stores – Sales And Service
6010	Financial Institutions – Manual Cash Disbursements
6011	Financial Institutions – Automated Cash Disbursements
6012	Financial Institutions – Merchandise And Services
6050	Quasi Cash—Customer Financial Institution
6051	Non-financial institutions — foreign currency, money orders (not wire transfer), scrip and travellers' checks
6211	Securities — brokers and dealers
6300	Insurance Sales, Underwriting, And Premiums
6381	Insurance - Premiums
6399	Insurance - Not Elsewhere Classified
6513	Real Estate Agents And Managers – Rentals
6529	Remote Stored Value Load - Financial Institution
6530	Remote Stored Value Load - Merchant
6531	Payment Service - Money Transfer
6532	Payment Transaction—Customer Financial Institution
6533	Payment Transaction—Merchant
6534	Money Transfer - Customer Financial Institution
6535	Money Transfer - Merchant
6536	MoneySend - IntraCountry
6537	Moneysend - Intercountry
6538	Moneysend Funding
6540	Poi Fundingtransactions Excluding Moneysend
6555	Mastercard Initiated Rebate/Reward
7012	Timeshares
7032	Sporting and recreational camps
7033	Trailer Parks And Campgrounds
7261	Funeral services and crematoriums
7273	Dating and escort services
7276	Tax preparation services
7277	Counselling services — debt, marriage and personal
7280	Hospital Patient - Personal Funds Withdrawl
7295	Babysitting Services
7297	Massage Parlors
7322	Debt Collection Agencies
7511	Truck Stops
7512	Automobile Rental Agency-Not Elsewhere Classified
7524	Express Payment Service Merchant - Parking
7531	Automotive body repair shops

7535	Automotive paint shops
7539	Automotive Service Shops
7542	Car washes
7549	Towing services
7800	Government Owned Lottery
7801	Internet Gambling
7802	Government Licensed Horse/Dog Racing
7832	Motion Picture Theaters
7841	Dvd/Video Tape Rental Stores
7911	Dance Halls, Studios and Schools
7932	Billiard and pool establishments
7933	Bowling alleys
7941	Commercial sports, professional sports clubs, athletic fields and sports promoters
7990	Onlae: National Lottery
7992	Public golf courses
7993	Video amusement game supplies
7994	Video game arcades and establishments
7995	Gambling Transactions
7996	Amusement parks, circuses, carnivals and fortune tellers
7998	Aquariums, seaquariums and dolphinariums
8211	Elementary and secondary schools
8351	Child care services
8651	Political organizations
8661	Religious organizations
8675	Automobile associations
8743	Testing laboratories (non-medical)
9211	Court costs, including alimony and child support
9222	Fines
9223	Bail and bond payments
9311	Tax payments
9401	I-PURCHASING PILOT (TEST MCC)
9406	Government-Owned Lottery (Specific Countries)
9700	Automated Referral Service
9751	U.K. Supermarkets, Electronic Hot File
9752	U.K. Petrol Stations, Electronic Hot File
9753	Consumer Electronics / Furniture Stores

<u>Attachment 14 – Procurement Management Reviews (PMR) and Procurement Evaluation and Re-Engineering Team (PERT)</u>

At a minimum, the following items are reviewed during PMRs and PERTs

- Local p-card procedures and any associated information, for example, the application that cardholders and/or AO's complete
- Delegation of Purchasing Authority for Purchase Cardholders
- Cardholders training roster
- AO's training roster
- Recommendations for Appointment of Purchase Cardholders
- Appointments as Purchase Card Approving Official
- Blanket Letters of Authority
- What is the site's process for issuing and monitoring purchase cards and who holds them?
- Documentation for the 3-month review of a newly-appointed cardholder.
- Copy of most recent document where the cardholder reflected that they understand and will comply with the purchase card guidelines and understand the consequences of inappropriate actions.
- Copy of any recent self-assessments, reviews or audits.
- Copy of most recent document completed for determining if a purchase card should be issued.
- Organizational Program Coordinator Designation.
- Random transactions selected by the APC for review. (Refer to Section 2.23 for all items that are required.)

Attachment 15 – Available CitiManager Reports

Which reports provide general account information?

The Account Activity Report consists of summary totals for the reporting period, the fiscal year to date, categorized by account and agency/organization. It includes complete account activity, both active and inactive, an agency/organization hierarchy roll-up section, current and past fiscal year account activity, segregates charges and credits by individual or agency/organization accounts with current period totals of the data elements identified, and merchant information such as name, address, and MCC, as applicable.

The Current Accounts Report shows all accounts in alphabetical order and includes all information necessary to identify and contact the account holder. This report is generally used by OPCs as an easy reference for account holder identification.

The Master File Report contains master file information on all accounts (e.g., account number, cardholder information, etc.).

Which reports are available on transactions, payments, and disputes?

The All Transactions Report lists each cardholder's detailed transactions for the reporting period and contains all transaction data. This file is used in processing transactions through the financial systems and for reporting purposes.

The Invoice Status Report identifies payment status on each outstanding invoice and includes all transaction data, including the original invoice number and other references required to identify the charge. This report is generally used to manage payments and disputes.

The Transaction Dispute Report lists all outstanding and resolved transaction disputes and includes all information necessary to identify, track, balance, and obtain status on the dispute from the original charge through resolution. It is generally used by the Transaction Dispute Office (TDO) to manage disputes.

Which reports provide information on account delinquency?

The Pre-suspension/Pre-cancellation Report lists accounts eligible for suspension or cancellation as defined in the GSA Master Contract, Section C.3.3.11 Suspension Procedures and C.3.3.12 Cancellation Procedures. It identifies account name, account number, status, balance past due, number of days past due, and interest penalty for centrally billed accounts.

The Suspension/Cancellation Report lists accounts that have been suspended or canceled as defined in the GSA Master Contract, Section C.3.3.11 Suspension Procedures and C.3.3.12 Cancellation Procedures. It identifies account name, account number, status (suspended or canceled), date of status, balance past due, number of days past due, and interest penalty.

The Delinquency Report lists account status for each 30-120+ day time frame (e.g., 30, 60, 90, 120 or more days).

Which reports provide statistical or summary information?

The Statistical Summary Report provides program summary information such as dollar volume, number of transactions, active account holders, total accounts, new accounts, miscellaneous fees, transaction type (e.g. large ticket) and identification of fees (e.g., fees for customized services, fees for value-added product and service offerings) on a current and fiscal year basis.

The Summary Quarterly Merchant Report lists, by quarter, summary spending information by MCC. It reports MCC description, number of transactions per MCC, total dollar amount per MCC, and average dollar amount per MCC. This report is used to summarize supplier categories where dollars are spent and trend analysis.

Summary Quarterly Vendor Analysis Report: This report lists, by fiscal year, a detailed quarterly and cumulative summary of the top 100 merchants, by individual merchant, city, and state, in total dollars and total number of transactions. This report is used to negotiate better discounts with merchants and trend analysis.

Summary Quarterly Vendor Ranking Report: This report lists, by fiscal year, a quarterly and comparative summary by name, ranking the major merchants and their dollar charges, along with a percentage breakdown of totals and changes from the previous quarter as well as the same quarter of the previous year, if applicable. This report is used for market and trend analysis.

What are Ad Hoc Reports?

Ad Hoc Reports provide the ability to access all data elements of the cardholder and transaction records at any time to create reports in html, Excel, text (ASCII) formats. Citibank provides the capability to utilize the ad-hoc reporting functionality of the bank’s system for any additional future reporting needs that are not listed.

Attachment 16 – Using the Amazon Business Prime Account (APBA)

- **Federal Cardholder Requirements**:
    - Amazon.com is an open-market, commercial source; use only after required and preferred sources.
    - Mandatory Source Checklist (Attachment 8) must be completed and filed for every Amazon purchase.
    - Two instances of non-compliance result in APC enabling Approval Setting in ABPA; all Amazon transactions then require pre-approval by APC or OPC.
    - All Amazon purchases must be made within ABPA:
        - First offense outside ABPA: APC warns OPC.
        - Second offense: APC suspends cardholder's purchase card for 7 calendar days.
- **Oversight and Controls**:
    - OPCs may add stricter policies, approvals, and restricted categories.
    - Select Prime-eligible items before non-Prime items for free shipping.
    - "Company Restricted" items may be purchased if compliant with DOE policies.
    - "Company Preferred" vendor alerts highlight small/diverse businesses, Section 889 compliant vendors, and sustainable products.
    - DOE blocks Debarred Sellers and Section 889 covered telecommunications equipment/products.
- **Tax Exemption Issues (If incorrectly charged)**:
    - In ABPA, go to Your Orders, select Contact the Seller for the item.
    - Subject: Tax Exemption Refund Request. Provide order number and amount charged.
    - For help, email tax-exempt@amazon.com
- **Customer Service**:
    - Use "Contact Us" within ABPA (preferred) or call 866-486-2360 (verification required).
    - Use for issues related to orders, transactions, and shipments.
- **Administration**:
    - Only OPCs may serve as Administrators in ABPA.
    - Unauthorized Administrators will be removed by the APC.

<u>Attachment 17 – Section 889 Verification</u>

- **Cardholder Compliance**:

1. **Understand the Section 889 Prohibition**:
    - (Part A). Do not buy equipment, systems, or services that use covered telecom/video-surveillance gear (Huawei, ZTE, Hytera, Hikvision, Dahua, subsidiaries/affiliates). This applies at all dollar levels, including micro-purchases.
    - (Part B). Your vendor cannot use covered gear in its own operations
    - Section 889 (Part A and Part B) applies to ***all*** purchases at ***all*** dollar values, to include micro-purchases. *Reference*: https://www.acquisition.gov/Section-889-Policies.
2. **Pre-Purchase Check (Required for every purchase)**:
    - **Identify High-Risk Items**: IT, networking, cameras/NVRs, radios, security systems, telecom, "smart/IoT" gear/services.
    - **Verify Vendor Section 889 Representation**:
        - Search the GSA Section 889 Representations Search tool: https://889.smartpay.gsa.gov/#/.
        - If vendor is in SAM.gov, verify a current FAR 52.240-90 representation (Oct 2020 or later) certifying they *DO NOT* sell or use covered technology. Save the SAM extract.
        - **If vendor certifies they *DO* sell/use covered technology, *do not buy from them*.**
        - **If no record in SAM.gov**: Obtain a one-time micro-purchase Section 889 attestation (email is acceptable) stating they do not use covered telecom/video equipment/services and the product/service offered does not contain/use them. Keep this with your documentation.
    - **Spot Banned Brands**: If listing mentions Huawei, ZTE, Hytera, Hikvision, Dahua (or rebrands/subsidiaries), *do not buy*. Escalate to contracting/IT. *Reference*: FAR 52.240-91.
    - **Marketplace Caution (e.g., Amazon)**: Third-party sellers change frequently. Capture seller page, item page, and your Section 889 check. If uncertain, use a known contract source or escalate.
3. **During the Purchase**:
    - Add a quick order note in your log that the Section 889 check was completed and the item does not contain/use covered telecom.
    - For services (installation, monitoring, cloud video, telecom, repairs), confirm the service will not use covered equipment. If uncertain, *do not proceed*. *Reference*: FAR 52.240-90
4. **After the Purchase (Documentation Checklist - keep in cardholder file)**:
    - Evidence of the Section 889 check (GSA 889 tool screenshot, SAM representation, or one-time attestation email/PDF).
    - Product/service page (screenshot/PDF) showing make/model and seller.
    - Cardholder's note: "Section 889 reviewed; compliant" with date/time.
    - For high-risk items: brief note of brand verification.
5. **Red Flags & Escalation (Stop and send to Contracting/IT/APC)**:
    - Security cameras/NVRs, radio systems, PBX/VoIP, network gear, cellular gateways, "smart" building sensors.
    - Vague part numbers, "OEM-equivalent," "rebranded," or bundles with "NVR included."
    - Vendor refuses to make the Section 889 "no use / no covered content" statement.
    - If any red flag appears.
6. **DOE-Specific Note**: Follow your Organization's SOP and DOE Acquisition Letter(s) on Section 889; waivers are rare and handled by contracting. *Reference*: https://www.energy.gov/node/4613748.
7. **Templates (Use as-is)**:

- **A) One-time vendor attestation (email)**: Confirm the company does not use covered equipment in its operations, and the product/service offered does not contain/use covered equipment.
- **B) Order notation (cardholder log/buyer note)**: "Section 889 check complete on [date/time]. Vendor rep verified via [GSA 889 tool / SAM extract / email attestation filed]. Item/service reviewed—no covered telecom/video equipment or services identified."
- **C) High-risk quick questions (phone/chat)**: "Is any Huawei, ZTE, Hytera, Hikvision, or Dahua equipment used in this product/service or your operations?" "Can you confirm your SAM reps and certs are current?"

8. **Minimal Decision Path (Memorize)**:
    - Is it telecom/security/IT/IoT? If yes, treat as high-risk.
    - Find Section 889 representation (GSA 889 tool or SAM). If absent, get one-time email attestation.
    - Scan for banned brands (Huawei, ZTE, Hytera, Hikvision, Dahua). If any hint, *don't buy*; escalate.
    - Document (screenshot + note).
    - For services, confirm no covered use in performance. If unsure, escalate.