

Contracting activities and authorized contractor SMARTPAY2 participants may supplement these policies and procedures to reflect their specific circumstances, e.g., identify your Organizational Program Coordinator; identify your central receiving office, etc. Revisions may not delete prohibitions or reduce the level of controls required by the General Services Administration (GSA) Purchase Card Guide or these DOE Guidelines. The GSA Master Contract and the Contract Guide, listed as Link 1, are available on GSA's Home Page.



**PURCHASE CARD
POLICY AND OPERATING PROCEDURES**

June 2010 Update

All of the sections to the Guide have been reordered and renumbered. Summary of the significant changes to the Guide include additions and modifications to the following:

- **Web addresses**
- **Definitions and Acronyms**
- **Authorized Contractors**
- **Chart with key features of micro-purchases**
- **Merchant Fees**
- **Convenience check rules**
- **Reconciliation Process**
- **Internal Revenue 1099 requirements**
- **Buying Green**
- **Recovery Act**
- **Phishing attempts**
- **Foreign currency conversion fees**

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LINKS

1. **GOVERNMENT-WIDE COMMERCIAL CREDIT CARD SERVICE CONTRACT GUIDE GS-23-FT0002**
2. **FAR SITE**
3. **FAR SUBPART 3.104, PROCUREMENT INTEGRITY**
4. **FAR PART 8, REQUIRED SOURCES OF SUPPLIES**
5. **FAR PART 12, ACQUISITION OF COMMERCIAL ITEMS**
6. **FAR PART 13, SIMPLIFIED ACQUISITION PROCEDURES**
7. **FAR PART 23, ENVIRONMENTAL CONSIDERATIONS**
8. **Principles of Federal Appropriations Law, Third Edition, Volume One, GAO-04-261SP**
<http://www.gao.gov/special.pubs/d04261sp.pdf>

ATTACHMENTS

1. **PURCHASE CARD QUOTATION WORKSHEET**
2. **PURCHASE CARD LOG (SAMPLE)**
3. **CONVENIENCE CHECK LOG (SAMPLE)**
4. **DISPUTE FORM**
5. **RECOMMENDATION FOR APPOINTMENT PURCHASE CARDHOLDERS (SAMPLE)**
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PURCHASE CARD CONTACTS AGENCY PROGRAM COORDINATOR AND ORGANIZATION PROGRAM COORDINATORS

PURCHASE CARD POLICY AND OPERATING PROCEDURES

1. PURPOSE

The purpose of this document is to establish DOE policy for the use of the Government purchase card. These procedures supplement and implement procedural aspects of the "U.S. General Services Administration Federal Supply Service Government-wide Commercial Credit Card Service, Contract GS-23FT0002". In the event of any inconsistencies between these Guidelines, the terms and conditions of the Contract, or Federal Acquisition Regulation (FAR), the inconsistency will be resolved in favor of (1) the FAR, (2) the terms and conditions of the Contract, and (3) these procedures.

Commercial purchase card services provide DOE with a means to simplify its small purchase procedures and improve its cash management by:

- a. offering an alternative to the use of purchase orders, blanket purchase agreements (BPAs), and imprest funds;
- b. streamlining the acquisition process by reducing paperwork, improving lead times, and expediting Contractor payments;
- c. reducing the administrative costs associated with small purchases, BPAs, and imprest fund transactions; and
- d. providing greater and more detailed statistical data and an audit trail as an aid in managing purchasing activities.

2. APPLICABILITY

These policies and procedures must be used by DOE and authorized contractor personnel using the GSA SmartPay2 purchase cards.

3. DEFINITIONS AND ACRONYMS

The following definitions supplement the definitions contained in the Federal Supply Schedule.

Abuse: Use of a government charge card to buy authorized items, but at terms (e.g., price, quantity) that are excessive, is for a questionable government need, or both. An example of such a transaction would include purchase of items such as a day planner costing \$300 rather than one costing \$45.

Accountable Property: All personal property considered nonexpendable whose expected useful life is two years or longer and whose acquisition value warrants tracking in the agency's property records, including capitalized and sensitive property.

Administrative Office: The office with oversight responsibility for the DOE-wide Purchase Card Program.

Approving Official (AO): The individual delegated approving authority by the Head of the Contracting Activity (HCA) or designee. The AO is responsible for reviewing the monthly Statement of Account for each cardholder under his or her cognizance to ensure that purchases are made in accordance with all regulatory and procedural guidance contained or referenced herein. The AO is usually the cardholders supervisor or a person independent of the cardholder.

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 the JPMorgan Chase Bank (JPMChase Bank) at the Agency level.

Authorized Contractor: Government cost-reimbursable contractor authorized, in writing, by a federal agency Contracting Officer(CO) pursuant to FAR Subpart 51.1. The contractor will have a centrally billed account/card. If the card is used to make unauthorized purchases, the cost-reimbursable Contractor is liable for the charge.

Blanket Letter of Approval: A written approval issued by an AO identifying certain types of purchases that their cardholders may make without seeking their AO's approval prior to the transaction.

Bulk funding: A system whereby the Contracting Officer (CO) receives authorization from finance to obligate funds on purchase documents against a specified lump sum of funds reserved for the purpose for a specified period of time rather than

obtaining individual obligational 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.

Note: Offices that use Oak Ridge Financial Service Center (ORFSC) to make payments must not bulk fund purchase orders for services.

Cardholder: A DOE, or authorized contractor, employee with purchasing authority who:

- a. Is issued the DOE Purchase Card;
- b. Has his or her name embossed on the card;
- c. Is the sole user of the card; and
- d. Is the custodian of the card.

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 shall be used to evidence the CO appointment for delegation of purchase 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 JPMChase Bank to the Finance Office which shows purchases by and credits issued to all the cardholders under their purview.

Convenience Checks: Checks that can be written in lieu of using the purchase card for purchases from merchants who do not accept the purchase card. This transaction appears on the cardholder's monthly Statement of Account. There is a service charge equal to 1.5% of the face value of the check for each check written.

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 Authority: A formal written delegation of DOE Purchase Card purchasing authority that is issued by the HCA, or designee, to a cardholder with single purchase limit authority up to the micro-purchase threshold. This purchasing authority is not evidenced by a Certificate of Appointment. This delegation specifies the single purchase and monthly dollar limitations and any other conditions applicable to DOE Purchase Card purchases made by that individual, including identification of their AO.

Declined Transactions: Transactions where authorization has been refused by the issuing bank's transaction authorization system.

Dispute: A disagreement between a cardholder and a merchant regarding items appearing on the cardholder's monthly Statement of Account, which is presented to the issuing bank for resolution. Disputes could be the result of supplies/services billed to the Statement of Account but not received; the purchase card was not credited for merchandise returned; and an unauthorized charge from the merchant.

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.

File Turn: The average number of calendar days between the time a charge (purchase) is posted and payment is received by the issuing bank.

Fraud: Any felonious act of corruption or attempt to cheat the government or corrupt the government's agents. Fraud may be committed either by government employees or by merchants. Indicators of potential fraud by government employees include: splitting a single requirement into multiple purchases in order to make it appear to be under the micro-purchase threshold, making false statements about what was purchased or how the purchase card was used, and using the purchase card for prohibited purchases. Indicators of merchant fraud include: false charges/transactions, mischarging, bribes and gratuities, and kickbacks.

Government Purchase Card: A distinctly designed VISA purchase card issued by the JPMChase Bank under the GSA SMARTPAY2 Program. The purchase card is embossed with the employee's name and can only be used by the employee. "U. S. Govt Tax Exempt" is also embossed on the card. The card is uniquely designed so that it will not be easily confused with other cards.

In 2006, based on DOE legal advice, cards issued to management contractors began using generic cards that were not embossed with "US Government Tax Exempt". Authorized contractor or management contractors are management and operating contractors as that term is defined in FAR 17.601.

Head of the Contracting Activity (HCA): The official in charge of the purchasing function for a contracting activity.

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.

Limits:

- a. **Single Purchase Limit:** The maximum dollar limit for an individual purchase card transaction.
- b. **Monthly Spending Limit:** The maximum dollar amount authorized to be spent by the cardholder within a 30 day period.
- c. **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. See Section 24 for a list of blocked MCCs.

Micro-purchase: An acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold of \$3,000.00, except for acquisitions of construction subject to the Davis-Bacon Act, the threshold is \$2,000.00 and for acquisitions of services subject to the Service Contract Act, the threshold is \$2,500.00. See FAR Subpart 2.101, Definitions, for less commonly used thresholds.

Misuse: Use of a Federal purchase card for other than the official government purpose(s) for which it is intended.

Oral Purchase Procedure: As used herein, is a procedure where an order is placed using the purchase card through a verbal agreement which is made in person or via telephone. The cardholder verbally places the order, the merchant supplies the items or services requested by the cardholder, and payment is made to the merchant using the purchase card.

Organizational Program Coordinator (OPC): The individual responsible for managing the purchase card program at the contracting activity or contractor organization.

Personal Property: Property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.

Phishing: A criminally fraudulent attempt to acquire sensitive information (user IDs, passwords, credit card details, etc.) by masquerading as a trustworthy source such as a financial institution.

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 log in which the cardholder documents his/her individual transactions and screening for mandatory sources when using the purchase card and/or convenience checks. Entries in the purchase log may be supported by internal agency documentation (e.g., request for procurement document or e-mail request). The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. At a minimum, the log will contain the date on which the item or service was ordered, the merchant's name, the dollar amount of the transaction, a description of the item or service ordered, and an indication of whether the item was received. In addition to this information, if a convenience check is used the log must also contain the merchant's business address and Tax Identification Number (TIN).

Sensitive Property: Items, regardless of value, that require special control and accountability because of susceptibility to unusual rates of loss, theft, or misuse or due to national security and export control considerations. Examples include: fire arms/ammunition, desktop and laptop computer equipment, readily portable computer peripheral devices, Personal Digital Assistants, televisions, DVD players, and digital cameras.

Split Purchase: The deliberate practice of splitting a transaction into two or more smaller transactions to keep the purchase beneath a cardholder's single purchase limitation, or other stated purchase limitation. If a purchase would exceed a cardholder's single purchase limit, the purchase must be accomplished using other acquisition procedures, as appropriate and accomplished by the local purchasing staff. Examples include:

- (a) A cardholder receives a total purchase requirement that exceeds their single purchase limit of \$3,000 for supplies, \$2,500 for services, or \$2,000 for construction. The purchase may not be split to make two or more purchases within the limit.
- (b) A cardholder receives a total purchase requirement of \$3,000 for supplies, \$2,500 for services, or \$2,000 for construction and makes that purchase. Within hours, the same day, or next day, the cardholder receives another purchase requirement for another of the same, for \$3,000 supplies, \$2,500 for services, or \$2,000 for construction. Both purchases stand-alone and are individually within the cardholder's single purchase limit. They are each allowable because they were the known need at the time of purchase. However, the cardholder should question whether this is all of the requirement and be alert to whether they are being given a requirement in increments to stay within the threshold. Files should be documented when purchases have the appearance of being split.

Tax Exemption: The elimination of state and local taxes from federal purchases in accordance with state and federal law. The phrase "U.S. Government Tax Exempt" is printed on the front of each purchase card. Note that tax exemption does not apply at the point of sale for any fuel purchases.

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.

AO	Approving Official
APC	Agency Program Coordinator
CO	Contracting Officer
DAU	Defense Acquisition University
DBA	Doing Business As
DCC	Dynamic Currency Conversion
EFT	Electronic Funds Transfer
FPI	Federal Prison Industries
GSA	General Services Administration
HCA	Head of the Contracting Activity
IRS	Internal Revenue Service
ISA	International Service Assessment
MCC	Merchant Category Code
ORFSC	Oak Ridge Financial Service Center
OLC	Online Learning Center
OPC	Organizational Program Coordinator
SF	Standard Form
STRIPES	Strategic Integrated Procurement Enterprise System
TIN	Taxpayer Identification Number
VIAS	Vendor Invoice Approval System

4. **PROGRAM FEATURES**

The purchase card is a VISA commercial purchase card that has a unique numbering system which identifies JPMChase Bank, that it is a Government tax exempt card, and the cardholder name and number. DOE purchase cards are mailed to the cardholders' offices. JPMChase Bank will have no record of the cardholder's home address, personal credit history, or social security number. The purchase card is not to be used by anyone other than the employee whose name appears on it and shall

not be used for personal purchases. JPMChase Bank must be paid the actual cost of transactions and in accordance with the Prompt Payment Act. JPMChase Bank provides program services support, full reporting, purchase authorization, customer service, and account setup services. Federal purchases are tax exempt in those states which honor the tax exempt status of the U.S. Government. See Tax Exemption State Letters at http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=13558&noc=T.

5. **PURCHASING AUTHORITY**

Each cardholder must have purchasing authority evidenced by either a Delegation of Authority or a Contracting Officer's Certificate of Appointment, Standard Form (SF) 1402. This authority allows the cardholders to use the purchase card to purchase goods and services within established single purchase and monthly spending limits. The single purchase and monthly or cycle dollar limitation delegated to the purchase cardholder shall accurately reflect the dollar levels of purchases that the cardholder will be making as part of their official duties. The SF 1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding micro-purchase authority (i.e. above \$3,000). A Certificate of Appointment is not required for cardholders exercising only micro-purchase authority. A Delegation of Purchasing Authority (See Attachment 5 as a sample) will evidence this appointment. A cardholder must not be given purchasing authority until they have taken the required training and has a designated AO assigned to them that has also taken the required training.

6. **PROGRAM SUPPORT**

The purchasing and finance offices will provide full program support and assistance to cardholders and AOs. Each of these offices will identify staff members who can assist cardholders and resolve problems which may be encountered.

7. **AUTHORIZED CONTRACTORS**

Contractors who use the Federal Government's GSA SMARTPAY2 Program must comply with the terms and conditions of the GSA SMARTPAY2 contract and develop local purchase card procedures which reflect the policies and principles set forth in the DOE Guidelines and Operating Procedures for Use of the GSA SMARTPAY2 Purchase Card.

The Federal COs should ensure that the contractors purchase card policies, procedures, and management controls are implemented. The Federal CO should ensure they have access to the contractors list of purchase card users and associated single purchase or other card use restrictions or limitations. In addition, the Federal CO must review the contractors purchases no less than biennially (Refer to Section 13 for guidance).

8. **RESPONSIBILITIES**

- a. **Head of the Contracting Activity, or designee:** The HCA is responsible for ensuring local policy and guidance is established; designating an OPC; and, in writing, determining who the AOs and cardholders will be, along with the cardholder's purchasing authority. These responsibilities may not be redelegated. Further specific responsibilities include the following:
 - (1) Issuing Delegation of Purchasing Authority or Certificate of Appointments (SF-1402) to cardholders. This should include single purchase limit, monthly spending limit, and if applicable monthly office limit.
 - (2) Develop, maintain, and implement written local procedures for use of the purchase card consistent with the procurement regulations, the GSA Contract Guide terms and conditions, and this document. These procedures should include, but not be limited to, receiving and logging property, local prohibitions of supplies/services, and the conduct and documentation of an annual review addressing at least the considerations in the Self Assessment Questionnaire at Attachment 8.

- (3) Ensure completion of the following for all cardholders, AOs, and Finance Officials:
 1. Mandatory initial GPC training.
 2. Biennial refresher training. May include training based upon these procedures, lessons learned, and feedback from annual reviews.
 3. Proper maintenance of training records.
 - (4) Determine who the AOs and cardholders will be and ensure that purchasing authority is delegated to cardholders and AOs in writing. An AO sample letter is provided at Attachment 6. This sample letter can be revised to suit local needs. Convenience check writing authority must also be delegated in writing.
 - (5) Authorize purchase cards to the minimum extent necessary to carry out the contracting activity's mission and only for employees of the contracting activity or contractors managing DOE facilities. No more than one purchase card should be authorized to an individual cardholder unless the HCA, or designee, determines that a cardholder has a need for more than one card.
 - (6) Ensure that personnel procedures include return of the card in the departing employee's checklist. The procedures should ensure that the card and convenience checks, if applicable, are returned to the OPC, or designee, who will deactivate the cardholder account and dispose of the purchase card and convenience checks.
 - (7) Ensure that departing employees leave their log and records with the AO, or another designated employee, for appropriate retention.
 - (8) Consider suspending or terminating cardholder accounts if the cardholder violates regulations, policies, procedures, or does not submit monthly account reconciliations in a timely manner.
 - (9) Counsel and, if necessary, replace AOs who do not submit monthly account reconciliations in a timely manner.
- b. Organizational Program Coordinators, is responsible for implementing and administering the Purchase Card Program; establishing policy and guidance; and arranging for or conducting training, including biennial refresher training, for cardholders and AOs; monitoring purchase card usage for the contracting activity; and serving as liaison between JPMChase Bank and the cardholders. Oversight responsibilities may not be redelegated. The OPC specific responsibilities include the following:
- (1) Account management including, processing purchase card applications; maintaining a current listing of all cardholders and AOs; closing accounts upon abuse or misuse of card privileges, compromise of account information, card loss, or cardholder departure; and periodically, but not less than annually determining each cardholder's continuing need to maintain an account.
 - (2) Complete training prescribed at Section 11 and file as appropriate. (Also, see Section 12.)
 - (3) Reviewing and coordinating the approval of Delegations of Purchasing Authority or Certificates of Appointments.
 - (4) Managing cardholder accounts through JPMChase Bank. This includes ensuring account profiles properly reflect single purchase and cycle spending limits, MCC inclusions, and processing name changes and password resets for cardholders.
 - (5) Maintaining an appropriate span of control between the cardholders and the Approving Official (no more than five cardholders, or 500 transactions per month, except with the approval of the HCA, or designee). For National Nuclear Security Administration (NNSA) contracting activities, an AO should be responsible for no more than a reasonable number of cardholders consistent with the activities normal span of supervisory control except with the approval of the HCA, or designee.
 - (6) Assisting cardholder and AOs in fulfilling their responsibilities.

- (7) Monitoring bank transaction declination reports to identify potential fraudulent activity.
 - (8) Monitoring convenience check usage to ensure cardholders are not violating the rules set forth in Section 29.
 - (9) Monitoring transaction reports during the billing cycles to disclose potential prohibited or improper use, and taking immediate action to address suspected legal or policy violations.
 - (10) Arranging for or conduct annual fiscal year reviews of cardholder transactions and files. This oversight responsibility can not be redelegated. A report must be submitted to the APC no later than January 31st. (See Section 13.)
 - (11) Reviewing transactions and purchasing logs of newly appointed cardholders within three months of their appointment.
 - (12) Maintaining records of cardholder and AO training, purchase limits, and appointments of cardholder and AOs.
 - (13) Referring cardholders and AOs to the HCA, or designee, for disciplinary actions when regulations, policies, or procedures are violated, and if monthly account reconciliations are not submitted in a timely manner.
 - (14) Closing purchase card accounts of past employees and deactivating purchase card accounts for those out of the office for extended time periods.
 - (15) Responding to data mining inquiries promptly and ensuring cardholders are responsive.
 - (16) Submitting OMB quarterly report information NLT the 10th of the month following the end of the quarter.
 - (17) Ensuring key duties are separated, such as making purchases, authorizing purchases, and reviewing and auditing purchase documents. No one individual should control all key aspects of a transaction or event.
 - (18) Periodically, but not less than annually, review number of purchase cards and credit limits. Credit limits should be decreased if cardholders historical spending level is significantly less than the credit limit. If a purchase card is unused for at least six months the card should be deactivated.
 - (19) Ensuring that proper procedures are in place to adequately safeguard and control those items that are pilferable and sensitive.
 - (20) Submitting requests to modify MCCs and hierarchies to the APC for approval.
- c. Cardholders: Primary responsibilities include making authorized transactions, collecting and maintaining the required documentation, logging and reconciling transactions, and obtaining approvals, if blanket authority letter is not applicable, of all transactions made in support of organizational requirements. A cardholder's responsibilities include, but are not limited to, the following:
- (1) Maintaining physical custody of the DOE Purchase Card at all times. The cardholder must not allow anyone to use the purchase card or account number. A violation of this trust may require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action. The cardholder will take care to separate the Government card from personal cards in order to prevent its accidental use for personal transactions.
 - (2) Completing the required initial and refresher prescribed at Sections 9 and 12, and provide proof of training to the OPC. In addition, complete Annual Financial Disclosure Report (OGE 450) or Executive Branch Public Financial Disclosure Report (SF-278) when the Federal cardholder has a single purchase limit that exceeds the micro-purchase threshold. Complete the annual online Ethics Training, or equivalent, if a Federal cardholder. This has been approved by GC-77. Call (202) 586-4040 with questions or contact local counsel.

- (3) Using the GPC to purchase and/or pay only for official supplies and services in support of the Cardholder's agency's mission, making purchases only in accordance with the requirements of these Guidelines and its references, ensuring that he or she does not use the GPC to purchase items for personal use, ensuring that others do not use his or her GPC or account number, and understanding what restrictions may be placed on purchases by the funds allotted to the card.
- (4) Complying with the requirements of Part 8, Required Sources of Supplies and Services, Part 13, Simplified Acquisition Procedures, and Part 23, Environmental, Energy and Water Efficiency, Renewable Energy Technology, Occupational Safety, and Drug Free Workplace, of the FAR when making purchases using the DOE Purchase Card as well as these procedures.
- (5) Verifying receipt/acceptance of purchased goods or services.
- (6) Obtaining all required pre-purchase approvals unless the transaction is a purchase covered by a blanket letter of approval issued by the AO. Before certifying the purchase of items, the AO should have a detailed description of the items being purchased.
- (7) Not "splitting" purchases in order to fall within the single purchase limit. If a purchase would exceed a cardholder's single purchase limit, the purchase must be accomplished using other acquisition procedures, as appropriate. These purchases will be accomplished by the local purchasing staff.
- (8) Recording all transactions in a document or electronic system similar to the Purchase Card Log, Attachment 2, or Convenience Check Log, Attachment 3, as applicable.
- (9) Informing the merchant that the purchase is tax exempt if applicable, to prevent being charged with taxes (See Section 26).
- (10) Maintaining receipts and other supporting documentation for purchases. Cardholders must provide receipts/invoices and sufficient documentation to the AO for review monthly and must maintain the records for 3 years.
- (11) Reviewing, reconciling, and approving transactions.
 - a. Resolving unauthorized, erroneous, or questionable transactions with merchants.
 - b. Resolving with merchants and tracking any purchases billed but not received.
 - c. Review, complete, sign and date the Statement of Account. (See Section 32).
 - d. Submit completed Statement of Account and customer receipts to AO within 5 working days of receipt.
- (12) Disputing with the merchant immediately any unresolved transaction for which a charge occurred during the prior billing cycle(s) but the item(s) have not been received, and tracking the dispute to completion. Cardholders with access to PaymentNet must submit disputes electronically. Cardholders without access to PaymentNet must use JPMChase Bank's dispute form in Attachment 4 of this Guide.
- (13) Notifying the Finance Office of unusual/questionable requests and disputable transactions.
- (14) Maintaining physical security of the purchase card and convenience checks, if applicable, to avoid unauthorized use. No one except the cardholder shall use the purchase card. Additionally, the cardholder shall not release the purchase card account number to entities other than a merchant processing a transaction.
- (15) Immediately report lost or stolen cards to JPMChase Bank, to the AO, and to the OPC.
- (16) Contacting JPMChase Bank (phone number on back of your card) if your purchase card is declined when making a transaction. Do not continue to have the merchant swipe your card. You should ask the JPMChase Bank

representative why the card was rejected and what is needed to correct the problem. Work with your OPC to resolve the problem.

- (17) Ensuring that funds are reserved prior to the items being purchased. A cardholder may not delegate their authority or sign (ratify) after someone else has made a purchase.
- (18) Ensuring purchased items are received by the requiring activity.
- (19) Responding to data mining inquiries promptly.
- (20) Giving purchase card, and convenience checks, if applicable, to AO when no longer employed with DOE, are taking a temporary leave, or transferring to another DOE office and it has been determined that the card is no longer needed.

d. Approving Officials: Primary responsibilities involve purchase card administration for their cardholder accounts including approval/disapproval of all purchases, funds accountability, property accountability, and reconciliation. The AO has oversight responsibility for a number of cardholders to ensure that all transactions are necessary and for official government purposes only. The AO's responsibilities include, but are not limited to:

- (1) Complete the training prescribed at Section 10 and provide proof of training to the OPC. (Also, see Section 12.)
- (2) Nominating employees to serve as cardholders by submitting a form such as that illustrated at Attachment 5.
- (3) Ensuring each cardholder has access to the DOE Policy and Operating Procedures and understand the requirements for use of the DOE Purchase Card and fulfills his or her responsibilities related to the purchase card program.
- (4) Reviewing and approving, prior to purchase, DOE purchase card purchases, except those having blanket letters of approval.
- (5) Reviewing and approving, in a timely manner, cardholders monthly Statements of Account ensuring that the statements have supporting documentation and are complete, accurate, and reflect only authorized purchases. This entails verifying that all of his or her assigned cardholders transactions were necessary to support the cardholder's supported work area and permitted government purchases in accordance with purchase card policy and guidance, and all other government agency policy and procedures; verifying that the cardholder has complied with independent receipt and acceptance procedures for all accountable property (pilferable and sensitive) acquired with the purchase card; questioning cardholders about suspicious transactions and resolving those transactions with the cardholder; and promptly sign, date, and forward all cardholders' Statements of Account and any dispute forms to the Finance Office so that the statements are received by the Finance Office not later than the date required by the Finance Office. If the cardholder has access to PaymentNet, the dispute process must be completed electronically. In accordance with office internal procedures notification e-mails should be sent to appropriate parties. (See Section 33.)
- (6) Reviewing his or her assigned cardholder's statement and approving a statement in a cardholder's absence within the required time frames.
- (7) Ensuring that known requirements are documented prior to purchase and requirements that exceed the \$3,000 micro-purchase threshold for supplies, \$2,500 for services, and \$2,000 for construction are forwarded through contracting support channels for processing.
- (8) Notifying the OPC if monthly account reconciliations are not submitted in a timely manner, and if there are suspected cases of fraudulent, improper, abusive, or questionable purchases by the cardholder.
- (9) Notifying the OPC as soon as possible (in most cases prior to the event) to close any cardholder accounts for individuals who have transferred, been terminated, are in "absent without leave" (AWOL) status, retired or have otherwise no further need for use of the GPC. Departing cardholder's purchase cards, and convenience checks, if applicable, should be destroyed.

(10) Notifying the OPC of any lost, stolen or compromised cards (in addition to the cardholder's immediate notification of the JPMChase Bank) and submitting a report to the OPC within five business days to detail the circumstances of the lost, stolen or compromised card.

e. Finance Offices: Primary responsibilities involve coordinating with their budget officer and/or resource management to ensure accuracy of payments, including designation of the proper appropriations or other funds, certified to the paying office. Finance Officials are financially responsible for any illegal, improper, or incorrect payment as a result of an inaccurate or misleading certification. The Finance Office responsibilities include, but are not limited to the following:

- (1) Reviewing and reconciling all Statements of Account to the invoice submitted from the JPMChase Bank. This includes distributing DOE Purchase Card charges and credits to the appropriate accounts.
- (2) Ensuring that payments to the JPMChase Bank are made in accordance with the Prompt Payment Act.
- (3) Ensuring all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.
- (4) Establishing procedures for receiving and verifying the amount of rebates received from JPMChase Bank.
- (5) Notifying the purchase card OPC of any problems with individual cardholder accounts.
- (6) Ensuring that:
 - (a) proper approvals are present on all statements before charging program office accounts;
 - (b) instances in which cardholders statements are not received in a timely manner are referred to the OPC; and,
 - (c) program accounts are only charged in accordance with the funding direction provided on approved cardholder statements.

9. NOMINATIONS AND TRAINING REQUIREMENTS FOR PURCHASE CARDHOLDERS

FAR Subpart 1.603-3, Appointment, states that contracting officers shall be appointed in writing on a SF 1402, Certificate of Appointment, stating any limitations on the scope of authority to be exercised. The SF 1402 shall be used to evidence the contracting officer appointment for delegation of purchase cardholders exceeding micro-purchase authority (i.e. above \$3,000). A Certificate of Appointment is not required for cardholders exercising only micro-purchase authority. A Delegation of Purchasing Authority (See Attachment 5 as a sample) will evidence this appointment. If the cardholder will have convenience check writing authority this should also be evidenced in writing. In accordance with DOE Order 361.1B, Acquisition Career Management Program, the following training and experience is required for purchase cardholders. Contractor personnel, while not held to Federal training standards, should possess equivalent training and experience while serving in purchase cardholder positions. A cardholder may not receive a purchase card until their AO has taken the training.

a. Minimum Training Requirement for All Purchase Cardholders:

- All cardholders should receive training on the Purchase Card Program arranged for or presented by the local OPC. This should include self study of this Guide and any local implementing instructions or training materials. Offices may grant 3 hours training credit for this local training. If the OPC conducts the training, at a minimum, the training should include the following:
 - A thorough discussion of the DOE Purchase Card Program Policies and Operating Procedures, including dispute procedures, record retention, convenience check usage, mandatory sources of supply, and applicable FAR sites.
 - Usage of JPMChase Bank's PaymentNet system, if applicable to your office
 - Specific local guidance, including property receipt procedures, fiscal year end cut off dates for purchasing, and contact information for questions and concerns.

- GSA SMARTPAY2 Purchase Card Program, a 4 hour online training course addressing responsible use of the purchase card at <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>. Registration is required prior to taking the quiz and receiving the training certificate.
- One hour training entitled, “*Environmentally Preferable Procurement Training for Purchase Card Users and Approving Officials*”, available at <http://www.hss.doe.gov/pp/epp/library/epp-training-P-Card-rev.ppt>.
- 16 hours of continuous learning training every two years

b. Recommended Training for Micropurchase Cardholders

1-day Government-wide Purchase Card courses available from the GSA Interagency Training Center; USDA Graduate School, Management Concepts, Inc., and other training centers.

c. Minimum Experience and Additional Training Requirement for Cardholders with single purchase limit exceeding the micro-purchase threshold through \$25,000. (These requirements are in addition to the requirements immediately above.)

- (1) Experience: At least 6 months of experience as a cardholder at the micro-purchase threshold; and,
- (2) Additional Training: Training course of at least 16 hours on simplified acquisition techniques, including market research, competition, commercial item purchasing, and socioeconomic procurement programs. This training may be waived by the HCA for experienced cardholders who have acquired experience equivalent to this training.

d. Continuous Learning Training

In addition to this formal training, the OPC will conduct or arrange for biennial refresher training seminars for all cardholders using this Guide, lessons learned, and feedback from the annual review source material. As part of this refresher training, cardholders will complete a certification that they have read and understand the DOE purchase card policy and procedures. A minimum of 16 hours of continuous learning training is required every 2 years. Examples of training courses and the training vendors to conduct them are below.

- Property Management
- Simplified Acquisition Procedures (Defense Acquisition University (DAU))
- Debarment and Suspension
- AbilityOne (DAU)
- Green Procurement (DAU)
- Ethics Training (DAU)(DOE Online Learning Center (OLC) Only available via DOE Employee Self Service)
- Proper Use of Government Charge Cards (OLC)
- STRIPES Micro-Purchases (OLC)
- Lessons learned session by OPC
- Colleague Consulting has a one day refresher training
- GSA offers onsite training for GSA Advantage, GSA Library,

10. **NOMINATIONS AND TRAINING REQUIREMENTS FOR APPROVING OFFICIALS**

An Appointment of Purchase Card Approving Official (Attachment 6) will evidence the appointment of the AO as well as who their cardholders will be. Contractor personnel, while not held to Federal training standards, should possess equivalent training and experience while serving in AO positions. A cardholder may not receive a purchase card until their AO has taken the training and been formally appointed.

a. Training

The OPC shall arrange for, or provide, AO training. This training should be at least four hours in length and encompass the roles and responsibilities of an AO as well as an understanding of the responsibilities of the cardholder. Biennial

refresher training must be provided. As part of this refresher training, AOs will complete a certification that they have read and understand the DOE purchase card policy and procedures.

b. Available Online Training

Online training is available to satisfy the four hour training requirement. The two courses following two courses may be completed.

- Course Title: GSA SMARTPAY2 Purchase Card Program. This online training tool addresses responsible use of the purchase card by your cardholders. <http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm> . Registration is required prior to taking the quiz and receiving the training certificate.
- Course Title:, “Environmentally Preferable Procurement Training for Purchase Card Users and Approving Officials”, available at <http://www.hss.doe.gov/pp/epp/library/epp-training-P-Card-rev.ppt>.

11. **ORGANIZATIONAL PROGRAM COORDINATOR TRAINING**

Individuals appointed as OPCs shall be experienced contracting personnel. All OPCs shall complete the SMARTPAY2 on line Training available at: <http://apps.fas.gsa.gov/webtraining/trainingdocs/aopctraining/index.cfm>. Registration is required prior to taking the quiz and receiving the training certificate. OPCs are also expected to participate in recurring telephone conference calls which will be scheduled by the APC. Contractor personnel serving in these positions should have course work equivalent to that associated with the DOE Certification levels. All OPCs are encouraged to attend the Annual Purchase Card Training Conference sponsored by the JPMChase Bank and the GSA.

12. **QUALIFICATION STANDARDS FOR CONTRACTING AND PURCHASING PERSONNEL**

As established in the U.S. Department of Energy Acquisition Career Management Program Handbook, the proficiency levels for contracting and purchasing personnel are defined below.

1102 Series Certification Levels	Grade
Level I	GS-05 through GS-07
Level II	GS-09 through GS-12
Level III	GS-13 and above
1105 Series Certification Levels	Grade
Level I	GS-05
Level II	GS-06 through GS-08
Level III	GS-09 and above

Cardholders, AOs, and OPCs have a one year period to complete any new training requirements.

13. **HEAD OF THE CONTRACTING ACTIVITY ANNUAL REVIEWS**

The HCA is responsible for the conduct of an effective and efficient acquisition program. The HCA should ensure annual reviews of cardholder records are conducted and documented to determine the extent of adherence to prescribed procedures, guidelines, policies, regulations, and good management practices, and to identify any needs for improvement, guidance and/or training. Accordingly, purchase cardholders and AOs are responsible for the card purchases in accordance with these Guidelines and the references herein.

- These reviews should be conducted in the first quarter of each fiscal year and should assess the prior fiscal year’s purchase card program. A copy of the annual review shall be forwarded to the APC no later than January 31 of each calendar year.
- Annual reviews should include an assessment of the appropriateness of transaction dollar limitations as well as a validation of the need for the account based upon usage, e.g. no transactions within the past six months. If

purchases are at significantly lower levels, lower spending limitations should be considered. The review process should consist of a random sampling of cardholder records.

- The sampling should include a sufficient number of purchase cardholder records under each of your established AO accounts. The number selected must be large enough to provide an adequate sampling of purchase card operations within your office.
- The reviewer must complete one checklist (Attachment 8) per each individual cardholder record reviewed in the random sample selected.
- The report should include areas of non-compliance, recommendations for improvements identified in the checklists, and areas of purchase card best practices. For example, any areas of concern or problems found during any aspect of the review should be summarized, along with a discussion of what steps have been taken to correct the areas of non-compliance. Only findings related to areas of non-compliance should be cited. Any best practices or recommendations provided will be used to improve the purchase card program.
- Any prior year audit findings should be reviewed to ensure corrective action was accomplished.
- Contractors must provide a copy of the annual review to the APC and their Federal Contracting Officer.

If your office uses the p-card to acquire supplies or services with Recovery Act funds the below review guidelines must be followed, in addition to the aforementioned guidelines.

- Transactions less than the micropurchase threshold - a sample size of 25% should be reviewed. If your review discloses an error rate of over 10%, then 100% of the purchases should be reviewed.
- Transactions above the micropurchase threshold - 100% of the transactions should be reviewed.

Additionally, to identify any seemingly abnormal purchases, the OPC should conduct periodic oversight reviews for both Recovery Act and non-Recovery Act funded transactions so that any problems can be promptly resolved.

14 **CONDITIONS FOR USING THE DOE PURCHASE CARD**

The DOE Purchase Card will be used for purchases that meet the dollar and activity limits authorized on the DOE Purchase Card. Purchases accomplished using the DOE Purchase Card must meet the following conditions:

- a. The total of a single purchase may comprise multiple items and cannot exceed the authorized single purchase limit stated in the certificate of appointment or delegation of authority.
- b. All purchases accomplished using the DOE Purchase Card will be in accordance with [Part 8, "Required Sources of Supplies and Services"](#), [Part 13, "Simplified Acquisition Procedures"](#), and Part 23 entitled, "Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace", of the [Federal Acquisition Regulation \(FAR\)](#), these Guidelines, and the Cardholder's Delegation of Purchasing Authority.
- c. The supplies or services must be available and received prior to the end of the billing period wherever practicable. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and AO on the monthly Statement of Account.

FAR 13.301, Government wide commercial purchase card, states the card may be used to (1) make micro-purchases; (2) place a task or delivery order (if authorized); or (3) make payments, when the contractor agrees to accept payment by the card. Agency procedures should encourage use of the card in greater dollar amounts by contracting officers to place orders and to pay for purchases against contracts established under [Part 8](#) procedures, when authorized; and to place orders and/or make payment under other contractual instruments, when agreed to by the contractor. Pursuant to FAR

32.1108, the purchase card may be used as a method of payment under certain contracts provided the contract contains a clause authorizing such method of payment through a clause such as that at FAR 52.232-36, Payment by Third Party.

15. **PURCHASES**

Purchases of goods and services should be made based upon a properly approved requisition signed by an authorized employee, independent of the purchase cardholder. The requisition must describe the goods or services to be purchased, the delivery requirements, potential sources, and document that funds are available for the purchase. In limited circumstances, as provided by the AO, purchases may be authorized without prior review, if a blanket letter of authority has been provided to the cardholder. The cost of the goods or services to be purchased shall be determined to be fair and reasonable.

Purchases of services may be made with the purchase card; however, if the nature of the service is subject to the Service Contract Act, refer the matter to the Contracting Officer. Such purchases should be fixed price or fixed hourly rate with a maximum ceiling. If the services are purchased on a recurring basis, consideration should be given to consolidation under a purchase order or other contracting method. The card may not be used unless ordering and delivery of the services can both occur within the billing period. The card should not be used to acquire services greater than \$2,500 subject to the Service Contract Act as formal wage determinations are required above that amount. Service contracts provide labor that are other than bona fide executive, administrative or professional in nature.

Purchases of construction may be made with the purchase card only if local procedures provide for such use. Purchase card purchases of construction may not exceed \$2,000 as a formal contract is required above that amount.

Return and exchange policies are merchant specific. The cardholder is responsible for noting the merchant's policy and adhering to them. If the cardholder purchases goods or services directly from a merchant, the merchant should give the cardholder a copy of the charge slip and, if applicable, any other customer receipt. The cardholder must ensure that the charge slip contains full documentation of goods or services purchased. The cardholder is required to save the charge slip and any other receipt for forwarding to the cognizant AO along with the monthly Statement of Account and purchase card log. In addition, if an item is returned to the merchant and a credit is given, the credit slip should also be saved and attached to the Statement of Account which reflects the credit.

16. **RESERVATION/CERTIFICATION OF FUNDS**

The use of the Strategic Integrated Procurement Enterprise System (STRIPES) will fulfill this requirement. If STRIPES is not being used within your office then local procedures shall be established to reserve and certify funds. A cardholder may not delegate their authority or sign (ratify) after someone else has made a purchase.

17. **ORAL PURCHASES (INCLUDING TELEPHONE ORDERS) AND MAIL ORDER PURCHASES**

- a. Oral purchases and mail order purchases to acquire supplies or services may be accomplished using the DOE Purchase Card provided that (1) the supplies or services can be described in sufficient detail so that the parties have a clear understanding of what is required; (2) the amount of the purchase is at or below the micro-purchase threshold; and (3) a purchase order or contract is not required by either the merchant or DOE. These types of purchases must be documented. Documentation will address such things as extent of competition.
- b. When an order is placed via telephone using the purchase card, the cardholder will:
 - (1) Notify the merchant that the purchase is tax exempt. Should a merchant refuse to acknowledge the tax exempt status of the purchase, the ultimate recourse for the cardholder is to inform the merchant that the Government's purchase will be taken elsewhere. Contractors may or may not be tax exempt depending on the contractor's own tax exempt status.
 - (2) Ensure that the items or services acquired will be received prior to the end of the billing cycle. Items or services not received prior to the end of the billing cycle may not be approved for payment by the cardholder and AO on the monthly Statement of Account. Therefore, the cardholder should confirm that the merchant agrees not to charge the purchase card until shipment is made so that the receipt of supplies may be certified on the monthly Statement of

Account. NOTE: Subscriptions may be telephonically ordered and payment authorized even though the subscription has not been received by the end of the billing cycle.

- (3) Ensure that the price quoted represents the full obligation of the Government for the item or service acquired. Cardholders will ensure that the prices quoted represent the total price to the Government, including shipping charges, packaging, etc., to avoid future billing and payment problems.
- (4) Instruct the merchant to include the following information on the shipping document or packing slip, if required. This information will alert the receiving officer and the requisitioner that the supplies have been purchased with the purchase card:
 - (a) Cardholder's name and routing symbol;
 - (b) Building number, room number, street address, city and state of delivery point; and
 - (c) Cardholder's telephone number.

c. The cardholder will execute and maintain appropriate records of each transaction.

18. **ACQUISITION REGULATION**

The FAR applies to purchase card transactions. See especially, FAR 3.104, Procurement Integrity, [Part 8, Required Sources of Supplies and Services](#), [Part 13, Simplified Acquisition Procedures](#), and Part 23, [Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace](#).

19. **UTILIZATION OF SMALL BUSINESS**

FAR Part 13, Simplified Acquisition Procedures, prescribes that acquisition of supplies and services of an anticipated dollar value of \$3,001 through \$100,000 will be reserved exclusively for small business concerns. Only when there is no reasonable expectation of obtaining the goods or services from two or more responsible small business concerns that will be competitive in terms of market price, quality, and delivery, may the purchase be made from a large business. Each such purchase will be appropriately documented.

20. **COMPETITION**

Purchases not exceeding \$3,000 are called "micro-purchases" and may be made without securing competitive quotations if the cardholder considers the prices obtained from a single source to be reasonable. Purchases made without securing competition will be distributed among qualified suppliers by means of rotating recurring purchases among merchants. If a purchase recurs frequently, consideration should be given to consolidating the requirements to obtain quantity discounts. Refer such matters to your OPC.

21. **MICRO-PURCHASES UNDER THE DOE PURCHASE CARD PROGRAM**

Per FAR 13.201 simplified acquisition procedures are to be used for acquiring products and services valued at or below the micro-purchase threshold.

The primary objective of micro-purchase procedures is to dramatically simplify the method in which Government officials can acquire low-dollar value products and services in the performance of their mission duties and responsibilities. Cost is important but quality, availability, and reliability of the merchant and product are also important.

Key streamlining features of the micro-purchase program are noted in the chart below.

UP TO MICROPURCHASE THRESHOLD	ABOVE MICROPURCHASE THRESHOLD
Allows delegation to nonprocurement cardholders	Requires a Contracting Officer warrant
FAR Part 8 applies (Also see Section 22 of this Guide)	FAR Part 8 does not apply
FAR Subparts 23.2, 23.4, 23.7 applies	FAR Part 23 applies
Requires rotation of merchants (i.e., if there are multiple merchants and a recurring requirement, rotate the award among the merchants) – small business restrictions <u>do not</u> apply	Small business restrictions apply
No competition required, if price considered reasonable	Competition and price reasonableness applies
No contract clauses, provisions, or certifications required, except as provided at FAR Subpart 4.1101 and 32.1110	Contract clauses, provisions, and certifications are required
No Central Contractor Registration required (FAR 4.1102)	Central Contractor Registration required
No contract reporting	Contract Reporting applies
Exempt from provisions of Buy America Act	Buy America applies

In addition, all other requirements contained in these Guidelines apply to micro-purchases.

22. **MANDATORY SOURCES**

- a. Cardholders are subject to the regulatory requirements contained in FAR Part 8, "Required Sources of Supplies and Services."
- b. By law, the AbilityOne Program, previously known as the Javits-Wagner-O'Day Act Program (JWOD), is a mandatory source program for the Federal Government. The program was established as a result of the passage of the Wagner-O'Day Act of 1938. That Act and subsequent amendments are designed to promote the socioeconomic goal of generating employment and training opportunities for persons who are blind or are otherwise severely disabled. This program carries the highest socioeconomic priority involving Federal acquisitions in that no other provision of the FAR permits exception to the mandatory nature of AbilityOne products and services provided by the National Industries for the Blind and NISH nonprofit agencies. In addition, the provisions of the Federal Acquisition Streamlining Act of 1994 do not amend the mandate to procure AbilityOne products and services set forth in the JWOD Act. Purchase cardholders are prohibited from acquiring supplies equivalent to AbilityOne items from other sources, including discount office supply stores and firms supplying Federal agencies under consolidated office supply contracts except as provided for at Section 23 below.

Policy Flash 2010-40, AbilityOne Program, dated March 31, 2010, strongly encourages DOE procurement offices to increase purchase supplies and services from AbilityOne Program participants, where available, to the maximum extent possible in accordance with FAR Subpart 8.7, Acquisition From Nonprofit Agencies Employing People Who Are Blind or Severely Disabled.

- c. Federal Prison Industries (FPI), also known as Unicor, is a mandatory source for items listed in the FPI schedule at <http://www.unicor.gov> but purchases from Unicor require special analysis. Before procuring from FPI, nonprocurement cardholders should consult with their procurement office.

The FPI Board of Directors announced its decision to increase the blanket waiver relating to small dollar value purchases from the previous threshold of \$2,500 to a threshold of \$3,000, effective April 12, 2007. Customers may, however, still purchase from FPI at, or below, this threshold, if they so choose. No waiver is required to buy from an alternative source. See FAR 8.605 for exceptions to the use of FPI.

23. **OFFICE SUPPLIES AND ABILITY ONE**

Under the provisions of the Javits-Wagner-O'Day Act, AbilityOne contractors are the exclusive distributors of AbilityOne office supplies with the following ordering options:

- AbilityOne's on-line system for ordering next-day delivery of thousands of Skilcraft and other AbilityOne products is www.abilityone.com. This is the recommended ordering option for purchase cardholders using the purchase card as the most convenient and efficient method of purchasing office supplies. A current procurement list is available at http://www.abilityone.gov/proc_list.html.
- AbilityOne's Corporate Single Award Schedule (NIB/NISH). This schedule offers a variety of office supplies that includes computer paper, writing instruments and desk supplies.
- GSA Advantage On-Line Shopping Service. This Internet site (<http://www.gsadvantage.gov>) allows customers to browse, search and review prices and delivery options before placing an order on the Internet. GSA's National Help Line at 800-488-3111 will answer questions and refer you to local AbilityOne Program assistance through Customer Service Directors in each state.

24. **PROHIBITIONS AND RESTRICTIONS**

a. DOE Purchase Card purchases are subject to the following restrictions and prohibitions:

- (1) Cash advances: Money orders, traveler's checks, convenience checks, and gift certificates are also considered to be case advances.
- (2) Rental or lease of land or buildings: Land and/or buildings, for a term longer than one month is prohibited.
- (3) Purchase of software requiring a negotiated license agreement between DOE and the contractor (excludes "shrink wrap" license affixed to commercially available software);
- (4) Purchase of supplies or services for GSA fleet operated vehicles;
- (5) Purchases of food, beverages and entertainment, except under very limited circumstances generally associated with away from work place training that must be approved, by the OPC, in advance in all cases; and
- (6) The DOE Purchase Card will not be used in lieu of the Government authorized travel charge card. Travel or travel-related expenses are not allowed. However, short term conference/meeting spaces, local transportation services, and shuttle services can be properly acquired on a purchase card.
- (7) Purchases that utilize third party payment merchants such as PayPal and MyPay are prohibited except with written approval of OPC. Use of such merchants circumvents merchant code blocking, and hinders oversight and data mining capabilities, as well as forfeits disputes rights with the JPMChase Bank. Where it is identified that the purchase will be processed via a third-party merchant, the cardholder must make every attempt to choose another merchant from which to procure the goods and/or services. If it is still found necessary to procure using a third-party payment merchant, the AO must ensure there is adequate supporting documentation showing that there was a detailed review of the purchase and that the use of the third-party payment merchant was unavoidable. In the event the cardholder was unaware the merchant used a third-party merchant until the Statement of Account revealed this information, the cardholder should not use that merchant for future purchases unless the aforementioned steps are followed. Note that transactions made with a third-party payment merchants are considered high-risk transactions for both subsequent audit and data mining screening.

(8) Generally, the following items are centrally managed and procured. Check for local guidance before using the purchase card to obtain the following.

- (a) Messenger services and package delivery services;
- (b) Office supplies and paper;
- (c) Lease or purchase of Government vehicles;
- (d) Building alterations;
- (e) Office moves;
- (f) Carpet installation and repair;
- (g) Shuttle bus service;
- (h) Printing jobs;
- (i) Photocopier equipment; and
- (j) Products or services to be furnished by Federal Prison Industries (FPI), also referred to as UNICOR, require formal documentation of market research and analysis in accordance with FAR 8.6. Consult your local procurement office for assistance if contemplating a purchase from FPI.

This list is not intended to be comprehensive and may be further supplemented with local prohibited items. You may not remove any of the prohibitions from this list.

- b. Banks group merchants within merchant categories based on their type of business. Purchases from the following merchant category codes have been blocked. Should a cardholder need to make a valid purchase from a merchant in one of these category codes, their OPC will need to clear the purchase with the JPMChase Bank. If recurring transactions need to be made from blocked MCC's the OPC shall submit a request, with justification, to the APC for approval.

Number	Description
3000-3299	Airlines
3300-3499	Car Rental Agencies
4112	Passenger Railways
4119	Ambulance Services
4411	Steamship/Cruise Lines
4511	Airlines, Air Carriers (Not Elsewhere Classified)
4722	Travel Agencies
4723	TUI Travel
4761	Telemarketing of travel related service
4829	Wire Transfer - Money Orders
5309	Duty Free Stores
5422	Freezer and Locker Meat Provisioners
5441	Candy, Nut, and Confectionery Stores
5451	Dairy Products Stores
5571	Motorcycle 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, Sheet Music
5735	Record Shops
5813	Drinking Places (Alcoholic Beverages) Bars Taverns, Cocktail Lounges, Nightclubs, Discotheques
5814	Fast Food Restaurants
5921	Package Stores - Beer, Wine and Liquor
5932	Antique Shops
5933	Pawn Shops
5937	Antique Reproductions

5944	Jewelry Stores, Watches, Clocks, and Silverware Stores
5945	Hobby, Toy, and Game Shops
5949	Sewing, Needlework, Fabric and Piece Goods Stores
5960	Direct Marketing Insurance Services
5961	Mail Order Houses, Book/Record Clubs, Catalog Stores
5962	Direct Marketing Travel-Related Arrangement Services
5963	Direct Selling Establishments/Door-To-Door Sales
5972	Stamp and Coin Stores - Philatelic and Numismatic Supplies
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	Electronic Cash Withdrawal
6051	Non-Financial Institutions - Foreign Currency, Money Orders (not wire transfer), and Travellers Cheques
6211	Security Brokers/Dealers
6300	Insurance Sales and Underwriting
6381	Insurance Premiums
6399	Insurance (Not Elsewhere Classified)
6513	Real Estate Agents and Managers - Rentals
6529	Remote Stored Value Load - Member Financial Institution
6530	Remote Stored Value Load
6531	Payment Service Provider
6532	Payment Transaction - Member Financial Institution
6533	Payment Transaction - Merchant
6611	Overpayments
6760	Savings Bonds
7012	Timeshares
7032	Sporting and Recreational Camps
7033	Trailer Parks and Camp Grounds
7261	Funeral Service and Crematories
7273	Dating and Escort Services
7276	Tax Preparation Service
7277	Counseling Service - Debt, Marriage, Personal
7280	Hospital Patient Personal Funds Withdrawal Accts
7295	Babysitting Services
7297	Massage Parlors
7321	Consumer Credit Reporting Agencies
7511	Truck Stop Transactions
7512	Car Rental Agencies (Not Elsewhere Classified)
7531	Automotive Body Repair Shops
7535	Automotive Paint Shops
7538	Automotive Service Shops (Non-Dealer)
7542	Car Washes
7549	Towing Services
7832	Motion Picture Theaters
7833	Express Payment Services (motion pictures)
7841	Video Tape Rental Stores
7911	Dance Halls, Studios and Schools
7922	Theatrical Producers (Except Motion Pictures), Ticket Agencies

7932	Billiard and Pool Establishments
7933	Bowling Alleys
7941	Commercial Sports, Professional Sports Clubs, Athletic Fields, Sports Promoters
7991	Tourist Attractions and Exhibits
7992	Golf Courses - Public
7993	Video Amusement Game Supplies
7994	Video Game Arcades/Establishments
7995	Betting (including Lottery Tickets), Casino Gaming Chips, Off-Track Betting and Wagers
7996	Amusement Parks, Circuses, Carnivals, Fortune Tellers
7998	Aquariums, Seaquariums, Dolphinariums
8211	Elementary and Secondary Schools
8351	Child Care Services
8651	Political Organizations
8661	Religious Organizations
8675	Automobile Associations
9211	Court Costs, Including Alimony and Child Support
9222	Fines
9223	Bail and Bond Payments
9311	Tax Payments
9401	I-Purchase Pilot
9411	Government Loan Payments
9700	Automated Referral Service
9751	U.K. Supermarkets - Electronic Hot File (For Regional Use Only)
9752	U.K. Petrol Stations - Electronic Hot File (For Regional Use Only)

25. **MERCHANT FEES**

Merchants may not impose a minimum amount to be charged on the card; for example, the merchant says they will only accept charge cards for purchases of \$5 or more. Additionally, a surcharge in exchange for accepting payment via charge card, a percentage of the value of the sale (e.g. 3% of the transaction cost of \$100), is not to be collected by the merchant. Lastly, if a merchant normally accepts card payments, they can not charge a convenience fee, a flat fee used when the merchant does not usually accept cards for payments.

26. **U.S. GOVERNMENT TAX EXEMPT PURCHASES**

This section is applicable to Federal employees using the purchase card. The U.S. Government's tax exempt status does not extend to contractors even when they are operating a Government facility. Depending on an organization's ownership type, the Management and Operating Contractor may be tax exempt in its own right.

Each DOE Purchase Card is embossed with the notice: "U.S. GOVT TAX EXEMPT." The cardholder must inform the merchant prior to placing the telephone order or making an over the counter purchase that the purchase is exempt from all state or local taxes, including sales taxes. The SMARTPAY2 Card is viewed as a Government card and a determination has been made that it would be inappropriate to emboss any other tax exempt representation on the card. When a management and operating contractor is authorized use of the SMARTPAY2 card, JPMChase Bank will furnish a card without the US Government Tax Exempt logo.

If the merchant does not initially acknowledge that DOE Purchase Card purchases are exempt from state and local taxes, the cardholder will specifically inform the merchant that the Government wide card provides that all card purchases will be exempt from state and local taxes. In addition, FAR 29.302, "Application of state and local taxes to the Government contractors and subcontractors," states that purchases and leases made by the Federal Government are immune from state and local taxation. FAR 29.305, "State and local tax exemptions," states that evidence of exemption from state and local taxes includes copies of purchase orders, shipping documents, purchase card imprinted sales slips, paid or acknowledged invoices, or similar documents that identify an agency of the U.S. as the buyer.

U.S. Tax Exemption Certificate (SF-1094) is no longer used for micro-purchases. The Internal Revenue Service suggests that Federal agencies instead furnish merchants their Employer Identification Number as evidence of tax exemption.

Most states have provided GSA a tax exemption letter discussing its statutes in this area. They are available at: http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_BASIC&contentId=13558&noc=T. If the state that you are working with is not located on GSA's website it is suggested that you check for the state in which you are making the purchase on the Department of Revenue's website for the tax exemption rules for that state.

27. **DOCUMENTATION FOR EACH PURCHASE**

Each card purchase will be manually or electronically documented by completion of the following:

- Purchase Card Quotation Worksheet
- Purchase Card Log, and Convenience Check Log, if applicable.
- Evidence of Property Receipt

Similar local forms which capture the necessary information are acceptable. A copy of each of these forms will be submitted with the monthly Statement of Account to the AO. The original of each of these forms will be maintained by each cardholder for record keeping purposes.

At a minimum, the purchase card log must have the following information:

- The item purchased (including a detailed description, unit number and quantity)
- The amount of the purchase
- The name of the merchant
- The date you received the item purchased
- If Recovery Act funded, notate the applicable log (purchase or convenience check) if there was a purchase made with recovery funding.
- If a convenience check the TIN and business address of the merchant must be identified

28. **RECOVERY ACT FUNDING**

The following procedures must be followed if using Recovery Act funds.

- Cardholder makes separate transactions if using non-recovery and recovery funding.
- Notate the purchase card log if there was a purchase made with recovery funding.
- Notate the accounting code beside the applicable transaction on the Statement of Account.
- From the reviewed and signed Statement of Account, Finance will make the appropriate entry into the accounting system for reporting purposes.

No additional cards should be established for Recovery Act purchases unless your office is anticipating a high volume of transactions and/or there is a high risk of errors in reconciling transactions to the appropriate Recovery Act accounting codes. Note: if cards are established, the current training and delegation procedures must be followed. In addition, HQ must be notified for tracking purposes.

29. **CONVENIENCE CHECKS**

Convenience check training must be completed prior to cardholder writing checks. This training is located within the GSA SMARTPAY2 Purchase Card Program training (<http://fss.gsa.gov/webtraining/trainingdocs/smartpaytraining/index.cfm>).

The purchase card is the preferred method for completion of micro-purchases. Public Law 104-134, The Debt Collection Improvement Act of 1996 requires that, with limited exceptions, federal payments be made through electronic means. The Department of the Treasury has ruled that checks are not electronic funds transfer (EFT) compliant. Convenience checks are

a payment and/or procurement tool intended only for use with merchants that do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the charge card. If there is another merchant from whom the transaction could reasonably be completed then that method might offer a better value than utilizing the convenience check, especially since a convenience check can not be disputed.

Convenience checks shall not be written to:

- Merchants who accept the purchase card;
- Merchant transactions already under another method of acquisition, e.g., purchase orders, contracts, etc. (see FAR 32.1103 for permissible exceptions);
- Cash;
- To the account holder;
- To other employees for reimbursements;
- Salary payments, cash awards, or any transaction processed through the payroll system;
- Travel related transportation tickets; and
- Meals or lodging related to employee travel except as related to emergency incident response.

Cardholders must maintain a Convenience Check Log which must include the check number, merchant name, business address, merchant TIN, the description of the purchase, the dollar amount of the purchase, the dollar amount of the check fee, and the total cost.

When a purchase is made with a convenience check, the check value will be treated as a charge against the cardholders account. There is a charge of 1.5% of the face value of each check processed. Cardholders are to manage such checks in the same manner as they do card purchases, i.e. reservation of funds, AO coordination, documentation, maintenance of receipts, and reconciliation. Convenience checks may not be written above the micropurchase limit of \$3,000 for supplies, \$2,500 for services, and \$2,000 for construction. Cardholders individual purchase limits are the same for convenience checks as for card transactions except those cardholders issuing convenience checks exceeding \$3,000 must be warranted contracting officers, receive prior approval from the OPC, and shall never exceed \$10,000, except for extreme emergencies. For example, if linemen for one of the Power Administrations are in the field repairing power lines due to a snow storm, materials to restore power to the area must be purchased immediately, checks may exceed \$10,000. For those cardholders who are not a warranted contracting officer, a written waiver must be obtained.. The practice of allowing CO to issue convenience checks up to the limit of their warrants has been eliminated. Waivers must contain adequate justification, demonstrate the need for a waiver, and be approved by the HCA, or designee.

Elements of a properly written convenience check

Checks must be used in sequential order. Each convenience check must be entered in a check register or log for tracking purposes. The check fee must also be deducted in the register or log, if applicable. At a minimum, the following information must be entered on each check:

- **DATE:** Enter the date on which the check is being issued. Spell out the date (e.g., October 30, 2009). Do not predate or postdate a convenience check;
- **PAY TO THE ORDER OF:** Enter the name of the payee. Under no circumstances may convenience checks be issued to "cash" or the payee line left blank. Checks may not be issued to "self";
- **AMOUNT:** Write the amount of the convenience check in the spaces provided in numbers and words; e.g., one hundred twenty-six dollars and 39/100 in the applicable space; and
- An original signature.

Convenience checks should be written only for the exact amount of the purchase.

Responsibilities of JPMChase Bank

Convenience checks shall be issued and accepted domestically and internationally by merchant establishments and financial institutions. Convenience checks are an integrated part of the purchase card program. The checks shall be guaranteed by the JPMChase Bank against theft or loss, thus affording the agency protection against financial loss when using the JPMChase Bank's product. The JPMChase Bank shall:

- (1) Assist agencies in the implementation of their convenience check program;
- (2) Provide a supply of checks to a designated cardholder drawn on the cardholder's purchase card account;
- (3) Process the checks as they are presented for payment;
- (4) Provide a listing of the checks cleared, with payee's name on the cardholder's statement of account and official invoice as a separate line item;
- (5) Provide convenience checks with purchasing limits not to exceed \$3,000 as designated by the Agency, not to exceed the maximum value as stated in FAR 13, Simplified Acquisition Procedures);
- (6) Ensure that convenience checks are multi-copied (one copy for the cardholder's records, the original for the merchant);
- (7) Store cleared convenience checks in accordance with Record Retention and Retrieval;
- (8) Provide copies of cleared convenience checks within 14 calendar days of the agency's request;
- (9) Have the ability to stop payment on the convenience check, at no cost to the agency, within 24 hours, as requested by the OPC;
- (10) Provide electronic access or JPMChase Bank-provided software to enable agencies to automate their convenience check system. The system shall, at a minimum, provide the ability to track, add, tally, report and reorder convenience checks, view cleared checks, as well as input 1099 information such as merchant TIN, address etc.;
- (11) Provide an audit trail which permits tracing of all transactions; and
- (12) Establish payment procedures for agency-issued convenience checks. Payment for these checks shall not occur prior to use by the agency.

Convenience Check Inventory Replenishment: The JPMChase Bank shall provide the following inventory replenishment options:

- Electronic Access or toll free telephone line reorder capability; and
- Replenishment within 1 business day as long as the contractor's time of day cut offs are met.

30. **INTERNAL REVENUE SERVICE DATA FOR CONVENIENCE CHECK TRANSACTIONS**

Internal Revenue Service (IRS) 1099 data is required to be sent to every merchant whom DOE paid at least \$600 in rents, services (including parts and materials), medical and health care payments, payments to an airline or rental car company, gross proceeds to an attorney, other payments made on a contract to an individual, partnership, or estate including payments made on a Government purchase card or with a convenience check. The \$600 is a cumulative amount across the DOE, meaning that all payments to a single merchant are added together to determine if they meet the \$600 limit. Generally, payments to a corporation are exempt from 1099 reporting. However, federal executive agencies are required to report all payments made to corporations for services.

Exceptions: Some payments are not required to be reported and include:

- Payments for merchandise, telegrams, telephone, freight storage, and similar items
- Wages paid to employees
- Business travel allowances paid to employees
- Payments to a tax-exempt organization, Government Agencies, states (including state universities), the District of Columbia, U.S. possessions, or a foreign government

To comply with the reporting requirements, cardholders must actively seek the Taxpayer Identification Number (TIN) or Social Security Number, if applicable, and business address when making convenience check purchases for services. A TIN is a nine-digit number required by the IRS to be used by merchants in reporting income tax and other returns. For some small businesses, the TIN may be a social security number.

Offices using ORFSC as a payment center and making purchases via Convenience Check should follow the steps outlined below.

Cardholders are required to assign individual purchase order numbers (i.e. one for one purchase order) for all merchants paid by purchase card or convenience check if payment is for services. Purchases of supplies may be bulk funded and paid under a blanket purchase order.

When ORFSC receives the electronic invoice file from JPMChase Bank, all convenience checks will be identified by cardholder. An email will be automatically generated to the cardholder when the file is processed. The email will state that a convenience check was used and will give the check number, merchant name, date of purchase, and amount. The email will also contain a link to the Vendor Invoice Approval System (VIAS). Once the cardholder logs into VIAS, click on “Actions” and “Convenience Check Log” and fill out the requested information as follows:

- Merchant TIN
- Merchant Legal Business Name and Doing Business As (DBA) Name if different
- Business address
- Description of purchase (this will be used to determine if the purchase is 1099 reportable)

Responses will be due within 7 business days from the date of the email and will be required for all convenience check purchases. ORFSC will determine if the purchase is reportable or not based on the description provided by the cardholder. ORFSC personnel will also follow-up with any cardholder that has not responded within the required timeframe. If a cardholder is no longer with the Department at the time the email is sent, ORFSC will receive a rejected email and will work with the site office to obtain the required information.

If you have any questions about the information required for reporting or any of the requirements stated in this document, please call our toll free number at 1-888-251-3557 or email orfscmail@oro.doe.gov.

31. **PERSONAL PROPERTY MANAGEMENT AND ACCOUNTABILITY**

a. Personal Property Management

- (1) DOE maintains a personal property management program to maintain adequate inventory controls and accountability systems for all property under its control. A critical element of the personal property management program involves the acquisition and receipt of needed items and the recording of the transaction on the formal accountable records of the Department. The acquisition of personal property can be accomplished by a number of methods, including credit card purchases.
- (2) In all acquisitions of personal property, after receiving the item, the physical property must be issued for use or placed into service and the documentation of receipt must be forwarded to the property management office. Generally, this responsibility lies with other than the end user of the property. However, when the end user has

acquired the personal property with a credit card and the property is delivered directly to the cardholder, the cardholder becomes accountable for the property and assumes responsibility for ensuring that the property items are recorded in the property management system.

b. Property Accountability

- (1) Purchases Shipped or Delivered by the Merchant. All personal property acquired by using the purchase card should generally be delivered to and processed by the receiving office. The cardholder should not both place the order and receive the goods. This will ensure inventory control identification, as appropriate and recording in the personal property management records.
- (2) Purchases Hand Carried by the Cardholder. Personal property purchased and hand carried by the cardholder or delivered directly to the cardholder requires inventory control identification and recording in the personal property management records, as appropriate. As soon as practicable following the purchase of the personal property, the cardholder will advise the property management office in writing (i.e., via E-mail or facsimile) requesting that the equipment/property be identified and recorded, as appropriate. Written confirmation should include the following information:
 - (a) Cardholder name, office symbol, telephone number, building and room number;
 - (b) Brief description of the personal property;
 - (c) Model No. and Serial No. of the personal property; and
 - (d) Receipt verification witness name, office symbol, telephone number, building and room number.
- (3) Abuse or repeated non-compliance with property accountability procedures will be grounds to suspend purchase card accounts until assurance are obtaining that property accountability documents are made current and established procedures will be followed in the future.

c. Local Procedures

Local policies and procedures must be established to ensure effective management of 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;
- The 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;
- The 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.

32. **RECONCILIATION PROCESS**

Each monthly Statement of Account must be reviewed and approved, in a timely manner, by both the cardholder and an AO. An AO should normally be responsible for no more than five cardholders, or 500 transactions per month, except with the approval of the HCA, or designee. For National Nuclear Security Administration (NNSA) contracting activities, an AO should be responsible for no more than a reasonable number of cardholders consistent with the activities normal span of supervisory control except with the approval of the HCA, or designee.

The AO's signature and date on the cover page of the cardholder's monthly Statement of Account implies a number of things, including but not limited to (1) all purchases were authorized, (2) the cardholder conducted market research, as applicable, (3) the cardholder did not make repetitive purchases for the same item from one merchant, (4) requirements were not split, (5) documentation for the purchase transaction is complete, (6) and property was received, and tagged if applicable. If the AO is not approving the Statement of Account within the reconciliation time period, there is a risk that the aforementioned areas could be violated.

Cardholders should not wait until the end of the cycle to accomplish the reconciliation. Cardholders that have PaymentNet access have the ability to review their transactions as they post to their Statements of Account. Frequent review of the transactions by the cardholders should help to eliminate disputes at the end of the cycle, as it will allow merchants time to apply credits for improper charges.

Upon receipt of the statements from JPMChase Bank, the following actions will be performed:

a. Cardholders will:

- (1) Reconcile the Statement of Account with their Purchase Card Log, Convenience Check Log, if applicable, copies of charge/credit slips and any other customer receipts, and certify that the supplies and services are in accordance with the orders that were placed. (In the applicable log, the description of the purchase should never be left blank and should be specific enough for the AO to ascertain if the purchase was a business necessity.)
- (2) Retain any charge/credit slips and customer receipts for purchases not listed on the Statement of Account for the next billing cycle.
- (3) Document statement errors with an explanation using the JPMChase Bank cardholder dispute form and forward a copy to JPMChase Bank. If the cardholder has access to PaymentNet, the dispute process must be completed electronically. (See Section 33)
- (4) Certify the receipt and accuracy of all purchases by signing and dating the Statement of Account.
- (5) Forward the reconciled Statement of Account, charge/credit slips, other customer receipts and, if applicable, the completed dispute form (if using PaymentNet a copy should be printed) to the AO within five working days of receipt of the Statement of Account.
- (6) If cardholder does not have a customer copy of the receipt, the cardholder should request a copy from the merchant. If a copy of the receipt can not be obtained, the cardholder will mark the word "lost" over in the date of purchase column on the Statement of Account and attach an explanation. If the cardholder is planning to be on travel or on leave and will not be available to review the Statement of Account at the time it is received, the cardholder should provide the AO with the charge/credit slips.

b. Approving officials will:

- (1) Review the individual cardholder's Statement of Account for accurate reconciliations, applicable logs, supporting documents (e.g., receipts, explanations), independent property received and tagging, if necessary, authorized purchases, credits, budget and cost classifications, and other related information.
- (2) Obtain any other necessary information in a timely manner from the cardholders within their jurisdiction.
- (3) Approve by signing and dating the reconciled Statements of Account and forward them to the Finance Office by the 15th day of each month. Return receipts and other supporting documentation to the cardholder for record maintenance unless local procedures provide for Finance Office maintenance of records.

c. Finance Offices will:

- (1) Review Statements of Account and any dispute forms for accurate reconciliations.
- (2) Account for all DOE Purchase Card transactions.
- (3) Reconcile Finance Offices consolidated statement with cardholders' Statements of Account.
- (4) Reconcile the JPMChase Bank's invoice with the consolidated report.
- (5) Make payment to JPMChase Bank in accordance with the Prompt Payment Act.
- (6) Assure all payments meet the requirements of applicable law and regulations, including determining the availability of appropriations as to purpose for items purchased.

33. **RETURNS, CREDITS AND REBATES**

If an item is returned, a credit will appear on the cardholder's Statement of Account. Rebates are issued quarterly according to sales volume and payment timeliness.

- a. Cardholders should take advantage of any savings, such as rebates, incentives, and any discounts offered by the vendor. All reimbursements, rebates, or discounts, if due or received by check, must be made payable or endorsed to the U.S. Treasury, not to the cardholder. Checks should be forwarded to the APC or the Finance Office for deposit. The Cardholder's records should reflect specific details of all such transactions.
- b. Federal law prohibits cardholders from accepting or soliciting cash or merchandise from vendors.
- c. Vendors offering rebates, discounts and incentives shall not be used in lieu of other vendors.
- d. Any credit shall be documented in the cardholder's records. Under no circumstances is a cardholder permitted to solicit or accept merchandise store credit or cash for returned goods or services bought with the purchase card.
- e. The Cardholder shall monitor their statement for the proper amount of credit expected from the vendor.

34. **BILLING ERRORS AND DISPUTES**

a. Dispute Form

If a cardholder receives a Statement of Account that lists a transaction for an item or service that has not been received, or represents an unauthorized charge, the cardholder or AO will make a concerted effort to resolve the charge with the merchant. If unable to resolve the charge with the merchant a dispute should be initiated with JPMChase Bank.

If the cardholder does not have access to PaymentNet, complete the cardholder dispute form and forward a copy of the form to JPMChase Bank and the original to the Finance Office with the cardholder's reconciled monthly Statement of Account and supporting documentation.

If the cardholder has access to PaymentNet, this process must be completed electronically. When a cardholder files a dispute, there is a field to enter additional e-mail addresses for notification that a dispute has been submitted. In accordance with office internal procedures, notification e-mails should be sent to appropriate parties. Check your office's internal policy to identify any individuals the cardholder must add in the notifications section.

JPMChase Bank will credit the transaction until the dispute is resolved. JPMChase Bank will assist in reconciling the questioned item only if the dispute is filed within 90 calendar days from the date that transaction has posted to the Statement of Account. However, it is the responsibility of the cardholder to make every effort to resolve errors, discrepancies and disputes.

Maximum efforts should be made to initiate a transaction dispute (when needed) with JPMChase Bank as soon as possible. Merchants will only be charged back for a disputed transaction within 120 calendar days from the transaction date. If the full 90 calendar days expires before filing a dispute, only 30 days remain for JPMChase Bank to investigate the dispute and charge back the merchant if necessary. The less time allowed for thorough investigation of the dispute, the greater the potential for fewer disputes being ruled in favor of the government/cardholder.

NOTE: Taxes, shipping charges, PayPal transactions, E-bay transactions, and convenience check transactions are not disputable.

b. Defective Items

If items purchased with the purchase card are found to be defective, the cardholder has the responsibility to obtain replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct a faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors in that disputed items are reported using the dispute form by forwarding a copy to JPMChase Bank and a copy to the Finance Office with the monthly Statement of Account. The 90 day period applies to defective items as well as questioned items.

35. LOST OR STOLEN CARDS

a. Telephone Notification

If the purchase card is lost or stolen, it is the responsibility of the cardholder to notify their OPC and the JPMChase Bank one work day after discovering the card missing, or as soon as practicable, at the following telephone numbers 24 hours/day:

Inside the continental United States - 1-888-297-0781
Outside the continental United States - call collect 1 (847) 488-4441

b. Written Notification

The cardholder will also notify the AO and the OPC of the lost or stolen card within one work day after discovering the card missing, or as soon as practicable. The AO will submit a written report to the OPC within 5 work days. The report will include the following information:

- (1) Card number;
- (2) Cardholder's complete name;
- (3) Date and location of the loss;
- (4) Date and time JPMChase Bank was notified;
- (5) Any purchases made on the day the card was lost/stolen, or the last known purchase before the card was lost/stolen;
- (6) Any other pertinent information.

c. Card Replacement

JPMChase Bank will mail a new card within 2 business days of the loss or theft. A card that is subsequently found should be cut in half and given to the AO.

d. Unauthorized Use

The Government will not be liable for any unauthorized use of the card. "Unauthorized use" means the use of the purchase card by a person other than the cardholder, who does not have the actual, implied, or apparent authority for such use, and from which the cardholder receives no benefit. A cardholder who makes unauthorized purchases or carelessly uses the card may be liable to the Government for the total dollar amount of unauthorized purchases made in connection with the intentional or negligent use of the card. In addition, the cardholder may be subject to disciplinary action for unauthorized or negligent use of the card, conform to USC or penalty under Title 18 United States Code 287.

36. **DEPARTURE OF CARDHOLDERS**

a. **Cardholders Leaving the Agency**

If a cardholder's employment is ending (e.g., resignation, retirement), the DOE Purchase Card and convenience checks, if applicable, should be destroyed, prior to the release date, by giving them to the AO for destruction. The AO must notify the OPC of the departing employee so the cardholder's access to PaymentNet can be terminated and the card can be closed. The Cardholder's letter of delegation or Contracting Officer warrant will be cancelled at the same time.

b. **Transferring Cardholders**

If a cardholder is transferring to another position, which will also require use of the purchase card and convenience checks, if applicable, the cardholder will notify the OPC. The OPC, in consultation with the losing and gaining AOs and JPMChase Bank will arrange for transfer of the account to the gaining office. The gaining and losing offices will cancel and reissue the Cardholders letter of delegation or Contracting Officer warrant. If it is determined that the purchase card should not be retained by the cardholder, the notification procedures outlined above should be followed. In PaymentNet, the cardholder should be moved from the losing office's hierarchy to the acquiring office's hierarchy.

37. **REPORTING**

At the end of the billing cycle, JPMChase Bank will issue detailed statements as follows:

- a. Cardholders will receive a Statement of Account showing all purchases and credits processed by JPMChase Bank during the billing cycle. Note: Some offices have elected to access the Statement of Account on-line and requested not to receive hard copies, so check your local guidance.
- b. The Finance Office will receive a consolidated statement of all purchases and credits applicable to all cardholders.

38. **RECORD KEEPING**

FAR 4.805 requires the retention of purchase card transaction records for three years after final payment. Central filing of such documentation is acceptable. Automated systems are acceptable provided they provide equivalent documentation.

All cardholders must keep complete and accurate records of their purchases in accordance with the instructions included in Section 27 of these Guidelines. This shall include evidence of receipt of any property or supplies purchased using the purchase card.

The OPC must retain records and related documents, including letters and forms relating to designations of AOs and Letters of Appointment/Contracting Officer Warrants of cardholders.

The OPC, or designee must retain records of departing employees.

39. **END OF FISCAL YEAR SPENDING CUT OFF DATES**

OPCs should coordinate with their finance office to establish a cut off date for purchases to be made at the end of the fiscal year. Local guidance should include a cut off date, 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.

40. **CARD ABUSE**

Use of the card for other than Official Government business may be considered as an attempt to commit fraud against the U. S. Government and may result in immediate cancellation of the card and disciplinary action against the cardholder under applicable Departmental or Government-wide administrative procedures. Suspected fraudulent misuse should be reported to the Office of the Inspector General and the OPC. The cardholder will be personally liable to the Government for the amount of any non-approved purchases and possible subsection to a penalty under 18 U.S.C. 287.

41. **COMPLEX-WIDE STRATEGIC SOURCING OPPORTUNITIES DOE-WIDE ACQUISITION VEHICLES**

Strategic Sourcing acquisition instruments are available on the DOE Procurement Home Page for use by all U.S. Department of Energy (DOE) activities. In addition, subject to the specific ordering procedures of each award, DOE site and facility contractors are eligible to use these instruments. Hyper-text links are provided so you can examine each instrument and then the 'Schedule' to determine what is available and at what price. An activity or contractor can easily place Orders against the contract by following the Ordering Procedures linked under each instrument.

The ordering procedures are located at <http://www.management.energy.gov/1503.htm>.

42. **PROCUREMENT INTEGRITY REQUIREMENTS FOR FEDERAL EMPLOYEE PURCHASE CARDHOLDERS**

FAR 3.104 implements the Federal Government's policy related to conduct and procurement activities of Federal employee procurement officials. For the purposes of these procedures, purchase cardholders are considered procurement officials. This applies to the cardholder's AOs to the extent that the AO had personal and substantial participation in a purchase card transaction.

Purchases that do not exceed the Simplified Acquisition Threshold, \$100,000, the requirements of FAR 3.104-3(c) do not apply. Namely, if a cardholder or AO is contacted by a person who is a bidder or offeror for a purchase transaction regarding non-Federal employment, the cardholder or AO need not:

- Promptly report the contact in writing to his/her supervisor and to the designated agency ethics official; and
- Reject the possibility of non-Federal employment; or
- Disqualify himself/herself from further personal and substantial participation in that purchase.

Prohibited Conduct of Federal Procurement Officials - During the conduct of any Federal agency procurement, including purchase card transactions, of property or services, no procurement official will knowingly:

- (1) Solicit or accept, directly or indirectly, any promise of future employment or business opportunity from, or engage, directly or indirectly, in any discussion of future employment or business opportunity with, any officer, employee, representative, agent, or consultant of a competing contractor;
- (2) Ask for, demand, exact, solicit, seek, accept, receive, or agree to receive, directly or indirectly, any money, gratuity, or other thing of value from any officer, employee, representative, agent, or consultant of any *competing* contractor for such procurement; or,
- (3) Disclose any proprietary or source selection information regarding such procurement directly or indirectly to any person other than a person authorized by the head of such agency or the contracting officer to receive such information.

43. **DEBARMENT AND SUSPENSION**

There is a formal system by which contractors and individuals may be excluded from eligibility for Federal procurement or assistance programs in case of certain serious offences. The Excluded Parties List System is available on the Internet at <http://epls.arnet.gov>. Purchases are not to be made from parties on the list. A merchant's name may be entered to ensure that the merchant is not on the list.

44. **BUY GREEN**

Both Congress and the President directed federal agencies to be good stewards of the environment by conserving energy and other precious natural resources. One way that we can be good stewards is to buy products and services that conserve resources. This is generally referred to as "green" purchasing.

There are six components to the Federal green purchasing program:

- Recycled content products
- Energy Star and FEMP-designated energy efficient products, low standby power devices, and renewable energy
- Biobased products
- Alternative fuel vehicles/alternative fuels
- Environmentally preferable products and services
- Non-ozone depleting substances

The purchase of these products is required by law or executive order unless the products do not meet your performance needs, are not reasonably available, or are only available at an unreasonable price. Many of these products are commercially available off-the-shelf items or are available through GSA stock and schedule programs, the Defense Logistics Agency, mandatory sources such as the National Industries for the Blind, and commercial open market sources.

Further guidance is available in the DOE Acquisition Chapter 23.0, Executive Order 13423 — Strengthening Federal Environmental, Energy, and Transportation Management in Acquisition and in FAR Part 23, [Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace](#).

45. **ELECTRONIC AND INFORMATION TECHNOLOGY (EIT)**

References:

- Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d), and the Architectural and Transportation Barriers Compliance Board Electronic and Information Technology (EIT) Accessibility Standards (36 CFR part 1194).
 - Further information on section 508 is available via the Internet at <http://www.section508.gov>.
- a. When acquiring EIT, agencies must ensure that –
- (1) Federal employees with disabilities have access to and use of information and data that is comparable to the access and use by Federal employees who are not individuals with disabilities; and
 - (2) Members of the public with disabilities seeking information or services from an agency have access to and use of information and data that is comparable to the access to and use of information and data by members of the public who are not individuals with disabilities.
- b. Unless an exception at FAR 39.204 applies, acquisitions of EIT supplies and services must meet the applicable accessibility standards at 36 CFR Part 1194. When cardholders acquire EIT, they should ask whether the equipment users may have disabilities such that special features may be required and ask the merchant if the equipment they plan to provide will afford equal access for those with disabilities.

46. **SMARTBUY PROGRAM AND INFORMATION TECHNOLOGY**

SmartBUY is a government wide enterprise software licensing initiative established to maximize the buying power of the government and decrease the cost of widely used commercial software. The requisitioner/user must check http://www.cio.energy.gov/it-acquisition/smart_buy.htm to see if what they need to buy is on the list of SmartBUY agreements in place and annotate the purchase request accordingly. If there is an agreement in place, the cardholder must purchase in accordance with that agreement. If the required software is not available under an existing SmartBUY agreement, the requirement shall be processed internally under normal local procedures. Waivers will need to be obtained from the CIO and GSA for any pending agreements. M & O contractors are encouraged to utilize the SmartBUY Program. For further information please contact Cuttie Bacon, OCIO, at cuttie.bacon@hq.doe.gov or phone (202) 586-2000, and be sure and check the website periodically for current actions and related guidance.

Internet Protocol Version 6 (IPv6)

Cardholders should ensure Information Technology systems and products are able to receive, process, and transmit or forward IPv6 packets and should interoperate with other systems and protocols in both IPv4 and IPv6 modes of operation.

47. PHISHING ATTEMPTS

Cardholders should report any phishing scams or any other activity that appears to be fraudulent in nature to their OPC and JPMChase Bank (abuse@chase.com). When JPMChase Bank confirms that it is or is not phishing, the OPC should forward the final email to the APC to share with the other offices.

It is JPMChase Bank's policy not to solicit information via email, phone call, or text message. To prevent fraudulent charges, employees should never respond or reply to an e-mail, phone call, or text message requesting personal or account information. Common tactics to get this information are:

- threatening to close or suspend an account if immediate action is not taken by providing personal information;
- soliciting participation in a survey requiring entry of personal information;
- stating that an account has been compromised and requesting entry or confirmation of account information;
- stating that there are unauthorized charges on an account and requesting account information; or
- stating that an account has to be refreshed and asking for verification of credit card or billing information.

If a contact is questionable or an employee thinks their account information may have been compromised, they should call JPMChase Bank at 1-888-297-0781.

48. FOREIGN CURRENCY CONVERSION FEES

JPMChase Bank shall ensure that charges made in a foreign currency are converted into U.S. Dollars on the statement of account, invoice, and related reports using a favorable conversion rate established by an interbank rate or, where required by law, an official rate. This rate shall be the one in existence at the time the transaction is processed. JPMChase Bank shall identify the conversion rate and any other third party fees related to foreign purchases charged on the statement of account, invoice, and related reports, unless otherwise specified at the task order level.

VISA imposes fees for transactions that involve foreign currency conversion. This transaction will appear on the cardholder's statement, as well as a separately identified fee for currency conversion. Banks are permitted by the GSA SmartPay® contracts to charge these fees, as long as they are disclosed to the cardholder. Typically, these fees are described in the information accompanying the card when it is first mailed to the cardholder.

As a service to their customers, some merchants offer Dynamic Currency Conversion (see below) (DCC). These services generally are less cost-effective than simply making the purchase in a foreign currency. In that way, the currency conversion rates and process required by the GSA SmartPay® master contract apply, protecting the cardholder from excessive charges.

VISA® - International Service Assessment (ISA)

Visa's foreign currency exchange fee is known as the "International Service Assessment" (ISA). VISA charges the ISA on foreign purchase transactions requiring currency conversion. If a card is accepted by a non-U.S. merchant in same currency as that with which the card was issued, there is no ISA fee assessed by VISA, but a DCC fee (see below) may be assessed by the merchant. If the purchase is made in another currency and then converted to U.S. dollars, the ISA fee is 1.0%. This is the typical process when a foreign purchase is made using a U.S. dollar denominated GSA SmartPay® charge card. VISA reevaluates its ISA rate annually. As a result, these rates may change from time to time.

DCC

DCC is a financial service which foreign merchants may offer to convert a charge card purchase from the local (foreign) currency to the cardholders' currency (i.e., euros to US dollars). While this may seem like a good deal to the cardholder at the time, it is key for the cardholder to ask what currency exchange rate the merchant will be using. Typically, the most cost effective purchase option is to make the purchase in a foreign currency, with VISA® applying the currency conversion fee in accordance with the terms of the GSA SmartPay® master contract.

Under section C.3.8, FOREIGN CURRENCY CONVERSION, of the SmartPay® 2 master contract, GSA SmartPay® contractor banks must ensure purchases made in a foreign currency are converted into U.S. Dollars using a favorable conversion rate (emphasis added) established by an interbank rate or, where required by law, an official rate. This rate shall

be the one in existence at the time the transaction is processed. Exchange rates offered by the merchant under DCC contain no such promise or protection.

In addition to overseas locations, internet sites and mail order companies that offer products and/or services priced in non-U.S. denominations also may offer DCC service. Cardholders making purchases from these vendors need to pay close attention to any fees added to the cost of the item(s) they are purchasing to ensure they are not assessed any inappropriate fees. Before agreeing to DCC, the cardholder should understand the cost associated with it. If the merchant did not advise the cardholder of a DCC cost prior to making a purchase, the cardholder has the right to instruct the merchant to void the transaction with currency conversion costs and redo the sale in the local currency.

ACTION:

Cardholders should be aware that VISA currency conversion fees are allowed to be assessed on purchases in foreign currencies under the GSA SmartPay® master contracts. These fees are controlled by the terms of the contracts. When making non-U.S. dollar denominated purchases, it is recommended that cardholders not request a transaction be processed in any specific currency unless the cardholder is able to confirm with the merchant that the transaction costs will be lower than that available through the typical GSA SmartPay® currency conversion process. Fees for currency exchange services or “DCC” offered by merchants are not controlled by the GSA SmartPay® contracts and are often higher than if the cardholder simply made the purchase in the foreign currency.

Attachment 1

PURCHASE CARD QUOTATION WORKSHEET

CARDHOLDER NAME: _____

PRICE ESTIMATE: _____

Accounting and Appropriation Data:

Fund	Year	Allottee	Reporting Entity	SGL	Program Project	\$ Value

Description: _____

Merchant Quotations:

	Merchant 1	Merchant 2	Merchant 3
Merchant Name			
Point of Contact			
Telephone #			
Price Quote			
Delivery Date			

DOE Approving Official:

Signature: _____

Name: _____

Date: _____



DEPARTMENT OF ENERGY

Local site, address, etc

Attachment 4



SmartPay 2 Dispute Form

Please be advised that Visa & MasterCard require that attempts be made to resolve your dispute with the merchant before notifying us. We must be notified within 90 days of the processing date of the transaction you are questioning.

Cardholder Name: _____

Account #: _____

Merchant Name: _____

Transaction Date: _____ Transaction Amount: \$ _____

Posting Date: _____

Reference #: _____

Please Circle one of the following choices applicable to your dispute. Include all necessary information/documentation.

1. I do not recognize the above-mentioned charge. I have attempted to contact the merchant to obtain further information.

2. I have been billed more than once by the same merchant. I authorized one charge with this merchant only. My card was in my possession at the time of the transaction.

Valid Charge \$ _____ Reference # _____ Transaction Date: _____

Invalid Charge \$ _____ Reference # _____ Transaction Date: _____

3. I canceled: Service / Airline Ticket / Hotel Reservation on _____ (date). Cancellation# _____

4. I have not received the merchandise that was to be shipped to me on _____ (date). I have requested credit.

5. Merchandise that was shipped to me arrived damaged or not as described. I returned it on _____ (date) and asked the merchant to credit my account. I am providing a copy of my returned mail receipt.

6. Merchant was to issue credit for merchandise I returned to the store. I have enclosed a copy of my credit receipt.

7. I have been charged for a purchase that was paid for by other means. I am providing a copy of the documentation showing the other method of payment.

8. I have been billed for an incorrect amount. My receipt shows \$ _____, however, I was billed \$ _____ I am providing a copy of my receipt showing the correct amount.

9. I did not authorize the above-mentioned charge. I have attempted to contact the merchant to resolve dispute.
(If this is a VISA account, Visa regulations require that your account be closed prior to pursuing this dispute reason. Please call Customer Service to assist you in closing your account.)

10. Other: I am attaching detailed information that describes the dispute.

Work Phone () _____ **Email:** _____

Fax _____

Signature _____ Date _____

Please complete and mail or fax this form to
USPS JPMorgan Chase, ATTN: Dispute Dept. IL1-6225, P.O. Box 2015, Elgin, Illinois, 60121-2015
Email CCS-Disputes@jpmchase.com
Fax **(847) 931-8861.**

Recommendation for Appointment Purchase Cardholders

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

1. There is a clear and convincing need to delegate purchase card authority.
2. _____ [insert cardholder name], the nominee purchase cardholder, is an employee , of or detailed to the U.S. Department of Energy, or Management and Operating Contractor employee of _____ [insert office or M&O contractor name]. The proposed single purchase limit for the nominated cardholder is _____ [insert either \$3,000 or \$25,000]. The requirements for qualifying as a contracting officer for purchase cardholders are listed below.
3. The proposed cardholder has met the minimum qualifications as follows:

Experience:

- **None for purchase cardholders with a single purchase limit of \$3,000.**
- **For purchase cardholders with a single purchase limit exceeding \$3,000 and up to \$25,000:**
- At least 6 months of experience as a Government purchase cardholder at or above the micro-purchase threshold. The nominee was delegated authority on _____ [insert date], or
 - 1 year of experience as a Government Contracting Officer’s Representative (COR). The nominee has been a COR with _____ [insert name of agency] for the period _____ [insert beginning/ending dates].

Minimum Mandatory Training:

- **For cardholders with a single purchase limit of \$3,000:**
- GSA Online SmartPay training course found at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining> (attach a copy of the SmartPay Training Certificate)

- On-line Environmentally Preferable Procurement Training found at <http://www.hss.doe.gov/pp/epp/library/epp-training-P-Card-rev.ppt> (attach a copy of the certificate)
- **For cardholders with a single purchase limit exceeding \$3,000:**
 - GSA Online SmartPay training course found at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining> (attach a copy of the SmartPay Training Certificate)
 - Two-day seminar on Simplified Acquisition Procedures _____ [insert date and provide copy of certificate of completion]
 - On-line Environmentally Preferable Procurement Training found at <http://www.hss.doe.gov/pp/epp/library/epp-training-P-Card-rev.ppt> (attach a copy of the certificate)
- **For Approving Officials**
 - GSA Online SmartPay training course found at <http://www.fss.gsa.gov/webtraining/trainingdocs/smartpaytraining> (attach a copy of the SmartPay Training Certificate)
 - On-line Environmentally Preferable Procurement Training found at <http://www.hss.doe.gov/pp/epp/library/epp-training-P-Card-rev.ppt> (attach a copy of the certificate)

4. The nominee purchase cardholder will occupy the following organizational position [provide Title, Series, Grade] and is responsible for the processing of all card transactions for the purchase card issued in his/her name.

Title	Series	Grade
-------	--------	-------

5. The nominated purchase cardholder and the primary and alternate approving officials are listed below:

Nominated Purchase Cardholder Name: _____

Nominated Purchase Cardholder Office Symbol: _____

Nominated Purchase Cardholder Telephone No.: _____

Primary Approving Official Name: _____

Primary Approving Official Office Symbol: _____

Primary Approving Official Telephone No.: _____

Alternate Approving Official Name: _____

Alternate Approving Official Office Symbol: _____

Alternate Approving Official Telephone Number: _____

6. The nominee's business acumen, judgment, character, reputation, and ethics are sound and the nominee's personal qualifications statement has been evaluated and the experience, education and training meet the established DOE minimum qualifications.

7. (FOR FEDERAL EMPLOYEES ONLY)

The nominee has completed Annual Financial Disclosure Report (OGE-450) or Executive Branch Public Financial Disclosure Report (SF-278) and has been cleared by the Assistant General Counsel for General Law (GC-80) or Local Field Counsel. The GC-80 or Local Field Counsel clearance is dated _____.

8. The nominee is well-qualified for the delegation of purchase card authority.

Supervisor:

Signature of supervisor of the nominee cardholder

Date

Typed/Printed Name

Concur:

Signature of Designated Official or
Head of Contracting Activity

Date

Typed/Printed Name

Attachment 6

DOE-XXXX

DATE

MEMORANDUM FOR JOHN SMITH

SUBJECT: APPOINTMENT AS PURCHASE CARD APPROVING OFFICIAL

Ref: (a) DOE Purchase Card Policy and Operating Procedures, November 2008

In accordance with reference (a), you are hereby appointed as an Approving Official for DOE-XXXX. The current cardholders under this account are indicated below.

NAME	TYPE CARD	SINGLE PURCHASE LIMIT	MONTHLY PURCHASE LIMIT
Jane Doe	SUPPLY & SERVICE	\$ 3,000.00	\$ 10,000.00
Helen Smith	SUPPLY & SERVICE	\$ 3,000.00	\$ 100,000.00

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 Government Purchase card.
- (2) Pre-approve all your cardholders' purchases unless you authorize blanket purchase authority in writing. Ensure that the requested items are for official government use and that the items are authorized for purchase in accordance with reference (a).
- (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).

You are required to sign, date, and return a copy of this appointment letter to the undersigned. Should you have any questions concerning these instructions or the level of your authority, please contact me at 202-287-XXXX.

John Smith
Organizational Program Coordinator FAC C Level III
Department of Energy

APPROVING OFFICIAL ACKNOWLEDGEMENT

In accordance with DOE Purchase Card Policy and Operating Procedures, I have reviewed, understand, and acknowledge my responsibilities as a DOE Purchase Card Approving Official. I have completed the required Approving Official training as recommended by the Organizational Program Coordinator.

(signature)

(date)

Attachment 7

SAMPLE

DATE:

MEMORANDUM FOR JANE DOE

SUBJECT: DELEGATION OF PURCHASE CARD BLANKET APPROVAL AUTHORITY

The purpose of this memorandum is to delegate “blanket approval authority” to Jane Doe, purchase cardholder for the Department of Energy, for certain Government-wide Commercial Purchase Card purchases, described herein.

As your Approving Official, I hereby delegate to you approval authority to use the purchase card to procure routine office supplies and services only, up to \$XXX.XX per single transaction. You are required to adhere to the policy and responsibilities outlined in the DOE Guidelines and Operating Procedures.

This memo must be filed and maintained with your account records to support approval authority in an audit/compliance review.

This delegation is effective immediately and is valid until my appointment as your approving official is terminated.

Name, Approving Official
Office

PURCHASE CARD PROGRAM
SELF ASSESSMENT GUIDE

A. Organizational Program Coordinator Duties

1. Are delegations of authority or certificates of appointment issued to individual cardholders?
Certificates of appointment are to be used above the micro-purchase level.
2. Do the delegations of authority or certificates of appointment identify purchase limitations and are these consistent with those furnished in Payment Net System?
3. Are copies of the delegations of authority and certificates of appointment maintained in a current status?
4. Are Approving Officials formally appointed in writing?
5. Do local procedures include an internal review function?
6. Do the local procedures ensure funds availability in advance of transactions?
7. Is the local program coordinator identified to cardholders?
8. Is the cardholders Approving Official a supervisor or a person independent of the cardholder?
9. Have personnel involved in the program received adequate training?
10. Have reasonable limitations been identified to JPMChase Bank, i.e., individual/monthly transaction limitations, and appropriate merchant activity code categories?

B. Card Usage Requirements

1. Does the single purchase dollar limitations for card holders accurately reflect the types of purchases being made by card holders?
2. Do prices appear reasonable and do the items purchased appear appropriate for official use?
3. Do cardholders question the inclusion of sales tax on invoices?
4. Do the cardholders dispute questionable transactions?

5. In the absence of adequate price competition, do files contain a statement of price reasonableness?
6. Were there any prohibited items purchased?
7. Are mandatory sources of supply and priorities for use of Government Supply Sources being used as required by FAR Part 8?
8. Have recurring purchases been made from the same merchant without equitably rotating purchases among qualified merchants? If not, was a justification included in the file?
9. Were purchases made from the required EPA-designated lists (Greening Acquisition Requirements)?
10. Does there appear to be any split purchases in an effort to stay within the cardholder's single purchase limit?
11. Were convenience checks used in accordance with DOE guidelines?
12. Is property purchased with the purchase card centrally received and entered into the property records?

C. Documentation Requirements

1. Do the cardholders maintain a log of transactions adequate to identify the transaction, the merchant, the date of the order, the item(s) purchased, the price, and date of receipt if other than the date of the order?
2. Are merchant receipts obtained by the cardholders and maintained to document the purchases at time of invoice?
3. Do the cardholders reconcile their statements of account (invoices) and submit them to their Approving Officials in a timely manner? Reconciliation generally includes entering on the invoice the purchase item description, any accounting data which may be required by local procedures, attaching the merchant receipts, signing the invoice, and forwarding the package to the approving official.
4. Are the cardholders retaining their records for the required three years?

D. Financial Compliance

1. Do the Approving Officials review, question, and approve the invoices and forward them to the finance office in a timely manner?
2. Does the finance office process a "notice of invoice adjustment" form to the JPMChase Bank when it makes payment for greater or lesser than the amount of the invoice?

E. Requirements for Purchases Over \$3,000

1. For transactions above micro-purchase, is a file maintained to document issuance of the synopsis, small business coordination, approval of noncompetitive procurement, and other required approvals or coordination?
2. When the price exceeds the micro-purchase threshold, was the purchase made with a small business (FAR Part 13)?
3. When the price exceeds the micro-purchase ceiling, does the cardholder obtain and document competition or document and justify the reason for no competition?
4. Were purchases above \$3,000 entered into the Federal Procurement Data System – Next Generation (FPDS-NG) Reporting?

F. Miscellaneous

1. Do the cardholders, approving officials, finance officers, and organizational program coordinator receive appropriate reports from the JPMChase Bank?
2. Regarding the prior years audit findings, were the corrective actions implemented?

APPENDIX

Purchase Card Contacts
Agency Program Coordinator and
Organizational Program Coordinators

Agency Program Coordinator

Office of Procurement and Assistance Management
Denise Clarke
202-287-1748
deniset.clarke@hq.doe.gov

Organizational Program Coordinators

Federal Sites

Chicago Operations Office
Stephanie Fuller
630-252-2722
stephanie.fuller@ch.doe.gov

Environmental Management Consolidated Business Center
Patricia Brechlin
513-246-0549
patricia.brechlin@emcbc.doe.gov

Federal Energy Regulatory Commission
Kevin Woody
202-502-6715
kevin.woody@ferc.gov

Golden Field Office
Karen Downs
720-356-1269
karen.downs@go.doe.gov

Headquarters Procurement
Deborah Black
202-287-1416
deborah.black@hq.doe.gov

Idaho Operations Office
Janet Surrusco
208-526-5477
surrusjk@id.doe.gov

National Energy Technology Laboratory
Tom Gruber
412-386-5897
thomas.gruber@netl.doe.gov

National Nuclear Security Administration
Sandra Linhares
505-845-4461
slinhares@doeal.gov

Naval Reactors Laboratory Field Office
Mary Beth Pratt
412-476-7271
marybeth.pratt@unnpp.gov

Oak Ridge Operations Office
Carol Jennings
865-574-5563
jenningscs@oro.doe.gov

Office of Civilian Radioactive Waste Management
Sharon Hamer
702-794-5501
sharon.hamer@ymp.gov

Office of River Protection
David Garcia
509-376-0370
david_garcia@orp.doe.gov

Richland Operations Office
Linda Jarnagin
509-376-4466
linda_k_jarnagin@rl.gov

Rocky Mountain Oilfield Testing Center
Joe Kirkland
307-233-4811
joe.kirkland@rmtc.doe.gov

Savannah River Operations Office
Donna Anderson
803-952-9252
donna.anderson@srs.gov

Southeastern Power Administration
Ann Craft
706-213-3823
annc@sepa.doe.gov

Southwester Power Administration
Jeremy Chea
918-595-6674
jeremy.chea@swpa.gov

Strategic Petroleum Reserve
Sally Leingang
504-734-4362
sally.leingang@spr.doe.gov

Western Area Power Administration
Frank Armstrong
720-962-7163
armstrong@wapa.gov

Contractor Sites

Ames Laboratory
Andrea Spiker
515-294-6738
spiker@ameslab.gov

BBWI
Keri Brashier
208-557-0915
braskl@amwtp.inl.gov

CH2M-WG Idaho
Glenda Arave
208-533-0803
glenda.arave@icp.doe.gov

Chenega Global Services
Lori Dittmer
505-845-5170 x.443
ldittmer@ntc.doe.gov

DynMcDermott Petroleum Operations
Neil Cagle
504-734-4466
neil.cagle@spr.doe.gov

Jefferson Laboratory
Dena Polyhronakis
757-269-7610
dena@jlab.org

National Renewable Energy Laboratory
Jeff Soltesz
303-384-7409
jeffrey_soltesz@nrel.gov

Princeton Plasma Physics Laboratory
Tara Buzby
609-243-2691
tbuzby@pppl.gov

Savannah River Nuclear Solutions
Jan McCann
803-952-9947
jan.mccann@srs.gov

Shaw Areva MOX
Gwendolyn Jones
803-819-2824
gjones@moxproject.com

SM Stoller
Brandee Barker
970-248-6012
brandee.barker@lm.doe.gov

University of Chicago Argonne
Marlene Nowotarski
630-252-7043
nova@anl.gov

Uranium Disposition Services
Debra Fultz
859-685-9224
dwfultz@duf6.com

Washington TRU Solutions
Shari Cullum
575-234-3251
shari.cullum@wipp.ws

West Valley Environmental Services
Michelle Schweickert
716-942-4696
michelle.schweickert@wves.org