

PART 2018 - General

Subpart H - Government Purchase Card

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PART 2018 - General

Subpart H - Government Purchase Card

Section I: Rural Development Purchase Card Program Overview

§ 2018.351. Purpose.

The purpose of this *RD Purchase Card Program Guide* is to provide information for the use and administration of the RD Purchase Card Program within the USDA agency and offices. The document is intended to supplement *OMB Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs*, and the *USDA Contracting Desk Book* in establishing RD standards and policy for RD to maintain and operate an effective program. In the event of a conflict, the policies, and procedures of the *OMB Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs* and the *USDA Contracting Desk Book*, the *USDA Contracting Desk Book* shall govern.

§ 2018.352 Location of Document.

This document is located on the Rural Development intranet with other guides, reference materials, and training documents. The USDA Guidebook outlines USDA's implementation of key policies governing the use of the purchase card. More information may be found at [https://ias.usda.gov/ccsc/media/pc/guides/SP3 Department Purchase Card Program Guide.pdf](https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department_Purchase_Card_Program_Guide.pdf).

Information pertaining to the purchase card is available at the [CCSC website](#).

§ 2018.353 Policy references to be use is conjunction with guide.

- (a) OMB Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs
- (b) USDA Contracting Desk Book.

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Administrative Services General

§ 2018.354 Purchase Card Overview.

(a) Purchase Limits. Use of the purchase card by a cardholder is subject to a single purchase limit and a monthly purchase limit. The following sections define the purpose of each dollar limit for Rural Development cardholders.

(b) Single Purchase Limit. The single purchase limit (SPL) is a dollar amount on the procurement authority delegated to the cardholder. A "single purchase" is the total of those items purchased at one time from a vendor. SPL includes all shipping, taxes and other fees associated with order. Multiple items may be purchased at one time using the card; however, no single purchase may exceed the authorized single purchase limit. RD's single purchase limit is \$2,500 for goods and services, and \$2,000 for construction for non-warranted cardholders. A requirement cannot be reduced into smaller parts to avoid formal contracting procedures. **Splitting purchases merely to stay within the single purchase limit is a violation of the law.** Example of a split purchase is:

(1) The cardholder's single purchase limit is \$2,500, the goods/items to be purchased total \$12,500. The cardholder divides the purchase into several charges, and processes multiple transactions, each one less than \$2,500, to stay within the authorized single purchase limit.

(2) The cardholder's single purchase limit is \$2,500 the services to be purchased total \$2,500. If the requirement is for on-going repetitive services that exceed \$2,500 a year, the best solution is to forward the requirement for the service through the agency servicing contracting office.

(3) The cardholder's single purchase limit is \$2,500, the construction to be purchased total \$2,500. The cardholder divides construction into several charges, and processes multiple transactions, each one less than \$2,000, to stay within the authorized micro-purchase threshold.

§ 2018.354(b) (Con.)

(4) The monthly purchase limit is the maximum total dollar amount a cardholder is authorized to procure each month. The monthly purchase limit for purchases may be set to any dollar amount equal to or greater than the single purchase limit. Single purchase limit set at \$2,500.00 while monthly purchase limit will be set at \$10,000.00 for non-warranted cardholders. Dependent upon use of cardholders spending, the monthly purchase limit may be increased or decreased accordingly. This amount is established when a cardholder's account is first opened in Access Online. The monthly purchase limit applies to the total of all purchase card and convenience check transactions per month. This amount is like a "credit limit." The monthly purchase limit is determined by the MASCO. Requests for limit changes must be submitted in writing to the APC for MASCO review/decision.

§ 2018.355 Rural Development (RD) Point of Contacts.

- (a) Information pertaining to the purchase card is available at the CCSC website.
- (b) Questions pertaining to the RD Charge Card Program can be submitted to RD Government Purchase Card Program and Oversight Branch at (RD.GPCPOB@usda.gov)
- (c) Once an email is submitted it shall go to the following:

Branch Chief, Policy Division
Agency Program Coordinator (APC)
Local Agency Program Coordinators (LAPC)

§ 2018.356 Program Roles and Responsibilities.

(a) Agency Program Coordinator. RD uses AXOL's hierarchy functionality as a means of implementing internal controls. AXOL hierarchy consists of four (4) levels. Level one (1) is PSD Division Chief. Level two (2) is the CCSC Departmental Program Manager. Level three (3) is the APC. Level 4 is the LAPC. All RD APC's and LAPC's are at the Procurement Management Office level. AO's and CHs are at the activity/program level. Level 3 is at the apex of the agency hierarchy and the APC is designated at that level. More information may be found at https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department_Purchase_Card_Program_Guide.pdf.

RD Instruction 2018-H
 § 2018.356 (Con.)

(b) Approving Official. In addition to the Department of Agriculture guidance, Rural Development policy include that an AO may also be a CH. However, to avoid any appearance of impropriety, the AO cannot be the approver/final approver for transactions that they are the cardholder on. Another AO in supervisory change must be the final approver for the transaction. These are segregated amongst different roles to prevent fraud, misuse, and abuse of the purchase card. Key duties of a transaction which shall be segregated are for a request for a product/service; approval to proceed with the purchase; and, receipt of the product/service. The CH shall not control all key aspects of a transaction. More information may be found at https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department_Purchase_Card_Program_Guide.pdf

§ 2018.357 Compliance Training Requirements.

(a) Mandatory Training Requirements for Program Participants. A full list of mandatory training requirements for program participants may be found at [https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department Purchase Card Program Guide.pdf](https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department_Purchase_Card_Program_Guide.pdf)

(b) CSCs Training. In addition to CCSCs training, RD has agency specific courses for participants. Please see below.

RD Specific Training Requirement Table

<i>Required Training</i>	<i>Cardholders</i>	<i>Approving Official</i>	<i>Coordinator (APC/LAPC)</i>
Rural Development Specific Training			
RD GPC Webinar	√	√	√
ANNUAL TRAINING			
USDA Purchase Card Program Refresher Training for (Cardholders/AO/Coordinators) *	√	√	√

(c) Refresher Training. Each Refresher Training may have an additional Policy refresher training module to complete. Employees with more than one role are required to complete multiple trainings. Must take survey in AgLearn to receive credit. Rural Development may require additional modules or training.

Section II: Policy Guidance

§ 2018.358 RD (Agency-Specific) Policy Guidance.

The USDA Guidebook outlines USDA's implementation of key policies governing the use of the purchase card. More information may be found at [https://ias.usda.gov/ccsc/media/pc/guides/SP3 Department Purchase Card Program Guide.pdf](https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department_Purchase_Card_Program_Guide.pdf). In addition to the USDA Guidebook policies this document includes agency guidance specific to RD.

(a) Delegation of Authority. Issuance of the purchase card to cardholders is considered to confer the required delegation of authority. Cardholders must, however, be trained in micro-purchase procedures and their responsibilities when obligating government funds using the purchase card. Cardholders can only obligate funds that are within their purchasing authority. Under no circumstances may a cardholder purchase an item that costs more than the maximum amount of their delegated authority nor should a cardholder split the requirement to stay within their authority.

(b) Micro-Purchases. RD requires all purchases above the \$2,500 purchase limit must be purchased by a warranted contracting officer in the Procurement Management Office (PMO). It means:

(1) For acquisitions of construction subject to [40 U.S.C. chapter 31](#), subchapter IV, Wage Rate Requirements (Construction), **\$2,000**.

(2) For acquisitions of services subject to [41 U.S.C. chapter 67](#), Service Contract Labor Standards, **\$2,500**. (Professional services not subject to the Service Contract Labor Standards - MPT is \$10,000.) All purchases above \$2,500 must be purchased by a warranted contracting officer in PMO.

(3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical or radiological attack as described in [13.201\(g\)\(1\)](#), except for construction subject to 40 U.S.C. chapter 31, subchapter IV, Wage Rate Requirements (Construction) ([41 U.S.C. 1903](#)), **\$20,000**. Procurements in this category, the higher

limits do not exempt the requirement of the Service Contract Act, which remains at \$2,500 refer to OMB Circular No. A-123, Appendix B, A Risk Management Framework for Government Charge Card Programs. **All purchases above \$2,500 must be purchased by a warranted contracting officer in PMO.**

(c) Authorization to Purchase Goods/Services. Cardholders are to obtain proper authorization prior to making a purchase. A funding document is required for all purchases made with the purchase card. The funding document must be on the standard form AD-700. Funding documents/requisitions must include a date, accounting codes and approval from the employee authorized for the funds. Cardholders cannot sign their own funding documents/requisitions and they cannot oversee their own funds. Funding documents/requisitions at or below the single purchase limit (\$2,500) should not be generally forwarded to the Procurement Management Office (PMO) for processing unless the requirement is of a unique, complex or sensitive nature, or the vendor does not accept the purchase card or convenience check for the order. The handling of such a funding document/requisition or actions above the micro-purchase threshold shall be coordinated in advance with PMO and have enough funds to cover the purchase including shipping, etc. To avoid the appearance of impropriety, a contracting officer should always ensure that adequate documentation is available to substantiate a purchase. Warranted contracting personnel can use the card up to their delegated contracting authority. These purchases are subject to all federal, departmental and agency acquisition regulation procedures. Funding documents/requisitions above the single purchase limit or the maximum purchase limit must be forwarded to PMO for processing. Access to the PMO SharePoint site may be found here at this link https://usdagcc.sharepoint.com/sites/rd_om/PMO/SitePages/Home.aspx.

Please feel free to contact a member of the GPC team to receive instructions/training on creating a new request. In addition to creating a request on the PMO SharePoint site, the program office must create an Integrated Acquisition System (IAS) requisition. Access to the IAS site may be found here at this link <https://ias.usda.gov>. If access is denied contact IAS Help Desk at IAS-HelpDesk@usda.gov. If either the PMO SharePoint site request or the IAS requisition is not created by the program office, PMO will consider the request as incomplete and the order will not be processed.

§ 2018.358 (Con.)

(d) Authorized Use by Non-Procurement Personnel. The method non-procurement personnel use in processing purchases under the single-purchase limit is the utilization of the purchase cards. The purchase card is the preferred means to purchase and pay for these purchases. This is not intended to limit use of the purchase card to single purchase limits nor is it intended to preclude use of electronic purchasing techniques. Cardholders are encouraged to use the purchase card to the maximum extent practicable to purchase and pay for purchases under FAR Part 8 procedures. The purchase card can be used to buy:

- (1) Goods (supplies) under \$2,500
- (2) Services (personal and non-personal) under \$2,500
- (3) Construction under \$2,000

(e) A cardholder must be able to distinguish between purchases for personal services and those for non-personal services. A personal services purchase is one in which the contractor's personnel appear as government employees. On the other hand, a non-personal services purchase is one where the personnel rendering the services is not supervised by government employees. Cardholders must not purchase personal services with the purchase card unless authorized by their supervisor and authorized by law.

(f) Some examples of authorized purchases: purchase of facsimile machines; office supplies; subscriptions; certain information technology (IT) hardware and software; plumbing supplies; and film developing. Use of the purchase card is designed to promote greater efficiency and economy. It puts buying power as close as possible to the local levels where goods and services are needed. NOTE: Must use mandatory required sources (see Appendix E, Mandatory Sources).

(g) In accordance with RD Instruction 2024-A - Property and Supply; Subpart A - Program Loan Cost Expenses, Paragraph Program Loan Cost Expense (PLCE); at no time may a government purchase card be used for anything related to program loan cost expenses for RD applicants, borrowers, or inventory property.

There are no exceptions.

(e) Formal Contracts, Purchase Orders, and Delivery Orders. Warranted contracting officers may use the purchase card as a method of payment on a contractual document up to the warrant limit delegated to them. Purchases over the MPT must incorporate required clauses and data or processes mandated by statute, executive order, policy, or regulation and comply with all FAR, documentation and reporting requirements to include, the PIID and FPDS-NG. Must comply with the procedures in the Contracting Desk Book. In accordance with DATA Act guidance in OMB, Procurement Instruction Identifier (PIID) for all payments made with purchase card that exceed the micro-purchase threshold. Non-warranted individuals cannot be delegated authority to purchase above the single purchase limit of \$2,500 and the maximum monthly limit of \$10,000.

(f) Accountable/Sensitive Property. Accountable property is defined as all government property with an acquisition value of more than \$5,000. Sensitive property is defined as an item with an acquisition value of \$5,000 or less and is subject to fraud, waste, and abuse; has a high level of visibility; and can be audited by oversight agencies, such as the Government Accountability Office (GAO), Office of the Inspector General (OIG), and Congress. Pilferable property is defined as an item that could easily be converted to personal use. Rural Development Agency defines its own list of sensitive and pilferable property and is responsible for providing this list to the cardholders. Refer to RD guidance prior to making such a purchase. CHs are to initiate action to place accountable/sensitive property in the property system.

(g) Required Sources/Competition. Whenever a purchase is required, a cardholder should select the proper source of supply for the services or items needed. Cardholders are required to adhere to the requirements of FAR 8.001, which requires agencies to acquire supplies and services from designated sources if they can provide the supplies or services. More information may be found at https://ias.usda.gov/ccsc/media/pc/guides/SP3_Department_Purchase_Card_Program_Guide.pdf

(1) The USDA Senior Procurement Executive (SPE) reminds Agencies that under the National Defense Authorization Act (NDAA), Pub. L. 115-232) purchase card buyers are **prohibited** from purchasing certain telecommunications equipment (including video surveillance equipment) or services produced by specific merchants, subsidiaries and affiliates identified in the memorandum.

§ 2018.358(g) (Con.)

(2) Information may be found at [CCSC website](#).
CCSC Update: Purchase Card Participants should be aware that this policy guidance has been updated to reflect this policy now applies to ALL purchases including supplies, services, and training. If a merchant is not compliant with this policy and does not sign the certification, the CH is prohibited from making the purchase to the vendor.

(3) Open Market Sources should be **avoided** to the highest extent possible. For exceptions, CHs and AOs must consider the following:

(i) For "Open Market" and Sole Source Vendors, CHs shall require the vendor to sign FAR clause 52.204-24/NDAA 889 Certification Form (PDF) **prior** to making a purchase.

(ii) Vendors do not need to sign the certification form for Delivery Orders against GSA Schedules and USDA Contracts that already contain *FAR clause 52.204-24*.

(iii) FAR clause 52.204-24/NDAA 889 Certification Form does **NOT** replace the *AD-3110, Non-Required Vendor* form, the CH would still be required to complete.

(iv) **All waivers for purchases intended from vendors who do not comply with this policy and the vendor is the only source for their purchase, will require the approval of the Senior Procurement Executive (SPE) and the Director of the Office of National Intelligence (ODNI). (No exceptions). Waivers must be submitted directly to RD MASCO, to be forwarded for approval.**

(4) Open market vendors such as eBay, Amazon.com and others can be used only if mandatory sources cannot provide items. These third-party vendors may not accept returns and/or exchanges or give refunds.

(h) Cardholders Approving/Re-allocating Transaction. (Receipt Functionality). The receipt functionality was implemented for cardholders to upload their Purchase. The CH must save all the required documentation for the transaction, and it must be uploaded/saved to their computer or network drive before they start reconciling the transaction(s) in AXOL. RD is requiring CH to upload the following additional supporting documents into AXOL receipt functionality.

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- (1) USDA RD Cardholder Determination of Price -Reasonableness/Best Value Template/Micro-Purchase Ref: FAR 13.202-2
- (2) USDA RD Required Other Initiatives Template FAR 6.302-2(d) (1) (ii)
- (3) USDA RD Purchase Card File Checklist

Section III: Purchase Card Administration.

§ 2018.359 Purchase Card Administration (Nominating a Cardholder | AO LAPC).

- (a) An AO/supervisor-of-record must nominate prospective cardholders. RD requires nominations must be forwarded to RD Government Purchase Card Program and Oversight Branch at RD.GPCPOB@usda.gov, with a completed Purchase Card Request form, including information pertaining to the AO.
- (b) Include in the request the prospective cardholder's official name as entered in the Department's Personnel Database, work address, telephone number, e-mail address, single purchase limit, monthly purchase limit, accounting information, training certifications, and check-writing capability. The address, email address, and telephone numbers must be official government information. Also, include the AO's demographic information, e-mail address, and training certifications with the application.
- (c) Refer to USDA Purchase Card Guide Program, Section 5, "Compliance Training Requirements," and 4.1 Mandatory Training Requirement for Program Participant within this guide for the detailed requirements. Incomplete packages will be returned to sender. Only complete application packages will be processed.