

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOOD SAFETY AND INSPECTION SERVICE  
WASHINGTON, DC

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# FSIS DIRECTIVE

2100.6  
Revision 2

1/15/14

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## PURCHASE CARD

### CHAPTER I-BASIC PROVISIONS

#### I. PURPOSE

This directive outlines Purchase Card policies and procedures for micro-purchases. This directive is being reissued to update procedures and responsibilities for the operation of the Purchase Card program and to incorporate guidance for record retention of Purchase Cardholder files.

#### KEY POINTS:

- *Establishes policies and procedures for making micro-purchases to include thresholds*
- *Establishes duties and responsibilities of Purchase Cardholders and processors*
- *Outlines training requirements for Purchase Cardholders*
- *Describes use and security of the Purchase Card*
- *Describes records retention requirements for Purchase Cardholder files*

#### II. CANCELLATION

FSIS Directive 2100.6, Purchase Card, Revision 1, dated 10/24/11.

#### III. BACKGROUND

A. The Purchase Card is the preferred FSIS method to purchase and to pay for micro-purchases for official Government business use only. As stated in [48 CFR, Chapter 1, Federal Acquisition Regulation \(FAR\)](#), micro-purchases are acquisitions of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold.

B. The Purchase Card is not to be used for personal purchases or identification for personal purchases under any circumstances. Failure to properly use and safeguard the card will result in cancellation of card authority, and possible disciplinary or adverse action. This program will adhere to all Federal, Department, and FSIS acquisition regulations, policies, and guidelines.

#### IV. ELIGIBILITY

FSIS employees are eligible to obtain and use the Purchase Card. New requests for Purchase Cards are made through the Office of Administrative Services (OAS), Procurement Management Branch by the employee's direct supervisor/approving official (AO). The AO will ensure that the employee receives the

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**DISTRIBUTION:** Electronic; All Field Employees      **OPI:** OPPD

appropriate training requirements and certifications and that all purchases made using the card comply with the procedures outlined in this directive.

## CHAPTER II-RESPONSIBILITIES

### I. PURCHASE CARDHOLDERS

A. Purchase Cardholders are responsible for all purchases made with the Purchase Card. The Purchase Cardholder's spending limits are displayed in Access Online (AXOL). Purchase Cardholders are to:

**NOTE:** AXOL is the U.S. Bank's electronic system for managing card accounts. Purchase Cardholders can purchase goods and services (including construction), within their designated authority, as required by the Government, subject to funds availability.

1. Ensure purchases comply with the Federal Acquisition Regulation (FAR), Department regulations, and FSIS policy;
2. Ensure that funds are available and obtain proper authorization prior to purchasing goods or services;
3. Approve Purchase Card transactions using AXOL on a monthly basis, ensuring entry of proper accounting codes and Budget Object classification codes (BOCCs);
4. Maintain adequate documentation for all Purchase Card transactions (**examples:** [Form AD-700](#) requisitions, invoices, packing slips, and receipts, including evidence of independent receipts and acceptance for purchases greater than \$300) and electronic confirmation for all purchases made over-the-counter, by telephone, or the Internet;
5. Use the card for official use only;
6. Not allow any family or staff member, or supervisor, to use the Purchase Card;
7. Use the required supply source (**example:** AbilityOne Program and Federal Strategic Sourcing Initiative (FSSI) Office Supply Blanket Purchase Agreement (BPA));
8. Ensure that accountable and sensitive property is entered into a locally managed personal property database;
9. Call U.S. Bank's customer service representative and the Local Agency Program Coordinator (LAPC) immediately to report loss of the Purchase Card;
10. Notify U.S. Bank of any billing discrepancies (**example:** disputes) posted by disputing a transaction in AXOL when following U.S. Bank's guidelines for disputing transactions;
11. Notify the LAPC of name, telephone, address, or other account changes (**examples:** changes in respective AO, division, agency, or department);
12. Change passwords as required;
13. Ensure someone other than the Purchase Cardholder signs for and receives goods or services over \$300; and

14. Complete the Card/Checks Destruction form located in the [Purchase Card Program Guide](#) under “Exhibits” and forward it to the AO for signature when the card is no longer needed. (Refer to “Exhibit 2” for a copy of the form.)

B. Requirement to Timely and Accurately Approve Transactions by Purchase Cardholders. FSIS requires Purchase Cardholders to approve their transactions no later than 30 days after a transaction appears in AXOL, absent extenuating circumstances.

1. Failure to reconcile accounts in a timely and accurate manner can cause inaccuracies in FSIS' status of funds information and constitute grounds for management to cancel the Purchase Card and possibly impose disciplinary or adverse action against the Purchase Cardholder.
2. Failure to cite correct BOCCs can cause the National Finance Center (NFC) to erroneously issue (or not issue) [Form 1099-MISC](#) to vendors.
3. Purchase Cardholders enter a complete item description in AXOL identifying the item purchased.
4. The Charge Card Service Center (CCSC) imposes penalties on a Purchase Cardholder's account if the Purchase Cardholder fails to reconcile transactions more than 60 days after a transaction appears in AXOL.

## **II. LOCAL AGENCY PROGRAM COORDINATOR (LAPC)**

The LAPC works directly with the Purchase Cardholder, bank contact person, and Agency Program Coordinator (APC) to establish and maintain the day-to-day operation of the Purchase Card program within FSIS.

## **III. APPROVING OFFICIAL (AO)**

A. AOs maintain oversight and approval responsibility for Purchase Card activity of Purchase Cardholders under their purview. The AO is the Purchase Cardholder's supervisor of record. A Purchase Cardholder should have only one AO. AOs are to:

1. Determine who under the AO's authority are to receive Purchase Cards;
2. Ensure that cards issued under the AO's authority are properly used for official Government business;
3. Ensure that Purchase Card authority is not conferred upon employees whose use of the card would give rise to a conflict of interest;
4. Complete required AO Purchase Card training before submitting a Purchase Card application to the LAPC;
5. Ensure that each Purchase Cardholder completes the required Purchase Card training before submitting the Purchase Card application to the LAPC. The AO is to review the Purchase Card application to ensure that the Purchase Cardholder's name matches HRO records, and that he/she submits a completed Purchase Card application to the designated LAPC. The application is to include the prospective Purchase Cardholder's official name as entered in the Department's personnel database, work address, telephone number, email address, accounting information, and training certifications. The application also is to include the AO's demographic information, email address, and training certifications.

6. Ensure that Purchase Cardholders approve transactions on a monthly basis and before a Purchase Cardholder departs from the Agency;
7. Notify the LAPC of the following changes:
  - a. Changes in Purchase Cardholder status (**examples:** marriage or divorce);
  - b. Transfer of Purchase Cardholder to a different AO; and
  - c. Change in demographic location (**examples:** division, agency, or department).
8. If a Purchase Cardholder departs the Agency, the AO is to:
  - a. Review the Purchase Cardholder's transaction activity;
  - b. Ensure that any recurring charges have been canceled;
  - c. Collect the Purchase Card from the Purchase Cardholder;
  - d. Ensure the Purchase Cardholder submits a completed Card/Checks Destruction form located in the [Coordinator Purchase Card Program Guide](#); and
  - e. Ensure the card is destroyed.
9. Recommend disciplinary action or other appropriate action for misuse of the Purchase Card and notify the LAPC of the action taken;
10. Notify the LAPC of a Purchase Cardholder's absence because of extenuating circumstances;
11. Notify the LAPC of questionable transactions or possible misuse of the Purchase Card;
12. Recommend to the LAPC, the cancellation of open Purchase Cards with no activity over a period of 12 months;
13. Provide justification to the LAPC on open Purchase Cards that are inactive for the account to remain open;
14. Review Purchase Cardholder transaction activity on a monthly basis to verify that the transactions are necessary and proper. Ensure that Purchase Cardholders maintain adequate receipts or supporting documentation for each purchase; and

**NOTE:** The retention period for this documentation is 3 years from the date of purchase.

15. Complete [FSIS Form 2100-8, Approving Official Checklist](#).

B. AO's Requirement for Timely and Accurate Final Approval of Transactions in AXOL. AOs are to approve transactions selected for final approval no later than 30 days after a transaction has been selected.

1. If an AO fails to give final approval to selected transactions within a total of 60 days, all Purchase Cardholders assigned to the AO will be deactivated, unless there are extenuating circumstances.

Deactivated accounts may be re-activated after all transactions are given final approval and the AO's supervisor submits a request to reinstate to the LAPC.

2. AOs certify that they have received a copy of the Purchase Cardholder's transaction documentation. AOs review and approve all transactions on the Purchase Cardholder's account using [FSIS Form 2100-8, Approving Official Checklist](#), as a guide and Item descriptions that are included in the transaction documentation.

#### **IV. AGENCY PROGRAM COORDINATOR (APC)**

The APC coordinates the implementation of the Purchase Card Program within FSIS through the Departmental Program Manager (DPM), who is located in the USDA Charge Card Service Center, Washington, DC. The APC manages the program and is FSIS's contact with the DPM and bank.

#### **V. BILLING OFFICE CONTACT**

The National Finance Center (NFC) is the designated billing office contact for all Purchase Cardholders, pays electronic invoices, and schedules payment with the U.S Treasury Department.

#### **VI. OFFICE OF GOVERNMENT ETHICS (OGE)**

OGE's Standards of Ethical Conduct for Employees of the Executive Branch (Standards) apply to Purchase Cardholders. Purchase Cardholders should address questions regarding the propriety of a particular purchase before making the purchase. Purchase Cardholders are to contact one of the following for guidance or questions:

1. Agency Program Coordinator (APC), Procurement Management Branch, Office of Administrative Services (OAS), at 301-504-3993; or
2. Ethics Officer, Office of Ethics, at 202-720-0020.

### **CHAPTER III-GENERAL REQUIREMENTS**

#### **I. GENERAL**

A. Micro-Purchase Threshold. The maximum dollar amount that can be delegated to an unwarranted Purchase Cardholder for purchase card purchases is \$3,000. The micro-purchase authority for a Purchase Cardholder to purchase:

1. Supplies (**examples:** office supplies, subscriptions, and equipment) is \$3,000;
2. Services is \$2,500; and
3. Construction is \$2,000.

B. Competition. Purchases within the micro-purchase threshold can be awarded without soliciting competitive price quotations if the price is reasonable. Such purchases are distributed equitably among qualified suppliers. ([See FAR Part 13.202\(a\)\(2\)](#))

C. Business Size. Purchase Cardholders can make micro-purchases from any size business using the Purchase Card. ([See FAR Part 19.502-1\(b\).](#)) However, Purchase Cardholders should try to make

purchases from small businesses such as small disadvantaged, service-disabled veteran-owned, veteran owned, women-owned, and HUBZone.

D. Exemption. Purchases under the micro-purchase threshold are exempt from the requirements of the [Buy American Act](#) which encourages the U.S. Government to purchase U.S. made products.

E. AbilityOne Program. Purchases made under this program require Government agencies to buy selected products and services from nonprofit agencies employing individuals who are blind or severely disabled. Products furnished include, but are not limited to, office supplies (**examples:** SKILCRAFT brand name-cleaners, and other supplies). For a current list of authorized AbilityOne distributors, access the following Web sites:

1. <http://www.abilityone.gov>
2. <http://www.nib.org>
3. <http://www.nish.org>

F. Environmentally Preferable Products and Services. FSIS attempts to acquire environmentally preferable, including bio-based, products and services in accordance with the goals and policies of [EO 13423](#). This preference extends to acquisitions at all dollar levels, including those accomplished using Purchase Cards. (**NOTE:** The USDA BioPreferred Program mandates the use of designated products unless certain conditions are met. Refer to the USDA Web site at: <http://www.biopreferred.gov>.)

## II. YEAREND RECONCILIATION

A. Calendar Yearend. Purchase Cardholders and Approving Officials (AOs) approve all transactions visible in AXOL by December 31. This approval assists NFC in preparing yearend reports to the IRS. Approval will be completed by December 31. Failure to give timely and accurate approval can cause inaccuracies in Agency status-of-funds information.

B. Fiscal Yearend. At the end of each fiscal year, Purchase Cardholders and AOs approve all transactions visible in AXOL. If transactions are not expected to appear in AXOL by September 30 of the current fiscal year, submit a period-end estimate to the Budget Division. Purchase Cardholders and AOs approve all transactions no later than 30 days after the end of the fiscal year.

## III. DIRECT ENTRY PAYMENT

Direct entry payment is a financial transaction made directly to the vendor. Purchase Cardholders are to use direct entry payment only if the vendor will not accept payment by the Government Purchase Card and no other vendor can be used. Purchase Cardholders are to prepare [Form AD-700, Procurement Request](#), for each request. The form states that the vendor will not accept the Government Purchase Card, and Purchase Cardholders should explain why no other vendor can be used. The Purchase Cardholder will provide the following documentation to the Financial Processing Center (FPC):

1. Original Form AD-700 signed by the authorized program official, with appropriate program code and BOC.
2. Original approved invoices, with program code approval from the program, signed and dated.

3. Data Universal Numbering System (DUNS) number if the vendor is registered in the Central Contractor Registration (CCR). If not CCR-registered, the vendor will provide the following Electronic Funds Transfer (EFT) banking information:
  - a. Bank name;
  - b. Account number;
  - c. Routing number; and
  - d. Vendor identification number.
4. Reason for Debt Collection Improvement Act waiver if banking information is not available.
5. The Purchase Cardholder provides the required documentation, listed in above to the FPC in time to make payments under the [Prompt Payment Act](#) guidelines. The due date for making an invoice payment is the later of the two following events:
  - a. 30 days after the designated billing office receives a proper invoice from the contractor; or
  - b. 30 days after Government acceptance of supplies delivered or services performed.
6. The Purchase Cardholder is to send documents to:

USDA FSIS FMD  
FINANCIAL PROCESSING CENTER  
PO BOX 9205  
DES MOINES IA 50306-9205
7. Upon receipt of all documents, the FPC is to process the payment through the Financial Management Modernization Initiative (FMMI) using the non-obligating type payment voucher.
8. For audit purposes, the Financial Management Division (FMD) requires all original documentation or copies with the statement "In Lieu of Lost Original," with original signatures and the payment voucher (generated by FMD) for audit purposes.

#### **IV. PROHIBITIONS**

A. Prohibition on Acquiring Hazardous Items. Purchase Cardholders cannot use the Purchase Card or related alternative payment methods to acquire firearms, ammunition, explosives, hazardous biological and radioactive substances, or regulated chemicals (as defined by the Drug Enforcement Administration) without an Agency waiver bestowed by the Senior Procurement Executive. For such items, requisitions are prepared and submitted through the Integrated Acquisition System (IAS) by the requesting program office. (See [Departmental Regulation \(DR\) 5013-6, Use of the Purchase Card and Related Alternative Payment Methods](#), for restrictions on use of the Purchase Card to acquire firearms, ammunition, explosives, or hazardous biological and radioactive substances.)

B. Prohibition on Acquiring Telecommunications. USDA agencies cannot use the Purchase Card to acquire or pay for telecommunications services, supplies, or equipment in excess of \$350, except as provided in [AGAR Advisory 58A](#).

## **V. TRAINING REQUIREMENTS**

- A. In accordance with [OMB Circular A-123](#), all Purchase Cardholders and AOs are to be trained in Purchase Card policies and procedures in order to receive a Purchase Card with micro-purchase authority.
- B. Training consists of micro-purchase regulations and procedures and U.S. Bank's AXOL before a card can be conferred. Purchase Cardholders and AOs are required to complete the training courses located at [http://www.dm.usda.gov/procurement/ccsc/pc\\_training.htm](http://www.dm.usda.gov/procurement/ccsc/pc_training.htm).
- C. Purchase Cardholders and their AOs are to certify that they have received the training, understand the regulations and procedures, and know the consequences of inappropriate actions.
- D. Refresher training is required every 3 years. Purchase Cardholders and AOs will receive notification via email when refresher training is needed.

## **VI. TAX EXEMPTION**

- A. The Purchase Card is issued under the General Services Administration (GSA) SmartPay Program with a prefix of 4716. Purchase Cardholders can use 471640 as the U.S. Government's tax exemption number for Purchase Card transactions. The card is imprinted with the statement, "U.S. Government Tax Exempt."
- B. GSA requests that States:
1. Recognize that purchases made and paid with a Purchase Card are U.S. Government tax exempt; and
  2. Rescind any requirement to provide a tax-exempt certificate when a Government Purchase Card is used as the method of purchase.
- C. If a merchant refuses to waive the tax and requests a tax exemption certificate, the Purchase Cardholder is to download a copy of the specific state tax letter and present it to the merchant. The Purchase Cardholder can download state tax exemption letters from the GSA SmartPay Web site at <http://www.fss.gsa.gov/services/gsa-smartpay/taxletter/>.

## **VII. REQUIRED SOURCES FOR OFFICE SUPPLIES**

USDA issued [Procurement Advisory No. 97A](#) on January 10, 2013, announcing the availability of Governmentwide BPAs for office supplies, including paper, toner, day planners, and office furniture. Procurement Advisory 97A mandates the usage of the GSA FSSI BPAs and the USDA's AbilityOne store, "Paperclips Etc." for office supply purchases effective January 3, 2011. Access BPAs via GSA Advantage/USDA Advantage at [www.usdaadvantage.gsa.gov](http://www.usdaadvantage.gsa.gov).

## **CHAPTER IV-USE AND SECURITY**

### **I. AUTHORIZED USE**

- A. Purchase Cardholders use the Purchase Card to purchase commercially available goods and services within the Purchase Cardholder's single purchase limit. These purchases are subject to all Federal, Department, and FSIS acquisition regulations and procedures. There are mandatory approval chains for

each office. For certain requirements, additional approvals are required as stated in the [Customer Guide on Pre-Procurement Approvals](#). The following purchases are authorized:

1. Sales Tax (**NOTE:** If the merchant refuses to waive it, see Chapter 3, paragraph VI.);
2. Advance Payment for Subscriptions. Payments for subscriptions are authorized under [31 U.S.C. 3324](#); and
3. Advance Payment (**examples:** registration fees and training).

B. Purchase of Accountable or Sensitive Property. Purchase Cardholders are to promptly initiate action to place these items on a locally managed personal property database in accordance with Department and Agency procedures.

C. Rent. Rental of commercially available goods is available on a short-term basis (up to 180 days). (**EXAMPLES:** Storage and other special purpose space for temporary or emergency use.)

D. Training. [Form SF-182](#), Requests, Authorization, Agreement and Certification of Training, Costs and Billing Information, Block C.6., Billing Instructions, add: "Paid by Government Visa Purchase Card." Purchase Cardholders can pay for training if the amount does not exceed the Purchase Cardholder's single purchase limit.

E. Meetings and Conferences. All conferences, meetings, and seminars are to be held at the most cost effective location. Only Agency heads or their designees can authorize an exception to this rule. When the majority of attendees are Washington, D.C.-based personnel, use a Washington, D.C., metropolitan area location.

1. Use the following order of preference for USDA-sponsored meetings, conferences, seminars, and similar events:
  - a. Local USDA facilities;
  - b. Other local Government facilities; and
  - c. Facilities outside the employee's official duty station.
2. Factors to consider include costs for:
  - a. Meals;
  - b. Lodging;
  - c. Transportation; and
  - d. Conference room rental.

F. Electronic and Information Technology (E&IT) Purchases. All E&IT purchases (**examples:** hardware, software, printers, maintenance or support on information technology systems and site licenses) are to:

1. Be approved in writing by the Office of the Chief Information Officer (OCIO); and

**NOTE:** To receive approval to purchase E&IT, Purchase Cardholders are to complete [FSIS Form 1360-6, Enterprise Request for Change](#), and submit it to OCIO at [CMTeam@fsis.usda.gov](mailto:CMTeam@fsis.usda.gov));

2. Be approved for 508 compliance by OCIO with documentation placed in the Purchase Cardholder's file before purchasing. Section 508 compliance documentation is known as Voluntary Product Accessibility Template (VPAT).

**NOTE:** VPAT is obtained from the product manufacturer.

G. Telecommunications. To receive approval to purchase telecommunication products, Purchase Cardholders complete [FSIS Form 1360-6](#) and submit to OCIO at [CMTeam@fsis.usda.gov](mailto:CMTeam@fsis.usda.gov). Purchase Cardholders may purchase telecommunications products and non-transmission services not to exceed \$350 subject to the following conditions ([See AGAR Advisory 58A](#)):

1. All telecommunication requirements are to be approved for Section 508 compliance by OCIO before purchasing; and
2. All telecommunication products and services that exceed \$350 are submitted through IAS for purchase by the Procurement Management Branch, Office of Administrative Services (OAS).

H. Printing and Copying. All printing and copying outside the Agency are to be approved in writing by the Printing, Graphics, and Distribution Section, OAS, before purchasing.

I. Copier Purchases. Copier purchases are to be approved in writing by the Printing, Graphics, and Distribution Section, OAS, before purchasing.

**NOTE:** The purchase of desk printers does not require prior approval by the Printing, Graphics, and Distribution Section, OAS.

J. Furniture and Equipment. All furniture and equipment orders will have to receive prior written approval from the Property Management Branch, OAS, before purchasing.

K. Reprint Envelopes. Purchase Cardholders are to email Forms-IMB at [Forms-IMB@fsis.usda.gov](mailto:Forms-IMB@fsis.usda.gov) to obtain the artwork for printing. To obtain envelopes, Purchase Cardholders are to email [FSIS.Printing@fsis.usda.gov](mailto:FSIS.Printing@fsis.usda.gov) for assistance.

L. Private Sector Temporary (PST) Employees.

1. Purchase Cardholders can pay for a PSTs if:
  - a. They have prior written approval from HRO; and
  - b. The cost does not exceed the \$2,500 single purchase limit.
2. PSTs cannot exceed 120 working days in a 24-month period. Extensions beyond the initial 120 workdays require written justification by the program office explaining why the PST needs to be extended, and approval by HRO. As required by regulation, the use of PSTs cannot exceed the maximum limit of 240 workdays. ([See 5 CFR, Subchapter E, Part 300.](#))

M. Maintenance Agreements for Equipment. Purchase Cardholders can pay for maintenance agreements for the current fiscal year if the annual amount does not exceed the Purchase Cardholder's single purchase limit.

N. Non-Monetary Awards. Purchase Cardholders can purchase non-monetary awards totaling no more than \$250 per award. This amount includes engraving and shipping for Federal employees.

1. Non-monetary awards must:

- a. Be of nominal value;
- b. Bear the USDA logo, seal, or other approved Department or Agency identification and be suitable to display, or use, in a work environment; and
- c. Reflect, where possible, an appropriate message or citation to identify the recipient's contribution.

2. See FSIS Directive 4451.6, Non-Monetary Award Recognition, for additional information. Examples of non-monetary awards include:

- a. Paperweights;
- b. Plaques;
- c. Medals;
- d. Coffee mugs;
- e. Emblems;
- f. Desk sets; and
- g. Key chains.

## II. UNAUTHORIZED USE

The purchase card cannot be used for:

1. Cash, money orders, cashier's checks, or travel advances;
2. Hazardous items such as firearms, ammunition, explosives, or hazardous biological and radioactive substances, except by warranted contracting officers;
3. Airline, bus, train, or other travel-related tickets;
4. Meals, lodging, or subsistence costs (Employees should use the Government Travel Card for these items.);
5. Personal purchases or identification (**EXAMPLE:** Using the Purchase Card as a form of ID while paying for a personal purchase by check.);
6. Splitting requirements into several purchases to avoid the Purchase Cardholder's delegated single purchase limit;
7. Paying recurring invoices over a 12-month period, thereby exceeding the Purchase Cardholder's single purchase limit;

8. Greeting cards;
9. Business cards;
10. Membership in an individual's (as opposed to an organization's) name;
11. Parking tickets against a Government-owned or leased vehicle;
12. Insuring items shipped to or for the Government (The Government is self-insuring.);
13. Shipment of household goods;
14. Meals and refreshments at conferences or meetings where non-Federal Government employees are in attendance;
15. Long-term (more than 180 days) rental or lease of land or buildings except by warranted real property leasing or contracting officers;
16. Purchase repairs and maintenance to Government-owned and leased vehicles, except in an emergency situation. Purchase Cardholders are to initiate the action to input the vehicle's repairs or maintenance into the Property System/Equipment Management Information System (PROP/EMIS);
17. Fuel and related supplies and services for Government-owned and leased vehicles, aircraft, and other motorized equipment;
18. Personal services, unless authorized by statute. Personal services are when an employer-employee relationship occurs because of continuous supervision of a contractor's employee by the Government.
19. Advance payment to a merchant before receipt of goods or services (**examples**: subscriptions, registration fees, and training) unless authorized by law; and
20. Non-essential apparel. Personal items of clothing (**examples**: caps, shirts, and sweatshirts) should not be purchased for official wear.

### **III. SAFETY MEASURES AND INTERNAL CONTROL**

A. Purchase Cardholders are to safeguard their user IDs and passwords at all times. Sharing this information increases risk, reduces accountability, and is a security violation. Purchase Cardholders are to notify the LAPC immediately if they:

1. Have reason to believe their user ID and password are compromised; or
2. Encounter problems with their user ID or password.

B. Purchase Cardholders are to reconcile all transactions in AXOL before leaving a position. The Purchase Card file remains in the Purchase Cardholder's office. When a Purchase Cardholder leaves a position for new employment, or retirement, and no longer requires a Purchase Card:

1. The AO:

- a. Ensures the card is destroyed; and
- b. Provides the LAPC with the Purchase Cardholder's departure date.

2. The LAPC cancels the Purchase Cardholder's name and account number in AXOL.

C. The LAPC audits Purchase Card activity on all open Purchase Cards over a period of 12 months to determine whether the card should be cancelled due to inactivity.

#### **IV. CARD MISUSE OR FRAUD**

Misuse of the Purchase Card will cause the Agency to withdraw the Purchase Card from the Purchase Cardholder. Like misuse, fraud can occur in a number of different ways. If Purchase Cardholders note questionable purchases on their account statement, they are to report fraud, waste, and abuse to the Labor Employee Relations Division (LERD), the Head of Contracting Activity Designee (HCAD), and the APC. LERD and the HCAD determine the appropriate administrative and disciplinary or adverse action for misuse. In the event that activity is detected that is fraudulent, the APC will notify the Office of the Inspector General (OIG) for investigation. Penalties may include written reprimands, suspension, or removal from service (see Attachment 1 for examples). In addition, the Purchase Cardholder may be liable for financial reimbursement of the purchase payment.

#### **V. RECORDS MANAGEMENT**

Purchase Cardholders are to retain all forms (AD-700s) and receipts relating to micro-purchases (purchases under \$3000). Purchase Cardholders are to:

1. Cut off files at the end of the fiscal year in which final payment is made; and
2. Destroy the files after 3 FYs from the date of purchase.

#### **VI. QUESTIONS**

Refer all questions pertaining to the purchase card to the Procurement Management Branch, OAS, at [procurement@fsis.usda.gov](mailto:procurement@fsis.usda.gov).



Assistant Administrator  
Office of Policy and Program Development

**ATTACHMENT 1  
RECOMMENDED ACTIONS FOR FAILING TO ADHERE TO PURCHASE CARD  
POLICIES AND PROCEDURES**

<b>TYPES OF MISCONDUCT</b>	<b>PENALTIES FOR FIRST OFFENSE</b>	<b>PENALTIES FOR SUBSEQUENT OFFENSE(S)</b>
Using Purchase Cards for inappropriate or nonofficial purposes	Cancellation of Purchase Card from the HCAD and possible referral to LERD for disciplinary action	Not applicable
Failing to reconcile transactions greater than 60 days old	Suspension of Purchase Card by CCSC for 15 days	Cancellation of the Purchase Card
Allowing or authorizing another employee to use the Purchase Card	Written warning from the APC	Cancellation of the Purchase Card
Splitting purchases to circumvent the threshold	Written warning from the APC	Cancellation of the Purchase Card
Sharing user names and passwords	Written warning from the APC	Loss of Purchase Card privileges for 60 days. AO must request reinstatement
Authorizing another employee to reconcile	Written warning from the APC	Cancellation of the Purchase Card
Exceeding the micro-purchase authority	Written warning from the APC	Cancellation of the Purchase Card
Purchase without necessary approvals	Written warning from the APC explaining the error (copy the AO)	Loss of Purchase Card privileges for 30 days. AO must request reinstatement
Fraud purchases	Refer to the OIG for investigation	Not applicable