

# *NPARL Micro Purchasing*

**Reference:** REE Purchase Card Manual - <http://www.afm.ars.usda.gov/ppweb/213-3M.htm>  
ARS Manual 251.8M Records Management  
REE Purchase Card Quick Guide  
PCMS Micro Purchase Guide

## **Goals:**

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

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

## **Tax Exemption:**

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

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

**Micro Purchase Threshold:** \$3000 General  
\$2000 Construction  
\$2500 Services

**Record Purchases** in CATS which is your official Log. Log must contain the date ordered, description, vendor, cost, and date delivered, date reconciled, & check number if applicable.

## **Purchasing Goods & Services**

Commercial goods and services may be purchased using the card if the needed goods and services are not available from the Federal mandatory sources.

## *Required Sources*

**In descending order of precedence:**

### **Supplies:**

Agency Inventories

Excess from other agencies

Products from the Committee for Purchase from People Who are Blind or Severely Disabled

Wholesale supply sources, such as GSA, DLA, VA

Mandatory Federal Supply Schedules

Optional Use Federal Supply Schedules

Commercial Sources

### **Services:**

Services available from the Committee for Purchase from People Who are Blind or Severely Disabled

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Mandatory Federal Supply Schedules  
Optional Federal Supply Schedules  
Other sources

## **Competition**

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

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

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

**IT Purchases:** computers, laptops, monitors, software, printers, and other peripherals. Approval from IT Specialist (Kevin Dahl) is required. Approval can be in the form of an e-mail. The purchasing agent must have an AD700 signed by the IT Specialist (Kevin Dahl) prior to purchase.

**Sensitive Property:** Laptops, PDA's, Digital Cameras, camcorders, projectors, firearms, law enforcement badges: Code 3141 in CATS and PCMS & obtain property sticker. A signed AD700 must be submitted to the property officer when requesting a property sticker.

**Transaction Records** must contain

Evidence that goods or services were received

Evidence that priority is given to designated procurement sources, purchases need to be documented as to why you did not use designated procurement sources.

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An invoice, credit receipt, or other sales documentation to validate the dollar amount, quantity, and nature of the items purchased.

- When a purchase is made over-the-counter, the cardholder must obtain a customer copy of the charge slip.
- When making purchases by telephone, the cardholder must obtain the shipping documents associated with the order.
- When downloading a purchased product from the Internet, the cardholder must printout the electronic confirmation associated with the order.

When a check is issued, annotate on the supporting documentation the date the check was issued, the convenience check number, cardholder's name, and the waiver number applicable to the check. The Tax Identification Number (TIN) or SSN and waiver number shall also be entered into PCMS when reconciling the transaction.

Documentation of supervisor review and approval of purchases, The RL authorizes each scientist funds to spend on their research. Your documentation of supervisor review can be:

- a. Print your log from CATS on a monthly basis, have your supervisor sign off on the log and place in your file.
- b. Print a monthly report from PCMS, have your supervisor sign off on the log and place in your file.

If you purchase for other than your supervisor, print an AD700 and obtain a signature from the scientists you are purchasing for.

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

**Records Retention:** 3 years after final payment

**Reconciling in PCMS:** REE Policy states “Purchase card transactions shall be reconciled on a weekly basis” (if not reconciled in 60 days the account is deactivated by HQ).

### *Mandatory Fields*

- a. **Purchase Card Transactions.** The mandatory fields to be completed when reconciling purchase card transactions in PCMS are: Action, Date Received, SF-281 Code (if >\$2500), Item Description (for training, include the name of the employee and title of training course), Agency Reference Number (ARN), Comments and Modify (when applicable). In the ARN field, a cardholder must enter a Document Control Number (DCN) for each transaction to enable the Servicing Funds Control Office to validate PCMS transactions that appear on the Agency's FFIS Transaction Detail Listing. In order to be consistent in assigning the DCN, the cardholder will input their first initial and last name, followed by their sequentially assigned DCN, e.g., D Jones 0002. Only the first 20 characters of the ARN will pass to FFIS and spaces or dashes are considered as characters.

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- b. **Check Transactions.** The mandatory fields to be completed when reconciling check transactions in PCMS are: Merchant Address, Merchant City, Merchant State & Zip Code, Action, Date Received (enter date the check was written), SF-281 Code (if > \$2500), TIN or SSN, ARN, Comments (enter applicable waiver number), and Modify (when applicable). For check fees, complete the Action, Date Received (enter date check was written), Item Description (enter check number; for training, include the name of the employee and the title of the training course), and Modify Accounting (enter BOC code).

## **Card Misuse\Fraud**

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

## *Unauthorized Use of the Card and Checks*

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

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- **Acquisition from commercial sources of products or services available from a required source in time to meet the agency need.**
- Other unauthorized purchases include, but are not limited to:
- Greeting cards
- Memberships in an individual's (as opposed to an organization's) name
- Parking tickets against a government vehicle
- Insurance of items being shipped to or for the government (the Government is self-insuring)
- Shipment of household goods
- Meals for federal employees at office or agency functions, unless authorized by law (purchasing food for government employees for a bona fide awards ceremony is permitted by law)

## **Disputes**

### **MICRO-PURCHASES**

Keep in mind that transactions are paid, then disputed. The cardholder must contact the vendor and try to resolve any dispute before processing it through PCMS. If the dispute with the vendor cannot be resolved, the cardholder is to contact the bank for assistance. The cardholder has 60 days to file a dispute. Refer to [Cardholder PCMS User's Guide](#) for details.

If the cardholder files a dispute and the bank agrees with the merchant and not the cardholder, then the dispute will go to arbitration in coordination with VISA rules and regulations. The merchant must provide documentation with a cardholder's signature to get the bank's compliance. The first time that the merchant does not agree with the bank, they are fined.

### **CONVENIENCE CHECKS**

Convenience checks CANNOT be disputed through PCMS. If the check was just written, the check writer's LAPC must contact the bank (Bank of America) at 1-800-472-1424 (domestic purchase cards only; toll free) or 1-757-441-4124 (international purchase cards only; collect call) to stop payment. The bank will stop payment on the convenience check within 24 hours. The check writer will then work with the vendor to resolve the dispute. There is no cost for stopping payment on a convenience check.

If the check has appeared in PCMS to be reconciled, it has already been paid. In this case, a stop payment cannot be issued. At this point, the check writer must work directly with the card services contractor and the vendor to resolve the dispute. If, after working with the card services contractor and the vendor, resolution of the dispute involves a refund or credit to USDA, the cardholder should contact their LAPC. The LAPC will contact the bank to work out the proper refund process.

If a check has appeared in PCMS to be reconciled and the cardholder does not remember writing it, request a copy of the check. The fraud unit at the bank will resolve stolen check issues.

***The Purchasing Agent will conduct periodic audits for compliance.***