ADS Chapter 331

USAID Worldwide Purchase Card Program

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ADS 331 –USAID Worldwide Purchase Card Program
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ADS 331 – USAID Worldwide Purchase Card Program

331.1 OVERVIEW

Effective Date: 05/19/2015

This chapter outlines the policy directives and required procedures for procurements made using the Governmentwide Commercial Purchase Card Program (see **Federal Acquisition Regulation (FAR), Subpart 13.001**). The guidelines described in this chapter apply to all USAID employees using a purchase card to acquire goods and services.

331.2 PRIMARY RESPONSIBILITIES

Effective Date: 05/19/2015

The roles below are described in more detail in **ADS 331maa, USAID Worldwide Purchase Card Program Manual** (referred to in this chapter as the **Manual**).

a. The Agency Program Coordinator (APC) of the General Services Administration (GSA) Smart Pay Purchase Card Program is a staff member of the Bureau for Management, Office of Acquisition and Assistance (M/OAA). The APC implements and administers the USAID Worldwide Purchase Card Program and serves as USAID's primary liaison with GSA and the servicing bank on matters related to the overall program management. The APC, or another official designated by the Bureau for Management, Office of Acquisition & Assistance, Cost Audit Support (M/OAA/CAS), serves as the disputes official for the Purchase Card Program and is responsible for providing guidance to Approving Officials and Cardholders regarding disputes, and interacting with the servicing bank on disputed transactions.

b. Assistant Administrators (AAs) and **Mission Directors** are responsible for selecting the Approving Official (AO) and the Alternate AO within their respective areas of responsibility and notifying the APC accordingly.

c. The **Approving Official (AO)** (previously called the Office Program Coordinator/Program Manager) develops the Mission or Bureau/Independent Office (B/IO) Standard Operating Procedures for its Purchase Card Program and is responsible for the day-to-day operations and oversight of the program. The AO nominates purchase Cardholders to the Chief Acquisition Officer (CAO), and determines the single transaction and monthly Cardholder limits and the types of merchants from whom the Cardholder may purchase goods and services. The AO ensures that the funds have been committed in the accounting system before purchase; oversees monthly reconciliations; approves the Cardholder's billing statement; and reports any misuse of the purchase card to the APC.

Every AO must have an Alternate. The Alternate AO is required to have the same training and certification as the Primary AO. Alternate AO duties are the same as those

of the Primary AO and must only be performed in the absence of the Primary AO.

d. The **Cardholder**:

- Seeks the best value for goods and services;
- Ensures that funds are available prior to making a purchase;
- Makes purchases with the purchase card in accordance with applicable policies and procurement regulations;
- Documents transactions in a purchase card buying log;
- Reconciles the monthly purchase card statement of account;
- Maintains physical control of the purchase card; and
- Reports a lost or stolen purchase card to the servicing bank customer service department and to the APC.

A Cardholder's purchasing authority stems from a Delegation of Authority (DOA) issued by the M/OAA Director. When so designated, warranted Contracting Officers (COs) or Executive Officers (EXOs) may perform Cardholder functions.

e. The **Bureau for Management, Chief Financial Office, Cash Management & Payments Division (M/CFO/CMP)** is the **Designated Billing Office (DBO)** (also known as the Paying Office, see **ADS 630, Payables Management**) for purchases made in Washington. The **USAID Mission Controller Office** is the **Designated Billing Office** for purchases made overseas. The DBO:

- Serves as the focal point for receipt of corporate invoices;
- Reconciles corporate invoices;
- Makes payment to the servicing bank for the monthly invoices within Prompt Payment Act timeframes;
- Identifies billing discrepancies to the APC; and
- Provides feedback to the APC on the servicing bank's performance.

f. The **Bureau for Management, Chief Financial Office, Central Accounting and Reporting Divsion (M/CFO/CAR)** is responsible for the quarterly report on available purchase card rebates in USAID's Working Capital Fund (see **ADS 635, Working Capital Fund**).

g. The **Mission Supervisory/Regional Contracting Officer (SCO/RCO)** maintains a list of purchase Cardholders in the SCO's/RCO's location and performs annual reviews of the Purchase Card Program for the Mission's procurement activities. The SCO/RSO may redelegate this function to another Contracting Officer in the same Mission.

h. The **Director, Bureau for Management, Office of Acquisition and Assistance (M/OAA)** serves as the **Agency's Chief Acquisition Officer (CAO)** (see **ADS 103, Delegations of Authority**), and is responsible for the overall effective management of the USAID Purchase Card Program. The M/OAA Director appoints warranted contracting officers and issues delegations of authority to Cardholders to make purchases with the purchase card.

i. The **Bureau for Management, Office of Acquisition and Assistance, Cost Audit Support Division (M/OAA/CAS)** conducts annual surveillance reviews of the USAID Purchase Card Program and reports the results to the M/OAA Director.

331.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES

331.3.1 USAID Worldwide Purchase Card Program

Effective Date: 05/19/2015

The USAID Worldwide Purchase Card Program is part of the GSA SmartPay Program. It is the preferred purchase mechanism and payment method for procurements below the simplified acquisition threshold (see FAR 2.1 for the definition of "simplified acquisition threshold" and I TFM 4-4500 Government Purchase Cards, Section 4515, for the purchase card - Policy & Use).

The Purchase Card Program is designed to empower employees, not otherwise warranted or designated as procurement officials, to make official purchases within the limits of their delegations of authority. The program increases cost effectiveness by

(1) Streamlining the purchasing and payment process by reducing the paperwork generated by small dollar, high volume transactions,

(2) Eliminating the need for purchase orders; and

(3) Facilitatating quick payment to vendors.

The purchase card **must be used** for procurements up to the simplified acquisition threshold to the maximum extent practicable, if:

(1) The purchase card is authorized for procurement of the type of good or service;

(2) The Cardholder's purchase card has a sufficient single-purchase limit;

(3) The appropriate **Merchant Category Code** is assigned to the account; and

(4) The vendor will accept the purchase card.

The purchase card **must NOT be used** when the M/OAA Director has made a determination that the use of the purchase card is otherwise inappropriate, notably in identified areas, regions, or countries experiencing high levels of credit card fraud.

Cardholders must use the purchase card to procure eligible goods and services within the authorized limits of their purchase card (see Section 4.1 of the **Manual**). Cardholders must not forward such procurements to M/OAA, Mission Contracting Officers (CO), or Executive Officers (EXO) for processing unless the vendor does not accept the purchase card.

COs and EXOs must, to the maximum extent practicable, use the purchase card to:

a. Make purchases exceeding the purchase card limits of non-warranted Cardholders;

b. Place task or delivery orders (if authorized in the master contract, basic ordering agreement, or blanket purchase agreement); and

c. Make payments under purchase orders and contracts, when the contractor agrees to accept payment via the purchase card.

331.3.2 Regulatory and Procedural Requirements

Effective Date: 05/19/2015

All purchases made using the purchase card must meet the requirements in the following parts of the Federal Acquisition Regulation (FAR) and the corresponding sections of the AIDAR:

- FAR parts 3.104, Procurement Integrity;
- FAR Part 8, Required Sources of Supplies and Services;
- FAR Part 12, Acquisition of Commercial Items;
- FAR Part 13, Simplified Acquisition Procedures; and
- FAR Part 23, Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace.

Additionally, Cardholders must follow the procedures described in the **Manual** and must comply with the limitations established in the Cardholder's purchasing Delegation of Authority (DOA).

331.3.3 Authorized Versus Unauthorized Commitments

Effective Date: 05/19/2015

Regardless of the source of funds, only individuals with contracting authority and Cardholders acting within their authority may enter into a contract, incur charges against a purchase card, or direct a vendor or contractor to provide supplies or perform services. Any person without this authority who requests, authorizes, or directs a vendor or contractor to provide supplies or perform services, directly violates federal regulations (see **FAR Subpart 1.6**) and may be subject to personal financial liability for any expenses incurred as well as disciplinary action (per **ADS 485, Disciplinary Action - Foreign Service** and **ADS 487, Disciplinary and Adverse Actions Based upon Misconduct - Civil Service**).

331.3.4 Procurement Authority

Effective Date: 05/19/2015

In accordance with **AIDAR 701.601**, the M/OAA Director issues warrants to authorize USAID Contracting and Executive Officers to conduct the full range of acquisition procedures within the limits of their warrants. When appointed as a Cardholder, a warranted CO may exercise their authority to procure goods and services using the purchase card.

Other employees assigned a Cardholder's role must have purchasing authority evidenced by a Procurement Delegation of Authority (DOA) signed by the M/OAA Director. This authority allows the Cardholder to use the purchase card to procure goods and services within established single purchase and monthly spending limits (for a sample DOA see Exhibit 5 of the **Manual**).

331.3.5 Selection of Approving Officials (AOs)

Effective Date: 05/19/2015

a. Assistant Administrators (AAs) (for USAID/Washington) and Mission Directors (overseas) must select both the AO and the Alternate AO and notify the APC of their decision. Overseas, the EXO generally performs this role. In Missions without an EXO, or those new to the purchase card program, the Mission Director assumes the responsibilities of an AO until another individual is designated by the Mission Director to perform this role. If necessary, one Primary and Alternate AO may be designated for each individual organization unit (a bureau, office or a division within an office).

When choosing an individual to perform the AO's role, the selecting officials must consider the following:

- The AO must be at a higher or equivalent grade level with respect to the Cardholders under their purview. Typically at USAID, the AO is the Cardholder's immediate supervisor; and

- The AO must meet the segregation of duties limitations discussed in section **331.3.12**.

b. Individuals selected to perform AO/Alternate AO functions must complete the training requirements prescribed in Section III of the **Manual** and recertify annually to continue in the program.

c. When the AO transfers to another location or separates from the Agency, the departing individual must inform the APC of their replacement. In the event the newly-designated AO will not occupy the same position as the departing or separating AO, the designation must be confirmed by the AA or the Mission Director. In the interim, the Alternate AO will function as the AO. In the event the the Alternate AO cannot perform the AO's functions effectively or is not available (e.g. is out of office on extended leave), the accounts under the AO's management will be suspended until a new AO is designated by the selecting official.

d. To establish a new AO/Alternate account, the selecting official must submit the complete application package, as described in Section III of the **Manual**, to the APC.

331.3.6 Nomination and Approvals of Cardholders

Effective Date: 05/19/2015

a. AOs are responsible for nominating prospective Cardholders. When making the decision, the AO should consider individuals who have good judgment, character, and adequate business acumen to be entrusted with a purchase card.

Cardholders are not limited by position or grade; however, a Cardholder cannot be the supervisor of their AO. B/IOs and Missions can nominate both direct hire employees and Personal Services Contractors (PSCs) (including U.S. PSCs, Foreign Service National (FSN), and Third Country National (TCN) PSCs) to perform Cardholder duties. When nominating a Cardholder, B/IOs and Missions must adhere to the following limitations:

- FSN and TCN Cardholders are limited to a single purchase limit of $3,000.00 per transaction, and a monthly cumulative limit not to exceed $25,000;

- Unless the APC grants an exception, first-time Cardholders who are not warranted COs are only eligible for a single-purchase limit of $3,000; and

- Only a warranted CO may be granted single purchase limits in excess of $25,000.

b. All prospective Cardholders must complete the training requirements prescribed in Section III of the **Manual** and recertify annually to continue in the program.

c. All nominations must be forwarded to the APC for approval. The application package must include all applicable forms and certifications as discussed in Section III of the **Manual**.

Upon receipt of an application package, the APC prepares a DOA for each prospective Cardholder. When the DOA is signed, the APC issues a purchase card to the Cardholder to procure goods and services within the constraints of their individual B/IO and Mission office budgets and authorized purchase limits, as outlined in the **Manual**.

331.3.7 Span of Control

Effective Date: 05/19/2015

Span of control, in a government purchase card program, refers to the extent of review responsibilities placed on a single AO for the purchase card transactions of one or more Cardholders. In accordance with the recommendations of the **Government Accountability Office (GAO) Audit Guide dated November 2003**, all AOs must have no more than a maximum of seven (7) Cardholders under their purview unless authorization to exceed that maximum is received in writing from the APC.

When making this determination, the APC will consider

(1) The number of Cardholders under the AO's purview,

(2) The number and complexity of purchase card transactions the AO must review each billing cycle, and

(3) Demands of other responsibilities assigned to the AO.

The APC will regularly monitor timeliness and effectiveness of the AO invoice review and certification process for all B/IOs and Missions that exceed the standard span of control. This is done to ensure that the AO has sufficient time to complete a thorough review and certification of all card accounts. If any delay or non-compliance with the invoice reviews and approval process is identified, the AO will be required to take immediate corrective actions. If the issues are not resolved in a timely manner, or if repetitive problems are identified, the APC will close accounts in order to have the B/IO or Mission back at the standard span of control.

331.3.8 Procedures for Purchase Card Use

Effective Date: 05/19/2015

a. Cardholders may use the purchase card for over-the-counter, internet, or telephone purchases as stand-alone procurement instruments. If the terms authorize it, Cardholders may also use the purchase card to place orders against established contracts and agreements (such as Federal Supply Schedules, blanket purchase agreements, and indefinite delivery type contracts).

b. The APC establishes B/IO and Mission programs and handles the setup, maintenance, and cancellation of Purchase Card accounts (see Sections III and IV of the **Manual**).

c. To procure the requested goods and services the Cardholder must follow the six basic steps in the buying process, as outlined in Section V of the **Manual**.

d. All Cardholders are responsible for establishing and maintaining official records for all transactions made with their card and maintaining the records in accordance with Section VI of the **Manual**.

e. AOs and Cardholders must refer to Section VII of the **Manual** for guidance on reconciling the Cardholder E-Statement of Account.

f. Cardholders or AOs must dispute unsatisfactory merchandise and billing discrepancies with the vendor and/or the servicing bank as soon as possible in order to comply with Treasury and financial management regulations and procedures related to financial transactions. Per the GSA master contract, a dispute must be filed within sixty (60) calendar days from the receipt of the first invoice on which the charge appears (see Section VIII of the **Manual**).

g. Cardholder's reporting requirements for lost or stolen account numbers or cards are described in Section IX of the **Manual**.

331.3.9 Purchase Card Annual Review

Effective Date: 05/19/2015

The APC, or designee, must conduct an annual program review for all Bureaus in USAID/W by a random sampling of participant records.The SCO/RCO, or designee, performs the same review of Cardholder records at overseas Missions. The purpose of the review is to

- Determine the extent of adherence to prescribed policies, procedures, and good management practices;
- Access adequacy of the program's internal controls; and

- Provide the agency recommendations to improve the program.

Details of the annual review process, including schedule, steps, and documentation requirements can be found in Section X of the **Manual**.

331.3.10 Departmental Review
Effective Date: 05/19/2015

In order to support OMB reporting requirements, the Bureau for Management, Chief Financial Office, Audit, Performance, Compliance Division, Internal Controls Program Team (M/CFO/APC/ICPT) will conduct Procurement Management Reviews (PMRs) to assess M/OAA's implementation of the purchase card program. PMRs are scheduled and coordinated as part of the overall ICPT process. This assessment addresses the following elements:

- Adequacy of the USAID purchase card program management controls; and
- Implementation of the purchase card program, including;
    - The APC's knowledge of purchase card policies and procedures;
    - Verification of AO and Cardholder selection and appointment procedures;
    - Verification of training and delegation of authority procedures;
    - Verification of APC monitoring and surveillance activities, and use of bank reports and purchase card data;
    - Resolution of cases involving fraud, waste, abuse, or misuse; and
    - Identification of program weaknesses and recommendations for improvement.

During the internal review process, Cardholders may be required to submit documentation pertaining to transaction files. Cardholders must comply with the request and are considered non-compliant if requested files are not received within the established timeframes.

331.3.11 Management Controls
Effective Date: 05/19/2015

The USAID Purchase Card Program contains a variety of management controls designed to minimize purchase card misuse. AOs are responsible for ensuring that management controls under their purview are followed and appropriately used to reduce potential card misuse or abuse within their Missions or Bureaus.

Key management controls are:

- Participation in the purchase card program is limited to USAID direct-hire employees or personal services contractors;
- All USAID Purchase Card Program participants must meet the role-specific mandatory annual training requirements;
- Each non-warranted Cardholder receives a formal Delegation of Authority that establishes specific spending and usage limits;
- Reasonable single purchase and monthly limits are set and merchant category codes are blocked to restrict card use to appropriate merchants;
- Cardholders must safeguard the purchase card and purchase card account number at all times. Cardholders are prohibited from allowing anyone other than themselves to use the card;
- All requests for purchases made using the purchase card are submitted through GLAAS or pre-approved in writing by the AO;
- Cardholders properly document all transactions. The records must be available to both the Cardholder and the AO and maintained for audit purposes;
- Monthly billing statement reconciliations and certifications are performed within specified timeframes;
- Annual reviews of purchase card files are performed for all Cardholders;
- A semi-annual review of all inactive purchase cards is performed to determine if account closure is warranted due to non-use;
- Purchase of sensitive or pilferable products is documented in the USAID property management system upon delivery;
- Separation of duties are such that a participant in the USAID purchase card program is not permitted to serve in two or more roles for the same transaction, as described in section **331.3.12**; and
- Anyone suspecting a potential purchase card misuse must report all alleged misuse to the APC or the Office of the Inspector General (OIG).

331.3.12 Separation of Duties and Supervision

Effective Date: 05/19/2015

Key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions must be separated among individual participants in the Purchase Card Program. Managers must exercise appropriate oversight to ensure that these individuals do not exceed or abuse their assigned authorities.

The participant roles in the Purchase Card Program are restricted as follows:

(1) The APC must not be a Cardholder, or perform the AO or DBO functions.

(2) When an AO or a DBO staff member is also a Cardholder, accounts must be set up so that the individual does not perform the AO or the DBO functions with respect to the their own transactions. Additionally, when the financial management staff member in an overseas Mission is a Cardholder, the individual must not perform payment or certification functions for the purchase card corporate invoice.

(3) The AO or the DBO staff member must not perform both the AO and the DBO functions for Cardholder transactions under their purview.

(4) M/OAA/CAS staff and the Mission or Regional Contracting Officer, or designee must not conduct the annual review functions for transactions in which they have participated as a Cardholder or an AO.

331.3.13 Strategic Sourcing

Effective Date: 05/19/2015

Strategic Sourcing is a structured and collaborative process by which USAID analyzes its Cardholders spending patterns to better leverage the Agency's purchasing power, reducing cost and improving overall performance of the purchase card program. As part of this process, the APO continuously reviews purchase card spending levels; identifies opportunities to negotiate discounts; and makes recommendations to improve the buying process and increase savings based on volume. M/OAA/CAS is committed to enhancing USAID acquisition performance through a continual effort to identify strategic sourcing opportunities.

While USAID is working on improving its strategic sourcing program, many of the goods and services identified for strategic sourcing are common across numerous other agencies. Federal Strategic Sourcing Initiative (FSSI) provides agencies with a mechanism to increase total cost savings, improve management visibility and vendor access to business opportunities, and otherwise increase the value of each dollar spent.

All Cardholders must use FSSI when the required goods and services are available in the FSSI solutions. For more information on FSSI solutions, see: **www.gsa.gov/fssi**.

Note: Operating Units must purchase and use wireless supplies and services in accordance with ADS 545.

B/IOs are reminded that any IT purchases such as printing services, telecommunications services, or wireless services require the prior approval M/CIO in accordance with ADS 545 and 547.

In order to expedite IT purchases and ensure standards and security requirements are maintained, M/CIO has established blanket purchase agreements for wireless and desktop computing requirements. A full listing of these is available from the M/CIO Service Desk.

331.3.14 The Law and Ethics

331.3.14.1 Misuse of the Purchase Card and Penalties

Effective Date: 05/19/2015

a. When using the purchase card, the Cardholder must comply with all applicable Federal and USAID prohibitions, controls, limitations, and approval requirements. Each participant of the Purchase Card Program has a duty to protect and conserve Government property, and must not use a Government purchase card for purposes other than those authorized under this policy. To obtain a better understanding of the basic ethics rules and become familiar with reporting of ethics violations and potential consequences of ethical misconduct, employees should consult **ADS 109, Ethics and Standard of Conduct**. When in doubt, employees may seek ethics advice from their Resident Legal Officer (RLO) or a Legal Ethics Advisor in the Office of General Counsel (GC/EA).

b. Intentional misuse of the purchase card by a Cardholder will be considered an attempt to defraud the United States Government (USG) and will result in the immediate cancellation of the employee's purchase card. Furthermore, a Cardholder will be subject to disciplinary action in accordance with **ADS 485** or **ADS 487**. A PSC Cardholder will be subject to contract termination. Deliberate and egregious abuse must be referred to the Office of Inspector General for investigation and possible prosecution.

c. The Cardholder, and if warranted, the AO, are personally liable to the U.S. Government for the amount of any unauthorized transaction, as reported by the APC to the Chief Financial Officer (CFO), and may be subject to a fine of up to $10,000, imprisonment for up to five years, or both under **18 U.S.C. 287**. In such a case, a bill for collection will be issued to the employee in accordance with policies and procedures prescribed in **ADS 625, Accounts Receivable and Debt Collection**.

331.3.14.2 Indicators of Fraud and Misuse

Effective Date: 05/19/2015

Suspected purchase card misuse and fraud often have the same or similar indicators. A determination of whether the misuse is fraudulent may only be possible after a thorough investigation. Therefore, anyone suspecting a potential purchase card misuse must report the possible misuse to the APC or the OIG. The AOs are required to review bank purchase card data and reports on a regular basis to identify and investigate possible instances of fraud or misuse. Any of the following can be an indicator of fraud or improper card use:

- Repetitive purchases from the same merchant in situations where the Cardholder should be rotating purchases among more than one merchant;
- Missing purchase documentation;
- Cardholder or AO permits others to use their card;
- Failure to safeguard cards or account information;
- An AO's lack of oversight and surveillance of Cardholders under their purview;
- Unauthorized purchases (unnecessary purchases, personal purchases, purchases of prohibited products or services, etc.);
- Payments made for items that were never received;
- Split purchases made to avoid spending limits;
- Failure to account for nonexpendable or sensitive items in accordance with property management procedures;
- Approval of a Cardholder's purchases by an individual other than the Cardholder's AO (or Alternate AO);
- Cardholders returning items to a merchant for a store credit instead of a credit to their purchase card account;
- Attempted purchases that exceed the Cardholder's limits; and
- Purchases that have been declined by the card system.

The servicing bank continuously monitors accounts for suspicious activity, and at times may block an account until the Cardholder confirms any transactions

deemed questionable. Once the Cardholder verifies the legitimacy of questionable transactions, any blocking on the account is removed. The Cardholder may continue to use the card for purchasing. If fraudulent charges are found, the account is permanently blocked. The bank will make arrangements with the Cardholder to issue a new card. The Cardholder must follow the proper procedures for documenting any change in account status.

331.4 MANDATORY REFERENCES

331.4.1 External Mandatory References

Effective Date: 05/19/2015

a. **Executive Order 13423, Strengthening Federal Environmental, Energy and Transportation Management**

b. **Executive Order, Improving the Security of Consumer Financial Transactions**

c. **Federal Acquisition Regulation (FAR)**

d. **GSA SmartPay Program**

e. **GSA State Tax Information**

f. **OMB Circular A-123 Appendix B**

g. **U.S. Department of the Treasury Financial Manual Vol. 1, Part 4, Chapter 4500, Government Purchase Cards**

331.4.2 Internal Mandatory References

Effective Date: 05/19/2015

a. **ADS 109, Ethics and Standards of Conduct**

b. **ADS 300, Agency Acquisition and Assistance Planning**

c. **ADS 302mak, USAID Implementation of Section 508 of the Rehabilitation Act of 1973**

d. **ADS 331maa, USAID Worldwide Purchase Card Program Manual**

e. **ADS 502, Records Management**

f. **ADS 518, Personal Property Management (Domestic)**

g. **ADS 546, Acquisition of Federal Information Technology (IT) Resources**

h. **ADS 621, Obligations**

i. **ADS 625, Accounts Receivable and Debt Collection**

j. **ADS 630, Payables Management**

k. **Agency for International Development Acquisition Regulation (AIDAR)**

331.5 ADDITIONAL HELP

Effective Date: 05/19/2015

There are no additional help documents for this chapter.

331.6 DEFINITIONS

Effective Date: 05/19/2015

abuse
Use of a Government charge card to buy authorized items, but at terms (e.g., price, quantity) that are excessive, for a questionable Government need, or both. Examples of such transactions include the purchase of a day planner costing $300 rather than one for $45; purchasing bottled water when potable water is accessible; allowable refreshments at an excessive cost; and, year-end bulk purchases of computers and electronic equipment for a questionable Government need. (**Chapter 331**)

Blanket Purchase Agreement (BPA)
A blanket purchase agreement (BPA) as defined in FAR 13.303-1(a) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply. For example, a BPA could be a procurement agreement between the Government and a vendor for recurring purchases that may authorize the use of the purchase card to order against it. (**Chapter 331**)

Contracting Activity
An element of the Agency designated by the Agency head and delegated broad authority regarding acquisition functions. In USAID, the contracting activities consist of the Office of Acquisition and Assistance (M/OAA), the Office of U.S. Foreign Disaster Assistance (DCHA/OFDA), the Bureau for Economic Growth, Education and Environment, Office of Education (E3/ED) (See AIDAR 702.170). (**Chapter 331**)

Contracting Officer
A person representing the U.S. Government through the exercise of his/her delegated authority to enter into, administer, and/or terminate contracts and make related determinations and findings. This authority is delegated by one of two methods: to the individual by means of a "Certificate of Appointment", SF 1402, as prescribed in FAR 1.603-3, including any limitations on the scope of authority to be exercised, or to the head of each contracting activity (as defined in AIDAR 702.170), as specified in AIDAR

701.601. (**Chapters 302**, **331**, **535**)

Corporate Invoice
The Corporate Invoice is the bank document that lists all purchase cards assigned to an organization and details the transactions - broken down by category, such as Cardholder, merchant, dollar amount, office, and total amount due. The Designated Billing Office receives it electronically from the bank card management system. (**Chapter 331**)

delegation of authority (DOA)
A document issued by the Director, Bureau for Management, Office of Acquisition and Assistance, which establishes an individual as a procurement official and authorized Cardholder to spend Government funds. It also establishes the dollar level limits for the purchase authority. (**Chapter 331**)

Designated Billing Office (DBO)
The Agency office responsible for paying bills. The Office of the Chief Financial Officer, Cash Management and Payment Division (M/CFO/CMP), is the DBO for USAID/W corporate accounts and the Controller at each overseas Mission is the DBO in that location. (**Chapter 331**)

dollar limit
The maximum amount of money that a purchase Cardholder may spend on a single purchase or the cumulative dollar amount of purchases allowed per month, as determined by the Approving Official in a Mission or Bureau. (**Chapter 331**)

employee
Includes all USAID direct-hire personnel and personal service contractors. (**Chapter 110** and **331**)

E-Statement of Account
The electronic monthly summary of account activities of each purchase Cardholder provided by the bank. This summary also itemizes each transaction posted to the account during the billing cycle. (**Chapter 331**)

Federal Acquisition Regulation (FAR)
The FAR (48 CFR Chapter 1) is the regulatory authority that implements uniform policies and procedures for the acquisition of supplies and services by Federal agencies (**Chapters 302**, **330**, **331**).

fraud
Any felonious act of corruption, or an attempt to cheat the Government or corrupt the Government's agents. Use of the purchase card to transact business that is not sanctioned, not authorized, not in one's official Government capacity, not for the purpose for which the card was issued, and not a part of official Government business are instances of fraud. This list is not intended to be all-inclusive. (**Chapter 331**)

GLAAS
The Global Acquisition and Assistance System (GLAAS) is the Agency's world-wide web-based Acquisition & Assistance system. It is available only internally at https://sites.google.com/a/usaid.gov/glaas-intranet/home. (**Chapter 331**)

Governmentwide commercial purchase card
The FAR defines Governmentwide commercial purchase card as a purchase card, similar in nature to a commercial credit card, issued to authorized agency personnel to use to acquire and to pay for supplies and services. (**Chapter 331**)

head of the contracting activity (HCA)
The official who has overall responsibility for managing the contracting activity. AIDAR 702.170 lists the HCAs in USAID and the limits on the contracting authority for them are listed in AIDAR 706.601. Also see contracting activity. (**Chapters 302**, **330**, **331**)

merchant
Usually referred to as a vendor, a merchant supplies the products and services for sale to purchase Cardholders. A merchant may be another Government agency or organization, a required source, or a retail supplier. (**Chapter 331**)

Merchant Category Code (MCC)
A four-digit code used to identify the type of business a merchant conducts, e.g., office supplies, restaurants, and professional services. The merchant selects its MCC with its bank. The allowable codes encoded on the purchase card restrict the types of merchants from whom Cardholders may make purchases. (**Chapter 331**)

misuse
Use of the purchase card for other than the official Government purpose for which it is intended. (**Chapter 331**)

monthly purchase limit
The total dollar amount a purchase Cardholder may spend monthly using his or her purchase card. (**Chapter 331**)

organization unit
An official, identifiable work unit within USAID that is recognized by a unique title, abbreviation, and code number. (**Chapter 102** and **331**)

required source
A Government-established source of supplies and services that the purchase Cardholder must consider before going to the commercial sector to make acquisitions. (**Chapter 331**)

single-purchase limit
The maximum dollar amount allowed when using a purchase card to complete a

transaction. (**Chapter 331**)

splitting
A prohibited tactic used to avoid the single-purchase limit for purchase cards. For example, if a Cardholder has a single-purchase limit of $3,000 and wants to purchase a computer valued at $3,100, “splitting” the purchase into two transactions, one for $100 and another for $3,000 in order to bypass the limit and make the procurement, would be a violation of the single-purchase limit. (**Chapter 331**)

Strategic Sourcing
A structured and collaborative process by which USAID analyzes its Cardholders spending patterns to better leverage USAIDs purchasing power, reducing cost and improving overall performance of the purchase card program. (**Chapter 331**)

vendor
An entity that sells products and services. It may be a Government agency or organization, a contractor, or a retail merchant. (**Chapter 331**)

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