

FDA STAFF MANUAL GUIDES, VOLUME III - GENERAL ADMINISTRATION

PROCUREMENT AND SUPPLY MANAGEMENT

PROCUREMENT

U.S. GOVERNMENT PURCHASE CARD PROGRAM

Effective Date: 09/16/2008

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1. PURPOSE

This guide sets forth the Food and Drug Administration's (FDA) policy and areas of responsibilities for using the Government-wide purchase card.

2. INTRODUCTION

The purchase card program is an acquisition tool utilized by government agencies to reduce the burden in procuring items under the micro-purchase acquisition threshold. The program uses a major credit card designed to provide both procurement and non-procurement personnel with a simplified method of purchasing and paying for commercially available supplies, equipment and non-personal services up to the \$3,000 micro-purchase threshold. In addition, the purchase card may be used to purchase and pay for goods and services from established General Services Administration (GSA) schedules.

The General Services Administration administers the government's purchase card program. The Department of Health and Human Services (HHS) has a task order under the GSA master contract to provide purchase card support for its OPDIVs, including FDA. The FDA ensures proper management of the program, authorizes employees to use the card, and monitors use.

The FDA's purchase card program is managed by the Agency/Organization Program Coordinator (A/OPC), in the Office of Acquisitions & Grants

Services (OAGS), Office of Operations (OO). The A/OPC is designated by the Head of the Contract Activity (HCA), OAGS.

3. POLICY

When allowable and feasible, the purchase card shall be used to buy and pay for all requirements up to the micro-purchase threshold of \$3,000 and up to \$2,000 for construction. Cardholders shall follow the regulations and procedures in the Federal Acquisition Regulation (FAR), the Health and Human Services Acquisition Regulation (HHSAR), and the FDA Government Purchase Card Manual.

Cardholders, approving officials, and central control points shall complete purchase card training before receiving a purchase card or assuming their responsibilities under the FDA's purchase card program. Cardholders are authorized officially within the FDA through a written Delegation of Authority. The delegation specifies the spending and usage limitations unique to the cardholder. The A/OPC shall provide a delegation of authority letter to each cardholder after the required training is completed.

The A/OPC may also delegate authority to use the purchase card for purchases above the micro-purchase threshold up to the simplified acquisition threshold. Employees must have a Certificate of Contracting Officer Appointment FAR Standard Form 1402 signed by the HCA, have completed the requisite DHHS acquisition and purchase card training, and meet other qualifications as deemed necessary by the HCA. A Standard Form 1402 is not required for cardholders making procurements under the micro-purchase threshold.

General Rules for Cardholders

Threshold Limitations

Use of the purchase card is subject to the following limitations in accordance with the terms of the HHS task order, the FAR, and the purchase card Bankcard Manual:

Cardholder single purchase limit. The maximum amount authorized for any one transaction or purchase by a cardholder. The limit will usually be at or below the micro-purchase threshold of \$3,000. The purchase can be composed of single or multiple items purchased at one time with a single supplier.

Cardholder monthly spending limit. The maximum dollar amount authorized for a cardholder within a calendar month.

Unauthorized Purchases

The purchase card bears the cardholder's name and may be used only by that individual and only to purchase and/or pay for official government purchases in compliance with the policies and procedures governing the purchase card. Unauthorized use of the purchase card includes, but is not limited to, the purchase of the following goods and services:

- a. Any goods or services intended for personal use.
- b. Government travel, per diem, and telephone calls made while on travel.
- c. Telephone calls, excluding cellular telephone service.
- d. Computers, except for purchase by specially designated personnel.
- e. Rental or lease of land or buildings, except temporary rental of conference, meeting or exhibit space.
- f. Repair or service of leased vehicles when the lease provides for servicing and repairs.
- g. Gift certificates under the FDA's Reward and Recognition Program greater than \$250 per person, per award.

Penalties

Federal laws and regulations place restrictions on the actions of Government personnel. Intentional use of the purchase card for non approved purposes will be considered an attempt to commit fraud against the United States Government and will result in immediate cancellation of the card and immediate disciplinary action, ranging from reprimand to removal. The cardholder will be held personally liable to the Government for the amount of the non approved purchases and may be subjected to a fine of not more than \$10,000, or imprisonment for not more than five (5) years, or both, under 18 U.S.C. 287. Commercial laws and bank policies also apply which stipulate use of credit cards. The applicable bank under the purchase card program is within its authority to prosecute to the fullest extent of the law.

4. RESPONSIBILITIES

Executive Order 12931, Federal Procurement Reform

5. REFERENCES

- A. FAR Parts 4 and 13
- B. FDA Government Purchase Card Manual
- C. FDA Staff Manual Guide 1440.1--Delegation of Procurement Authority (Agency-wide) and 1440.2--Delegation of Procurement Authority (Field)

6. EFFECTIVE DATE

This policy was signed by John P. Gentile, Associate Commissioner for Operations, effective September 16, 2008.

7. Document History -- SMG 2610.5, U.S. Government Purchase Card Program

STATUS (I, R, C)	DATE APPROVED	LOCATION OF CHANGE HISTORY	CONTACT	APPROVING OFFICIAL
Initial	09/16/2008	N/a	OC/OM /OFM	John P. Gentile, Associate Commissioner for Operations