



# Program Statement

**OPI:** FPI/PRO  
**NUMBER:** P8582.02  
**DATE:** 8/1/2004  
**SUBJECT:** Government-wide  
Purchase Cards,  
Official Use-FPI

1. **PURPOSE AND SCOPE.** To provide standards and guidelines to implement, use, and manage the Government-wide Commercial Purchase Card Program throughout Federal Prison Industries (FPI). This program provides for delegating Cardholder authority to Cost Center Managers (CCMs) and their designees.

The Attorney General has endorsed the use of the Purchase Card Program as one of the National Performance Review initiatives to empower employees and reduce administrative costs.

2. **SUMMARY OF CHANGES.** To revise terminology and technical changes in acquisition procedures resulting from the **Millennium** system's implementation.

This PS is updated to incorporate automated purchase card acquisitions and permit acquisitions of raw materials within the cardholder's delegated authority.

3. **PROGRAM OBJECTIVES.** The expected results of this program are:

- a. Procurement and payment procedures will be streamlined and simplified.
- b. Staff will be given the opportunity to make practical business decisions in obtaining products or services for which they are knowledgeable.
- c. Cost Center Managers management control and decision making will be improved.

#### 4. **DIRECTIVES AFFECTED**

##### a. **Directive Rescinded**

P8582.01 Government-wide Purchase Cards, Official Use-FPI  
(6/29/98)

##### b. **Directive Referenced**

P4100.04 BOP Acquisitions (5/19/04)

#### 5. **STANDARDS REFERENCED.** None

6. **RESPONSIBILITIES.** The Controller, Financial Management Branch (FMB), and the Chief, Procurement, must share direct overall responsibility for the Purchase Card Program within FPI.

FPI's Agency Program Coordinator (Level I) is to be the Financial Manager, FMB, and will be FPI's primary representative to the contractor. The Business Manager/Plant Controller at each FPI site (Level II Agency Program Coordinator), has direct overall responsibility for the Purchase Card Program at each location.

7. **DEFINITIONS/RESPONSIBILITIES/PROCEDURES.** Definitions of positions, forms, reports, and terms, as well as responsibilities and detailed procedures, are located in the "Agency/Organization Program Coordinator Guide" from the Contractor.

8. **PROGRAM REQUIREMENTS.** The purchase card is to be made available to employees the CCM designates. When assigning such duties, management will consider the regular work load of the staff member to ensure these duties do not overburden him/her. Cost Center Managers (CCM's) should utilize their best efforts and discretion to select cardholders on a fair and equitable basis. CCMs are advised that the card's use is not solely for emergency situations, but usage is mandatory for day-to-day purchases of \$2,500 or less.

Exceptions to mandatory use include:

- appropriate vendor does not accept the card;
- supplies or services listed under prohibited items in this PS; or
- when special circumstances make the card's use inappropriate.

When a purchase under the micro-purchase threshold is made using one of the above exceptions, the purchase order shall denote in the "header text" "Internal Use Only" reason why purchase card was not utilized.

Cardholder authority may be delegated above the micro-purchase threshold at the discretion of the Chief, Procurement, providing the cardholder meets the requirements for higher level procurement authority.

Using the purchase card in no way diminishes the CCM's responsibility for sound internal controls and fiscal accountability.

- a. **Eligibility.** Personnel designated to become "Cardholders" or "Approving Officials" must first receive approved ethics **and** purchase card purchasing training. Cardholders requesting authority above the micro purchase threshold must complete the training requirements for the level of authority requested as defined by UAP Part 1.
- b. **Training.** Applicants may be credited for the ethics portion of the training if they have completed the Cost Center Manager course, the Contracting Officer's Technical Representative self study course, or Procurement Integrity training.

At a minimum, purchase card purchasing training must be completed by attending the Centra on-line Government Purchase Card Training. Upon verifying the completion of the ethics **and** training requirement for the designated cardholders, the CCM shall request "Delegation of Cardholder Authority" from the Chief, Procurement, prior to a purchase card being issued.

9. **PROHIBITED ITEMS.** In accord with the GSA contract, the purchase card may **not**, under any circumstances, be used for:

- cash advances;
- rental or lease of land or buildings;
- travel; or
- **any personal items.**

Other disallowed purchases under the purchase card are:

- Purchases between FPI factories;
- meals;
- lodging;
- uniform allowance items;

- rental or lease of vehicles for travel purposes;
- controlled substances or property (drugs, ammunition, weapons, etc.); or
- advisory and assistance services.

**Under no circumstances may the purchase card be used for personal purchases.**

**10. PURCHASE CARD ACQUISITION AUTOMATION**

- a. All purchase card acquisitions must be processed in the automated system. Only warranted Contracting Officers with cardholder authority, using standard procurement processes, may process purchase card purchases above \$2,500.
- b. Purchase card acquisitions for UNICOR contract items are permitted if the contract specifically permits purchase card ordering.

**11. OVERSIGHT.** The Cardholder has overall responsibility for the integrity of the purchase card issued to them. However, the Approving Official must ensure each purchase is in accord with policy.

Accordingly, Program Review objectives are to be used to monitor program compliance. The primary Contracting Officer at each field location is to conduct a monthly, random review of at least two cardholders. Additionally, the Procurement is to review purchase card acquisitions as part of normal oversight responsibilities.

It is the CCM's responsibility to maintain records of purchase card purchases for a period not less than three years. The records are to be maintained in systematic, chronological order to facilitate review. The file shall include, at a minimum, copies of monthly Cardholder statements, monthly Approving Official summary statements, Purchase Card Purchase Forms listing items purchased, and any available packing slips or receipts. The Approving Official shall ensure the statements are reconciled monthly, ensuring the products or services acquired met the Bureau's minimal needs, were not personal convenience items, and conformed to the department's mission.

**12. CARD SECURITY.** It is the Cardholder's responsibility to safeguard the purchase card and account number at all times. Staff are reminded to take the necessary precautions to ensure that under no circumstances are inmates to have access to a card number (i.e., by processing/filing records, when placing orders by telephone, when receiving orders, etc.).

The Cardholder must not allow anyone to use his or her card or account number. No employee shall use the card or account number of an assigned cardholder except those assigned the card. A violation of this security and trust may result in disciplinary action.

13. **ASSISTANCE.** Contracting questions should be addressed first to the Field Contracting Officer. Concerns regarding Delegation of Cardholder Authority or designation of officials or Cardholders should be addressed first to the local agency program coordinator, usually the Business Manager or Plant Controller.

/s/

Harley G. Lappin  
Director

**FEDERAL PRISON INDUSTRIES  
PURCHASE CARD PROGRAM STATEMENT**

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## **1. PURPOSE OF THE FEDERAL PRISON INDUSTRIES PURCHASE CARD PROGRAM STATEMENT**

This PS' purpose is to provide standards and guidelines for the managing and use of the Government-wide Commercial Purchase Card Program.

## **2. BACKGROUND**

The Purchase Card Program is intended to:

- streamline and simplify procurement and payment procedures;
- give staff the opportunity to make practical business decisions in obtaining products or services for which they are knowledgeable; and
- enable CCMs to improve management control and decision making.

The Attorney General has endorsed the use of the Purchase Card Program as one of the National Performance Review initiatives to empower employees and reduce administrative burdens. The program delegates simplified acquisition procedures purchasing authority to each CCM (and their designees).

The Chief, Procurement, and the Controller, FMB, are to share direct overall responsibility for the Purchase Card Program within FPI. FPI's Agency Program Coordinator (Level I) is located in Central Office, FMB and is FPI's primary representative to the Contractor. The Business Manager/Plant Controller (Level II), is to have direct overall responsibility for the Purchase Card Program at each location.

## **3. GUIDELINES FOR THE PURCHASE CARD PROGRAM AT LOCAL OFFICES**

a. To allow the Contractor to administer FPI's accounts, each location must provide the following information to the Contractor when submitting the initial Cardholder and Approving Official applications:

- (1) Institution name, address, telephone number;
- (2) Institution Allotment Code (five-digit identification number); and
- (3) Level II Agency Program Coordinator (APC) (Business Manager or Plant Controller), to include name, address, and telephone number.



b. The local Business Office is responsible for verifying the accuracy of the charges that were distributed and clear the charges monthly. The Central Office is responsible for payments to the contractor.

c. **Payment Support.** The contractor provides a summary invoice at each billing cycle's conclusion. This report should be generated by the business Manager or Accountant electronically through the Internet. FPI Business Managers are responsible for:

- ensuring purchase orders are established properly for purchase card purchases in the automated system;
- ensuring the purchase card payment transactions are recorded properly in the automated system; and
- reconciling the contractor's invoice against the Approving Official's monthly statement.

d. Individual charges placed against the purchase card are **not** to be reported in the Federal Procurement Data System (FPDS), with the exception of purchases exceeding the micro-purchase limit.

4. **DEFINITIONS.** The following definitions supplement those set forth in the current GSA FSS Government-wide Commercial Purchase Card Program contract.

a. **Definition of Positions**

(1) **FPI's Agency/Organization Program Coordinator (APC) (Level I).** The Central Office Business Manager/Plant Controller (or respective designee) must be FPI's primary representative to the Contractor. The APC is responsible for monthly verification of his or her organization's purchase card charges. Monthly charge totals from the bank are to be reconciled with the cardholder's statements.

Also, this position is to be the coordinator (through the Contractor) for settling discrepancies or disputes that arise from defective, faulty, un-received, or returned merchandise, credits for sales tax refunds, and credits for billing errors with the bank (only after the Cardholder has exhausted all avenues for disputes).

(2) **Agency/Organization Program Coordinator (APC) (Level II).** The Business Manager or Plant Controller

is the APC for each location. This official is to oversee the contract's technical administrative aspects. The APC is to be the point of contact to serve as coordinator between the Contractor and FMB. All applications, removals, or merchant activity codes, etc., must be forwarded through the APC to the Contractor. Changes to the single purchase limit and monthly limit must be approved by the Chief, Procurement Branch.

(3) **"Primary" Approving Official (Level III).** The Approving Official, hereafter referred to as Cost Center Manager (CCM), is to recommend who are to be Cardholders. The CCM should have enough Cardholders under his or her control to distribute the workload among his or her staff.

The CCM is responsible for:

- approving all Cardholder purchases,
- reconciling each of his or her Cardholder's monthly statements, and
- verifying that all transactions were made for necessary Government purchases and in accord with Federal procurement guidelines.

The CCM must establish a monthly limit for each Cardholder to ensure they operate within the budget.

(4) **"Back-up" Approving Official (Level IV).** The back-up Approving Official has the same responsibilities as the primary Approving Official. Back-up Approving Officials are limited to an absolute minimum, and must perform the duties only when the primary is out of the office.

**Note:** An Approving Official must be above his or her Cardholders organizationally and may not be his or her own Approving Official. Therefore, if a CCM holds a card, a separate Approving Official must be designated within the organization. This individual must have received proper training.

(5) **Cardholder.** The individual Government employee granted a written Delegation of Cardholder Authority, from the Chief, Procurement, to use the purchase card. The card must be in the employee's name and can be used only by the individual to pay for official purchases in

compliance with the Federal Acquisition Regulation (FAR) and FPI's internal procedures. Activity from the Government-wide purchase card should not affect an individual's personal credit report. If a situation does occur, the cardholder should request assistance from the national Agency Program Coordinator.

(6) **Field Contracting Officer.** The Field Contracting Officer is responsible for providing technical advice regarding procurement regulations to all staff involved in the Purchase Card Program. The AW/SOI is to determine whether Cardholders or the local Contracting Officer will purchase raw materials. If the AW/SOI makes the determination that raw material under the micro-purchase threshold will not be purchased using a government purchase card, a memo from the AW/SOI must be on file documenting his/her decision and reason.

(7) **Card Issuing Bank.** The Contractor will produce and disseminate purchase card statements and investigate all amounts the Cardholder disputes.

(8) **Chief of Procurement.** The Chief, Procurement, is the "Cardholder Issuing Authority." This authority may **not** be further delegated.

b. **Definition of Reports.** The Contractor is capable of providing a series of standard reports to participating locations. The ordering location will determine its own reporting requirements and establish which of the available reports are necessary for its particular need. All reports are available through the Internet.

(1) **Cardholder Statement/Statement of Account.** A monthly statement the Contractor sends to each Cardholder itemizing all purchase card transactions made within the established billing period.

(2) **Approving Official Report/Business Account Summary.** A monthly report the Contractor sends to each CCM summarizing the purchase and credits of each Cardholder under the CCM's control.

(3) **Finance Office Report/Financial Summary Report.** A monthly report for each Financial Management Office summarizing monthly charge accounts at the particular site. This report is to be used as FPI's notice of monthly charges paid by FMB.

c. **Forms**

(1) **Contractor Supplied Forms.** Authorized Signer's Form, Local APC Hierarchy Level II Setup/Change/Delete Form, "Primary" Approving Official Hierarchy Level III Setup/Change/Delete Form, and "Back-up" Approving Official Hierarchy Level IV Setup/Change/Delete Form, Cardholder Account Setup/Change/Delete Form, and Dispute Form are available from the Contractor.

When a Cardholder discovers an incorrect amount has been charged for goods or services, the Cardholder must notify the CCM and they must seek to resolve the problem with the vendor immediately. However, if the Cardholder is unable to resolve the issue with the vendor within a short period of time, the Cardholder must complete the Dispute Form and contact the Contractor's Dispute Office within 60 days of the disputed charge.

A copy of the Dispute Form must also be forwarded along with the Cardholder's Statement of Account to the CCM.

**Note:** If the dispute involves sales tax the vendor charged erroneously, the amount of the tax cannot be disputed. Ordering agencies must pay the tax, while the Cardholders and CCM make every effort to obtain a credit from the vendor for the tax amount.

(2) **Request for Delegation of Cardholder Authority (Attachment A).** The application form to obtain a Delegation of Authority, from the Chief, Procurement, for Cardholders.

d. **General Definitions**

(1) **Account Set-Up Information.** The specific information the Contractor requires from each Cardholder to establish an active account for that Cardholder. The local level II APC supplies this information to the Contractor.

(2) **Delegation of Cardholder Authority.** After receiving the required training, and prior to making application to the Contractor, each prospective Cardholder must request specific purchase authority for using the purchase card. This must be accomplished via written request from the CCM (Attachment A). Once

granted, this delegation is to be made in writing by the Chief, Procurement, for the amount requested.

(3) **Cardholder Single Purchase Limit.** The limitation on the amount a Cardholder is permitted to purchase at any one time. The Contractor will not authorize a purchase if the purchase exceeds the Cardholder's single purchase limit. This limit, set by the CCM and approved by the Chief, Procurement Branch, applies to the total amount, not per item or line item total. Normally, the single purchase limitation is limited to a maximum of the Cardholder's Delegation of Cardholder Authority.

(4) **Monthly Cardholder Purchase Limit.** The monthly purchase limitation (set by the CCM) is the amount that each Cardholder may purchase during the monthly billing cycle.

(5) **Monthly Office Limit.** The office limitation established for each CCM is specified on its application. Ideally, this is the aggregate limitation of the dollar amount of possible purchases made on all cards under the CCM's responsibility within a monthly billing cycle.

(6) **Merchant Activity Code.** Cardholder use may be restricted by a prohibition against, or a restriction to certain types of vendors, as described by that vendor's Standard Industrial Classification code, which is part of the vendor's record at the purchase card clearinghouse. A choice of restriction categories is provided by the Contractor, who can also make available new combinations of the defined merchant category codes should the user desire this.

It should be noted, Merchant Activity Codes affect merchants, not types of goods. Therefore, due to the potential amount of excessive Cardholder declinations, the Merchant Activity Code may be unrestricted, with a code of 000.

## 5. **DELEGATIONS/RESPONSIBILITIES**

a. **Cardholder.** Upon receiving a Delegation of Cardholder Authority from Procurement, individual staff members may be approved for a purchase card by being nominated by the CCM.

The local APC will submit the application to the Contractor.

Upon nomination, each Cardholder must be given, by the Business Manager/Plant Controller, a copy of this PS prior to receiving the purchase card.

In addition, he or she is responsible for the following activities:

- (1) Use the Voice Response Unit to activate the card immediately.

- (2) Abide by the procurement guidelines and documentation requirements as trained, and described in Section 5. The Designated Contracting Officer or Field Procurement Advisor is to provide technical procurement assistance, if questions arise regarding procurement regulations.

- (3) Maintain itemized receipts and packing slips.

- (4) Follow-up with vendor concerning any undelivered orders.

- (5) Perform the following duties each month, when the Contractor-provided Statement of Account for purchases made with the Cardholder's purchase card is received. The Cardholder must perform the following duties:

- (a) Date-stamp or otherwise note the date of receipt on the face of the Statement of Account.

- (b) Verify the Statement of Account with their documentation of each item, quantity, price, and line item total.

- (c) Assign the correct accounting classification information to each credit expenditure (if different from the default accounting code).

- (d) Attach the Reconciliation Report to the statement, making sure the report lists the details for each purchase.

- (e) Sign the Statement of Account, attach all itemized receipts or packing slips, and forward to the CCM within 10 calendar days of the statement date.

- (6) If unable to resolve any discrepancy with the vendor, contact the Contractor's Dispute Office immediately.

(7) Mutilate and return the purchase card to the APC upon termination/change of position or demand made by the CCM or APC.

**b. Agency/Organization Program Coordinator (APC) Level I:**  
The Business Manager or Plant Controller is to be the level II APC for each site. This official must oversee the contract's technical administrative aspects at each location. The APC must be the point of contact to serve as coordinator between the Contractor, FMB and Procurement.

All applications, removals, changes to limits or merchant activity codes, etc., must be forwarded to the Contractor or to the Chief, Policy/Field Support, Procurement Branch.

APC responsibilities include:

(1) Submitting the Delegation of Cardholder Authority Memorandum to the Chief, Procurement, for Cardholder approval.

(2) Receiving Cardholder's applications, ensuring appropriate training, collecting any information needed and forwarding the application to the Contractor.

Ensuring each application has the approved single purchase limit (as shown on the Cardholder Delegation of Authority), and the monthly purchase limit, as specified by the CCM.

(3) Receiving the Approving Official's applications and collecting any information needed and forward the application to the Contractor.

**Note:** Prior to forwarding, the APC must ensure that all Approving Official applicants have received the training specified in Section 6.

(4) Keeping a master list of Cardholders for each Approving Official.

(5) Ensuring accruals are properly established for purchase card purchases.

(6) Ensuring each purchase card purchase order is properly entered in the automated system.

(7) Ensuring the purchase card payment transactions are recorded properly in the automated system.

(8) Reconciling the monthly Approving Official's statement with the bank's purchase card charge statements.

(9) Collecting purchase cards and removing Cardholders and Approving Officials when appropriate. Disposing of cards as appropriate.

(10) Providing written or electronic confirmation of all card cancellations to the Contractor or to the chief, Policy/Field Support, Procurement Branch.

c. **Approving Official.** When the APC verifies training, each CCM may be designated as an Approving Official. Each proposed Approving Official must complete an application and forward it to the local APC. An Approving Official must be organizationally above his or her Cardholders; and may not hold a card under his or her own control.

Therefore, if a CCM desires to become a Cardholder, a separate Approving Official must be designated within the organization. CCM responsibilities include:

(1) Satisfying the training requirements as specified in Section 6.

(2) Obtaining a copy of the current PS for Government Purchase Cards-FPI.

(3) Nominating Cardholders and initiating issuance of purchase cards (through the APC).

(4) Specifying the single purchase limit, monthly purchase limit, and the authorized Merchant Activity Codes for all Cardholders within his or her responsibility.

(5) Tracking budgetary restraints in accord with Bureau policy and Institution Supplements and authorizing individual purchases in the automated system for Cardholders under their responsibility.

(6) Receiving monthly Statements of Account from each Cardholder under his or her responsibility. Upon receipt, the CCM must:

(a) Review each Statement of Account to determine if the purchases are appropriate and correct.



(b) Verify the charges appearing on the Cardholder's monthly statement.

(c) Sign each Statement of Account and forward it to the Financial Management Office within 15 calendar days of the statement date.

(d) Ensure the statements are reconciled monthly.

(e) Ensure the products or services acquired meet the Bureau's minimal needs, were not personal convenience items, and conformed to the department's mission.

(7) Receiving the Monthly Approving Official Summary Statement, which is a composite of all charges by the individual Cardholders assigned to each Approving Official (Business Account Summary Report).

(8) Authorizing the Contractor, through the APC with the approval of the Chief, Procurement Branch, to accept deviations from the pre-established single purchase and/or monthly dollar limits in emergency situations.

d. **Financial Management Office.** The Financial Management Office's responsibilities include:

(1) Reconciling monthly the Approving Official's Statements to the charges the contractor made.

(2) Helping to resolve disputes regarding purchase card charges and report to the APC.

e. **Field Contracting Officer.** The Field Contracting Officer is to serve as technical procurement advisor to Cardholders, CCMS, and others involved in the program. They will also perform oversight of their location's purchase card purchases.

f. **Warehouse Staff.** The following procedures are to be implemented for receiving procedures:

(1) Purchase card acquisitions are to be received in the same manner as purchase/delivery orders are received.

The purchase card goods/services are to be received against the appropriate line item established in the Purchase Card Purchase Order.

(2) Warehouse personnel must forward any discrepancy, in quantity, or type to the cardholder. The cardholder, in conjunction with the CCM, is responsible for resolving any discrepancies.

6. **REQUIRED TRAINING.** Upon verifying the completion of the ethics and training requirement for the designated cardholders, the CCM shall request "Delegation of Cardholder authority" from the Chief, Procurement, prior to the purchase card being used.

Applicants may be credited for the training's ethics portion if they have completed the CCM self-study course, the Contracting Officer's Technical Representative (COTR) self-study course, or Procurement Integrity training.

At a minimum, procurement training for the Purchase Card Program must be completed by attending the Centra Government Purchase Card training. The training is to cover the fundamental Micro-Purchase regulations such as mandatory sources, and additional prohibitions against using the purchase card. Some examples of these prohibitions are for incidentals such as:

- travel or per diem,
- cash,
- lease,
- telecommunications services, or
- personal items.

When an individual has completed the required training, the Central Office Procurement Branch will issue a memorandum certifying training completion. Personnel requesting purchase card authority above the micro purchase threshold must also meet the requirements for a level I warrant per UAP Part 1.

7. **AUTHORIZED PURCHASES.** The card may be used to pay for commercially available goods. However, some procurements are to be limited:

a. **Prohibited Items.** The purchase card may not, under any circumstances, be used for:

- cash advances;
- rental or lease of land or buildings;
- travel; or
- **personal use items.**

**Note:** The purchase of prohibited items may result in disciplinary action.

b. **Regulated Purchases.** Purchase card use is limited in the following ways:

(1) Due to accountability requirements, and as specified by FPI's internal controls or various policies, the following may not be purchased with a purchase card:

- meals;
- lodging;
- uniform allowance items;
- rental or lease of vehicles in conjunction with travel;
- controlled substances or property (drugs, ammunition, weapons, etc.); or
- advisory and assistance services.

(2) Due to requirements specified in various FPI PSS, the following **may** be procured with purchase cards, once the advance approvals and/or other requirements have been met:

- paid advertisements;
- temporary services;
- lease or purchase of Automatic Data Processing (ADP) supplies, software, or equipment;
- small, emergency photocopying services (when unavailable through FPI);
- any item requiring a special approval; or
- safety shoes for authorized personnel.

If appropriate approvals are first obtained, the purchase of such items/services may be accomplished with the purchase card.

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**UNDER NO CIRCUMSTANCES MAY THE CARD BE USED FOR PERSONAL PURCHASES.**  
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8. **PROCEDURES.** Use of the purchase card is governed by regulations as specified in the FAR, Part 13 (Simplified Acquisition Procedures), and Part 8 (Required Sources of Supplies and Services).

Vendor selection must be made on the basis of a reasonable price or value to the Government. Cardholders should rotate vendors, and may not split orders to circumvent their single purchase limit.

For all Purchase Card Purchases: The Cardholder or requestor must prepare a Purchase Card Purchase Order in the automated system to initiate a purchase. The Cardholder must contact the vendor and get the complete pricing and delivery information prior to entering the Purchase Order in the automated system.

Once the Approving Official has released the purchase card request, the Cardholder completes the order. Purchase Card Purchase Orders are processed in the automated system by selecting the Purchasing Document Type "CC".

The Contracting Officer's Purchase Card use is not mandatory. The card should be used at the Contracting Officer's discretion when a purchase order may not be accepted or a faster payment is required.

When purchasing items by telephone or over the counter, the Cardholder must inform the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax.

Cardholders must notify vendors to place the following information on the shipping document, **COST CENTER/LAST NAME OF REQUESTOR/PURCHASE CARD ORDER**. The vendor should also be informed that if the delivery does not contain the above information, the order may be returned. **Direct the vendor delivering to the institution not to place the purchase card number on any of the shipping/invoice documents.**

Upon receiving the Cardholder's summary account, the original copy must be filed with receipts, packing lists, etc., and retained for a period not less than three years.

The Cardholder is responsible for maintaining all records, reports, packing slips, or receipts to verify charges against his or her monthly Statement of Account. These Cardholder records are to be retained for future review purposes.

If the Cardholder cannot substantiate the purchase was necessary and for official use, the institution must address this situation by requiring reimbursement by the employee, and if warranted, referral to the Office of Internal Affairs.

The Government is to be liable for the purchase card's use by authorized users provided the use is within the dollar limits and allowable Merchant Activity Code, or provided the authorized user made a purchase below the merchant's purchase card floor limit (and the purchase was not authorized electronically).

**a. Federal Procurement Data System (FPDS) Reporting.**

Individual charges placed against the purchase card are not to be reported in the FPDS unless the acquisition is an order against an existing contract or exceeds \$2,500.

Accordingly, internal documents developed to facilitate accruals must reflect three asterisks as the designation code.

**b. Disputed Charges.** If any statement item is found to be incorrect, the Cardholder must follow the following procedures:

(1) Attempt to resolve the disputed charges with the merchant involved immediately, so that a credit appears on the next Cardholder's Statement of Account.

(2) Complete the Dispute Form (one for each item in question) immediately and contact the Contractor's Dispute Office when a resolution with the vendor is not possible or the credit does not appear on the next monthly statement.

(3) Make three additional copies of this completed form; one for the documentation accompanying the monthly statement, one to be sent to the APC, and one for the Cardholder to retain. The original is to be sent to the Contractor.

(4) Track disputed items and ensure all credits due are issued.

**c. Card Security.** It is the Cardholder's responsibility to safeguard the purchase card and account number at all times. Staff are reminded to take the necessary precautions to ensure that **under no circumstances are inmates to have access to a card number** (i.e., by processing/filing records, when placing orders by telephone, when receiving orders etc.).

The Cardholder must not allow anyone to use his or her card or account number. A violation of this security and trust may result in disciplinary action.

d. **Lost/Stolen Cards.** FPI will not be liable for any unauthorized purchase card use (this means the use of a purchase card by a person other than the Cardholder, who does not have actual, implied, or apparent authority for such use, and from which the Cardholder receives no benefit).

However, FPI may be responsible for charges against the card if a loss or theft is not reported to the Contractor within the specified time. The Cardholder will not be personally responsible for charges on a lost or stolen card if reported properly. If a card is lost or stolen, the Cardholder must:

(1) Notify the CCM, the APC, and the Contractor via telephone immediately (within one working day of becoming aware of the loss or theft).

(2) Submit a written report to the CCM within five workdays, which will be forwarded through the APC and to the Contractor. The report must include:

- (a) Card Number;
- (b) Cardholder's complete name, as it appears on card;
- (c) Date card was stolen or lost;
- (d) Location loss occurred (if known);
- (e) If stolen, date reported to police;
- (f) Date the Contractor was notified; and
- (g) Last known authorized purchase.

A new card will be mailed within two working days of the reported loss or theft.

e. **Employment Termination or Transfer of Cardholder.** When Cardholder employment is terminated, or the Cardholder is transferred, the CCM is to obtain the mutilated card from the Cardholder, and must:

(1) Notify the APC immediately, who must notify the Contractor or Chief, Policy/Field Support, Procurement Branch, via telephone (within one working day) of the card's discontinuance.

(2) Submit a written report within five working days, which will be forwarded through the APC to Contractor. The report must include:

- (a) Card Number;
- (b) Cardholder's complete name, as appears on the card;
- (c) Date of termination of the card;
- (d) Date the Contractor was notified; and
- (e) Any purchases made on the last day of employment

9. **OVERSIGHT.** The Cardholder has overall responsibility for the integrity of the purchase card issued to them. However, the Approving Official must ensure each purchase is consistent with policy, and in the Government's best interest. Accordingly, Program Review objectives have been added to monitor program compliance.

The primary Contracting Officer at each field location must conduct a monthly, random review of all purchase card purchases that occurred the previous month for at least two purchase cardholders to ensure program compliance (i.e., mandatory sources, reconciliation of statements, personal convenience items, splitting orders, etc).

A file is to be maintained at the field site documenting the results of the review and any corrective action recommended and/or taken. Additionally, the Procurement Branch must review purchase card acquisitions as part of normal oversight responsibilities.



U.S. Department of Justice  
**UNICOR**  
Federal Prison Industries, Inc.

Date: \_\_\_\_\_

Approved: \_\_\_\_\_  
                    {Name}, Chief, Procurement

MEMORANDUM FOR {NAME}, CHIEF  
Procurement

FROM: \_\_\_\_\_  
                    Approving Official

\_\_\_\_\_  
(Insert Name of Institution)

THRU: \_\_\_\_\_  
                    Business Manager

SUBJECT:           Request for Delegation of Cardholder Authority for the  
Government-wide Commercial Purchase Card

This shall serve as a request to delegate cardholder authority for use with the Government-wide Commercial Purchase Card Program to the below named individual.

Cardholder Name: \_\_\_\_\_

Title: \_\_\_\_\_

Single Purchase Limit: \_\_\_\_\_ Monthly Purchase Limit: \_\_\_\_\_

Approving Official (A/O) who will be responsible for review and approval of all purchases made under this delegation: (Print Name): \_\_\_\_\_

A/O Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Cardholder Signature: I certify that I have viewed the video entitled "Using Your Bankcard" and have a working knowledge of how the Purchase Card Program operates.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_



## Data Required for a Purchase Card Purchase Order Non-Material Master and Charged to a Cost Center

### Create Purchase Order: Initial Screen

Field Name	Description	R/O/N	User Action and Values
Order type	Order type code	R	(CC) Purchase card
Date	Purchase order date	R	Date PO created defaults to today's date
Purchasing Organization	Purchasing Organization code	R	Defaults to Procurement
Purchasing Group	Purchasing Group Code	R	Numerical Code for the Approving Official
Item category	Type of purchase	R	Standard ( Blank)
Acct. assignment category	Account where cost are allocated	R	Enter (K) for cost center
Delivery date	Date expected for delivery of material	R	The prefix screen identifies the date format. Defaults to (D), which is day format. Enter delivery date.
Plant	Plant to which delivery is to be made	R	Select plant
Storage Location	Where stock is stored	N	Storage location is not required for consumable items
Material Group	Material group code	R	Enter code 01-09 from pull down list
Req. tracking number	Unique number or name that facilitates monitoring of the procurement of required materials (Log In Name)	R	Can be used in List display to list all PO's created by a certain buyer. Use of this field facilitates purchase card reconciliation.
Acknowledgment	Determines whether the PO is to be	N	This field must be (unchecked) to eliminate

### Create Purchase Order: Header Data

Field Name	Description	R/O/N	User Action and Values
Terms of delivery and payment	Vendor terms	R	Will default from Vendor Master
Incoterms	Transfer of ownership point	R	Will default from Vendor Master
References	References documents	O	Quotation number, date etc
Invoicing Party	Partied to be invoiced	R	Purchase card Bank Company #840600639
Text (Paper/Pencil icon)	Text Overview	O	Enter any additional information

### Create Purchase Order: Item Overview

Field Name	Description	R/O/N	User Action and Values
A	Account Assignment	R	(K) for cost center should default from initial screen
Short text	Enter a description of items to be purchased.	R	
PO Quantity	Required units or quantity	R	Enter qty. required
Deliv. Date	Date material is required	R	Will default Initial screen if entered
Net Price	Vendors Price	R	Vendors current price should be entered here
Per	Purchase Order Price Units	O	Conversion factor for prices exceeding two decimals
Matl group	Material group	R	Enter Material Group number with pull down menu

### Account Assignment window for each Item

Field Name	Description	R/O/N	User Action and Values
G/L account	General ledger account number	R	Enter a G/L account number
Business area	Business Area	O	Enter the business area
Cost Center	Cost Center	R	Enter a cost center

**Create Purchase Order: Item Details**

Field Name	Description	R/O/N	User Action and Values
Net Order Price	Net Price	O	Verify the net price.
Underdel. tol.	Under Delivery Tolerance	O	Indicates acceptable under delivery tolerance
Overdeliv. tol.	Over Delivery Tolerance	O	Indicates acceptable over delivery tolerance for goods receipt.
GR	Goods Receipt Indicator	R	Should be checked, goods receipt is required.
GR-based IV	Goods receipt based invoice verification.	R	Should be checked to indicate goods receipt based invoice verification is required for payment.

## Data Required for a Purchase Card Purchase Order Material Master Item

### Create Purchase Order: Initial Screen

Field Name	Description	R/O/N	User Action and Values
Order type	Order type code	R	Purchase card (CC)
Date	Purchase order date	R	Date PO created defaults to today's date
Purchasing Organization	Purchasing Organization code	R	Defaults to Procurement
Purchasing Group	Purchasing Group Code	R	Numerical Code for the Approving Official
Item category	Type of purchase	R	Blank for standard (K) Consignment (L) Sub-contracting (S) Third Party Pass Thru (U) Stock Transfer
Acct. assignment category	Account where cost are allocated	R	(A) Asset – Asset Number required (C) Sales Order (F) Order – Production Order (K) Cost Center - <b>NOT</b> put in inventory
Delivery date	Date expected for delivery of material	R	The prefix screen identifies the date format. Defaults to (D), which is day format. Enter delivery date.
Plant	Plant to which delivery is to be made	R	Select plant
Storage Location	Where stock is stored	N	Storage location where material will be stored if inventoried. Defaults from material master.
Material Group	Material group code	R	Defaults from material master
Req. tracking number	Unique number or name that facilitates monitoring of the procurement of required materials. (Log in name)	R	Can be used in List display to list all PO's created by a certain buyer. Use of this field facilitates purchase card reconciliation.
Acknowledgment	Determines whether the (PO) is to	N	This field must be (unchecked) to eliminate

### Create Purchase Order: Header Data

Field Name	Description	R/O/N	User Action and Values
Terms of delivery and payment	Vendor terms	R	Will default from Vendor Master
Incoterms	Transfer of ownership point	R	Will default from Vendor Master
References	References documents	O	Quotation number, date etc
Invoicing Party	Partied to be invoiced	R	Purchase card Bank Company <b>#840600639</b>
Text (Paper/Pencil icon)	Text Overview	O	Enter any additional information

### Create Purchase Order: Item Overview

Field Name	Description	R/O/N	User Action and Values
A	Account Assignment	R	Defaults from initial screen
Short text	Enter a description of items to be purchased.	R	Defaults from Material master
PO Quantity	Required units or quantity	R	Enter qty. required
Deliv. Date	Date material is required	R	Will default Initial screen if entered
Net Price	Vendors Price	R	Vendors current price should be entered here
Per	Purchase Order Price Units	O	Conversion factor for prices exceeding two decimals
Matl group	Material group	R	Enter Material Group number with pull down menu

### Create Purchase Order: Item Details

Field Name	Description	R/O/N	User Action and Values
Net Order Price	Net Price	O	Verify the net price.
Underdel. tol.	Under Delivery Tolerance	O	Indicates acceptable under delivery tolerance
Overdeliv. tol.	Over Delivery Tolerance	O	Indicates acceptable over delivery tolerance for goods receipt.
GR	Goods Receipt Indicator	R	Should be checked, goods receipt is required.
GR-based IV	Goods receipt based invoice verification.	R	Should be checked to indicate goods receipt based invoice verification is required for payment.