



NIH PURCHASE CARD PROGRAM

Division of Simplified Acquisition Policy and Services
Office of Acquisition Management and Policy
Office of the Director



TABLE OF CONTENTS

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I.	PURPOSE	1
II.	REGULATORY COMPLIANCE	1
	A. STANDARDS OF CONDUCT	1
	B. UNAUTHORIZED USE OF THE PURCHASE CARD	1
III.	KEY RESPONSIBILITIES	2
	A. DIVISION OF SIMPLIFIED ACQUISITION POLICY AND SERVICES	2
	B. NBS MANGAEMENT CENTER.....	3
	C. OFFICE OF FINANCIAL MANAGMENT	3
	D. IC PURCHASE CARD COORDINATOR	3
	E. CARD APPROVING OFFICIAL	4
	F. CARDHOLDER	4
IV.	ESTABLISH AND MAINTAIN PURCHASE CARD ACCOUNTS	5
	A. TRAINING	6
	B. ACCOUNT SET-UP.....	6
	C. SINGLE PURCHASE LIMITS ABOVE THE MICRO-PURCHASE THRESHOLD.....	6
	D. CONTACTING US BANK FOR INFORMATION.....	7
V.	USING THE PURCHASE CARD.....	7
	A. GENERAL CARDHOLDER PROCEDURES REQUIRED TO MAKE A PURCHASE.....	7
	B. PURCHASE CARD PROCEDURES FOR ITEMS ABOVE THE MICRO-PURCHASE THRESHOLD	8
	C. CARDHOLDER PROCEDURES AFTER PURCHASE.....	9
	D. CARDHOLDER PROCEDURES FOR QUESTIONED ITEMS AND DISPUTES	10
VI.	RECONCILIATION	10
	A. DAILY RECONCILIATION	11
	B. MONTHLY RECONCILIATION.....	11
	C. SUSPENSION PENALTIES	12
VII.	SPECIALIZED PROCEDURES	12
	A. CARD REPLACEMENT	12
	B. CONVENIENCE CHECKS	13
	C. PERSONAL APPEAL ITEM	14
	D. ACCIDENTAL PERSONAL USE	14
	E. USING THE PURCHASE CARD WITH NIHITS	14
	F. RADIOACTIVE MATERIALS	16
	G. MAINTENANCE & SERVICE AGREEMENTS	17
	H. RECURRING REQUIREMENTS	17
	I. GIFT CERTIFICATES/GIFT CARDS	17
	J. BOTTLED WATER.....	18
	K. APPROPRIATED FUNDS TO PAY FOR PROFESSIONAL LICENSURE.....	18
	L. APPROPRIATED FUNDS AND LIGHT REFRESHMENTS.....	19
	M. INFORMATION TECHNOLOGY SYSTEMS SECURITY REQUIREMENTS	20
VIII.	MANAGEMENT CONTROLS	21
IX.	RECORDS RETENTION AND DISPOSAL	21
X.	GLOSSARY.....	22
APPENDICES		
	APPENDIX 1. PURCHASE CARD APPLICATION FORM	
	APPENDIX 2. CARD APPROVING OFFICIAL APPLICATION FORM	
	APPENDIX 3. CAO CHANGE REQUEST FORM	
	APPENDIX 4. CHECKWRITER APPLICATION FORM	
	APPENDIX 5. CANCELLATION REQUEST FORM	
	APPENDIX 6. CONTRACTING OFFICER’S WARRANT APPLICATION FORM	
	APPENDIX 7. EXAMPLE OF INCENTIVE AWARD – GIFT CERTIFICATE/GIFT CARD POLICY	

I. PURPOSE

These operational instructions are a supplement to the Department of Health and Human Services Purchase Card Guide (HHS PC Guide). They are intended to provide guidance for use of the purchase card regarding the policies and procedures that are unique to the NIH. As such, the policies and procedures stated in this supplement must be used in conjunction with the policies and procedures stated in the HHS PC Guide as amended.

II. REGULATORY COMPLIANCE

A. Standards of Conduct

Government employees hold a public trust; their conduct must meet the highest ethical standards. All NIH government employees shall use this card only to purchase supplies and services within the guidance of this program. When instances of fraud, waste, and abuse are identified, the IC Purchase Card Coordinator should be notified who will in turn then notify the Agency Program Coordinator (APC). Misuse of the purchase card is a disciplinary offense. Contact the Workforce Relations Division at (301) 496-4851 for information regarding disciplinary action. For more information visit the ethics web site at: <http://ethics.od.nih.gov/principi.htm>.

B. Unauthorized Use of the Purchase Card

The following is an additional list of items/services that may not be purchased:

- Subscriptions and memberships in organizations or clubs in the name of or for an individual are not authorized. However, if it is in the name of an NIH organizational component (i.e., Director, Division of Simplified Acquisition Policy and Services; Acquisition Services & Review Branch; etc.), then it is permissible.
- Use of the purchase card to acquire construction is limited to \$2,000, and such purchases are to be made by cardholders assigned to the Office of Acquisitions, ORF. Though the micropurchase limit may be \$3,000, the Davis Bacon Act did not raise the limit when it applies (FAR 22.403). Construction costs anticipated to cost above \$2,000 are to be purchased by a warranted Contracting Officer assigned to the NIH, Office of Acquisitions, ORF. Construction is defined as the creation, alteration, or repair (including dredging, excavating, and painting) of buildings, structures, or other real property. Construction purchases above \$2,000 must adhere to the documentation requirements imposed by FAR Part 13; payment of the prevailing wage according to the Davis Bacon Act; and include the requirement for the vendor to provide a payment bond and performance bond according to the Miller Act for awards exceeding \$100,000. However, awards greater than \$25,000 but less than \$100,000, the contracting officer shall select two or more of the following payment protections: payment bond, irrevocable letter of credit, tripartite agreement or certificate of deposit. Particular consideration to include irrevocable letter of credit should be one of the selected alternatives (see FAR 28.102).
- Use of the purchase card to acquire E-ZPasses is not authorized.
- Controlled Substances. **EXCEPTIONS:** 1) The Clinical Center Pharmacy is the

only organization authorized to use the purchase card for controlled substances and Drug Enforcement Agency (DEA) regulated chemicals for human use; 2) Only the Veterinary Resources Program Pharmacy is authorized to use the purchase card for controlled substances and DEA regulated chemicals for non-human use; and 3) Other off-site locations authorized to make such purchases in accordance with NIH Manual Issuance 1345 and granted a license by the DEA.

- Safety Glasses or Prescription Glasses: For safety glasses, contact the OMS unit in Bldg. 13, at 301-496-9278 for NIH Form 29-2, http://forms.nih.gov/adobe/procurement/nh29_2.pdf. NIEHS in North Carolina should contact the Health and Safety Branch at 919-541-7933.
- The lease or rental of motor vehicles, buildings, or land is prohibited.
- Taxes: For additional guidance refer to the following sections of the FAR and HHS Guide:
 - Application of State and Local Taxes to the Government, http://www.arnet.gov/far/current/html/Subpart%2029_3.html#wp1082875, (FAR 29.302).
 - Excise Taxes Summary, http://www.acqnet.gov/FAR/05-20/html/Subpart%2029_2.html, (FAR 29.201).
 - HHS policy on taxed purchase card purchases, <http://olao.od.nih.gov/NR/rdonlyres/0D8BD1FB-830F-4574-A6D0-C3A0F839701C/14305/V4HHSPurchaseCardGuide92607.pdf>.

III. KEY RESPONSIBILITIES

A. Division of Simplified Acquisition Policy and Services (DSAPS), Office of Acquisition Management and Policy (OAMP)

- DSAPS will ensure that training is provided to all prospective cardholders and Card Approving Officials (CAO).
- DSAPS will ensure that all prospective cardholders and CAOs have the necessary resources available to fully understand all policies and procedures regarding card usage.
- DSAPS will ensure that all prospective cardholders and CAOs sign a statement affirming their understanding of purchase card policies and procedures.
- DSAPS may audit annually every cardholder and CAO.
- The APC serves as the liaison between cardholders, CAOs and the Bank, currently US Bank, as well as between NIH, DHHS and GSA regarding purchase card matters.
- Cardholder and CAO reviews
 - **Formal:** All cardholder and CAO accounts will be reviewed by the NIH Purchase Card Program Office or its designee(s). Cardholders, CAOs, and the

IC Purchase Card Coordinators will be notified of scheduled review times. The reviewer will look at the cardholder's purchase card file for a specific time period and will focus on general adequacy of documentation, compliance with published procedures, etc., as well as unauthorized purchases and evidence of improper order splitting. If there are findings of non-compliance, additional information will need to be provided to the reviewer along with the scheduling of follow-up reviews. DSAPS will notify the Administrative Office/IC Purchase Card Coordinator, and may initiate administrative action to cancel the purchase card. DSAPS may recommend other actions, including criminal prosecution or disciplinary action, as appropriate.

- **Informal:** DSAPS receives a copy of the monthly master Statement of Accounts (SOA) from the Bank. Reviews of individual cardholder purchases are also made on a random basis, and/or in response to requests from OFM, CAOs, and/or Administrative Offices/IC Purchase Card Coordinators. This review will consist of the DSAPS staff reviewing the official purchase card file(s). This review shall focus on general adequacy of documentation and compliance with published procedures, as well as unauthorized purchases and evidence of improper order splitting. If inappropriate cardholder purchases are identified, DSAPS will notify the CAO, Administrative Office/IC Purchase Card Coordinator, OFM and the Bank, and may initiate administrative action to cancel the Purchase Card. DSAPS may recommend other actions, including criminal prosecution or disciplinary action, as appropriate.

B. NBS Management Center

- The NBS Management Center will maintain the Government Purchase Card function within the New Business System (NBS).
- On a daily basis, the Bank will download transactional data for NIH's Purchase Card Program into the NBS and make it available to the cardholders, CAOs, and IC Purchase Card Coordinators.

C. Office of Financial Management (OFM)

- OFM will receive a monthly automated consolidated report of all IC balances which is considered the billing invoice. Payment is made to the Bank according to the Prompt Payment Act provisions for the amount due on the individual cardholder's statement(s) of transactions.
- OFM will complete the "I.M.P.A.C. Program Notification of Invoice Adjustment" form which details the information that must be provided if any portion of an invoice is reduced and not paid. OFM receives each ICs rebates on a quarterly basis and distributes them accordingly.

D. IC Purchase Card Coordinator

The IC Purchase Card Coordinators are appointed by their respective IC's Executive Officer and serve as the primary point of contact between the NIH Purchase Card Program Office and the IC's cardholders and CAOs. If feasible, an alternate IC Purchase Card Coordinator shall be designated as well. Responsibilities of this position may include but are not limited to:

- Attends and participates in IC Purchase Card Coordinator Meetings and disseminates information to cardholders and CAOs.
- Reports instances of fraud, waste, or misuse of the purchase card to the NIH Purchase Card Program Office and the IG (if necessary).
- May develop internal IC purchase card guidelines.
- Provides oversight of the IC CAOs and cardholders through reviews and audits of accounts.
- As necessary, notifies cardholders and CAOs of monthly suspensions.
- Serves as the point of contact for the IC regarding questions and issues on matters pertaining to the purchase card.
- Reviews and approves all purchase card actions/requests before forwarding them to the NIH Purchase Card Program Office for processing (i.e., PC applications, dollar limits, CAO changes, address changes, etc.).
- Provides recommendations and advice to the NIH Purchase Card Program Office on practices and policies of the program.
- Responds to data calls from the NIH Purchase Card Program Office.
- Develops and conducts internal training sessions, as necessary.

E. Card Approving Official (CAO)

- There will be no more than five (5) cardholders assigned to a CAO. (Under certain rare and extenuating circumstances, the APC may allow CAOs to have additional cardholders. The monthly transaction volume of each cardholder will be taken into consideration).
- The CAO must submit any administrative changes to their IC Purchase Card Coordinator for processing (i.e., cancellations, increases, Project Number changes, etc.).
- The CAO must also report fraud, waste, abuse, or unauthorized purchases to their IC Purchase Card Coordinator.
- The CAO must reconcile by the 18th of the month.
- If the cardholder leaves the IC, the CAO must ensure that the purchase card file is maintained for 3 years after final payment. If the CAO leaves the IC, the files must be sent to an IC designated repository and must be maintained for a period of **3 years** after final payment.
- The CAO must have, at a minimum, the same level of acquisition authority as their cardholder.
- The CAO must ensure personal property is entered into the Property Management Information System.

F. Cardholder

- The cardholder is responsible for obtaining any special clearances as required by

NIH Policy Manual 6307-3/26307-3 SPECIAL CLEARANCE AND OTHER ACQUISITION PROCEDURES at the following website:

<http://www1.od.nih.gov/oma/manualchapters/contracts/6307-3/>. They are to be obtained from the designated clearance office prior to placing the order. A copy of the clearance(s) must be placed in the monthly purchase card file.

- The cardholder is responsible for maintaining their purchase card file which is to include:
 - A printed copy of the NBS NIH Purchase Card Report (recently changed from a copy of the actual log) by **date of matched transactions**, per the NBS P-Card Reconciliation Process Cycle
 - Documentation of pre-approval for purchase(s)
 - Purchase requests
 - Convenience check records, if applicable
 - Charge, credit, and register receipts and/or slips
 - Packing slips and/or other proof of receipt documents
 - If applicable a copy of the "I.M.P.A.C. Cardholder Statement of Questioned Item" form (<http://forms.cit.nih.gov/adobe/procurement/IMDISPUT.PDF>)
 - Awards and notices
 - Required clearances
 - Justifications of need for personal appeal items (see Section VII. Specialized Procedures)
 - A copy of all forms required by IC procedures
 - Documentation of regulatory compliance for all purchases
 - A printed copy of the NBS P-Card Statement of Account (Approved Invoice), signed by both cardholder and CAO
 - If necessary, justifications for personal appeal items (See Section VII. Specialized Procedures)

If for some reason the cardholder does not have documentation for the transaction to send with the statement, he/she must attach an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation.

- The cardholder must reconcile by the 13th of the month.
- Any administrative changes to the account must be sent to the IC Purchase Card Coordinator.

IV. ESTABLISH AND MAINTAIN PURCHASE CARD ACCOUNTS

Designation of an individual to be a cardholder and/or a CAO is an IC prerogative, subject to the delegation of authority being approved by the APC at or below the micro-purchase threshold (currently at \$3,000), and the Head of the Contracting Activity (HCA) for limits greater than the micro-purchase threshold, as long as the cardholder

and their CAO comply with the required training, certifications, HHS guidelines, and other provisions stated within this supplement. ICs may supplement this document to provide further guidance for their cardholders, CAOs, and Administrative Officers.

NOTE: Cardholders and CAOs must be at least 18 years of age and must be Government employees.

Both the cardholder and CAO must have separate access to the NBS to complete all of the required purchase card functions. In order to gain access, the cardholder and CAO must have an NIH Login from CIT, unless they already have direct access to the NBS.

If the cardholder does not receive his/her card within 20 working days after the application was submitted to the NIH Purchase Card Program, the cardholder must notify the APC either via email to Creditcard@OD.NIH.GOV (global – Help, Creditcard), or by calling the Credit Card Helpline at (301) 435-6606.

A. Training

Prospective cardholders and CAOs must complete the NIH Purchase Card Training course #9512, which includes Green Purchasing training and information on Section 508 training, prior to their accounts being established with the Bank. Phase I of 508 training is required by everyone and can be taken at <http://intranet.hhs.gov/508/training>. Phases II and III of the 508 training are for managers and supervisors, and anyone they deem appropriate.

Additional training courses are required for cardholders and CAOs seeking additional acquisition authority levels above the micro-purchase threshold (see HHS PC Guide).

B. Account Set-Up

The IC Purchase Card Coordinator will submit a cardholder or a CAO application form (Appendices 1 and 2 respectively) by emailing it to Creditcard@OD.NIH.GOV (global – Help, Creditcard) or by faxing it to 301-402-2145. Please use only one means of submitting the application to avoid duplication. Prior to actual receipt in the mail of the purchase card from the Bank, a letter containing the acquisition authority level will be sent to the cardholder and their CAO.

Accounts may not be transferred from one IC to another.

C. Single Purchase Limits above the Micro-Purchase Threshold

In order to be delegated with an authority level above the micro-purchase threshold, cardholders and their CAOs must have the appropriate acquisition certification. They must hold a SF1402, Certificate of Appointment (i.e., warrant). To receive certification, a package must be submitted to the Acquisition Certification Board for consideration. To be eligible for a warrant above the micro-purchase threshold to \$25,000 the Simplified Acquisition Certificate A is required. To be eligible for a warrant for purchasing above \$25,000 to \$100,000 the Simplified Acquisition Certificate B is required.

When requesting a permanent warrant, a package must be submitted through the IC Purchase Card Coordinator to the Acquisition Services & Review Branch

(ASRB), DSAPS, and OAMP. ASRB will forward the package to OAMP for processing. The package must include the following:

- the Contracting Officer’s Warrant Application Form (see Appendix 6);
- an up to date resume;
- most recent performance appraisal;
- their acquisition certificate; and
- a memo explaining the need for this appointment.

If requesting an interim warrant, a package must be submitted with the same information as above, except in place of a simplified acquisition certificate, a copy of the training certificate from either the Basic or Advanced Simplified Acquisition training must be provided. An interim warrant can be issued for a period not to exceed one year.

The SF 1402 will be signed by NIH’s Head of the Contracting Activity or their designee. It will state the simplified acquisition authority level and any applicable time limits that apply to that authority, and any applicable time limits that apply to that authority. It may also limit the use of the warrant to purchase cards only. Upon receipt, the warrant should be posted in a visible place.

Cardholders with a Single Purchase Limit of \$25,000 and above are restricted to the Offices of Acquisitions.

D. Contacting US Bank for Information

US Bank should only be contacted to report a lost/stolen card, to report fraud activity, to verify tax exempt status, to resolve a disputed/questioned item, or to inquire as to why a transaction was declined. If reporting a lost/stolen card, you must also notify the NIH Purchase Card Program Office by email at Creditcard@OD.NIH.GOV (global – Help, Creditcard). Cardholders must also notify the Police Branch of the NIH Division of Public Safety if the card was part of property that was stolen. All other questions should be directed to the IC Purchase Card Coordinator, CAO, AO, or the APC.

V. USING THE PURCHASE CARD

A. General Cardholder Procedures Required to Make a Purchase

- Before going to an open market vendor, check the NIH BPA listing to determine if the items/services are offered. The BPA lists are located on the OLAO homepage. From the homepage, click *Acquisitions* and then click on *Guides, Policies & Procedures*. Under the DELPRO section, you will find two PDF files titled “*NIH-wide BPA List*” and “*BPA Commodity List*”.

If the vendor does have a BPA, remind the vendor that the negotiated discount rate is to be applied.

- Cardholders who require an NIH 1861-1 Purchase Request Form from a requestor may annotate the NIH 1861-1 on the Record of Purchase Card

Orders Log and cross reference the information between the purchase request and the NBS NIH purchase card report so that the information is not duplicated.

- Appropriated funds are not to be used to purchase items for employees' personal routine use. (GAO B-302993, June 25, 2004)

B. Purchase Card Procedures for Items above the Micro-Purchase Threshold

All documentation that is required for the procurement, i.e., sole source justifications, brand name justifications, dissolution of the small business set aside, FAR provision 52.219-1, etc. are to be attached to the specific purchase card action and filed in the official purchase card file. The file serves as a summary of the FAR requirements as outlined in FAR Parts 1, 4, 5, 8, 10, 12, 13, and 25. The following provides most of the requirements for purchase card orders above the micro-purchase threshold. It is ultimately the responsibility of the Contracting Officer (cardholder) to ensure that all the regulatory requirements pertaining to each order have been complied with and documented adequately.

1. Purchases above the micropurchase threshold and up to \$25,000:

In addition to the HHS PC Guide and the NIH Purchase Card OPDIV Supplement, the following must also be implemented.

- a. Ensure that all required clearances are obtained in accordance with NIH Manual 6307-3/26307-3 and documented in the file prior to placing the order.
- b. Ensure that the requirements of the Buy American Act are adhered to as stated in Far Part 25.
- c. Record the vendor(s) contacted and the quotes received. [FAR Subpart 4.803] For procurements greater than the micropurchase threshold and up to \$10,000, a minimum of three price quotes (FSS requires three price comparisons from the schedule) are required for the item to be considered to have been awarded competitively. [FAR Subpart 13.104(b)] For purchases above \$10,000 and up to \$25,000, the requirements must be displayed/posted in a public place for at least 10 days. [FAR Subpart 5.101(a)(2)] Oral solicitations are exempt from the above posting requirements for acquisitions above \$10,000 and up to \$25,000. [FAR Subpart 5.101(a)(2)(ii)]
- d. For procurements greater than the micro-purchase threshold, if less than three quotes were received, document the basis for determination of price reasonableness. [FAR Subpart 13.106-3]
- e. If the award was not made competitively, an adequate sole source justification must be documented for the purchase. [FAR Subparts 13.106-1 and 13.501(a)]
- f. If required, ensure that there is an adequate justification for a Brand Name, make, or model. [FAR Subpart 11.104]
- g. If the award was made to other than the lowest bidder, document why

the purchase price is advantageous to the Government. [FAR Subpart 13.106-1]

- h. The cardholder must keep a copy of FAR Provision 52.219-1 containing the NAICS code and the small business size standard in their purchase card file. The NAICS code requires two parts: 1) Six digit industry code; and 2) Small business standard size (the number of employees – 500 or less or the dollar amount that a business may not exceed to qualify as a small business. NAICS codes and size designation may be found at, use the following URL: <http://epic.od.nih.gov>.

NOTE: Orders against Federal Supply Schedules and BPAs do not need a NAICS code determination.

- i. Incorporate the Drug Free Workplace Clause for awards issued to individuals. [FAR Subpart 23.505]
- j. Incorporate the Service Contract Act wage determinations or exemption certification, when applicable. [FAR Subpart 22.1002-1]

2. Orders above \$25,000 and not exceeding \$100,000:

Includes all of Section 1. above and items a . and b. listed below.

- a. If from other than a small business, the file must contain an HHS-653 signed by the SBS and C.O. and/or C.O. determination to withdraw small business set-aside (<http://intranet2.hhs.gov/forms/hhs/hhs-653.pdf>). [HHSAR 319.501]
- b. The file must contain a copy of the FedBizOpps notice.

C. Cardholder Procedures after Purchase

- When the items are received, annotate the actual receiving information on the shipping document.
- The monthly transactions must be reconciled no later than the 13th of the calendar month.
- If the cardholder will be absent from his/her office during the reconciliation period, they must request an extension from the NIH Purchase Card Program Office. Upon the cardholder's return, he/she must log onto the NBS Data Base and review each purchase/credit. Failure to review and/or process the automated SOA in a timely manner will be grounds for suspension/termination of the purchase card.
- Any type of equipment or property must be reported to the IC property custodial officer (PCO). HHS and NIH define accountable personal property as items classified as capital or non-capital, non-expendable property (two years or longer expected life), with an acquisition cost of \$25,000 or greater and items classified as sensitive, regardless of acquisition value. Sensitive items require special control or are subject to unusual rates of loss, theft, or misuse. (The NIH Property Management Officer maintains the Sensitive Property List. Please refer to the Personal Property Management Guide -

NIH Manual Chapter 26101-25-2 for list of sensitive items as well as the time frame required for their submission for inclusion into the NIH Property Data Base.)

For Sensitive Equipment (accountable regardless of cost) and capitalized equipment/accountable personal property items (\$25,000 or more), either enter the data in the correct NBS iProcurement External Screen as outlined in the NBS iProcurement – Job Aids at <https://nbrssprod.cit.nih.gov:8050/NBSJobAids/Acquisition.aspx>, or submit a Property Transaction Request form to the appropriate IC property custodial officer for decal and entry into the Property Management Information System. Property purchased using a purchase card may require slightly different methods of entry depending on how many and what was included in the transaction. The most important thing to remember is, each type of property (PC Model, LCD display, Microscope, ...) will require a single line entry with a detailed description containing the manufacturer and model information, category, quantity and the unit price. If a user purchases accountable property (e.g. computer equipment), they will have to select an Expenditure Type that begins with 31. In such cases, the user is required to enter two additional fields in Oracle iProcurement during checkout: Custodial Code and Property Standard Description. Most of the items purchased assigned an Expenditure Type of 31** are then transferred into the NBS Property System where the Property Custodial Officers (PCO) can review and decal the item as accountable property if applicable.

- Cardholders are required to print a copy of the completed property screen for their files.

D. Cardholder Procedures for Questioned Items and Disputes

The cardholder must complete an "I.M.P.A.C. Cardholder Statement of Questioned Item" form (<http://forms.cit.nih.gov/adobe/procurement/IMDISPUT.PDF>) and dispute the item in the NBS (indicate the nature of the problem: i.e., wrong amount charged, did not receive the item, duplicate charges, credits due, etc.). The form **must be faxed** to the Bank at (701) 461-3466. The cardholder is responsible for following up with the Bank to ensure that the dispute is being processed. The cardholder may also mail a copy to:

US Bank
I.M.P.A.C. Government Services
Attention: Disputes Office
P.O. Box 6346
Fargo, ND 58125-6346
Fax (701) 461-3466

VI. RECONCILIATION

Reconciliation is the process of reviewing the purchase card transactions to determine if the purchase has been correctly recorded; adding in a description of the supply or

service (if applicable); changing the default description, Project Number and/or the Expenditure Type if necessary; and lastly, certifying that the purchases made were for official Government purposes and have been received.

Reconciliation must be done at least once a month. However, daily reconciliation is an option for those cardholders who buy more frequently and want to reconcile throughout the month.

A. Daily Reconciliation

Purchase transactions are posted daily to the cardholder's account in the NBS. The daily posting of the purchases against the default Project Number and the default Expenditure Type serves as the obligation amount. The purchase transactions may be reconciled (received) immediately. Upon completion of the reconciliation, the cardholder must ensure that all of the purchase transactions for the month have been verified for CAO review and approval. The NBS NIH Purchase Card Report must be printed and included with the monthly purchase card files. When newer transactions come in, the cardholder can begin reconciling them from that point.) The cardholder must still perform the end of the month review by the 13th of the calendar month to ensure that all purchase transactions for that cycle's invoice have been reviewed. (If this date falls on a Holiday or a Weekend, the due date is the next business day.)

B. Monthly Reconciliation

The billing cycle ends on the 5th of every month. For example, all of the purchase transactions received from the Bank by the 5th of September will apply to the September invoice. Any purchase transactions received from the Bank from the 6th of September through the 5th of October will apply to the October invoice. Although the invoice is downloaded from the Bank into the NBS on the 6th of the month, and depending on when the 6th falls in that particular month, all of the purchase transactions may not appear in the cardholder's account in the NBS until as late as the 9th of the month. Around the 7th of every month the NBS generates a message to all cardholders stating the account is available for review.

The cardholder must complete reconciliation by the 13th of the month or his/her card may be suspended. The CAO has until the 18th of the month to complete his/her review and approve the cardholder's purchase transactions. (If this date falls on a Holiday or a Weekend, the due date is the next business day.) Failure to do so may result in the cardholder's account being suspended.

- When the reconciliation is complete and another Project Number is used, the original obligation against the default Project Number will be credited and the new Project Number will be used.
- Extensions due to vacations, illnesses or other extenuating circumstances may be granted provided they are requested in writing via E-mail and submitted to Creditcard@OD.NIH.GOV (global – Help, Creditcard). A response to the request will be processed within 24 to 48 hours of receipt. The policy is that unless an extension has been requested for reconciliation and granted, the card will be suspended if reconciliation has not been

performed by the established cut-off dates.

- Failure to reconcile prior to the payment date will result in OFM paying the bill using the default Project Number assigned to the individual purchase card account. After the payment date, the default Project Number may only be changed manually through coordination with the IC's Administrative Office and OFM. (This also applies to cardholders/CAOs who received extensions beyond the payment date.) The Government Accounting Branch, OFM must be provided with the following information: 1) a written, signed justification stating the reason why the corrections were not made during the reconciliation period; 2) the reason for the correction(s) and 3) the total amount of charges to be moved from the default Project Number and the default Expenditure Type to the appropriate Project Number and Expenditure Type.
- A suspension e-mail message will be sent to the appropriate IC Purchase Card Coordinator identifying the cardholders and CAOs who have been suspended.

C. Suspension Penalties

Suspension lists are maintained on a calendar year basis.

- **First Suspension:** Once the cardholder account is suspended, the cardholder and their CAO must complete the reconciliation for the month in which the card was suspended. The cardholder must respond to the person who sent the original suspension message via E-mail that the reconciliation has been completed. Upon notification and verification by the NIH Purchase Card Program Office that the reconciliation is complete, the purchase card will be reinstated. Cardholders should anticipate waiting at least 24-48 hours before the card is reactivated.
- **Second Suspension:** If the cardholder account has been suspended twice during the past calendar year, the account will be suspended for a period of **two weeks** after reconciliation is completed and verified.
- **Final Suspension:** If the unreconciled account results in a third suspension within a calendar year period, the cardholder's account may be canceled. Once the account is canceled, the cardholder must wait one year before a new account will be reopened/created. Prior to the cardholder receiving a new account, he/she must retake the mandatory purchase card training.

VII. SPECIALIZED PROCEDURES

A. Card Replacement

The cardholder must notify the NIH Purchase Card Program Office helpline at (301) 435-6606 or by email to Creditcard@OD.NIH.GOV (global – Help, Creditcard), upon receipt of the new card so that the account number can be changed in the NBS.

Note: It is important for cardholders to review invoices for both the old and

new account numbers during the first month of the lost/stolen incident.

B. Convenience Checks

Cardholders and CAOs must follow all the procedures outlined in this policy and in the HHS Purchase Card Guide (Section III. D).

1. NIH allows convenience checks to be issued for only two instances. They are:

- a. A professional service order (PSO) is required and the individual does not have the appropriate Electronic Funds Transfer (EFT) information registered with NIH. Convenience checks may be used on a one-time basis only while the individual is applying for EFT. Automated Clearing House (ACH)/EIN data should be initiated at the time the first check is issued for the one time PSO. (Payment of an honorarium or a fee for service to a non-US citizen or a permanent resident alien who is not authorized for payment in accordance with the terms and conditions of his/her VISA is prohibited.)
- b. NIH pays for patient related services, e.g., blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.

2. Cardholder Responsibility

All cardholders with check writing authority are required to use the NBS electronic log. The use of the electronic log will provide the NIH Office of Financial Management with data to produce a 1099 for each recipient. The log must show the date, the check number, payee, and the amount of the check. The duplicate check must be filed in the purchase card file along with all supporting documentation. Checks are to be written in sequence and have an identifier in the memo portion of the check. Any checks out of numerical sequence should be reported lost/stolen (if applicable) to the Bank immediately.

Honorariums are limited to \$200 per day unless advance approval has been granted in accordance with NIH Manual 1130, Delegations of Authority, Acquisition # 5, "Rates of Compensation (Honoraria) Under Professional Services Orders." Per diem for lodging and meals cannot exceed the Government rates for the area as established in the Federal Travel Regulations. Reimbursement for airfares may not exceed the cost for business/coach class (first class travel is unallowable.) For further guidance on the general rules/requirements for PSOs refer to the DELPRO Reference Guide, Part III, page 74, dated 9/2003 at <http://www.olao.od.nih.gov/Acquisitions/References/>, or call the Purchase Card Helpline at (301) 435-6606.

NOTE: If the Professional Service is known to be of a recurring nature, i.e., the individual is expected to provide the same and/or similar services to NIH (whether in the same IC or not), the individual must be registered in the NBS Vendor Table with the appropriate information. The professional

service must be registered in NBS as a Central Contractors Registration (CCR) or a Non-Central Contractors Registration (Non-CCR) vendor.

Cardholders must include the Drug-Free Workplace Clause in their monthly purchase card file documentation for all contracts or purchases of any value awarded to an individual as stated in FAR Subpart 23.505.

3. CAO Responsibility

CAOs must ensure that the convenience checks are only issued for official Government business and that the cardholder follows the procedures as outlined in this policy and in the HHS PC Guide. The review process should ensure that the checks are only used when it is determined that alternate methods of procurement and/or disbursement of funds are impractical.

C. Personal Appeal Item

Personal appeal items are those items which can be used for official duties as well as for personal use. When buying such items: 1) type a short justification on the ordering form which will demonstrate that this item is needed for a legitimate NIH purpose, and 2) have the responsible approving official sign the ordering form authorizing the purchase. The following are examples of personal appeal items that have legitimate NIH use: adding machines; calculators; typewriters; brief cases (attaché and similar type items); cameras and accessories; hair dryers; radios; thermos; carafes, etc.

D. Accidental Personal Use

If the purchase card was accidentally used for a personal purchase, contact the vendor immediately to transfer the charge to your personal credit card. If the transfer cannot be accomplished, then a personal check must be issued payable to the NIH. The check must be attached to a memorandum addressed to the NIH General Ledger Branch or to the Cashiers Office, OFM, with the following information:

- Explanation why you are reimbursing the Government
- Screen shot of your transaction
- Cite the Project Number and the NBS Document Number
- List the date of the original purchase and the amount

File one copy of the memo in your purchase card file, and attach the second copy to the check. Next, either hand carry (the preferred method), mail or send the check by courier to the cashiers office in Building 10/Rm 1-4623 or Building 31/RM B1B-23.

E. Using the Purchase Card with NIHITS

The NIHITS is an electronic system which provides authorization for employees to attend a training class and documents the training and payment method. Due to the design of NIHITS, the PURCHASE CARD as a selected method of payment is encouraged. (It does not result in a double obligation of funds.)

The OHR Personnel Delegation of Authority #3 to purchase off the shelf (OTS) training is limited to \$3,000 or less, per person, per vendor, for a course or class which is offered to the general public through catalog listings, web sites, general announcements, etc.

The NIH Purchase Card Program Office recognizes that there is a need for the acquisition of multiple NIHITS transactions for employees and the acquisition of multiple purchase card purchases to the same school or vendor for OTS training for an individual student **on the same day**.

The requirements of the Federal Acquisition Regulation (FAR)13.003(c) state that the contracting officer/cardholder shall not use simplified acquisition procedures to acquire services by breaking down the total cost of the service when it exceeds the micro-purchase threshold into several purchases merely to avoid the use of a contract or purchase order. This is generally referred to as splitting orders to stay under these thresholds.

While taking into consideration the FAR requirement not to split orders, it has been determined by the NIH Purchase Card Program Office that a cardholder may exceed their Single Purchase Limit (SPL) and place multiple orders **in one day** for the purchase of training and associated incidentals. The basis for this determination is the fact that orders are placed per individual and each order does not exceed the micropurchase threshold.

The following instances are examples of how a cardholder may exceed their SPL for the purchase of training and associated incidentals and place multiple orders in one day, **without splitting orders**:

1. The cardholder's SPL is set at \$3,000. The cardholder on the same day enters orders for five students to attend classes at the University of Maryland totaling \$4,000 for all five students. The charge per student is less than \$3,000.
2. The cardholder's SPL is set at \$3,000. The cardholder can place an order in NIHITS on the same day for one student for two classes at two separate vendors. One class is at the University of Maryland for \$1,500 and the second class is at CompuSearch for \$1,800.

The cardholder **is not** permitted to exceed their SPL or split the order in cases where the price of one class exceeds their SPL. For example, the cardholder has an action to pay \$3,500 for one student to attend the University of Maryland. In this case, the cardholder would not be able to make the purchase since the **individual** action is greater than their SPL of \$3,000. Cardholders must still adhere to the pertinent laws and procedures governed by the Government Employees Training Act (GETA), 5 USC Chapter 41 as codified in Parts 410 and 412 of Title 5, Code of Federal Regulations (CFR).

Group Training is training purchased for more than one individual for an OTS class at the same time with the same vendor. This purchase is considered a single purchase and the cost cannot exceed the cardholder's single purchase limit or be split among each individual participant.

The cardholder may place training orders directly with the schools/vendors based on the instructions outlined below: All training must be input into NIHITS including tuition and books. In order to avoid double obligations and/or payments, the cardholder must identify the purchase card as the payment mechanism when entering the information into NIHITS. If someone other than the cardholder is entering information into NIHITS, that individual must ensure the payment mechanism identified in NIHITS is the purchase card. The NIHITS approval form and the cardholders pertinent purchase card information must be faxed directly to the schools/vendors and/or the appropriate book stores.

It is the CAO's responsibility to ensure that the cardholder is adhering to these instructions regarding the purchase of training and the use of NIHITS.

F. Radioactive Materials

The cardholder may place all radioactive material orders **directly** with the vendor with the following instructions to the vendor:

- Radioactive material must be delivered to Building 21, Room 107 with the exception of NIEHS, Rocky Mountain Laboratory (NIAID), Phoenix Epidemiology and Clinical Research Branch (NIDDK), and Fort Detrick, Maryland. Cardholders at these locations must adhere to previously established procedures at their individual locations.
- The packing slip or shipping document must include the ordering Authorized User's name and Radiation Safety Branch (RSB), Division of Safety, ORS ID (clearance number). Contact 301-496-3277 to obtain a RSB clearance number.

The Cardholder will also adhere to the following procedures:

- Do not place a duplicate BPA Call against the vendor's BPA.
- Do not include radioactive material and non-radioactive supplies on the same VISA purchase card order. When ordering both radioactive and non-radioactive items from the same vendor, place two separate VISA purchase card orders. However, special discounted prices negotiated for the vendor's BPA shall also apply to purchase card orders.
- Standing orders, which are acquisitions that require multiple delivery dates, are prohibited for all purchase card acquisitions. Therefore, standing orders for radioactive materials are not permitted when using the purchase card mechanism.
- Any other requirements established by the RSB for the acquisition of radioactive materials must be observed.
- The CAO must ensure that the cardholder's responsibilities are adhered to when purchasing radioactive materials. The website for the Radiation Safety Branch is <http://drs.ors.od.nih.gov/index.htm>.

G. Maintenance/Service Agreements

Cardholders may use the purchase card to pay for maintenance agreements if all of the following conditions are met:

- The annual cost of the agreement does not exceed the cardholders single purchase limit.
- The company will accept monthly and/or bi monthly payments.
- The card will not be used to pay for services that **have not** been rendered.

All three of the above mentioned conditions must be met in order to use the purchase card to pay for maintenance/service agreements. If the cardholder is unable to meet all three conditions, they **may not** use the purchase card and the requirement must be submitted to your contracts office.

NOTE: NIH **does not allow** the purchase card to be used as a payment mechanism against an established Indefinite Delivery Indefinite Quantity (IDIQ) Contract.

H. Recurring Requirements

Cardholders may use the purchase card to purchase services/supplies on a repetitive basis utilizing the NIH BPAs. Each order placed against the NIH BPA may be made up to the BPA Maximum Order Limitation (MOL) or the cardholders Single Purchase Limit (SPL,) whichever is lower.

For example:

- Purchase oxygen from company ABC, total cost is \$200, the BPA MOL for company ABC is \$25K, the cardholder SPL is \$3K, purchase card **may** be used;
- Purchase oxygen from company ABC, total cost is \$5K, the BPA MOL for company ABC is \$25K, the cardholder SPL is \$25K, purchase card **may** be used;
- Purchase oxygen from company ABC, total cost is \$25K, the BPA MOL for company ABC is \$25K, the cardholder SPL is \$25K, purchase card **may** be used;
- Purchase oxygen from company ABC, total cost is \$25K, the BPA MOL for company ABC is \$25K, the cardholder SPL is \$3K, purchase card **may not** be used; and
- Purchase oxygen from company ABC, total cost is \$3.5K, the BPA MOL for company ABC is \$25K, the cardholder SPL is \$3K, purchase card **may not** be used

NOTE: NIH **does not allow** the purchase card to be used as a payment mechanism against an established Indefinite Delivery Indefinite Quantity (IDIQ) Contract.

I. Gift Certificates/Gift Cards

Changes in Federal regulations dealing with incentive awards became effective during September 1995. Those changes provided agencies with flexibility to design and operate their performance management and recognition programs.

One of the options that sprang from these changes is the non-monetary award (i.e., incentive award). Of specific interest is the use of gift certificates/ gift cards.

The use of appropriated funds to purchase gift certificates/ gift cards associated with an Employee Incentive Program is considered as a “cash award”. HHS provides specific guidance relative to the object class to be used for this type of incentive award. See Appendix 7 for an example of the gift card/ gift certificate policy.

The NIH Policy Manual, Section 2300-451-1, implements the following to recognize and reward employees:

Law 5USC 43, 45, and 53;
E.O. 11438; and
Regulations 5 CFR 430, 451, and 431

The OPM Workforce Performance Newsletter (Jan, Feb, & Oct 1997) defines non-monetary awards to include gift certificates/ gift cards. Gift certificates/ gift cards are items that can be redeemed for merchandise or services at a particular place of business, a group of businesses, or a retail location (this includes chain stores, restaurants, and malls). They may be used only as informal recognition awards and, therefore, may not exceed the nominal fee currently set at \$100.

If an IC wishes to participate in this incentive awards program, **it is the responsibility of the IC’s Director to develop and implement an IC-wide policy in accordance with NIH Manual Chapter 2300-451-1, NIH Employee Awards Program, for NIH Policy and Procedures for Granting Monetary, Non-Monetary and Honorary, and Performance Awards.**

Each IC must provide a copy of their approved plan to the APC.

J. Bottled Water

The purchase of bottled water for human consumption (drinking water) is generally prohibited (see HHS Purchase Card Guide, Appendix D. Purchases Requiring Special Attention). If you believe your drinking water is unsafe, notify your Administrative Officer (AO). Your AO will contact the building Facility Manager at <http://orf.od.nih.gov/PropertyManagement/FacilityManagement.htm>. See section VII. J Appropriated Funds and Light Refreshments of the NIH Purchase Card OPDIV Purchase Card Supplement for further instructions when purchasing for an approved activity, (i.e., award ceremony, official entertainment, etc.)

K. Appropriated Funds to Pay for Professional Licensure

NIH policy is to pay the expense of one state license per fiscal year for specific NIH employees, when it is determined that the license is essential to the individual’s clinical program responsibilities and they are credentialed at the Clinical Center or at another NIH Intramural health care facility. **(Cardholders should contact their IC Scientific Director to see if they qualify for reimbursement).** For further guidance cardholders should check the OFM Transmittal at <http://olao.od.nih.gov/Acquisitions/ImportantNotices/simplifiedacquisitions/mediallicenses.htm>. The additional guidance addresses specific procedures for:

prior fiscal year reimbursement; obtaining approval signature from the Office of Human Resources; and for submitting approved paperwork to the Office of Financial Management.

L. Appropriated Funds and Light Refreshments

1. OFM Transmittal No. 140 - Appropriated Funds/Gift Funds for Light Refreshments (LR) – Internal vs. Non-Internal Meetings. The following information is provided to clarify the policy guidance in NIH Manual Chapter 1160-1 “Entertainment” at the following URL:
<http://www1.od.nih.gov/oma/manualchapters/management/1160-1>.

- a. When referring to Conferences/Meetings (non-training related) Event Type “C” on the matrix (Appendix 3 and Appendix 4) and the corresponding definitions, the following applies for **Internal Meetings**: Internal Meeting (i.e., a meeting between NIHers only or between NIHers and other government employees) - the use of appropriated funds or gift funds for LR when the meeting is held in the official duty station area, (i.e., local travel) is **unauthorized**. Whether the meeting is held on a day-to-day or non-day-to-day basis is irrelevant.

Example: If NIHers meet with other Federal employees every other month to discuss a rewrite of the HHS accounting standards, appropriated funds/gift funds should not be authorized for LR. If LRs are provided, all of the attendees should contribute out of pocket to the costs of the LR. The same scenario should apply for scientific/research-oriented meetings between NIHers and/or other Federal employees.

- b. Similarly, for Event Type “C”, the following applies for **Non-Internal Meetings**. Non-Internal Meeting (i.e., a meeting between NIHers and Nonfederal Persons or other Federal employees) - use discretion when authorizing the use of appropriated funds/gift funds for LR when the meeting is held in the official duty station area. Having Nonfederal Persons present for business meetings on campus should not result in the provision of LR every time they are on campus. Whether the meeting is held on a day-to-day or non-day-to-day basis is irrelevant.

Example A: Grant review meetings that occur on a monthly or bi-monthly basis. These meetings are in support of the IC’s objectives and are routine in nature, and appropriated funds should not be used to provide LR. If you want to provide LR, have all the attendees contribute out of pocket to the costs of the LR.

Example B: For Nonfederal Persons visiting to advise on special initiatives by the Administration, Congress, HHS, etc., or to meet to discuss recent international or national health events, e.g., Avian Flu, Mad Cow Disease (Creutzfeldt-Jakob), SARS, or to discuss strategic planning initiatives for the out years, etc., the use of appropriated funds/gift funds for LR for these activities is permissible.

- c. Avoid selecting off-site (or off-campus) meeting facilities when a small number of Nonfederal Persons have been invited to attend a conference, meeting, etc. In this scenario, there should be ample space in NIH buildings and facilities or other government facilities. If the only alternative is to convene the meeting at a non-government off-site location, e.g., Pooks Hill Marriott, you must adhere to the guidelines in FTR 301-74.19. The regulation provides – For a conference you sponsor in whole or in part for 30 or more attendees, you must maintain a record of the cost of at least three alternative sites considered and these records must be made available to the Office of the Inspector General or other interested parties.

2. OFM Transmittal No. 142 - Use of Appropriated Funds/Gift Funds for Light Refreshments (LR) - Wednesday Afternoon Lecture Series

Wednesday Afternoon Lecture Series will be exempt from the four hour minimum requirement. Light refreshments ordered for the informal reception that typically follows the lecture is to be maintained at an absolute minimum, i.e., pretzels, fruit, coffee and cookies. This is the ONLY lecture series that will receive this exemption.

M. Information Technology Systems Security Requirements

There is an obligation to comply with the Department's information security requirements whenever an acquisition is processed that involves Federal information, information systems, or information technology where the contractor/vendor will develop, maintain, or have access to federal information, even if the information is on paper. These requirements include, but are not limited to clerical and secretarial support, computer services, system analysts, computer programmers, website developers, systems maintenance and database support, and technology (computer) acquisition. In general, anyone developing or having access to NIH information and IT contractors may need a background investigation.

To ensure that all applicable requirements are covered, the Department has implemented the Federal Information Security Management Act (FISMA) such that it encompasses all types of acquisitions, including purchase orders, records of call, and purchase card transactions.

If a requirement is received that meets the definition, the Institute's ISSO (Information Systems Security Officer) should be contacted. Their names can be found at <http://irm.cit.nih.gov/nihsecurity/scroster.html>. They will provide guidance through the process to ensure that the appropriate clearance category is assigned. OD/OCIO/ISAO (301-594-2750) may also be contacted for further assistance.

For additional information, see the HHS information security program policy http://intranet.hhs.gov/infosec/docs/policies_guides/ISPP/Information_Security_Program_Policy.pdf and HHS OCIO Policies <http://www.hhs.gov/ocio/policy/index.html#Security> Further guidance is contained in the HHS Personnel Security/Suitability Handbook located at

<http://www.hhs.gov/ohr/manual/pssh.pdf> , HHS Instruction 731-1, Personnel Security/Suitability Program http://www.hhs.gov/ohr/manual/98_1.pdf, the Security Requirements in NIH IT Acquisitions (Tables 1-3) website located at http://irm.cit.nih.gov/security/sec_policy.html#SPRMnASS and from the Division of Personnel Security and Access Control, ORS.

Purchasing agents in the Offices of Acquisitions should also be sure that the following clauses are incorporated by reference into their orders as appropriate:

FAR clause 52.204-2, "Security Requirements (August 1996), when the acquisition may require contractor/vendor employees to access classified information. This FAR clause can be accessed at <http://www.arnet.gov/far/farqueryframe.html>.

FAR clause 52.239-1, "Privacy or Security Safeguards (August 1996), when the acquisition is for IT services requiring security of IT and/or the design, development or operation of a system of records using commercial IT services or support services. This FAR clause can be accessed at the following URL: <http://www.arnet.gov/far/farqueryframe.html>.

FAR Subpart 4.13, Personal Identity Verification of Contractor Personnel. This FAR clause can be accessed at the following URL: http://acquisition.gov/far/current/html/Subpart%204_13.html#wp1074125

FAR 52.204-9, Personal Identity Verification of Contractor Personnel [clause]. This FAR clause can be accessed at the following URL: http://acquisition.gov/far/current/html/52_200_206.html#wp1139617

VIII. MANAGEMENT CONTROLS

The office responsible for reviewing management controls relative to this supplement is the Division of Simplified Acquisition Policy and Services (DSAPS), Office of Acquisition Management and Policy (OAMP). DSAPS has the operational responsibility for this NIH Purchase Card Supplement .

Changes to the purchase card policies and procedures will be sent by an NIH list serve to all Cardholders, CAOs, and IC Purchase Card Coordinators. The changed policy and/or procedure will also be posted on the website located at <http://www.olao.od.nih.gov/Acquisitions/PurchaseCardPrograms/>.

DSAPS evaluates updates necessitated by changes to the FAR, the General Services Administration, US Bank, HHS, and requests from the IC Purchase Card Coordinator's Committee. DSAPS makes appropriate changes as needed. DSAPS sends reports to the Associate Director for Administration upon request.

IX. RECORDS RETENTION AND DISPOSAL

All records (**e-mail** and non-e-mail) pertaining to this supplement must be retained and disposed of under the authority of NIH Manual 1743 - Keeping and Destroying Records.

NIH e-mail messages (messages, including attachments, that are created on NIH computer systems or transmitted over NIH networks) that are evidence of the activities

of the Agency or have informational value are considered Federal records. These records must be maintained in accordance with current NIH Records Management guidelines. Contact your IC's Records Officer for additional information.

All e-mail messages are considered Government property, and, if requested for a legitimate Government purpose, must be provided to the requestor. Employees' supervisors, NIH staff conducting official reviews or investigations, and the Office of Inspector General may request access to or copies of the e-mail messages. E-mail messages must also be provided to members of Congress or Congressional committees if requested and are subject to Freedom of Information Act requests. Since most e-mail systems have back-up files that are sometimes retained for significant periods of time, e-mail messages and attachments may be retrievable from a back-up file after they have been deleted from an individual's computer. The back-up files are subject to the same requests as the original messages.

X. GLOSSARY

The terms defined in this Glossary supplement those terms defined in HHS Purchase Card Guide Version 4. To the extent there is a conflict between the terms, the terms in this NIH Purchase Card Supplement shall supersede.

NIH Agency Program Coordinator (APC): The APC is located in the Division of Simplified Acquisition Policy and Services (DSAPS), Office of Acquisition Management and Policy (OAMP). The mailing address is:

NIH Agency Program Coordinator
NIH Purchase Card Program, DSAPS, OAMP, OD, NIH
6011 Executive Boulevard, Room 549E
Bethesda, MD 20892-7240
Purchase Card Helpline: (301) 435-6606
E-mail: Creditcard@OD.NIH.GOV (global – Help, Creditcard)

Billing Cycle Office Limit (Monthly Office Limit): The monthly office limit is a budgetary limit established for each CAO. It is the sum of their cardholder's monthly limits.

NIH Blanket Purchase Agreements (BPA): BPAs are awarded for either FSS items or for open-market items. The discounts and terms and conditions have been pre-negotiated for the products and services authorized for purchase under that BPA. NIH's BPA listing is located at <http://olao.od.nih.gov/Acquisitions/References>, under the DELPRO section titled NIH-wide BPA Listing. NIH BPA vendors should be considered for use only after the **priority sources** have been considered. When the BPA vendor is contacted, the cardholder should identify himself/herself as being from NIH and request the discount negotiated on the BPA. It should be noted that all BPAs include a clause that requires the vendor to extend the discount rate to any NIH mechanism.

Designated Billing Office Contact: The Designated Billing Office contact is located in the Office of Financial Management (OFM). The mailing address is:

Chief, Commercial Accounts Branch, OFM
Building 2115EJ, Room 4C404

2115 East Jefferson Street
Bethesda, MD 20892-8500
Telephone: (301) 496-6088

Domestic End Product: Under the Buy American Act, a Domestic End Product is: 1) an un-manufactured end product mined or produced in the United States (e.g., lumber, coal, etc.) or 2) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components.

Electronic Funds Transfer (EFT): NIH began making all payments from the U.S. Treasury via EFT in January 1998. EFT is defined as any transfer of funds by means other than paper. Automated Clearing House (ACH) is the primary system used to transfer payments directly into the accounts of vendors and others. The Debt Collection Improvement Act of 1996 (Public Law 104-134) mandates the use of EFT for all Federal payments.

Head of the Contracting Activity (HCA): This individual is responsible for assuring the effectiveness, efficiency, and integrity of all NIH acquisition activities. The HCA's address is:

Director, Office of Acquisition
Management and Policy, OALM
6100 Executive Blvd., Room 6D01
Bethesda, MD 20892-7540
Telephone: (301) 496-4422

Professional Service Order (PSO): A PSO is used to obtain services of professionals such as guest speakers and lecturers for seminars, workshops, meetings held to exchange scientific information, for basic research, applied research and development, or design, where specific tasks are required and no employer-employee relationship exists.

Professionals: These are individuals who perform professional services, engage in a vocation or occupation requiring advanced education and training, and involving intellectual skills, such as medicine, law, engineering, and teaching. These types of "professionals" usually belong to a professional society, and may require a license to practice.

Patient Services: These are blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.

Service Contract Act: The Service Contract Act is applicable for acquiring services over \$2,500. The purchase card file must contain evidence that the individual was given mandatory provisions regarding minimum wages and fringe benefits, etc.

APPENDIX 1

REQUEST FOR NEW PURCHASE CARDHOLDER

DATE:

TO: Georgiann Wilson, A/OPC

FROM: (insert name of IC Purchase Card Coordinator)

The following individual is nominated to be a NIH purchase cardholder. (Send to Help, Creditcard for processing.)

	Cardholder	Card Approving Official (CAO)
Name:		
I/C & Expenditure Organization:		
NIH Badge Number:		
Street Address (i.e., 10 Center Dr):		
BLDG/Room Number:		
City/State/Zip Code:		
Phone Number:		
Fax Number:		
E-mail Address:		
Job Title:		
Job Series & Grade (i.e., 1102/10):		
NIH Purchase Card Training Date:		
Green Purchasing Training Date:		
Section 508 Training Date:		
Warrant Value \$ (if applicable):		
Proposed Single Purchase Limit:		FOR INTERNAL USE ONLY Company #: Agent #:
Proposed Monthly Limit:		
Default Project # (CAN):		
Default Expenditure Type (OC Code):		

Cardholder: I, _____, am requesting purchase card authority. I attended the NIH
 (Please type or Print legibly)
 mandatory purchase card training class on: _____. I certify that I have read and understood the
Internal Procedures for the VISA (I.M.P.A.C.) Program (NIH Purchase Card Supplement & HHS Purchase Card Guide):

 Date: _____
 (Signature)

Justification for card AND the anticipated products/services the card will be used to purchase--be specific (i.e., office supplies, biologicals, IT hardware, etc.): _____

Is the card for emergency use only, or day-to-day requirements? Are the requirements new? Yes No If Yes, identify the new requirements. If No, how were the requirements purchased previously?

IC Purchase Card Coordinator's signature: _____ Date: _____
 Supervisor's signature: _____ Date: _____
 CAO's signature: _____ Date: _____

APPENDIX 2

REQUEST FOR NEW PURCHASE CARD APPROVING OFFICIAL

DATE:

TO: Georgiann Wilson, A/OPC

FROM: (insert name of IC Purchase Card Coordinator)

The following individual is nominated to be a Card Approving Official. (Send to Help, Creditcard for processing.)

	Card Approving Official (CAO)
Name:	
I/C & Expenditure Organization:	
NIH Badge Number:	
Street Address (i.e., 10 Center Dr):	
BLDG/Room Number:	
City/State/Zip Code:	
Phone Number:	
Fax Number:	
E-mail Address:	
Job Title:	
Job Series & Grade (i.e., 1102/10):	
NIH Purchase Card Training Date:	
Green Purchasing Training Date:	
Section 508 Training Date:	
Warrant Value \$ (if applicable):	
<i>FOR INTERNAL USE ONLY</i>	
Company #:	
Agent #:	
Credit Limit (office limit)/Cycle Limit:	

IC Purchase Card Coordinator's signature: _____ Date: _____

Supervisor's signature: _____ Date: _____

NOTE: Must be at least 18 years of age and an NIH employee

Revised 10/31/07

APPENDIX 3

CAO CHANGE REQUEST FORM

DATE:

TO: Georgiann Wilson, A/OPC

FROM: (insert name of IC Purchase Card Coordinator & IC)

The following cardholder's Card Approving Official* (CAO) is changing as follows (CAOs may only approve up to 5 Cardholders). Please send your request to **Help, Creditcard** for processing.

	CARDHOLDER	OLD CAO	NEW CAO
Name			
Series/Grade (i.e. 1102/9)			
Single Purchase Limit		N/A	N/A
30-Day Limit		N/A	N/A
Warrant Value \$ (if applicable)*			
<i>FOR INTERNAL USE ONLY</i>	--		
Company #:	--		
Agent #:	--		
Credit Limit	--		
Cycle/Office Limit	--		

*CAOs must have at least the same level of authority as their cardholders.

IC Purchase Card Coordinator's signature: _____ Date: _____

NOTE: Must be at least 18 years of age and an NIH employee

Revised 11/26/07

APPENDIX 4

REQUEST FOR CONVENIENCE CHECKS

DATE:

TO: Georgiann Wilson, A/OPC

FROM: (insert name of IC Purchase Card Coordinator)

The following individual is nominated to be a convenience check writer. (Send to Help, Creditcard for processing.)

	Cardholder
Name:	
I/C & Expenditure Organization:	
NIH Badge Number:	
Street Address (i.e., 10 Center Dr):	
BLDG/Room Number:	
City/State/Zip Code:	
Phone Number:	
Fax Number:	
E-mail Address:	
Job Title:	
Job Series & Grade (i.e., 1102/10):	
NIH Purchase Card Training Date:	
Green Purchasing Training Date:	
Section 508 Training Date:	
Warrant Value \$ (if applicable):	
Check Limit:	\$3,000
Default Project # (CAN):	
Default Expenditure Type (OC Code):	

Provide justification that describes the circumstances under which the checks will be written:

IC Purchase Card Coordinator's signature: _____ Date: _____

Supervisor's signature: _____ Date: _____

CAO's signature: _____ Date: _____

NOTE: Must be at least 18 years of age and an NIH employee

Revised 10/31/07

NIH PURCHASE CARD PROGRAM
CANCELLATION REQUEST FORM

IC: _____

Type of account to be cancelled:

- Cardholder, account number* _____
- CAO, account number* _____
- Other: Check writing authority _____

Reason for cancellation:

- Left the NIH
- Transferred to a different IC _____ (list IC)
- No longer needs account
- Other _____

Name on account** : _____

IC Purchase Card Coordinator (please print): _____

Signature: _____ Date: _____

NOTE: Do not forget to also attach the NBS Acquisition User Access Request Forms. Their user access must also be cancelled.

*Last 10 digits—if possible
**Please, only one name per request.

APPENDIX 6

Contracting Officer's Warrant Application Form

I. General Information

A. Employee is:

(Name, Title, Series, and Grade)

B. Employee's Work Location:

(Organization/Division/City/State)

C. Employee's phone number, fax number, e-mail address:

D. Current or Previous Warrant Number (if applicable): _____

E. Current certification level:

HHS Level _____

FAC-C Level _____

F. FAC-C Level ____ or HHS Level ____ for which you are applying:

II. Transaction Type (Please specify the type of warrant requested by placing an "x" in the appropriate block)

A. Initial warrant application

Warrant level and authority requested _____

B. Increase existing warrant level/authority from _____ to _____

C. There is a clear and convincing need to appoint (name of nominee) as a Level ____ (warrant level) contracting officer. Please justify the need for appointment at warrant level/authority requested:

APPENDIX 7

EXAMPLE OF AN INCENTIVE AWARD PROGRAM (Gift Certificates/Gift Cards) POLICY

Table of Contents

- A. Purpose
- B. Applicability
- C. Policy
- D. References
- E. General Guidelines
- F. Responsibilities
- G. Procedures
- H. Additional Information
- I. Management Controls
- J. Records Retention and Disposal

A. Purpose:

The Incentive Award Program provides supervisors with a mechanism for recognizing employee performance or job accomplishments that might otherwise go unrecognized, in a manner which is both timely and cost effective. This program affords supervisors the opportunity to immediately recognize employees who exhibit commitment to and extra effort in the performance of their duties and in furthering the goals of the organization. It also allows the IC to grant awards which are at a fraction of the cost of comparable On-the-Spot (OTS) Awards and provides streamlined procedures for processing/tracking awards

This chapter contains policy and procedures regarding:

- (1) Nominating and approving employees for incentive awards; and
- 2) Purchasing and documenting distribution of incentive award items.

B. Applicability:

This policy applies only to incentive awards. It does not apply to items used to recognize employee performance but originally purchased for another purpose, such as promotional or recruitment initiatives.

The contributions being recognized with incentive awards will usually have been executed during a limited period of 30 days or less. It is suggested that the award be given within one to three weeks following the event. The amount spent on an individual incentive award may range from a minimum of \$10 to a maximum of \$100. The incentive award mechanism will be used for all awards of \$100 and below. The award may not be given as a gift or used for providing food in the office, e.g., office luncheons.

The policy and procedures contained in this issuance apply to all (IC specific) employees. They do not apply to persons engaged in training, fellowship and other programs since they are not considered Government employees. Commissioned Corps Officers may receive incentive awards up to \$50 per calendar year from any one source.

C. Policy:

It is the policy of the IC to recognize the work performance and other contributions of its employees with appropriate forms of reward. When appropriate, the incentive award mechanism shall be used in accordance with the policy guidelines found in this issuance to reward employees for official actions taken in support of the mission of the Institute that may not meet the criteria for higher award recognition.

D. References:

- (1) 5 CFR 451.104 (A)
- (2) OPM Workforce Performance Newsletter, January, February and October 1997
- (3) [NIH Manual 6013-2](#), "Internal Procedures for the Purchase Card (I.M.P.A.C.) Program"

E. General Guidelines:

1. Requesting Purchase of Award Item(s). Form NIH 1861-1, Purchase Request, must be used to request purchase of award items, and an IMPAC purchase card must be used to procure award items. Supervisors are encouraged to order multiple award items at one time and not to place an order for less than \$20, to reduce cost to the Institute. Award items may be purchased as needed to make awards to specific employees or may be ordered in bulk to have them available for timely distribution to employees as the need arises. Award items purchased should be safeguarded in a locked cabinet or drawer.
2. Nominating an Employee(s) for Award. Supervisors may nominate an employee or group of employees to receive an incentive award to recognize an aspect of performance or job accomplishments. If award items have been purchased in advance in bulk and are available for distribution, a log similar to that included as Appendix A may be used as the award nomination/approval document by including the employee name and justification and by obtaining the required signatures. If an award item has not yet been purchased and the name of the awardee is known, Form NIH 1861-1, Purchase Request, may be used both as the employee nomination/approval document and to request the needed item(s).
3. Determining Amount and Type of Award. The amount of the incentive award should be commensurate with the value of the employee's contribution, but may not exceed \$100. The award must be in a form appropriate to be used in the public sector and to be purchased with public funds. For example, incentive awards may be in the form of cups, gift checks, desk accessories, t-shirts, small food items, gift certificates, movie theater tickets, U.S. Savings Bonds, plaques, recognition certificates, trophies, etc. Staff is encouraged to contact their Ethics Office or the Associate Director for Administrative Operations, OM, if additional guidance is required.
4. Determining When an Incentive Award is Appropriate. The incentive award mechanism is used to recognize outstanding employee contributions. Examples of specific actions that might be considered for an incentive award include, but are not limited to, the following:
 - Volunteering to work a few extra hours to assist with a project or other urgent need
 - Assisting a co-worker with a difficult, work-related issue
 - Filling in for another employee who is away unexpectedly
 - Participating as a member of a group which completed an important project
5. Approving Award Nominations. The authority to approve incentive awards is in accord with the latest delegations approved by the IC's Director.
6. Documenting Awards Made. Due to their informal nature, these awards will not be recorded in the automated personnel data system. The responsible program will maintain a complete record/log of all incentive awards given out, including the name of the employee; the date, type, and amount, if applicable, of the award; and the justification. Logs are not required for items given to employees which were originally purchased for another purpose such as promotional/recruitment events.

F. Responsibilities:

1. The IC's Director is responsible for the implementation of the Incentive Award Program.
2. The Deputy Director for Management, through the Associate Director for Administrative Operations, is responsible for oversight of the Incentive Award Program.
3. The Administrative Resource Center (ARC) is responsible for: (a) informing the programs of the incentive awards policies; (b) reporting audit results to programs; and (c) providing training and guidance as needed.
 4. When award items are purchased in advance and in bulk, the Incentive Award Documentation Official is responsible for: (a) safeguarding the award item(s) once purchased and (b) completing and maintaining the documentation showing to whom items were awarded, when, and why. The Incentive Award Documentation Official is either the supervisor or someone designated by the supervisor to perform these functions (the Incentive Award Documentation Official may, in some cases, also be the Purchase Card Holder).
5. The Purchase Card Holder is responsible for processing the Purchase Requests for award items requested and for maintaining records documenting all award items purchased.

In accordance with NIH IMPAC card policy, card approving officials are not allowed to place orders using cards they approve. Therefore, the card holder and card approving official may not be one in the same.

6. The First Line Supervisor or a higher level supervisor may nominate an employee or group of employees for incentive awards, using either form NIH 1861-1, Purchase Request (if an award item must be purchased), or a log similar to that included in Appendix A (if the office has appropriate award items already available for distribution).

Supervisors are also responsible for informing employees that the IRS considers both gift certificates and U.S. Savings Bonds to be taxable fringe benefits that must be taxed on their fair market value. Therefore, award recipients are responsible for reporting gift certificates, U.S. Savings Bonds, and gift checks to the IRS as additional income. Additionally, all other forms of incentive awards given during a calendar year, totaling \$600 or more, must be reported to the IRS as income.

G. Procedures:

+ PROCEDURES FOR NOMINATING AND APPROVING INCENTIVE AWARDS

Division/Office Directors will develop their own internal process to ensure compliance with this policy.

Once a decision has been made to nominate an employee for an incentive award:

1. If an award item has not yet been purchased: The first line supervisor completes a Purchase Request (NIH 1861-1), and includes the name of the employee and a justification for the employee receiving the award. The supervisor uses the guidelines contained above to determine the appropriate award. The justification for the award must be commensurate to the value of the award. The Purchase Request must include the signatures of the award nominating and approving officials. Once the award item has been purchased, the supervisor gives the award to the employee(s).
2. If an appropriate award item has already been purchased in bulk: The first line supervisor obtains a copy of the Incentive Award Documentation Official's log and enters the name of the employee nominated for the award and the justification for the award, signs the log, and obtains the signature of the approving official. The supervisor gives the award to the employee or group of employees. The Incentive Award Documentation Official maintains the completed log for possible audit.

+ PROCEDURES FOR PURCHASING AND DOCUMENTING DISTRIBUTION OF INCENTIVE AWARD ITEMS (A table outlining the steps involved is included as **Appendix A.**)

1. Once a need for incentive award items is identified – either to maintain an inventory of multiple award items for timely distribution or to make an award to a specific employee(s) - the program initiates a Purchase Request, identifying the specific item(s) to be purchased and the source. For gift certificates, this includes the merchant and the number and value of certificates required. To reduce costs, the IC encourages the purchase of multiple award items at one time and discourages orders under \$20. If incentive awards are purchased in bulk, the applicable object class code should be cited. The following are the correct object class codes to be used:
 - a. Cash Awards
 - The object class for Grades 13 – 15 is 11.5N
 - The object class for Grades below Grade 13 is 11.5S
 - b. Performance Awards
 - The object class for Grades 13 – 15 is 11.5T
 - The object class for Grades below Grade 13 is 11.5UIf the proposed recipient(s) of the requested item(s) is known, the program may also use the Purchase Request as the employee award nomination/approval document by including employee name and justification and by securing the appropriate signatures.
2. The Purchase Card Holder processes the Purchase Request(s) and procures the requested award item(s) using his/her charge card.
 - a. When the Purchase Request is also being used as the award nomination/approval document (i.e., the Purchase Request includes the name of the nominated employee, the justification, and required nomination and approval signatures), the Purchase Card Holder maintains needed records for his/her files and gives the requested award items to the requester for distribution to the named employee(s).
 - b. When the Purchase Request is to procure award items in bulk in advance (name of recipients not yet known), the Purchase Card Holder may, in some cases, make one credit card transaction to purchase award items for multiple requesters.

For each credit card transaction, the Purchase Card Holder distributes to each Incentive Award Documentation Official whose office requested award items: (1) the incentive award items purchased, and (2) a log similar to that included as Appendix A showing: the name of the Incentive Award Documentation Official; the date, merchant, and total amount of the credit card transaction (for audit purposes); and a list of each item purchased for the requesting office along with its value. (A sample log is included as **Appendix B.**)

3. The Incentive Award Documentation Official safeguards the award items until they are awarded by, for example, keeping them in a locked drawer or cabinet. In most cases, the supervisor makes the award to the employee.

H. Additional Information:

If you have any questions about the internal application of the policies and procedures contained in this supplement, contact your Administrative Resource Center.

I. Management Controls:

The purpose of this supplement is to assure that all work and related activities are conducted in full accordance with statutory, regulatory and policy requirements.

- Office Responsible for Reviewing Management Controls Relative to this Chapter: Through this issuance, the Research Contracts Branch (RCB) is responsible for verifying that the components are using the IMPAC card appropriately to purchase award items, that they use form NIH 1861, Purchase Request, to request purchase of award items, and that they appropriately use either the Purchase Request or a log similar to that in Appendix A to document, for each item purchased, the name of the employee who received the award, the justification, and the date of the award. RCB will report the results of their review to the Associate Director for Administrative Operations. The Office of Administrative Operations is responsible for verifying that incentive award nominations, justifications, and awards comply with chapter requirements.
- Frequency of Review: According to IC's review schedule.
- Method of Review: Review of IMPAC records, NIH Purchase Requests, and related records
- Audit Report Sent To: Associate Director for Administrative Operations, OM.

J. Records Retention and Disposal:

All records (e-mail and non e-mail) pertaining to this chapter must be retained and disposed of under the authority of NIH Manual 1743, "Keeping and Destroying Records," <http://www1.od.nih.gov/oma/manualchapters/management/1743/>, Appendix 1.

Appendices:

- A –Steps for Purchasing Incentive Award Items
- B - Sample Log of Incentive Award Items Purchased/Awarded

APPENDIX A

STEPS FOR PURCHASING INCENTIVE AWARD ITEMS

	PURCHASES FOR KNOWN RECIPIENT(S)	BULK PURCHASES (Recipients not known)
First-Line Supervisor or Purchase Cardholder	Completes Form 1861-1 Purchase Request	Completes Form 1861-1 Purchase Request
Purchase Cardholder	Purchases the Award Item	Purchases the Award Items
Purchase Cardholder	Distributes Award Item to the First-Line Supervisor	For each credit card transaction, completes items 1 through 8 on Log and turns over a copy of the Log and awards to the Award Documentation Official. The ADO may also be the Purchase Cardholder.
Award Documentation Official (ADO)		Safeguards awards until distributed. Once employee to receive award is identified, the ADO completes items 9 through 11 on the Log and obtains the signatures required by items 12 and 13.
Purchase Cardholder	Maintains completed forms 1861-1 in purchase card files for 3 years after date of payment.	Maintains completed forms 1861-1 in purchase card files for 3 years after date of payment.

APPENDIX B

Sample Log of Incentive Award Items Purchased/Awarded

Note: If award items are purchased in advance in bulk and available for distribution, this form may be used as the award justification and approval document by including: (Item 12) the signature of the nominating official (Supervisor), and (Item 13) the signature of the approving official (Division Director or Laboratory/Branch Chief, if the authority has been delegated to that level).

Directions: - Purchase Card Holder completes items (1) through (8)
 - Incentive Award Documentation Official completes items (9) – (11)
 - Both Purchase Card Holder and Incentive Award Documentation Official maintain a copy of this form.

(1) Name of Incentive Award Documentation Official (person responsible for safeguarding the award items and documenting their distribution):

(2) Name of Purchase Card Holder: _____

(3) Date of Credit Card Transaction: _____ (4) Total Amount of Transaction (may not equal value of items listed below): _____

(5) Merchant _____ (6) Date Award Items Provided to Incentive Award Documentation Official: _____

(7) Item #	(8) Value	(9) Name of Award Recipient	(10) Justification for Making Award	(11) Date Award Made	(12) Signature of Nominating Official	(13) Signature of Approving Official
1	\$XX					
2	"					
3	"					
4	\$XX					
5	"					

Insert additional rows as necessary