



NIH PURCHASE CARD PROGRAM

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



NIH Purchase Card Supplement Version 5.0 (December 2010) to the
HHS Purchase Card Guide Version 6.0 (July 2010)

TABLE OF CONTENTS

- I. PURPOSE 1
- II. REGULATORY COMPLIANCE..... 1
 - A. STANDARDS OF CONDUCT..... 1
 - B. UNAUTHORIZED USE OF THE PURCHASE CARD 1
- III. KEY RESPONSIBILITIES 3
 - A. DIVISION OF SIMPLIFIED ACQUISITION POLICY AND SERVICES (DSAPS), OFFICE OF ACQUISITION MANAGEMENT AND POLICY (OAMP)..... 3
 - B. NBS MANAGEMENT CENTER 3
 - C. OFFICE OF FINANCIAL MANAGEMENT (OFM) 3
 - D. IC PURCHASE CARD COORDINATOR..... 3
 - E. CARD APPROVING OFFICIAL (CAO) 4
 - F. CARDHOLDER 4
- IV. ESTABLISH AND MAINTAIN PURCHASE CARD ACCOUNTS..... 6
 - A. TRAINING..... 6
 - B. ACCOUNT SET-UP 6
 - C. SINGLE PURCHASE LIMITS ABOVE THE MICRO-PURCHASE THRESHOLD..... 7
 - D. CONTACTING THE BANK FOR INFORMATION..... 7
- V. USING THE PURCHASE CARD..... 8
 - A. GENERAL CARDHOLDER PROCEDURES REQUIRED TO MAKE A PURCHASE 8
 - B. PURCHASE CARD PROCEDURES FOR ITEMS ABOVE THE MICRO-PURCHASE THRESHOLD..... 9
 - C. CARDHOLDER PROCEDURES AFTER PURCHASE 11
 - D. CARDHOLDER PROCEDURES FOR QUESTIONED ITEMS AND DISPUTES 12

VI. RECONCILIATION	12
A. DAILY RECONCILIATION	13
B. MONTHLY RECONCILIATION	13
C. SUSPENSION PENALTIES	14
VII. SPECIALIZED PROCEDURES	14
A. CARD REPLACEMENT	14
B. CONVENIENCE CHECKS	14
C. PERSONAL NEED ITEMS.....	17
D. MOBILE DEVICE PURCHASES	17
E. ACCIDENTAL PERSONAL USE	17
F. USING THE PURCHASE CARD WITH NIHITS.....	18
G. RADIOACTIVE MATERIALS	19
H. MAINTENANCE/SERVICE/WARRANTY AGREEMENTS	20
I. RECURRING REQUIREMENTS	20
J. INFORMAL INCENTIVE AWARDS - GIFT CERTIFICATES/GIFT CARDS	20
K. BOTTLED WATER.....	23
L. APPROPRIATED FUNDS TO PAY FOR PROFESSIONAL LICENSURE.....	24
M. APPROPRIATED FUNDS AND LIGHT REFRESHMENTS	24
N. INFORMATION TECHNOLOGY SYSTEMS SECURITY REQUIREMENTS	25
O. METRO FARECARDS AND SMARTTRIP CARDS	27
P. SHUTTLE SERVICES	27
Q. AUTOMATIC PAYMENTS.....	27
R. INFORMATION TECHNOLOGY PURCHASES	27
S. PRINTING SERVICES.....	27

VIII. MANAGEMENT CONTROLS..... 28

IX. COMPLIANCE REVIEWS 28

X. RECORDS RETENTION AND DISPOSAL 30

XI. GLOSSARY 30

APPENDIX A: PURCHASE CARD APPLICATION FORM

APPENDIX B: CARD APPROVING OFFICIAL APPLICATION FORM

APPENDIX C: CAO CHANGE REQUEST FORM

APPENDIX D: CHECKWRITER APPLICATION FORM

APPENDIX E: CANCELLATION REQUEST FORM

APPENDIX F: CONTRACTING OFFICER'S WARRANT APPLICATION FORM

APPENDIX G: MEMO OMB CIRCULAR A-123, APPENDIX B

APPENDIX H: EXAMPLE OF AN EMPLOYEE AWARDS PROGRAM (GIFT CERTIFICATE/GIFT CARD)
POLICY

APPENDIX H-1: STEPS FOR PURCHASING INFORMAL RECOGNITION AWARD ITEMS

**APPENDIX H-2: SAMPLE IC CARDHOLDER LOG FOR INFORMAL INCENTIVE AWARDS – GIFT
CERTIFICATE/GIFT CARD**

**APPENDIX H-3: SAMPLE IC LOG FOR INFORMAL INCENTIVE AWARDS – GIFT
CERTIFICATE/GIFT CARD**

I. PURPOSE

These operational instructions are a supplement to the Department of Health and Human Services Purchase Card Program Guide (HHS Purchase Card Program 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 Purchase Card Program 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/principl.htm>.

B. Unauthorized Use of the Purchase Card

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

- Subscriptions:
 1. Subscriptions 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.
 2. Subscriptions for iPods, iPads, and Electronic Reader (E-Reader) devices (e.g. Kindle, Nook, Sony Reader) are not authorized.
- Appropriated funds may not be used to pay membership fees in a society or association for individual employees (5 U.S.C. § 5946). The prohibition does not apply if an appropriation is expressly available for that purpose, or if the fee is authorized under the Government Employees Training Act. Under the Training Act, membership fees may be paid if the fee is a necessary cost directly related to the training or a condition precedent to undergoing the training (5 U.S.C. § 4109(B)).
- 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 Acquisition, ORF. Though the micro-purchase 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 Office of Acquisition, ORF. Construction is defined as the creation, alteration, or repair (including dredging, excavating, 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 \$150,000. However, for awards greater than \$25,000 but less than \$150,000, 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 prohibited. Please contact Fleet Management for additional information.
- Gift certificates/ gift cards that require an “activation fee” may not be purchased.
- Appropriated funds are not to be used to purchase items for employees’ personal routine use. (GAO B-302993, June 25, 2004)
- 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.
- Taxes: For additional guidance refer to the following sections of the FAR and HHS Purchase Card Program Guide:
 - Application of State and Local Taxes to the Government, http://www.acquisition.gov/far/current/html/Subpart%2029_3.html#wp1082875, (FAR 29.302).
 - Excise Taxes Summary, http://www.acquisition.gov/FAR/05-20/html/Subpart%2029_2.html, (FAR 29.201).
 - HHS policy on taxed purchase card purchases (found in HHS Purchase Card Program Guide, Version 6.0), <http://oamp.od.nih.gov/Division/SAPS/Acq/PCard/PCard.asp>.

III. KEY RESPONSIBILITIES

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

- The overall programmatic responsibility for the NIH Purchase Card Program resides with DSAPS. The APC serves as the liaison between cardholders, CAOs and the Bank, as well as between NIH, DHHS and GSA regarding purchase card matters.
- 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 conduct audits of every cardholder and CAO annually.

B. **NIH Business System Management Center**

- The Government Purchase Card system function is maintained by the NIH Business System (NBS) Management Center within the 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 "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 IC's 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 may 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, purchase limit changes, 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 (formally known as CAN) 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, but not limited to:
 - 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 "SmartPay 2 Dispute Form"
 - Awards and notices, if applicable
 - Required clearances
 - Justifications for personal need items (formally "personal appeal") (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 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.
- The cardholder (or CAO) must send any requested administrative changes to their account to their IC Purchase Card Coordinator for review, approval and submission to the NIH Purchase Card Program Office for processing.
- The Department (HHS) requires that purchase card actions over the micro-purchase threshold be reported in the Departmental Contract Information System (DCIS). In accordance with FAR 4.606(a)(3), the GSA Office of Charge Card Management will provide the Government purchase card data, at a minimum annually, and GSA will incorporate that data into FPDS for reports.

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 prior to their accounts being established with the Bank. Phase I of 508 training is also required by everyone and can be taken at <https://lms.learning.hhs.gov/Saba/Web/Main>. Phases II and III of the 508 training are for managers and supervisors, and anyone they deem appropriate. Green Purchasing Training is also required. It can be taken at <http://oamp.od.nih.gov/division/acp/GreenPurchasing/GreenPurchasingforwebsite.asp>

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

Annual refresher training is required for Cardholders and CAOs who hold active accounts to stay current on policy and procedures. Annual Refresher Training is online and administered by the NIH Purchase Card Program.

B. Account Set-Up

The IC Purchase Card Coordinator will submit a cardholder or a CAO application form (Appendices A and B respectively) by scanning and 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.

Cardholder and 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).

Cardholders (and their CAOs) with a single purchase limit above the micro-purchase threshold up to \$25,000 are restricted to the Offices of Acquisition and/or must be an Administrative Officer. Cardholders with a single purchase limit above \$25,000 and not exceeding \$150,000 are restricted to the Offices of Acquisition only.

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 \$150,000 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 F);
- current 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.

D. Contacting the Bank for Information

The 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 (IC Purchase Card Coordinators may not call the Bank on behalf of the cardholder). When reporting a lost/stolen card to the Bank, Cardholders with convenience check authority must also request new checks, as checks written against the old account will not be valid.

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.

The Cardholder may be contacted by the Bank concerning possible fraud. If the Cardholder concurs with the Bank's findings of fraud and completes the bank-issued written affidavit, a copy of the affidavit must be kept in the Cardholder's monthly purchase file.

V. USING THE PURCHASE CARD

A. General Cardholder Procedures Required to Make a Purchase

- Purchase card transactions are subject to FAR Part 8 regarding the use of required sources. Before a product or service can be purchased on the open market, the cardholder must first determine if it can be obtained from or through one of the required sources. See FAR Part 8 and the HHS Purchase Card Program Guide, Version 6.0. (The NIH BPA listing is located on the DSAPS homepage at <http://oamp.od.nih.gov/Division/SAPS/Acq/GPP/GPP.asp> under the Delegated Acquisition section titled NIH-wide BPA List. If the vendor does have a BPA, remind the vendor that the negotiated discount rate is to be applied.)
- Before purchasing, cardholders must check to see if the purchase fits in one of the seven "green" purchasing categories as outlined in the HHS Purchase Card Program Guide.

The purchase of "green" products are required by law or executive order unless the product does not meet performance needs, is not reasonably available, or is only available at an unreasonable price. All "green" products are commercially available off-the-shelf items and are available through GSA stock and schedule programs, the Defense Logistics Agency, mandatory sources such as the National Industries for the Blind, AbilityOne, Federal Prison Industries (UNICOR), NIH catalogs, Federal Supply Schedules and commercial open market sources.

NOTE: Green Purchasing is a mandatory requirement and applies to ALL NIH acquisitions including those at or below the micro-purchase threshold when buying goods or services.

- Cardholders are encouraged to use their office computer or NIH VPN account when purchasing government products or services online.
- 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.

- **Prior to initiating a purchase transaction using the purchase card or a convenience check, the cardholder must obtain a dated written pre-approval.** Written pre-approval may be in the form of an e-mail, requisition, memo/note, etc., certifying that the proposed purchase is for a legitimate need of the government and not for personal benefit. The pre-approval should list all items being purchased. A copy of the written pre-approval must be retained in the purchase card file. **The pre-approver of the transaction may not be the requestor of the purchase, and must be a government employee.**
- Before purchasing, cardholders must check to see if the purchase is for electronic and information technology (E&IT). For all E&IT procurements, cardholders must comply with the requirements of Section 508. For assistance in Section 508 compliance, please contact your NIH Section 508 Coordinator or Official at <http://www.hhs.gov/web/508/points%20of%20contact/index.html>.
- When purchasing from any vendor, ensure that the purchase card account number is not held on file at any time after the order is processed. Please see Section VII for special circumstances regarding automatic payments.
- Shipments must be processed following the guidance stated in [NIH Manual Chapter 26101-42-F](#) - Shipping Policies and Procedures. If a Cardholder receives an invoice for customs/ duty tax charges after a shipment has been received, the Cardholder must forward the invoice to the Freight Forwarding Section in Building 13, Room 1759. The invoice must include the following:
 1. A statement from the AO or their designee authorizing payment of the invoice
 2. AO/designee signature and date
 3. CAN Number

All supporting documentation related to shipping must be included in the purchase card file.

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 cardholder to ensure that all the regulatory requirements pertaining to each order have been complied with and documented adequately.

1. Purchases above the micro-purchase threshold and up to \$25,000:

In addition to the HHS Purchase Card Program 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 micro-purchase threshold and up to \$10,000, a minimum of three price quotes (FSS requires three price comparisons from like schedules) 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 purchase. [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 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 \$150,000:

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 Small Business Specialist and Contracting Officer and/or Contracting Officer/Specialist determination to withdraw small business set-aside (<http://www.hhs.gov/osdbu/forms.html>). [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.
- Transactions made on the purchase card should be logged into NBS within the week the transaction was made.
- The monthly transactions must be reconciled no later than the 13th of the calendar month. (If this date falls on a Holiday or Weekend, the due date is the next business day).
- 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 and review each purchase/credit. Failure to review and/or process the automated Statement of Accounts (SOA) in a timely manner will be grounds for suspension/termination of the purchase card. Written proof of the extension must be included in the cardholders monthly purchase card file.
- Any type of personal property and equipment (PP&E) must be reported to the IC Property Custodial Officer (PCO). HHS and NIH define accountable property as items classified as capital or non-capital, non-expendable property (two years or longer expected life), with an acquisition cost of \$5,000 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 Sensitive Items List is maintained by the NIH Property Management Officer. Please refer to HHS Purchase Card Program Guide Version 6.0, Section V, Paragraph I "Property Accountability" for a partial list of Sensitive Items, and to the Personal Property Management Guide - NIH Manual Chapter 26101-25-2 for a list of sensitive items as well as the time frame required for their submission for inclusion into the NIH Property Data Base.

For Sensitive Items (accountable regardless of cost) and PP&E/accountable property items (\$5,000 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 (PMIS). 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 (formally known as OC Code) 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 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 or have documentation from the property manager showing that the property has been properly entered into the system.

D. Cardholder Procedures for Questioned Items and Disputes

The cardholder must complete a "SmartPay 2 Dispute Form" (<http://oamp.od.nih.gov/Division/SAPS/Acq/PCard/DisputesForm.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 dispute form should be emailed to J.P. Morgan Chase at CCS-Disputes@jpmchase.com. The cardholder is responsible for following up with the Bank to ensure that the dispute is being processed. If necessary, a follow-up memo can be faxed to the Bank at (847) 931-8861. A copy of the SmartPay 2 Dispute Form must be maintained within the monthly purchase card file. Please refer to HHS Purchase Card Program Guide Version 6.0, Section IV, Paragraph A "Disputed Transactions" for further information.

NOTE: Cardholders may be held personally liable for failure to dispute incorrect or improper charges. See Appendix G, the OMB Memo regarding OMB Circular A-123, Appendix B.

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 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. 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. Written proof of the extension must be included in the cardholders monthly purchase card file.

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 Program Guide Version 6.0, Section V. Paragraph E.

NOTE: Although checks cannot be written for amounts greater than \$3,000, an exception to this policy applies to contracting personnel in the contracting offices who may have this authority under the terms of their warrant.

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 not be used more than six (6) times for an individual providing a professional service. Following six visits, individuals are expected to register in the CCR database, and to obtain an electronic fund transfer (EFT) account with a bank. (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.) For professional service orders greater than \$3,000, individuals can be issued purchase orders up to two (2) times. The individual will be set up as a Non-CCR Vendor. Individuals with the NBS Vendor Requestor role will be required to enter pertinent vendor information into the Vendor Request fields, e.g., EFT. Following two visits, individuals are required to register in the CCR database, and to obtain an EFT account with a bank. Also, those individuals who are already registered in CCR should be issued purchase orders, not convenience checks, for any additional professional services efforts.

NOTE: Multiple checks for professional services to one individual to cover his/her costs for one service are 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.

NOTE: HHS employees participating in medical studies/trials may not be issued convenience checks; they are to be paid via electronic funds transfer.

While professional service orders and patient related services are the only two instances where a convenience check may be used, there are instances where the card is not accepted and **no other vendor** can provide the service or product; for example a state license or when a specific purchasing mechanism isn't accepted i.e. purchase order will impede transaction processing. If an exception to the NIH convenience check policy should arise, a detailed justification to be included in the cardholders' monthly file is required providing evidence that the vendor cannot accept purchase orders or the purchase card as payment and there are no other vendors who can provide equal products or services.

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, the amount of the check, and the check fee. The duplicate check must be filed in the purchase card file along with all supporting documentation. Checks are to be written legibly and 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. Convenience checks must be maintained in a secure location, and can only be issued by the individual authorized to issue the convenience checks. Vendors must be instructed to cash their checks within 90 days of receipt, after this time, the convenience check becomes void.

NOTE: When using a convenience check, the checkwriter must record the vendor's address, telephone number, and a brief description of the purchase. In addition, when writing a check to an individual in payment for services, the checkwriter must collect the Taxpayer Identification Number (TIN), which can be the EIN or social security number.

Services over the micro-purchase threshold will be issued on a purchase order in the three line format: honorarium, per diem, and travel. Honorariums are limited to \$200 per day for nongovernment attendees of workshops or meetings held primarily to exchange scientific information, and services provided by nongovernment members of review groups or advisory committees. Honorariums are limited to \$400 per day for guest speakers and lecturers unless advance approval has been granted in accordance with Acquisition Delegation of Authority No. 05, "Rates of Compensation (Honoraria) for Professional Services." Also, requirements for which no honorarium will be paid are to be processed using invitational travel procedures. Per diem for lodging and meals cannot exceed the Government rates for these areas as established in the Federal Travel Regulations. Reimbursement for airfares may not exceed the cost for business/coach class (first class travel is unallowable.)

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 Contractor Registration (CCR) or a Non-Central Contractor 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 Purchase Card Program 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 Need Items

Personal need items (formerly “personal appeal”) are those items which can be used for official duties as well as for personal use. When buying such items, cardholders must 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 need items that have legitimate NIH use: calculators; brief cases (attaché and similar type items); cameras and accessories; iPad; iPod; E-Reader devices; hair dryers; radios; thermos; carafes, etc.

D. Mobile Device Purchases

Mobile device (e.g. cell phones, blackberry, iPhone, iPad, iPod, E-Reader) purchases made using the Purchase Card are permissible, as long as the following procedures are followed:

- The purchase must have a valid justification showing the business need for the purchase.
- The item purchased must be entered into the property system correctly and must be decaled.
- The purchase of the iPad must have approval from the Office of the Chief Information Officer, NIH (OCIO).

These items must follow the guidelines set by the NIH Mobile Device Policy at http://ocio.nih.gov/nihsecurity/NIH_Mobile_Device_Security_Policy.doc.

The purchase of subscriptions for these devices is considered unauthorized. Please refer to Section II, Paragraph B “Unauthorized Use of the Purchase Card.”

Cell phones, blackberrys, iPhones and iPads are also considered mobile devices and must be used in accordance with the NIH Policy Manual 26101-26-6 – Cellular Telephone Services and Equipment. Contact your IC Point of Contact for any additional policies and procedures regarding these purchases.

E. 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/Room 1-4623 or Building 31/Room B1B-23.

F. 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. There are two methods of payment: payment by the NIHITS system and payment by purchase card.

For HHS University courses, you must select NIHITS as the payment method. Do NOT use the purchase card.

For **non-HHS University** courses, you may select the purchase card as the payment method.

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 on-the-spot (OTS) training for an individual student **on the same day**.

While taking into consideration the FAR 13.003(c) 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 micro-purchase 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 appropriate payment method must be entered into NIHITS.

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.

Policy prohibits the faxing of card information to a vendor. The only exception occurs when the merchant requires a faxed registration form with the card information. In this case, the cardholder may fax the information but must:

- Document the purchase card file with a brief statement explaining why it was necessary to fax the information.
- Fax the form during normal working business hours.
- Have vendor confirm receipt.
- Add this disclaimer notice to the form:

Disclaimer: The information contained in this fax is confidential and contains sensitive information and is intended for the addressee only. If you have received this fax in error or there are any problems please notify the originator immediately. The unauthorized use, disclosure, or copying of this information is strictly forbidden. Account numbers/expiration dates/security codes must be redacted

- Keep a copy of the faxed form in the purchase card file. Account numbers/expiration dates/security codes must be redacted.

G. 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 purchase card order. When ordering both radioactive and non-radioactive items from the same vendor, place two separate 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>.

H. Maintenance/Service/Warranty Agreements

Cardholders may use the purchase card to pay for these types of 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; and
- 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/warranty 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 their Office of Acquisition.

I. Recurring Requirements

See HHS Purchase Card Program Guide page D-5 for guidance.

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

J. Informal Incentive Awards - Gift Certificates/Gift Cards

Changes in Federal regulations dealing with incentive awards became effective

September 1995. Those changes provided agencies with flexibility to design and operate their performance management and recognition programs. One option from these changes is the non-monetary award (i.e., incentive award). Of specific interest is the purchase of gift certificates/gift cards.

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 value currently set at \$50. Gift certificates/gift cards that require an “activation fee” may not be purchased. Contractors are not eligible for gift certificates/gift cards. All informal monetary awards (honoraria) for private sector personnel may not exceed the nominal value currently set at \$50. HHS provides specific guidance relative to the use of this type of informal recognition award.

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 use of appropriated funds to purchase gift certificates/gift cards associated with an Employee Awards Program is considered a “cash equivalent award” and therefore must comply with all Federal tax rules, regardless of the amount.

If an IC wishes to participate in the NIH Employee Awards Program, **it is the responsibility of that IC to develop and implement an IC-wide policy in accordance with NIH Manual Chapter 2300-451-1, NIH Employee Awards Program. Any new gift card policy must receive written concurrence by the Director of the individual IC. Each IC must submit a copy of their proposed gift card policy to the NIH Agency Program Coordinator (APC) and receive approval from the NIH APC prior to the implementation of the program.**

NOTE: Any IC that has a gift card policy currently in effect will need to amend and resubmit their gift card policy to the APC for final approval. See Appendix H for an example of a gift certificate/gift card policy, including specific procedures to be followed.

General guidelines for the procurement of informal recognition awards are as follows:

1. Requesting Purchase of Award Item(s). An acceptable purchase requisition must be used to request the purchase of award items. The contributions being recognized should have occurred no more than 30 days prior to the purchase of the award. Award items should be purchased as needed to make awards to specific employees and must be awarded no later than 30 calendar days from the date of purchase. Cardholders are prohibited from storing cards for future use without a valid need. All required information must be entered into the

cardholder's gift certificate/gift card log and the IC's gift certificate/gift card tracking log. All award items purchased should be safeguarded in a locked cabinet or drawer until awarded.

2. Nominating an Employee(s) for Award. Supervisors may nominate an employee or group of employees to receive an informal recognition award to acknowledge an aspect of performance or job accomplishments. Contractors are not eligible for gift certificates/gift cards. A log similar to that included as Appendix 2 may be used as the award nomination/approval document by including the employee name and justification and by obtaining the required signatures. An acceptable purchase requisition may also be used both as the employee nomination/approval document and to request the needed item(s) as long as all required information is recorded on the purchase requisition form.
3. Determining Amount and Type of Award. The amount of the informal recognition award should be commensurate with the value of the employee's contribution, but a single award may not exceed \$50.
4. Determining When an Informal Recognition Award is Appropriate. The informal recognition award mechanism is used to recognize **outstanding employee contributions**. Examples of specific actions that might be considered for an informal recognition award include, but are not limited to, the following:
 - a. Volunteering to work a few extra hours to assist with a project or other urgent need;
 - b. Assisting a co-worker with a difficult, work-related issue;
 - c. Filling in for another employee who is away unexpectedly;
 - d. Participating as a member of a group which completed an important project.
5. Approving Award Nominations. The authority to approve informal recognition awards is in accord with the latest delegations approved by the IC Director and described within the IC's specific gift certificate/gift card policy.
6. Documenting Awards Made. Due to their informal nature, these awards will not be recorded in the automated personnel data system. The purchase cardholder must maintain a complete gift certificate/gift card log of all informal recognition awards purchased and distributed. The responsible program must also maintain a complete record/log of all informal recognition awards given out. Please see Appendix H-3 for an example IC Gift Certificate/Gift Card Log for this purpose.

At a minimum, an IC's incentive awards program (gift certificates/gift cards) policy must contain the following:

1. Specific procedures to be followed when purchasing gift certificates/gift cards to include:
 - a. Cardholders are prohibited from storing cards for future use without a valid need. Cardholders must have a valid need in the current fiscal year to purchase a gift card. Gift certificates/gift cards must be awarded no later than 30 calendar days from the date of purchase.
 - b. Gift certificates/gift cards purchased must be of nominal value not to exceed \$50 per individual award.
 - c. Gift certificates/gift cards may not be purchased by the cardholder if the cardholder is also the recipient of the award. If a cardholder must purchase their own gift certificate/gift card award, there must be documentation in the file stating that there was no other cardholder that could purchase this award.
 - d. Gift certificates/gift cards that require an "activation fee" may not be purchased.
 - e. All required information must be entered into the cardholder's gift card log and the IC's gift card tracking log.
2. Details of the system to be used to record the purchase and track the recipient of ALL gift certificates/gift cards purchased must include:
 - a. Date of gift certificate/gift card purchase
 - b. Gift certificate/gift card vendor
 - c. Gift certificate/gift card type
 - d. Gift certificate/gift card amount
 - e. Gift certificate/gift card nominator
 - f. Gift certificate/gift card recipient
 - g. Reason for the incentive award
 - h. Date the gift certificate/gift card was awarded
3. Procedures must be in place to ensure that all gift certificate/gift card awards are accounted for within an IC. For details of the system to be used to record and track all gift certificate/gift cards awarded within an IC, please see Appendix H-3 for an example IC Gift Certificate/Gift Card log.

See Appendices H-1 and H-2 for an example of the steps for purchasing informal recognition award items and a sample log of informal recognition award items purchased/awarded. See Appendix H-3 for a sample log of an IC Gift Certificate/Gift Card Tracking Log.

K. Bottled Water

The purchase of bottled water for human consumption (drinking water) is generally prohibited (see HHS Purchase Card Program 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 Supplement for further instructions when purchasing for an approved activity, (i.e., award ceremony, official entertainment, etc.)

L. 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://oamp.od.nih.gov/Division/SAPS/Acq/Announcements/PPCE.asp>. 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.

M. 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 NIH employees only or between NIH employees 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 NIH employees 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 NIH employees 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 NIH employees 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. That regulation provides that, 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 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.

N. 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://cit.nih.gov/About/Organizations/CIT/OdCit/default/>. 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://cit.nih.gov/ITPolicies/BySubject/Acquisitions/> and from the Division of Personnel Security and Access Control, ORS.

Purchasing agents in the Offices of Acquisition 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 <https://www.acquisition.gov/far/current/html/FARTOCP52.html#wp372482>

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: <https://www.acquisition.gov/far/current/html/FARTOCP52.html#wp372482>.

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 clause 52.204-9, Personal Identity Verification of Contractor Personnel. This FAR clause can be accessed at the following URL: <https://www.acquisition.gov/far/current/html/FARTOCP52.html#wp372482>

O. Metro Farecards and SmarTrip Cards

The purchase of Metro farecards and SmarTrip cards for NIH employees to use during official local travel is permissible, but should only be purchased by Administrative Office Staff (AOs). If an office, lab, etc. does not have an AO, the IC Point of Contact may request an exception for another cardholder to purchase Metro farecards from the Purchase Card Program Office. A copy of the exception must be kept in the purchase card file.

A log of Metro farecard/SmarTrip card usage must be maintained for each office that has Metro farecards/SmarTrip cards by the travel coordinator. The log must contain the date the card was released, the date the card was returned, the name of the user, the purpose, the original amount, amount used and amount remaining. Any Metro farecards or SmarTrip cards with an outstanding balance must be returned to the travel coordinator, who is responsible for the security of the Metro farecards and/or SmarTrip cards until the next required use (i.e., individual employees may not maintain possession of the Metro farecard and/or SmarTrip card in between official uses).

The cardholder must include an adequate justification along with all other required supporting documentation (invoice, pre-approval, etc.) in the purchase card file.

P. Shuttle Services

The purchase of shuttle services for individuals to and from an NIH approved event is permissible. However, if possible, the official NIH shuttles should be used to transport individuals to and from the event.

Q. Automatic Payments

The use of automatic payments is prohibited, except for cell phone/blackberry service transactions and any transactions that had prior approval to allow this payment method. The cardholder must document that he/she was aware of the full amount of the transaction before the vendor processed the transaction. An example of the required documentation would be an email from the vendor providing advance notice of the recurring charge posting to the purchase card account. If the cardholder is unable to document the amount of the transaction before it is charged by the vendor, an automatic payment process may not be used.

R. Information Technology Purchases

Information Technology purchases (e.g. computers, printers, scanners, software, etc.) must follow any IC-specific policies and any OCIO/CIT policies currently in effect. Please contact your IC Point of Contact for any additional guidance.

S. Printing Services

Acquisition of printing services must be accomplished in accordance with [NIH Manual Chapter 1183](#) and [NIH Manual Chapter 6308](#).

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://oamp.od.nih.gov/Division/SAPS/Acq/PCard/PCard.asp>.

DSAPS evaluates updates necessitated by changes to the FAR, the General Services Administration, the Bank, HHS, and requests from the IC Purchase Card Coordinator's Committee. DSAPS makes appropriate changes as needed. DSAPS sends reports to the Director, Office of Acquisition and Logistics Management (OALM) upon request.

IX. COMPLIANCE REVIEWS

The integrity of the NIH Purchase Card Program is important and participants in all aspects of the program must seek to avoid instances and appearances of fraud, waste, and abuse. The NIH Purchase Card Program conducts required reviews of all cardholder and CAO accounts to determine the quality of the purchasing process and help the cardholder and/or CAO correct any deficiencies. NIH employs a risk-based targeted approach to compliance reviews. In addition to on-site reviews (formal), NIH will use data-driven, statistical, and data analysis techniques to evaluate compliance as well (informal). This approach allows NIH to focus on those cardholders and CAOs that present the most risk to the NIH Purchase Card Program.

- **Formal (On-site) review:** For the full on-site review, the reviewer will check all purchases within a specified time period for compliance with the NIH Purchase Card Program policies and procedures. Cardholders, CAOs, and the IC Purchase Card Coordinator will be notified by email of scheduled review times. During the on-site review, the reviewer will focus on general adequacy of documentation, compliance with published procedures and regulations, etc., for example unauthorized purchases and evidence of improper order splitting. Cardholders and CAOs must be physically present for any on-site compliance review, per the policy of the NIH Purchase Card Program. An approved absence can only be granted by the NIH Purchase Card Program Office. Cardholders and CAOs can ensure compliance with purchase card policies and procedures by using the Review Checklist. The Review Checklist consists of a series of questions that assess compliance with specific procedural and regulatory areas for: Cardholders, Cardholders with authority above the micro-purchase threshold, Card Approving Officials, and Convenience Check Users. During full on-site reviews, the reviewer will complete the entire Review Checklist. Cardholders and CAOs can do their part to achieve a successful review decision by minimizing any negative findings on the Review Checklist. At the end of a review, the reviewer will conduct an Exit Briefing with the cardholder and/or CAO to discuss any feedback and/or preliminary findings, and to address any additional questions. Within 30 days after the completion of a full on-site review, a Review Report will be prepared, signed by the

APC, and distributed to the Cardholder, CAO, IC Purchase Card Coordinator, Executive Officer, OFM, and OAMP. The report will include a written summary of the findings. The report will also include corrective actions to ensure that the findings do not recur. If there are findings of non-compliance, a follow-up review may be scheduled for cardholders and CAOs that are non-compliant.

- Informal (Targeted transaction) review: For the targeted transaction review, the reviewer will request and review all supporting documentation for the transaction in question. If additional questions arise, an on-site review may be necessary. Cardholders and CAOs can ensure compliance with purchase card policies and procedures by using the Review Checklist. However, for targeted transaction specific reviews, the reviewer may only refer to certain sections of the Review Checklist. 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.

- Compliance decisions: There are two types of compliance decisions that are issued based on the results of the review:
 - Full compliance – files are in compliance with regulatory and procedural requirements
 - Not in compliance – files are not in compliance with regulatory and procedural requirements.

In addition, failure to comply with specific procedural requirements could result in the need for a follow-up review and/or suspension of the privilege of using the purchase card. A review failure may be issued for any one of these findings:

- Failure to keep the card in a secure location where only the cardholder has access
- Allowing others to use the cardholder’s purchase card
- Failure to document the use of a convenience check
- Failure to maintain the NBS NIH Purchase Card Report
- Failure to appear at the scheduled review and to contact the reviewer to reschedule

- Consequences for Non-Compliance: Follow-up reviews may be scheduled for cardholders and CAOs that are non-compliant. If, after a follow-up review, the cardholder or CAO remains non-compliant, card using privileges may be suspended:

Non-Compliance	Consequence
After 1st follow-up review	Card suspended for 1 month
After 2nd follow-up review	Card suspended for 2 months
After 3rd follow-up review	Card privileges revoked for 1 year – must retake purchase card training

Suspected cases of fraud, waste, and abuse will be referred for additional investigation.

X. 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.

XI. GLOSSARY

The terms defined in this Glossary supplement those terms defined in HHS Purchase Card Program Guide Version 6. To the extent there is a conflict between the terms, the terms in this NIH Purchase Card Supplement shall prevail.

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
6100 Executive Boulevard, Room 6B05
Bethesda, MD 20892-7240
Purchase Card Helpline: (301) 435-6606
E-mail: Creditcard@OD.NIH.GOV (global – Help, Creditcard)

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://oamp.od.nih.gov/Division/SAPS/Acq/GPP/GPP.asp> under the Delegated Acquisition section titled NIH-wide BPA List. 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. The Debt Collection Improvement Act of 1996 (Public Law 104-134) mandates the use of EFT for all Federal payments.

Electronic Reader (E-Reader) Device: An electronic device that is designed primarily for the purpose of reading digital books and periodicals. These devices include, but are not limited to the Kindle, Nook and Sony Reader.

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 and Logistics Management
6100 Executive Blvd., Room 6D01
Bethesda, MD 20892-7540
Telephone: (301) 496-4422

Non-monetary Informal Award: An award that recognizes a contribution made by an employee or group that does not meet the standard for a cash award or in cases where the supervisor chooses to not grant a cash award (e.g., T-shirt, mug, gift card). For additional information on non-monetary informal awards, including gift cards/certificates, refer to [OPM Honorary Awards and Informal Recognition Awards FAQs](#).

On-the-Spot Awards (OTS): A small cash award given by the supervisor to recognize an employee for a worthy accomplishment or for an unusual one-time achievement.

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 A

REQUEST FOR NEW PURCHASE CARDHOLDER

DATE:

TO: Zedekiah J. Worsham, Acting Purchase Card Program Manager

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:		
Proposed Monthly Limit:		
Default Project # (CAN):		
Default Expenditure Type (OC Code):		
Security Identifier/Birth Date (MM/DD):		

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 SmartPay 2 Program (NIH Purchase Card Supplement & HHS Purchase Card Program 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: _____

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

Revised 7/27/10

APPENDIX B

REQUEST FOR NEW PURCHASE CARD APPROVING OFFICIAL

DATE:

TO: Zedekiah J. Worsham, Acting Purchase Card Program Manager

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):	

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 7/27/10

APPENDIX C

CAO CHANGE REQUEST FORM

DATE:

TO: Zedekiah J. Worsham, Acting Purchase Card Program Manager

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)*			

*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 7/27/10

APPENDIX D

REQUEST FOR CONVENIENCE CHECKS

DATE:

TO: Zedekiah J. Worsham, Acting Purchase Card Program Manager

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 7/27/10

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 P-Card User and/or P-Card CAO User Access Request Form. Their user access must also be cancelled.

*Last 10 digits—if possible

**Please, only one name per request.

APPENDIX F

Contracting Officer's Warrant Application Form

TO: (Head of Contracting Activity)

FROM: (Candidate's immediate supervisor)

SUBJECT: Request for Warrant

Candidate Information

A. Candidate is:

(Name, Title, Series, and Grade)

B. Candidate's Work Location:

(Organization/Division/City/State)

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

D. Candidate's current or previous warrant number (if applicable):

E. Candidate's current certification level:

HHS Level _____ FAC-C Level _____

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

A. _____ Initial warrant application. Warrant level and authority

_____.

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:

D. _____ Special Project/Interim warrant application. Warrant level/authority requested

_____.

E. _____ Change in warrant status (from an interim appointment to permanent appointment).

F. Administrative change to existing warrant. Please indicate change requested (for example, name change):

Supporting documentation

(For initial warrant application, increasing existing warrant authority, and conversion of interim warrant to permanent status). Note: FAC-C certification is required for those issued new warrants on or after January 1, 2007 or for those with an increase in warrant authority. For additional information on supporting documentation, see Chapter 3.

(To be filled out by the candidate)

Certification

A. Permanent Authority

I certify that I have achieved all the warrant level qualifications and training for the warrant level requested and understand the ethical and legal implications and am competent to have the authority to procure on behalf of the Department of Health and Human Services. I understand that my authority to procure under my warrant is limited to my delegation of authority. I understand that I will be required to maintain my skills currency as a requirement to keep my warrant.

(Candidate's Name)

(Candidate's Signature and Date)

B. Interim Appointment:

I certify that I will meet all the warrant level qualifications and training for the warrant level requested within one (1) year of the warrant issue date and understand the legal and ethical implications and am competent to have the authority to procure on behalf of the Department of Health and Human Services. I understand that I will be required to maintain my skills currency as a requirement to keep my warrant. I understand that my authority to procure under my warrant is limited to my delegation of authority.

(Candidate's Name)

(Candidate's Signature and Date)

C. All Candidates:

I certify that all of the statements made by me are true, complete, and correct to the best of my knowledge and belief and are made in good faith.

(Candidate's Signature and Date)

(To be completed by the requesting official)

The candidate's performance of acquisition duties, business acumen, judgment, character, and ethics are sound and his/her performance is satisfactory. All of the required warrant level qualifications and education/training (or equivalencies), and experience requirements have been met (or in the case of an interim warrant, will be completed within one year). The need for the warrant authority is documented and appointment to the level/status is recommended.

(Employee's immediate supervisor's name)

(Signature and Date)

(To be completed by the Head of Contracting Activity)
Approval

Approved: _____
(Head of Contracting Activity's Name)

(Signature and Date)

Disapproved: _____
(Head of Contracting Activity's Name)

(Signature and Date)

Warrant Information:

Warrant number: _____

Warrant date: _____

Warrant signed by: _____

MEMO OMB CIRCULAR A-123, APPENDIX B



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D. C. 20503

January 15, 2009

CIRCULAR NO. A-123, Appendix B
Revised

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Improving the Management of Government Charge Card Programs

Appendix B of OMB Circular A-123 prescribes policies and procedures to agencies regarding how to maintain internal controls that reduce the risk of fraud, waste, and error in government charge card programs. This revision responds to recommendations made by the Government Accountability Office (GAO) regarding the Federal purchase card program as well as agency comments and suggestions made by Agency/Organization Program Coordinators. These revisions replace and rescind all previously issued OMB Circular A-123 Appendix B policy dated February 2006 and August 2005. Significant updates to Appendix B are as follows:

- Updated the micropurchase threshold to reflect the current \$3,000 threshold (Section 5.3);
- Expanded descriptions for erroneous and improper purchases including practices for minimizing such purchases (Sections 4.6 through 4.8);
- Added a requirement for charge cardholders, approving officials, or both to reimburse the government for any unauthorized transactions or erroneous purchase card transactions that were not disputed (Section 4.8);
- Incorporated guidance on disciplinary actions for fraud and other egregious abuse of a government charge card (Section 4.9);
- Updated performance metrics (Section 5.5);
- Added a chapter on internal controls for convenience checks (Chapter 12); and
- Added a chapter on controls related to property acquired with government charge cards (Chapter 13).

This revision is effective as of the date of this memorandum. A revised version of the entire Appendix B to OMB Circular A-123 is available on the OMB web site. All questions or inquiries concerning Appendix B should be addressed to the Office of Federal Financial Management, Financial Analysis and Systems Branch, (202) 395-3993.

Jim Nussle
Director

APPENDIX H

EXAMPLE OF AN EMPLOYEE AWARDS 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 Employee Awards 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 informal recognition awards; and
- (2) Purchasing and documenting distribution of informal recognition award items.

B. Applicability:

This policy applies only to informal recognition 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 should have occurred no more than 30 days prior to the purchase of the award and must be awarded no later than 30 calendar days from the date of purchase. Cardholders must have a valid need in the current fiscal year to purchase a gift card. The nominal value of the informal recognition award items purchased must be a minimum of \$10 and not exceed \$50 per award. 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 informal recognition awards up to \$50 per calendar year from any one source. Contractors are not eligible for gift certificates/gift cards.

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 informal recognition 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 Chapter 2300-451-1, NIH Employee Awards Program
- (4) NIH Purchase Card Supplement, Version 5.0

E. General Guidelines:

1. Requesting Purchase of Award Item(s). An acceptable purchase requisition must be used to request the purchase of award items. The contributions being recognized should have occurred no more than 30 days prior to the purchase of the award and must be awarded no later than 30 calendar days from the date of purchase. Cardholders must have a valid need in the current fiscal year to purchase a gift card. Cardholders are prohibited from storing cards for future use without a valid need. All required information must be entered into the cardholder's gift certificate/gift card log and the IC's gift certificate/gift card tracking log. All award items purchased should be safeguarded in a locked cabinet or drawer until awarded.
2. Nominating an Employee(s) for Award. Supervisors may nominate an employee or group of employees to receive an informal recognition award to acknowledge an aspect of performance or job accomplishments. Contractors are not eligible for gift certificates/gift cards. A log similar to that included as Appendix 2 may be used as the award nomination/approval document by including the employee name and justification and by obtaining the required signatures. An acceptable purchase requisition, may also be used both as the employee nomination/approval document and to request the needed item(s) as long as all required information is recorded on the purchase requisition form.
3. Determining Amount and Type of Award. The amount of the informal recognition award should be commensurate with the value of the employee's contribution, but a single award may not exceed \$50.
4. Determining When an Informal Recognition Award is Appropriate. The informal recognition award mechanism is used to recognize **outstanding employee contributions**. Examples of specific actions that might be considered for an informal recognition award include, but are not limited to, the following:
 - a. Volunteering to work a few extra hours to assist with a project or other urgent need
 - b. Assisting a co-worker with a difficult, work-related issue
 - c. Filling in for another employee who is away unexpectedly
 - d. Participating as a member of a group which completed an important project
5. Approving Award Nominations. The authority to approve informal recognition awards is in accordance with the latest delegations approved by the IC Director and described within the IC's specific gift certificate/gift card policy.
6. Documenting Awards Made. Due to their informal nature, these awards will not be recorded in the automated personnel data system. The purchase cardholder must maintain a complete gift certificate/gift card log of all informal recognition awards purchased and distributed. Logs are not required for items given to employees which were originally purchased for another purpose such as promotional/recruitment events. In addition, a standardized log must be maintained at the IC level for purposes of tracking all informal recognition awards. Please see Appendix H-3 for a sample IC Gift Certificate/Gift Card Log.

F. Responsibilities:

1. The IC Director is responsible for the implementation of the Employee Awards Program.
2. The Deputy Director for Management, through the Associate Director for Administrative Operations, is responsible for oversight of the Employee Awards Program.
3. The Administrative Resource Center (ARC) is responsible for: (a) informing the programs of the informal recognition awards policies; (b) reporting audit results to programs; and (c) providing training and guidance as needed.

The Award Documentation Official (ADO) 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 ADO is either the supervisor or someone designated by the supervisor to perform these functions (the ADO may, in some cases, also be the Purchase Card Holder).

4. The Purchase Card Holder is responsible for processing the Purchase Requests for award items requested and for maintaining records documenting all award items purchased. Gift certificates/gift cards may not be purchased by the cardholder if the cardholder is also the recipient. If a cardholder must purchase their own gift certificate/gift card award, there must be documentation in the file stating that there was no other cardholder that could purchase this award.

5. The First Line Supervisor or a higher level supervisor may nominate an employee or group of employees for informal recognition awards, using a Purchase Request, or a log similar to that included in Appendix 2. Supervisors are also responsible for informing employees that the IRS considers both gift certificates/gift cards to be taxable fringe benefits that must be taxed on their fair market value. Therefore, award recipients are responsible for reporting gift certificates/cards, and gift checks to the IRS as additional income.

G. Procedures:

PROCEDURES FOR NOMINATING AND APPROVING INFORMAL RECOGNITION 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 informal recognition award:

1. If using a purchase requisition: The first line supervisor completes an acceptable purchase requisition, 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 requisition 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 using a gift certificate/gift card log, similar to Appendix H-2: The first line supervisor obtains a copy of the 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 Award Documentation Official maintains the completed log for possible audit.

Reminder: Cardholders are prohibited from storing cards for future use without a valid need. Cardholders must have a valid need in the current fiscal year to purchase a gift card.

3. At a minimum, an informal recognition awards program (gift certificates/gift cards) policy must contain the following:
 - a. Specific procedures to be followed when purchasing gift certificates/gift cards to include:
 - i. Cardholders are prohibited from storing cards for future use without a valid need. Gift certificates/gift cards must be awarded no later than 30 calendar days from the date of purchase. Cardholders must have a valid need in the current fiscal year to purchase a gift card. Gift certificates/gift cards purchased must be of nominal value not to exceed \$50 per individual award.
 - ii. Gift certificates/gift cards may not be purchased by the cardholder if the cardholder is also the recipient. If a cardholder must purchase their own gift certificate/gift card award, there must be documentation in the file stating that there was no other cardholder that could purchase this award.
 - iii. Gift certificates/gift cards that require an "activation fee" may not be purchased.
 - iv. All required information must be entered into the cardholder's gift certificate/gift card log and the IC's gift certificate/gift card tracking log.
 - b. Details of the system to be used to record the purchase and track the recipient of ALL gift certificates/gift cards purchased to include:
 - i. Date of gift certificate/gift card purchase
 - ii. Gift certificate/gift card vendor
 - iii. Gift certificate/gift card type
 - iv. Gift certificate/gift card amount
 - v. Gift certificate/gift card nominator
 - vi. Gift certificate/gift card recipient
 - vii. Reason for the incentive award
 - viii. Date the gift certificate/gift card was awarded
 - c. Procedures must be in place to ensure that all gift certificate/gift card awards are accounted for within an IC. For details of the system to be used to record and track all gift certificates/gift cards awarded within an IC, please see Appendix H-3 for an example IC Gift Certificate/Gift Card Tracking Log.

PROCEDURES FOR PURCHASING AND DOCUMENTING DISTRIBUTION OF INFORMAL RECOGNITION AWARDS (A table outlining the steps involved is included as Appendix H-1.)

1. Once a need for informal recognition award items is identified, the program initiates a purchase requisition, identifying the specific item(s) to be purchased and the source. For gift certificates/gift cards, this includes the merchant and the value of gift certificate/card required. When informal recognition awards are purchased, the applicable expenditure type should be cited. The correct expenditure type to be used is 11.5S.

The program may also use the purchase requisition as the employee award nomination/approval document by including the appropriate information as outlined in the above policy and procedures.

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 requisition is also being used as the award nomination/approval document (i.e., the purchase requisition 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 requisition prompts the procurement of award items, the Purchase Card Holder distributes to the ADO whose office requested award items: (1) the informal recognition award items purchased, and (2) a log similar to that included as Appendix H-2 showing: the name of the ADO, the date, merchant, and total amount of the purchase 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 H-2).
3. The ADO safeguards the award items until they are awarded, 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 Office of Acquisition (OA) is responsible for verifying that the components are using the purchase card appropriately to purchase award items, that they use an acceptable purchase requisition, to request the purchase of award items, and that they appropriately use either the purchase requisition or a log similar to that in Appendix 2 to document, for each item purchased, the name of the employee who received the award, the justification, the date of the award, the vendor name, and the amount of the award. The Office of Acquisition will report the results of their review to their IC Designated Official. The IC Designated Official is responsible for verifying that informal recognition award nominations, justifications, and awards comply with chapter requirements.
- Frequency of Review: According to IC's review schedule.
- Method of Review: Review of purchase card records, NIH Purchase Requests, and related records

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:

- H-1 - Steps for Purchasing Informal Recognition Award Items
- H-2 - Sample IC Cardholder Log for Informal Incentive Awards – Gift Certificate/Gift Card
- H-3 - Sample IC Log for Informal Incentive Awards – Gift Certificate/Gift Card

APPENDIX H-1

STEPS FOR PURCHASING INFORMAL RECOGNITION AWARD ITEMS

	PURCHASES USING ONLY THE PURCHASE REQUISITION	PURCHASES USING BOTH THE PURCHASE REQUISITION AND GIFT CARD LOG
First-Line Supervisor or Purchase Cardholder	Completes an acceptable purchase requisition	Completes an acceptable purchase requisition
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 (ADO). The ADO may also be the Purchase Cardholder.
Award Documentation Official (ADO)		Safeguards awards until distributed. The ADO completes items 9 through 11 on the Log and obtains the signatures required by items 12 and 13.
Purchase Cardholder	Maintains completed purchase requisition in purchase card files for 3 years after date of final payment.	Maintains completed purchase requisition in purchase card files for 3 years after date of final payment.

APPENDIX H-2

SAMPLE IC CARDHOLDER LOG FOR INFORMAL INCENTIVE AWARDS – GIFT CERTIFICATE/GIFT CARD

This form may be used as the award justification and approval document by including: (Item 13) the signature of the nominating official (Supervisor), and (Item 14) the signature of the approving official (Division Director or Laboratory/Branch Chief, if the authority has been delegated to that level).

NOTE: The Award Documentation Official (ADO) may also be the Purchase Cardholder.

Directions: Purchase Card Holder completes items (1) through (8)

Award Documentation Official (ADO) completes items (9) – (12)

Both Purchase Card Holder and Award Documentation Official maintain a copy of this form.

(1) Name of 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 Gift Certificates/Gift Cards Awarded _____

(5) Merchant: Wal-Mart _____

(6) Date Award Items Provided to Informal Recognition Award Documentation Official: _____

(7) Item #	(8) Value	(9) Name of Award Recipient	(10) Justification for Making Award	(11) Date Award Made	(12) Type of Gift Certificate/Gift Card Awarded	(13) Signature of Nominating Official	(14) Signature of Approving Official
1	\$50	Jane Doe	Jane assisted a co-worker in processing additional purchase orders over a period of weeks.	8/10/2009	Red Lobster Gift Card		
2	"						
3	"						
4	\$XX						
5	"						

Insert additional rows as necessary

APPENDIX H-3

SAMPLE IC LOG FOR INFORMAL INCENTIVE AWARDS - GIFT CERTIFICATE/GIFT CARD

IC Tracking Log

Institute:

IC Point of Contact:

Fiscal Year:

****Please note: The Award Purchaser may be the Purchase Card Holder or the Award Documentation Official**

Item #	Award Value	Award Recipient	Award Justification	Award Nominating Official	Award Approving Official	Date of Award	Award Purchaser	Purchase Date	Merchant	Type of Award
1	\$50	Jane Doe	For help with CFC Campaign	John Smith	Steve Martin	2/27/2010	Billy Crystal	2/20/2010	Safeway	Best Buy Gift Card
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12										
13										
14										
15										
16										

Insert additional rows as necessary