

HHS Purchase Card Quick Reference – February 2009

Introduction

This HHS Purchase Card Quick Reference is designed for cardholders and highlights key information about HHS purchase card policies and procedures. For complete details and requirements, please refer to the latest version of the HHS Purchase Card Guide, along with any supplemental procedures from your OPDIV.

Points of Contact

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HHS OPDIV Agency/Organization Program Coordinators (A/OPCs)			
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HHS Strategic Sourcing

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Cardholder Responsibilities

- Attending basic training and annual refresher training.
- Safeguarding the purchase card and account information.
- Immediately reporting a lost, stolen, or compromised card to the servicing bank and notifying the Approving Official (AO).
- Notifying the A/OPC (with copy to the AO) of any administrative changes to your account, such as name, address, or phone number changes.
- Notifying the AO of planned reassignment, absence, or departure from the organization.
- Purchasing products or services in accordance with the limits on your delegation of procurement authority, and following the process steps below.

Cardholder Process

1. Determine whether you can purchase the product or service using the card. See lists on next page and Appendix C (Prohibited Purchases) and Appendix D (Purchases Requiring Special Attention) of the HHS Guide for details.
2. Initiate Purchase Process - *Obtain written pre-approval for purchase*; document the purchase file.
3. Review the requirements and plan the purchase - Make sure description is clear so vendor understands requirement; Requirement should be for standard commercial product or service; Consolidate identical requirements into single purchase where possible.
4. Ensure that there's adequate funding to make the purchase and that it is for a current need (bona fide need) of the Government.
5. Determine if the purchase is within your single and monthly purchase limit. If not, you cannot make the purchase and must not split the purchase into two or more smaller purchases in order to make the purchase.
6. Check to see if you must obtain the product or service from a required source (see HHS Guide for details).
7. Conduct Market Research - Find sources for the needed product or service; Find source that offers "best value" to the Government.
8. Determine if the merchant accepts the card.
9. Determine if the merchant has added tax to the purchase. Ordinarily, you should request that tax be removed from the price. See HHS guide for details.
10. Ensure that no extra surcharges have been added to the price for using the card.
11. Ensure that the merchant will bill only upon shipment (for products) or upon initiating some action (for services).
12. Determine price reasonableness – If you believe the price is unreasonable, negotiate with the merchant or find another source. Document the file with price reasonableness determination if you're buying a product or service and no comparable pricing history or information is available.
13. Purchase from merchant - Ask for any government discounts; Obtain a receipt if an over-the-counter purchase; Provide shipping information to merchant if product is to be delivered; Get receipt verification from person receiving the shipment.
14. If transaction is denied, investigate reason, contacting the bank or your A/OPC if necessary.
15. Arrange for delivery for products being shipped. Ensure that person receiving the item sends you receipt verification. Comply with property management procedures for any reportable or sensitive items received.
16. Register purchase in your log.
17. Maintain a monthly purchase file for receipts and other documentation.
18. Receive any shipped product and make sure it is the same product as ordered and undamaged. Contact merchant to correct any problems.
19. If unable to resolve any problems with merchant, initiate a disputed transaction. See HHS Guide for procedures.
20. Receive monthly bank statement (either electronically or in hard copy).
21. Reconcile monthly purchases with bank statement. Make sure that actual purchases match purchases on statement.
22. Review statement for any unauthorized charges, investigate unknown charges, and resolve with merchant or bank as necessary.
23. Review account to ensure that merchants are billing in a timely manner. Contact merchants who do not bill in a timely manner and request that they do so.
24. Submit monthly purchase and supporting information to your AO for approval.

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The following are **prohibited** purchases:

- Airline tickets
- Automobiles, including gasoline and repairs
- Backordered items
- Bail or bond payments
- Cash advances
- Casino, racetrack, lottery, or other betting or gambling expenses
- Dating and escort services
- Fines or penalties
- Fuel for vehicles (fuel for generators, heaters, etc. is permitted)
- Lobbying or other political contributions
- Luxury items (Items must meet the Government's minimum needs only)
- Decorations for individual offices or personal use (art items, photos, plants and flowers, etc.)
- Personal items (Items for personal use, convenience, or consumption. See Appendix D for ergonomically or medically necessary items)
- Products and services that do not meet a bona fide need of the Department
- Rental or lease of motor vehicles, buildings, or land
- Savings bonds
- Tax
- Telephone calls or calling cards
- Travel or travel-related expenses (hotels, airline, bus & train fares, meals, entertainment)
- Weapons
- Vehicles

The following products and services require **special attention** before they may be purchased. They may require a special clearance or approval, or have other restrictions or conditions. (See the HHS Purchase Card Guide and OPDIV procedures for details on how to proceed)

- Advance payments to merchants (where merchants bill for a product or service and the Government pays the invoice before receiving the product or before the service is completed)
- Advertisements
- Architect/Engineering services
- Audio-visual services
- Awards and award ceremonies
- Bottled water
- Business cards
- Camcorders/video cameras
- Clothing
- Conference services (Events management)
- Combined Federal Campaign support
- Computers (laptop and desktop)
- Computer-related items, PDAs, peripherals, cables, cards, toner and ink cartridges, software, software upgrades, repair services, licenses, etc.
- Construction services
- Consultant services
- Decorations for common areas (art items, photos, plants and flowers, etc.)
- Entertainment, including food, drink, meals, alcoholic beverages, banquets, music, and recreational facilities
- Ergonomic and medical purchases (footrests, backrests, wrist supports, special chairs, lighting, etc.)
- Equipment maintenance and service agreements
- Existing contracts
- Food
- Frames and framing
- Furniture and furniture components
- Gifts cards and gift certificates
- Hazardous materials or controlled substances
- Internet service
- License fees for employees
- Maintenance and service agreements
- Maintenance for leased facilities
- Medical items
- Membership/license fees for employees
- Meeting space/booth rental
- Moving services
- Multiple shipments of products
- Orders against existing contracts
- Printing and copying
- Promotional items (buttons, mugs, balloons, etc.)
- Recurring requirements for products & services
- Repair services
- Services (various)
- Subscriptions
- Telecommunications equipment
- Telephone/telecommunications services
- Training

Purchase Card Use During Emergencies

- Cardholders will be advised of an official emergency via their A/OPC or HHS management chain.
- Cardholders with emergency cards may immediately use them up to the limits of their authority during emergencies. Emergency cards may also have their normal or existing purchase limits raised (see below) if authorized.
- Cardholders will be advised by their A/OPC if there are changes to their existing card limits. Any higher limits can be used only for purchases related to the emergency.
- All rules for purchase card use continue to apply unless HHS management provides notice of temporary waiver.
- Document all purchases made in support of the emergency in accordance with A/OPC or HHS management direction.
- Obtain a signed receipt verification from the receiving customer for all products delivered directly to another location.
- Contact OPDIV A/OPC (or Emergency Helpdesk, if established) if there are questions about allowable purchases, purchasing unfamiliar products or services, or for help locating sources.