

NIH PURCHASE CARD SUPPLEMENT VERSION 6.1



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

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I. INTRODUCTION TO THE PURCHASE CARD

A. Purpose of the Supplement

These operational instructions are a supplement to the Department of Health and Human Services (HHS) Purchase Card Program Guide Version 6.0. They are intended to provide guidance for use of the purchase card regarding the policies and procedures that are unique to the National Institutes of Health (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 Version 6.0.

The purchase card is the primary method of making micro-purchases at NIH (purchases of \$3,500 or below) and is designed to:

- Streamline payment procedures and paperwork
- Improve cash management practices
- Reduce procurement time and processing costs
- Improve management control and decision making

B. Policies and Regulations

There are many regulations and policies that govern the use of the purchase card. These include, but are not limited to the following:

- **Federal Acquisition Regulation (FAR):** Federal regulations governing the acquisition of supplies and services by executive agencies.
- **Office of Management and Budget (OMB) Circular A-123 Appendix B:** This circular prescribes policies and procedures for agencies on how to maintain internal controls that reduce the risk of fraud, waste, and error in government charge card programs.
- **General Services Administration (GSA) SmartPay®:** Master contract awarded by the GSA to banks and credit card associations for government-wide commercial purchase, travel, and fleet card services.
- **Government Charge Card Abuse Prevention Act 2012 (Public Law 112-94):** Law that requires federal agencies to put new controls on government charge cards and enforce more stringent penalties for violations by federal employees.
- **Health and Human Services Acquisition Regulation (HHSAR) and the HHS Purchase Card Guide Version 6.0:** Department-wide regulations governing the acquisition process and contracting relationships between the Department's contracting offices and contractors, as well as HHS policies and procedures specifically related to the government purchase card.
- **NIH policies and procedures:** Agency-wide policies and procedures that includes manual chapters, the NIH Purchase Card Supplement, and other related policies that address the purchase of supplies and services.

C. Standards of Conduct

Government employees hold a public trust and their conduct must meet the highest ethical standards. The purchase card can only be used to purchase supplies and services for NIH within the guidance of this program. All authorized purchase card transactions must satisfy a legitimate NIH need and cannot be for personal benefit. In addition, all staff with purchasing responsibilities must ensure that sufficient and appropriate funds are available in accordance with NIH policy and that funds are spent in a prudent and cost-effective manner. For more information see [Principles of Ethical Conduct for Government Officers and Employees](#).

Misuse of the purchase card is a disciplinary offense. An employee (cardholder and/or Card Approving Official) may be held personally liable for the amount of any unauthorized transaction and may be subject to a fine and/or imprisonment, under 18 U.S.C. 287. When instances of fraud, waste, or abuse are identified, the NIH Purchase Card Program must be notified immediately. For additional information regarding disciplinary action, please contact the NIH Workforce Relations Division at (301) 496-4851.

Only the NIH employee whose name is on the purchase card is authorized to make purchases with the purchase card or the purchase card account number.

D. Simplified Acquisition Authority Levels

Specific purchasing limits are associated with each purchase card, as listed below. These limits are stated in the delegation letter or warrant issued to each cardholder.

- **Single Purchase Limit (SPL):** Maximum dollar amount allowed per transaction/order. For most cardholders, this is the micro-purchase threshold of \$3,500, except in the cases of construction for which the SPL is \$2,000, and services subject to the Service Contract Act, for which the limit is \$2,500.
- **Monthly Purchase Limit:** Maximum dollar amount allowed per billing cycle. The billing cycle for NIH runs from the 6th of the month to the 5th of the following month.

E. Purchases above the Micro-Purchase Threshold:

The authority to purchase products and services above \$3,500 and up to \$25,000 is restricted to Administrative Officers or cardholders within the Offices of Acquisition at NIH. The authority to purchase above \$25,000 and up to \$150,000 is restricted to the NIH's Offices of Acquisition.

To receive a warrant or delegation of authority above the micro-purchase threshold, the cardholder and CAO must complete additional training and obtain a Certificate of Appointment (i.e., warrant). For more information, see Section XII "Purchase Card as a Payment Mechanism for Items above the Micro-Purchase Threshold."

II. RESPONSIBILITIES OF KEY PERSONNEL & SEPARATION OF DUTIES

A. Office of Acquisition and Logistics Management (OALM)

The overall programmatic responsibility for the NIH Purchase Card Program resides within the Division of Simplified Acquisition Policy and Services under OALM. The Agency/Organization Program Coordinator (A/OPC) is responsible for the implementation and oversight of the program at NIH and for serving as the liaison between cardholders, CAOs, and the servicing bank (JPMorgan), as well as between NIH, HHS and GSA regarding purchase card matters. Additional responsibilities include:

- Establishing NIH-specific purchase card policy and guidance
- Ensuring training is provided to all prospective cardholders and CAOs and refresher training is completed annually by current cardholders and CAOs
- Ensuring necessary resources are available for cardholders and CAOs to understand policies and procedures regarding purchase card usage
- Requiring all prospective cardholders and CAOs to sign a statement affirming their understanding of purchase card policies and procedures
- Monitoring transactions, disputes, and fraudulent activities
- Conducting audits of cardholders and CAOs, as necessary

B. NIH Business System (NBS) Management Center

The NIH purchase card system function is maintained by the NBS Management Center. NBS is the system that cardholders use to log purchases that are made and review transactions that are posted from the bank. CAOs review and approve the cardholder's statements in NBS. On a daily basis, transactional purchase card data is downloaded from the bank into NBS and made available to cardholders and CAOs.

C. Office of Financial Management (OFM)

OFM receives a monthly automated consolidated report of all IC balances which is considered the billing invoice for that month. Payment is made to the servicing bank, in accordance with the Prompt Payment Act provisions, for the amount due for all NIH purchase card transactions. OFM completes 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 also receives each IC's rebates on a quarterly basis and distributes them to the ICs accordingly.

D. IC Purchase Card Coordinator

IC Purchase Card Coordinators are appointed by their respective IC's Executive Officer (EO) and serve as the primary point of contact between the NIH Purchase Card Program and the IC's cardholders and CAOs. If needed, alternate Purchase Card Coordinator(s) may be designated. Responsibilities of the IC Purchase Card Coordinator and Alternate include:

- Attending and participating in IC Purchase Card Coordinator meetings and disseminating information to cardholders and CAOs
- Serving as the IC's point of contact for questions or issues pertaining to the purchase card
- Reporting instances of purchase card fraud, waste, or abuse to the NIH Purchase Card Program and the Office of the Inspector General (OIG) if necessary
- Developing internal IC purchase card guidelines
- Providing oversight of the IC's cardholders and CAOs through internal reviews and audits of accounts
- Notifying cardholders and CAOs as necessary of monthly suspensions due to lack of account reconciliation
- Reviewing and approving all purchase card actions/requests before submission to the NIH Purchase Card Program for processing (e.g., cardholder or CAO applications, account changes, cancellations, etc.)
- Ensuring purchase card limit (single or monthly) requests are justified and supports the IC's needs
- Providing recommendations to the NIH Purchase Card Program on practices to further strengthen the program
- Responding to data calls from the NIH Purchase Card Program
- Ensuring cardholders and CAOs complete the required training
- Developing and conducting internal training sessions, as necessary

E. Card Approving Official

CAOs are responsible for reviewing and approving cardholders' transactions under their approving authority to ensure the transactions are legal, proper, mission essential, and in accordance with purchase card policy. CAOs must be an equivalent or higher grade level and acquisition authority than the cardholders under their purview. There should be no more than five cardholders assigned to a CAO. Under certain rare and extenuating circumstances, the NIH Purchase Card Program may allow CAOs to have additional cardholders. In these cases, the cardholder's volume of monthly transactions will be taken into consideration.

If CAOs are also cardholders, they may not approve their own purchases. CAOs may also not approve the purchases of a cardholder who is their supervisor.

NOTE: CAOs should work directly with their IC Purchase Card Coordinator to resolve any purchases, disputes, or credits that cannot be resolved with the cardholder. By approving transactions in NBS, the CAO is confirming that the purchases are legitimate and authorized purchases for NIH. If there are any issues with the purchases, the CAO needs to ensure appropriate action is taken.

Responsibilities of the CAO include:

- Ensuring cardholders understand the purchase card policies and procedures outlined in the HHS Purchase Card Guide Version 6.0 and the NIH Supplement Version 6.0
- Ensuring cardholders' transactions are legal, proper, mission essential, and in accordance with purchase card policy
- Ensuring cardholders' accountable and sensitive property is coded with the correct object class (OC) code and reported to the Property Office or Property Management System.
- Ensuring cardholders reconcile their statements and transactions in NBS by the 13th of each month
- Reviewing and approving their cardholders' transactions in NBS by the 18th of each month and confirming their cardholders' files contain the supporting documentation per policy, and that the file is complete, accurate, and reflects only authorized purchases
- Ensuring resolution of any questionable purchases and that disputes are filed timely and properly by their cardholders
- Submitting any administrative changes to their IC Purchase Card Coordinator for processing (e.g., cancellations, increases, CAN changes, etc.)
- Completing required training in a timely manner and ensuring cardholders also complete any necessary training
- Reporting fraud, waste, or abuse to their IC Purchase Card Coordinator
- Ensuring that cardholders' purchase card files are maintained for three years after final payment (**NOTE:** If a cardholder under the CAO's purview leaves the IC, the cardholder's files must be sent to an IC designated repository and maintained as required)

F. Cardholder

Cardholders must be NIH employees and be nominated by their IC Purchase Card Coordinator. Responsibilities of the cardholder include, but are not limited to:

- Making only authorized purchases and obtaining approvals (including funds availability) of all purchases before the purchase is made
- Tracking, logging, and reconciling their purchases in NBS, and signing the NBS statements by the 13th of each month
- Maintaining all required purchase card documentation
- Ensuring that sales tax is not paid and all available discounts have been received
- Ensuring accountable and sensitive property is coded with the correct OC code and reported to the Property Office or Property Management System.
- Resolving any questionable charges with the merchant, or filing a dispute with the bank within 90 days from the transaction post date

- Storing the purchase card in a secure location
- Sending any requested account administrative changes to their IC Purchase Card Coordinator for review, approval and submission to the NIH Purchase Card Program for processing (**NOTE:** This can also be done by the CAO)
- Completing required training in a timely manner
- Reporting fraud, waste, or abuse to their IC Purchase Card Coordinator

G. Separation of Duties

Separation of duties is a mandatory management control to prevent key functions from being performed by the same person and to minimize the risk of fraud and/or loss of property. A cardholder cannot serve as the approving official for his/her own purchase card. Assignment of key duties (such as authorizing, approving, and recording transactions), certifying funds, approving cardholder statements, receiving assets, authorizing payments, and reviewing/auditing transaction should be assigned to separate individuals to the greatest extent possible. Each of these duties should be assigned to different individuals to minimize the risk of fraud.

At least three separate individuals must be involved in the purchasing process. This can include the following roles:

- Requestor - person who requests the goods or services
- Approver of the purchase - person who certifies the purchase is for a legitimate need
- Funds Approver - person who certifies funds availability
- Cardholder - person who makes the purchase using his/her purchase card
- Receiver - person who verifies and accepts the goods or services
- Card Approving Official (CAO) - person who reviews and approves cardholders' transactions under their approving authority to ensure the transactions are legal, proper, mission essential, and in accordance with purchase card policy

III. POINTS OF CONTACT

A. [NIH Purchase Card Program](#)

- NIH Purchase Card Help Desk: (301) 435-6606 or [e-mail](#) (global—"Help, Creditcard")

B. JPMorgan: 24-Hour Customer Service

- Phone: 1 (888) 297-0781

C. [Office of Financial Management](#)

- Phone: (301) 496 -6088

D. [NIH Business System \(NBS\)](#)

- Phone: (301) 496-4357

IV. TRAINING

A. Initial Training

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 NIH Purchase Card Program at or below the micro-purchase threshold (currently at \$3,500), and the Head of the Contracting Activity (HCA) for limits greater than the micro-purchase threshold. Cardholders and their CAO must comply with the required training, certifications, HHS guidelines, and other provisions stated within this supplement.

To be eligible for a warrant above the micro-purchase threshold there are additional requirements for experience, education, and FAC-C certification. Cardholders with a single purchase limit above \$25,000 and not exceeding \$150,000 are restricted to the NIH Offices of Acquisition only.

Initial Training Requirements	
Authority	Required Training
Up to \$3,500 (micro-purchases)	<ol style="list-style-type: none">1. NIH Purchase Card Classroom Training (3-day course): This class is a prerequisite for becoming a new cardholder or CAO. The training is valid for 12 months (from the completion date) for prospective cardholders and CAOs.2. Green Purchasing Training3. Section 508 Training
Above \$3,500 and up to \$150,000	All training requirements for micro-purchases and additional requirements including experience, education, and FAC-C certification .

B. Annual Training

Purchase Card Refresher Training is required annually for all cardholders and CAOs who hold active accounts. The annual refresher training is available online and administered by the NIH Purchase Card Program. Failure to complete the annual refresher training by the required due date may result in suspension of the cardholder and/or CAO account until the training is completed.

V. ESTABLISHING AND MAINTAINING PURCHASE CARD ACCOUNTS

A. Account Set-Up

To obtain a purchase card, prospective cardholders and CAOs must ensure the appropriate forms have been completed and processed.

1. **Application Form – Cardholders and CAOs**

[Current cardholder and CAO applications](#) are available online. The training certification is on the last page of the cardholder and CAO application.

Applications must be submitted by the IC Purchase Card Coordinator via email to the NIH Purchase Card Help Desk at Creditcard@od.nih.gov (global—"Help, Creditcard") or by fax to (301) 402-2145.

Cardholders who telework full-time (i.e. on a permanent basis) must report their status on the application.

The request of single and monthly purchase limits must be justified and support the IC's needs. Once the application is processed, a letter containing the acquisition authority level will be sent to the cardholder.

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

2. **NBS User Access Form**

Cardholders and CAOs each have separate access to NBS to complete required purchase card functions. The [NBS User Access Form](#) is required and must be processed through the cardholders' IC Purchase Card Coordinator.

3. **Request for Convenience Checks**

A [separate convenience check application](#) with justification must be completed for a cardholder to be issued convenience checks. The IC Purchase Card Coordinator should submit the application by email or fax to the NIH Purchase Card Help Desk.

NOTE: The number of convenience check writers should be limited within each IC. Convenience check usage results in the incurrence of a check fee; therefore it is not the preferred method for making purchases. For additional information on convenience checks, please see Section XIII - Convenience Checks.

B. Card Activation

Cardholders should call the 1 (800) phone number found on the back of their purchase card to activate the card and verify account information. When prompted to provide a social security number, cardholders should provide the last four digits of their NIH badge identification number.

C. Card Expiration

Purchase cards are valid from the initial month the account was opened and expire on the last day of the expiration month displayed on the card. Shortly before the expiration date, cardholders should expect to receive a new card in the mail. The cardholder should activate the new card immediately, per the procedures outlined

above.

D. Account & Card Security

Cardholders must safeguard the physical security of their purchase card and protect card account information. The purchase card should be kept with the cardholder or in a secure location (e.g., locked drawer, cabinet, etc.) at all times, to prevent others from gaining access to the card or account information. **Only the individual to whom the card is issued may use the purchase card or purchase card account.** Personal use is prohibited.

Phishing is a fraudulent attempt to acquire sensitive information (e.g., user IDs, passwords, credit card details, etc.) by masquerading as a trustworthy source, such as a financial institution. Often phishing emails will appear legitimate; however, cardholders should not reply, click on any links, or provide any personal or account information.

If cardholders have any concerns regarding the legitimacy of an email or phone call, they should contact the bank or the NIH Purchase Card Help Desk. JPMorgan does not solicit account information via email, phone call, or text message. Cardholders should report any phishing scams or any other activities that appears to be fraudulent in nature to their IC Purchase Card Coordinator, JPMorgan (abuse@chase.com), and the [NIH IT Service Desk](#) at (301) 496-4357.

E. Changes in Cardholder and/or CAO Status

Changes in a cardholder or CAO status (e.g., address, phone number, name changes, etc.) must be reported to the NIH Purchase Card Help Desk so that the information can be updated with the bank. If a cardholder is transferring to another IC, the purchase card must be cancelled. If the cardholder needs an account at the new IC, a new purchase card application must be submitted.

F. Cancellation of the Purchase Card

If a cardholder leaves the NIH (e.g., resignation, retirement, etc.) or no longer needs a purchase card, the following steps must be followed:

1. Immediately notify the NIH Purchase Card Program and IC Purchase Card Coordinator so the account can be cancelled
2. Contact any vendors who have not yet billed to ensure prompt billing prior to account closure
3. Destroy the purchase card and any unused convenience checks
4. Finalize reconciliation by canceling or matching all open logs and resolving and reconciling disputes, credits, and transactions (**NOTE:** If necessary, a proxy may be assigned)
5. Provide files to the CAO or IC Purchase Card Coordinator to ensure they are retained for 3 years beyond payment date.

Important: Failure to promptly notify the NIH Purchase Card Help Desk of a change in status results in an increased risk to the NIH.

There may be occasions when a card account is closed due to a lost or stolen card,

or reported fraud. Please see Section XI, "Billing Discrepancies, Fraud, Lost/Stolen" for information on fraudulent purchases.

G. Proxy

A proxy is a cardholder or CAO temporarily assigned to act during the reconciliation period on behalf of a cardholder who is on extended leave or has left the NIH. The proxy should be an equivalent or higher grade level and have the same acquisition authority as the cardholder. The individual assuming the role of proxy may be suspended if they fail to reconcile on behalf of the original cardholder or CAO by the required deadline.

A proxy request should be submitted via email from the IC Purchase Card Coordinator to the NIH Purchase Card Help Desk. The account of a cardholder on extended leave may be temporarily suspended to minimize the risk of fraud. The IC Purchase Card Coordinator must notify the NIH Purchase Card Help Desk when the proxy is no longer needed.

VI. BEFORE THE PURCHASE

A. Review the Purchase Request

Once a cardholder receives a request to purchase goods or services (which can be in the format of an email, memo, or a purchase request form), the cardholder must ensure the following is provided: requestor's name, suggested vendor, list of items being purchased, estimated cost, justification for the purchase, CAN or funding information, and OC code. Each purchase request must also include a justification for the purchase of goods or services and address the following:

- **Who:** Individual or office intended to receive the good or service
- **What:** Clear description of the good or service to be purchased
- **Why:** Clear description as to why the good or service is needed

If the justification is insufficient, the cardholder should follow-up with the requestor to obtain additional information.

The following are examples of sufficient justification:

- "Incubator for Sarah Joe's laboratory (Room A4) to grow cell cultures for experiment X."
- "Laptop for Marshall John, Senior Principal Investigator, to be used at the office and to telework."
- " Office supplies for DSAPS staff."
- "Katie Johnson has a severe back condition that requires a specialized chair for daily use in her office. Katie provided medical records to confirm her condition and the recommended chair by her physician will be purchased."
- "Outdoor equipment for a lab set-up in Africa for the Ebola study."
- "Diabetes test strips for study participants to be used as part of the NIAID children's kidney study."

B. Obtain Approval for the Purchase and Ensure that Funds are Available

Written pre-approval for each purchase must be obtained before the cardholder can make the purchase. The approval must include the approver's name, signature (manual or electronic), and approval date. The approval signature certifies the purchase is for a legitimate need of the government and not for personal benefit.

In addition, funds approval must also be obtained along with a CAN, project number, and proper OC code. The bona fide needs rule of appropriations law states that a fiscal year's appropriations must be used only for a legitimate need that arises during the year for which the appropriation was made. The IC's budget or funds control officer must ensure proper utilization of funds and funds availability.

NOTE: The purchase of goods or services must be a necessary expense and meet a bona fide need of the NIH. The purchase should not be excessive in terms of quality or quantity, or exceed the government's minimum requirements to satisfy and support the NIH mission. For example, purchasing a \$25 day planner instead of a \$300 brand name day planner satisfies the minimum requirements and is sufficient to meet the need.

The cardholder should include all approvals in the purchase card file regardless of the requisition system (e.g., NBS, POTS, AMBIS, etc.) used.

C. Determine if the Purchase is Available from a Required Source

Federal Acquisition Regulation (FAR) Part 8, "Required Sources of Supplies and Services," requires that agencies acquire products and services from required sources when available. Required sources provide several benefits to cardholders and the NIH. They are generally easier to obtain, more cost effective because of volume discounts, and offer stable prices over the long term.

Cardholders must check required sources for all orders before making a purchase. A personal preference or recommendation, which is subjective in nature, is not an adequate reason to obtain an item from an open market merchant when the item is available from a required source. If the item is not available from a required source, the cardholder may use an open market merchant.

IMPORTANT: If a required source is not used, the cardholder must document the reason (e.g., explanation for using an open market merchant) in their monthly purchase card file. The cardholder must also comply with any waiver requirements for that source before purchasing the product from another source.

NOTE: Lowest price should not be the sole reason for not purchasing from a required source.

The [required sources for supplies and services](#) must be checked in the listed order before going to open market.

Required sources for supplies:

- [HHS inventories](#) and [NIH inventories](#)

- [Excess from other agencies](#)
- [Federal Prison Industries \(UNICOR\)](#) (Not required for micro-purchases)
- [AbilityOne Programs](#)
- [Government Wholesale Supply Source](#)
- [HHS Strategic Sourcing Blanket Purchase Agreement¹ \(BPAs\)](#) and [Federal Strategic Sourcing Initiative \(FSSI\)](#)
- [NIH Federal Supply Schedule BPAs](#)
- [GSAeLibrary](#)
- [GSA Advantage](#)
- [NIH Open Market BPAs](#)

Determining Sources to Acquire Personal Property

When practicable, cardholders shall use excess personal property as the first source of supply in fulfilling their requirements and those of their cost-reimbursement contractors. Accordingly, cardholders shall ensure that all personnel make positive efforts to satisfy requirements by obtaining and using excess personal property (including that suitable for adaptation or substitution) before initiating a purchase or contracting action.

Prior to purchasing property or procuring property through contract action, IC Property Accountability Officers (PAOs), Property Custodian Officers (PCOs) or purchasing agents can visit the NIH Supply Center to obtain clearance. Personnel with access to NBS or nVISION can view excess property assets by initiating (running) a query in the NBS or nVISION using NIH Supply Center custodial code to view excess. To consider acquiring excess of non-accountable assets (less than \$5,000 or non-sensitive), the IC PAO/PCO or purchasing agent can send a complete description (preferably a visual example with specifications of the item) to the NIH Disposal Officer, to determine availability. Any questions on excess can be answered by the NIH Property Office at the NIH Supply Center at (301) 594-9915 or (301) 595-9916.

Required sources for services:

- [AbilityOne Programs](#)
- [Mandatory Federal Supply Schedules](#)
- [HHS Strategic Sourcing Blanket Purchase Agreement \(BPAs\)](#) and [Federal Strategic Sourcing Initiative \(FSSI\)](#)
- [NIH Federal Supply Schedule BPAs](#)
- [Federal Prison Industries \(UNICOR\)](#)
- [NIH Open Market BPAs](#)

¹ Cardholders should always check with the vendor prior to placing an order to ensure they are receiving BPA pricing.

NOTE: Only after required sources have been exhausted can the cardholder go to open market.

D. Determine Price Reasonableness

For purchases at or below the micro-purchase threshold, cardholders are not required to obtain quotes from more than one merchant but may compare value among merchants, if time permits. If the cardholder considers the price to be fair and reasonable, the purchase may be made without obtaining competitive quotes. For purchases above the micro-purchase threshold, the cardholder must follow the policies in FAR Part 13.106-3, "Award and Documentation," for determining price reasonableness.

E. Verify 508 Compliance

Section 508 of the Rehabilitation Act of 1973 (as amended in 1998) requires all Federal Electronic and Information Technology (E&IT) developed, maintained, procured, and used after June 21, 2001 to be accessible to:

- All employees with disabilities
- All citizens with disabilities

All E&IT purchases are subject to Section 508. Cardholders must support the intent of Section 508 to the maximum extent possible. Decisions not to comply with Section 508 could mean risking the possibility of a civil action involving NIH. For additional policy information, cardholders must refer to the [HHS Purchase Card Guide 6.0](#) and the [NIH 508 guidance](#).

The [Buy Accessible Wizard](#) is a web-based application that helps federal buyers quickly and easily identify the [Section 508 standards and requirements](#) related to their purchases.

F. Consider "Green" Purchasing

Before purchasing, cardholders must check to see if the goods or services can be purchased within one of the six "green" purchasing categories below.

- Products manufactured from recovered materials
- Environmentally preferable products
- Energy efficient products
- Biobased products
- Alternative fuels and fuel efficient vehicles
- Non-ozone depleting substances

The purchase of "green" products is required by law unless the product does not meet performance needs or is only available at an unreasonable price. Further guidance is available in FAR Part 23, "Environment, Energy and Water Efficiency, Renewable Energy Technologies, Occupational Safety, and Drug-Free Workplace." For additional policy information, cardholders must refer to the [HHS Purchase Card Guide 6.0](#) or the [NIH "green" purchasing guidance](#).

G. Rotate Qualified Vendors

The cardholder must rotate purchases at or below the micro-purchase threshold equitably among qualified vendors to the extent practicable. Further guidance is available in FAR Part 13.202.

H. Review Indefinite Delivery Quantity (IDIQ) Contracts

There are a limited number of IDIQ contracts for which the purchase card can be used as a payment mechanism. If a cardholder issues an award against one of these contracts, they must cite the contract number in NBS as part of the purchase card log procedures. **IMPORTANT: The cardholder must be certain that an award was not issued in PRISM (NIH's contracting system) or any other mechanism; otherwise, a double obligation will be incurred once the purchase card log is created in NBS.**

The current IDIQ contracts which may be paid using the purchase card are listed below. For orders over \$3,500 that are placed against one of these contracts, the cardholder must follow the procedures outlined in FAR Part 16.505.

1. [NITAAC's ECS III contracts](#) – additional information about the NITAAC contracts can be found by contacting NITAACsupport@nih.gov or at 1 (888) 773-6542.

VII. LIMITS AND CONDITIONS OF PURCHASE CARD USE

A. Authorized Purchases

Cardholders are responsible for using their purchase card to only make authorized purchases that are for a legitimate NIH need and not for personal benefit.

Examples of authorized purchases include the following:

- Commercially available goods (e.g., office supplies, medical supplies, furniture, computers, printers, toners, and books)
- Commercially available services (e.g., printing, copier maintenance, shipping expenses)
- Lab equipment
- Food for animals
- Rental of meeting or conference rooms (see Section C: Purchases Requiring Special Attention)
- Public transportation for local travel such as metro fare cards
- Training, conferences, and registration fees
- Subscriptions

B. Unauthorized Purchases

The government purchase card may only be used to make purchases authorized by law or regulation for the legitimate need of the government. Purchasing goods or services for personal use are prohibited. The following are unauthorized on the

purchase card:

- Advance payment
- Automobiles or related expenses, e.g. fuel and repairs
- Cash advances
- Casino, lottery, or other gambling
- Controlled substances²
- Dating and escort services
- Decorations for individual offices
- E-Z Passes (contact Fleet Management for additional information)
- Fines or penalties (e.g., parking tickets)
- Gift certificates/gift cards that require an “activation fee”
- Gifts for employee
- Lobbying or other political contributions
- Luxury items
- Memberships fees in a society or association for individual employees (see exceptions in the Specialized Procedures section)
- Oligos cards that are treated as gift cards (e.g., ATGC and evo)
- Personal items
- Products not meeting a bona fide need of NIH
- Rental/lease of vehicles, buildings, or land
- Telephone or calling cards
- Travel or travel-related expenses (e.g. airline tickets or lodging for employee)
- Weapons

C. Purchases Requiring Special Attention or Clearances

The products and services in the table below have certain purchase restrictions or special conditions that apply if the purchase card will be used. Cardholders must ensure that all restrictions and conditions specified are followed and that any required clearances are obtained.

A clearance is an acquisition approval that must be obtained from a clearance office prior to making the purchase. There are certain commodities and services

² Exceptions to the no controlled substances policy include: 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.

that must be “cleared” before a purchase can be made. If a clearance is required, a copy of the approved clearance must be included in the monthly purchase card file.

Cardholders should check the [NIH Clearance Manual 26307-3/6307-3, "Special Clearance and Other Acquisition Procedures"](#) to see if the commodity or service to be purchased requires clearance.

Examples of clearances include, but are not limited to: animal assurance, human subjects, cleaning services, furniture, security devices and systems, IT systems, and x-ray equipment.

Purchase	Specialized Procedures	Responsible Office
Agreements	Cardholders do not have the authority to sign any type of agreement that binds the Federal Government or commercial agreements that contain specific terms and conditions for the NIH. Cardholders only have the authority to authorize the use of the purchase card for payment. In the event a vendor requires the government to sign an agreement with specific terms and conditions, the document must be reviewed and signed by a warranted contracting officer.	n/a
Bottled Water	The purchase of bottled water for human consumption (drinking water) is generally prohibited. Bottled water can, however, be purchased for use in protocols or patient use or if required to protect life or property. If drinking water is unsafe for human consumption, the appropriate AO should be notified so the building Facility Manager at the Office of Research Facilities (ORF) can be contacted.	HHS Program Guide 6.0 Appendix D, NIH Office of Research Facilities (ORF)
Business Cards	Business cards can be purchased for NIH employees who, in the conduct of their official duties, interface significantly and continuously with people or organizations external to NIH to further the statutory mission of NIH. For information on business card format and approval requirements, see NIH memorandum "Use of Appropriations to Purchase Employee Business Cards" NOTE: Business cards are not authorized for Federal Advisory Committee Members and Special Government Employees.	OAMP
Conferences, Meetings, Meeting Space and Associated Food	The rental of conference or meeting space, or the purchase of food (whether for conferences or meetings; meals, light refreshments, or beverages; or for Federal or non-Federal participants) must comply	HHS Office of Grants and Acquisition Policy and

Purchase	Specialized Procedures	Responsible Office
	<p>with the HHS/NIH Efficient Spending Policy. There are strict approval processes for these purchases. Please review the applicable policies to ensure the required forms and approvals are completed. The only exceptions for the purchase of food or beverages are below. If purchased, the documentation must clearly justify that the provision of food is a necessary expense:</p> <ol style="list-style-type: none"> 1. Training Events 2. Award Ceremonies 3. Representation Fund 4. Emergencies <p>NOTE: This policy does not apply to the purchase of food for patients, lab animals, animal and human test subjects, or nutritional/toxicology counseling, studies or samples.</p>	Accountability (OGAPA)
Construction	<p>Use of the purchase card to acquire construction is limited to \$2,000, and can only be made by cardholders assigned to the Office of Acquisition, ORF. The Davis-Bacon Act applies to construction (FAR 2.1). Construction is defined as the erection, installation, extension, repair (including painting and decorating), or modification of real property. Real Property includes all land, structures (firmly attached - including light fixtures), buildings, and improvements.</p>	ORF
Custom Antibodies	<p>The generation of custom antibodies is an activity covered by the NIH Public Health Service (PHS) Policy. An antibody is customized if it is produced using antigen(s) supplied by an NIH investigator or at the request of an NIH investigator (i.e. not purchased as a pre-made off the shelf catalog item).</p> <p>Custom Antibodies must be purchased from a merchant that has an active PHS Assurance. A merchant's PHS Assurance status can be verified on the Office of Laboratory Animal Welfare (OLAW) website under "OLAW Fast Facts; List of Assured Institutes".</p> <p>Vendors cannot go directly to OLAW to request an assurance without support from a research institution. If the vendor is not listed on the OLAW website, the cardholder or requestor should contact their IC Intramural AO or the NIH intramural Office of</p>	NIH Office of Intramural Research / Office of Animal Care & Use (OACU)

Purchase	Specialized Procedures	Responsible Office
	<p>Animal Care and Use (OACU): (301) 496-5424. For additional information, see policy memorandum on Purchasing Custom Antibodies.</p> <p>This policy memo also includes a list of commonly used and assured commercial vendors. Investigators are not required to use vendors from this list; however, vendors that meet the requirement are provided and can be used as a resource for the cardholder and investigators.</p> <p>Some custom antibody vendors have NIH BPAs in place. To ensure competitive pricing, the cardholder should check the current 'BPA Commodity List' under the "animal services," "biological materials" or "blood/blood products" tabs to search for a given vendor. If a vendor is listed, the cardholder should ask the vendor if they offer an NIH discount.</p>	
Informal Incentive Awards, non-monetary	<p>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. The purchase of informal incentive awards is allowed but must comply with NIH Manual Chapter 2300-451-1 - "NIH Employee Awards Program".</p>	NIH Office of Management Assessment (OMA)
Informal Incentive Awards, Gift Certificates/ Gift Cards	<p>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 goods or services at a particular place of business, a group of businesses, or a retail location (this includes chain stores, restaurants, and malls). HHS provides specific guidance relative to the use of this type of informal recognition award.</p> <p>Gift certificates/gift cards awarded must:</p> <ol style="list-style-type: none"> 1. Comply with all Federal tax rules; 2. Be given out within 30 days of purchase; 3. Be purchased within 30 days of "contributions being recognized;" and 4. Be tracked on the cardholder's gift certificate/gift card log (please see Appendix C for an example of a cardholder gift card log). <p>Gift certificates/gift cards awarded may not:</p>	HHS and OMA

Purchase	Specialized Procedures	Responsible Office
	<ol style="list-style-type: none"> 1. Be purchased by the cardholder if the cardholder is also the recipient of the award (NOTE: 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 the award); 2. Exceed the nominal value set at \$50; 3. Have an "activation" or "handling" fee (gift cards may not be purchased from major credit card vendors: MasterCard, Discover, AmEx, Visa); 4. Be given to non-federal employees; or 5. Be stored for future use. <p>For additional requirements and information on gift cards, please see Appendices B and C.</p>	
<p>Information Technology (IT) Products/ Services</p>	<p>IT purchases (e.g., computers, printers, scanners, software, etc.) must follow any OCIO/CIT and IC-specific policies currently in effect. Additional guidance can be obtained from the IC Information Systems Security Officers (ISSO). ISSOs will provide guidance through the process to ensure that the appropriate clearance category is assigned.</p> <p>When purchasing any IT products or services there is an obligation to comply with the HHS information security requirements that involves Federally-owned information, information systems, or information technology where the contractor/merchant will develop, maintain, or have access to federally-owned information, even if the information is on paper.</p> <p>For additional information, see or contact the following:</p> <ul style="list-style-type: none"> - HHS Personnel Security/Suitability Handbook/Policy - HHS-OCIO Policy for Information Systems Security and Privacy - HHS Policy and Procedures governing information security including HSPD-12 - NIH OCIO Website - Division of Personnel Security and Access Control, ORS - Center for Information Technology <p>When cloud computing products or services are</p>	<p>HHS & NIH Office of the Chief Information Officer (OCIO)</p> <p>NIH Center for Information Technology (CIT)</p>

Purchase	Specialized Procedures	Responsible Office
	<p>acquired, the purchaser must also meet FedRAMP requirements.</p> <p>There are also FAR clauses that apply to certain IT purchases that must be referenced in an order or contract. Cardholders should check with their Acquisition Office for more information.</p>	
Kitchen Appliances	<p>The purchase card may be used to purchase kitchen appliances (e.g., refrigerators, microwaves, coffee makers, etc.) if the following policies and procedures are followed:</p> <ul style="list-style-type: none"> • The appliance will be located in a common area where it is available for use by all personnel and not reserved for the sole use of an individual • The purchase card cannot be used to furnish goods, such as the coffee itself, filters, utensils or microwavable foods • Adequate justification for the appliance is included in the cardholder's purchase card file • The IC's EO or designee (delegable to no more than one level below) must concur with the justification (NOTE: Written evidence of the concurrence must be included in the cardholder's documentation) <p>For additional information, please reference the NIH memorandum, "Use of Appropriated Funds to Purchase Kitchen Appliances".</p>	OAMP
Membership	<p>An agency may become a member of an organization and pay the required dues if it is administratively determined to be necessary in carrying out authorized agency activities. Membership for an individual in a professional organization is not authorized; however, as it is considered a personal expense and not reimbursable to the employee, even if the Government would benefit from the employee's development as a result of the membership. The only exceptions are: 1) If the fee is a necessary cost directly related to a training class and 2) payment of the fee is a condition precedent to undergoing the training.</p>	US Office of Personnel Management (OPM)

Purchase	Specialized Procedures	Responsible Office
Metro Farecards and SmarTrip Cards	<p>The purchase of Metro Farecards and SmarTrip cards for NIH employees to use during official local travel is permissible, but should be properly controlled. The IC should have procedures in place for tracking Metro Farecard and SmarTrip card usage. Please refer to Appendix D for a sample of a Metro Farecard and SmarTrip tracking system.</p> <p>SmarTrip cards should be also registered with Metro.</p>	n/a
Mobile Device Purchases, Related Peripherals, and Applications (Apps)	<p>Mobile devices (also known as Personal Digital Assistants or PDAs) include items such as cell phones, blackberries, iPhones, iPads, iPods, e-Readers, and etc. These devices, related peripherals, and applications (apps) must be purchased and managed in accordance with the following:</p> <ul style="list-style-type: none"> - NIH Mobile Device Policy - NIH Technology General Rules of Behavior - users electronically agree to this annually as part of the Security Awareness training - NIH Manual Chapter 2806 – “Limited Authorized Use of NIH IT Resources” - Additional IC-specific procedures and approvals for IT equipment must be followed and obtained. Please check with your IC’s IT department for specific policies <p>Monthly service plans for mobile devices can be paid using the purchase card; however, see “Services/Maintenance Agreements” section in this table for additional information. A complete invoice must be included as part of the purchasing documentation with the signed approval of a supervisor or appropriate individual defined by an IC. Invoices should be reviewed to ensure minimal personal use, and reimbursements requested if necessary.</p> <p>The following is also required:</p> <ul style="list-style-type: none"> • ICs must provide an appropriate review of mobile device equipment and service acquisitions, monthly usage and costs, property inventory and disposition, and ensure that unneeded services are promptly terminated. • Cardholders must obtain IT approval in accordance with their IC procedures prior to purchase. • Devices must be correctly entered into the 	OCIO

Purchase	Specialized Procedures	Responsible Office
	<p>property system and decaled.</p> <ul style="list-style-type: none"> For devices that require purchasing (authorized) related services and apps directly through the device, cardholders must immediately remove government account information (e.g., purchase card number, expiration date, etc.) from the device after each purchase is made. <p>Questions regarding these procedures should be referred to the IC's Administrative Office.</p>	
Oligos	<p>Oligos are DNA and RNA oligonucleotides available for research purposes. Oligos are available for purchase from multiple vendors. Some vendors allow cardholders to consolidate their individual oligos purchases by participating in a monthly roll-up program. Refer to the Purchase Card Program's Oligos information.</p>	n/a
Prescription Safety Glasses	<p>For prescription safety glasses, cardholders must fill out the NIH Form 29-2 and hand-carry the form to the OMS Health Unit, Building 10, RM 6C310. NIEHS in North Carolina should contact the Health and Safety Branch at (919) 541-7933.</p> <p>If non-prescription safety glasses are needed, the purchase card can be used. Use NIH Form 29-2 - "Request for Prescription Safety Glasses".</p>	ORS, Occupational Medical Service (OMS)
Printing Services	<p>The acquisition vehicles developed for Print Management under OMB's Federal Strategic Sourcing Initiative (FSSI) and the NIH Government Wide Acquisition Contract, Electronic Computer Store III (ECS III) should be utilized when acquiring printing and copy devices and services. If acquiring printers, copiers and multifunctional devices without using the FSSI Print Management Blanket Purchase Agreements (BPAs) or the NIH ECS III; an approval document (signed by the IC's Executive Officer) must detail why using another acquisition approach represents a lower total cost of ownership over FSSI BPAs or the NIH ECS III in accordance with the "NIH Efficient Spending Policy".</p>	HHS
Professional Credentials, Licenses, and Associated Professional Fees	<p>The payment of professional credentials, licenses, and associated professional fees is not an employee entitlement. Consequently, such fees shall be reviewed and approved in the form of a reimbursement to eligible employees in accordance with IC-specific policies. Using the purchase card</p>	HHS Human Resource Manual: 575-2 NIH, Office of Human

Purchase	Specialized Procedures	Responsible Office
	<p>or convenience check in advance to pay these fees is not authorized.</p> <p>For additional NIH information and reimbursement instructions.</p>	Resources – Title 5 Compensation
Promotional Items	<p>NIH considers promotional items to be an extraneous expense. Therefore, ICs shall not use appropriated funds to purchase promotional items. Promotional items include, but are not limited to: clothing and commemorative items such as pens, mugs/cups, folders/folios, lanyards, and conference bags that are sometimes provided to visitors, employees, grantees, or conference attendees. Typically, items or tokens to be given to individuals are considered personal gifts for which appropriated funds may not be expended.</p> <p>NOTE: Only in rare cases (when the IC can demonstrate that the promotional items are necessary expenses) may such items be purchased.</p> <p>Refer to memorandum entitled "NIH Efficient Spending Policy" for specific requirements.</p>	HHS and OALM/DSAPS
Property - Accountable and Sensitive	<p>Accountable Property</p> <p>Accountable property are items classified as capital or non-capital or non-expendable property (two years or longer expected life), with an acquisition cost of \$5,000 or greater. Details on acquisition technology are available from the NIH Manual Chapter 26101-25-2, "Personal Property Management Guide" and the NIH Property Management website.</p> <p>Sensitive Property</p> <p>The Federal Management regulation defines a sensitive item as Personal Property & Equipment (PP&E) and as all items, regardless of value, that require special control and accountability due to unusual rates of loss, theft, or misuse, or due to national security or export control considerations. This includes, but is not limited to: SmartPhones, monitors, laptops, printers, and cameras. When purchasing sensitive property, cardholders must select an OC code that begins with 31. In such cases, the user is required to enter two additional fields in NBS iProcurement P-Card Log during checkout: Custodial Code and Property Standard Description. Most of the items purchased are then transferred into the NBS Property System where the Property Custodian can review and decal the item, as applicable.</p>	ORF/NIH Property Management

Purchase	Specialized Procedures	Responsible Office
	<p>Cardholders must show evidence that the purchase has been properly reported to the property office within their monthly purchase card file. This can be in the form of an email from the Property Custodian, evidence of the 31** OC Code, etc. The sensitive property list is maintained by the NIH Property Management Officer. Please refer to Appendix A for a list of sensitive property.</p>	
Radioactive Materials	<p>When ordering radioactive materials, cardholders must follow the procedures below:</p> <ul style="list-style-type: none"> • 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 clearance number issued by the DRS. Contact (301) 496-3277 to obtain a RSB clearance number. • Radioactive materials purchased for other than NIH institutions require the material be delivered according to that institution's Radiation Safety Department. <p>The cardholder must also adhere to the following procedures:</p> <ul style="list-style-type: none"> • Do not include radioactive material and non-radioactive supplies on the same purchase card order. When ordering both radioactive and nonradioactive items from the same merchant, place two separate purchase card orders. However, special discounted prices negotiated for the merchant's BPA shall also apply to purchase card orders. • Any other requirements established by the RSB for the acquisition of radioactive materials must be observed. • The Authorized User must submit an 88-1 form to Radiation Safety 24 hours before receipt of the radioactive material. This may be done on-line, electronically by PDF from their website, or hard copy which is available in the self service stores. 	ORS / Division of Radiation Safety (DRS)

Purchase	Specialized Procedures	Responsible Office
	<p>Form 88-1 is not required for radioactive materials that are shipped to facilities that are not controlled by the NIH Radiation Safety License, such as Universities, and facilities out of the state of Maryland.</p> <p>The CAO must ensure that the cardholder's responsibilities are adhered to when purchasing radioactive materials.</p>	
Services/ Maintenance Agreements	<p>Monthly maintenance for services such as copier equipment or telecommunication can be paid using the purchase card provided:</p> <ul style="list-style-type: none"> • The annual cost of the service does not exceed the cardholder's SPL, and • The card will not be used to pay for services that have not been rendered. <p>NOTE: If the aggregate amount of the service exceeds the micro-purchase threshold in a 12 month period, the service must be issued on a contract or purchase order with appropriate terms and conditions.</p> <p>The purchase of all cellular services and mobile devices should go through the FSSI Wireless BPAs. To place orders on the FSSI Wireless BPAs or request assistance, cardholders should call 1 (888) 377-0070 or email NCSCcustomer.service@gsa.gov. For additional information, please visit http://www.gsa.gov/wirelessfssi.</p>	n/a
Shuttle Services	<p>Official NIH shuttles should be used to transport individuals to and from events. If the NIH shuttle services do not meet the required need; the purchase of outside shuttle services is permissible; however, it is recommended that they be purchased using a contract or purchase order to ensure that applicable terms and conditions are addressed. In addition, the cost of the shuttle should be considered in comparison to other forms of transportation such as taxis.</p>	ORF
Space Heaters, Fans and Air Filtration systems	<p>Before considering the purchase of a space heater, fan or air filtration for an NIH owned facility, any difficulties in regulating or maintaining a comfortable temperature or clean air must first be directed to ORF. ORF will have a building engineer attempt to make mechanical adjustments to the heating, cooling or building filtration system. If it is determined by ORF that an area cannot be adequately heated, cooled or filtered, written approval will be provided by the</p>	ORF

Purchase	Specialized Procedures	Responsible Office
	<p>ORF Facility Manager (assigned to the building) to support the purchase and use of this item in designated areas only.</p> <p>NOTE: Space heaters are not permitted, under any circumstances, in laboratories, patient care units, or clinics.</p>	
Subscriptions	<p>Subscriptions in the name of or for an individual are not authorized. If an administrative determination is made that the expenditure would further the authorized activities of the agency, and this determination is not affected by any incidental benefits that may accrue to individual employees - a subscription can be purchased using an individual's title (e.g., Director, Division of Simplified Acquisition Policy and Services; Acquisition Services & Review Branch, etc.) with the understanding that the subscription is available to anyone and that if the individual leaves NIH, the subscription remains with NIH.</p> <p>Electronic subscriptions for computers, iPods, iPads, and Electronic Reader (E-Reader) devices (e.g., Kindle, Nook, Sony Reader, etc.) are not authorized.</p>	n/a
Third Party Processors	<p>Some merchants may use third party credit card processors (e.g., PayPal, CCNow, Intuit, Koala, etc.) to handle credit card transactions on behalf of the merchant. HHS policies discourage the use of third party processors due to greater risk of abuse, security risks of online shopping, issues involving disputed transactions, and difficulty identifying and reconciling transactions. If a third party processor must be used, cardholders should document that no other merchant was able to provide the good or service and that the merchant is unable to accept a purchase order or contract.</p>	n/a
Training	<p>Registration for NIH Training Center (NIHTC) classes is handled through the Learning Management System (LMS) HHS Learning Portal. LMS is an automated system that streamlines the training registration process by tracking and providing authorization for employees. LMS replaced the legacy system, NIHITS (NIH Integrated Training System), which was previously used to register for NIHTC classes.</p> <p>NIH employees can still view the NIHTC course catalog. From there, employees can register for a</p>	NIH Training Center (NIHTC), OD

Purchase	Specialized Procedures	Responsible Office
	<p>listed course after logging in to LMS. New registrations will trigger new approval chains within LMS. When an individual registers for an NIHTC class, LMS keeps the individual apprised of their registration status until they attend class via a series of email notifications.</p> <p>For internal training at NIHTC, all registrations, approvals, and payments are handled directly through LMS.</p> <p>External (non-NIHTC) training may be purchased via the purchase card. A signed SF-182 form or other substitute form must be documented with the purchase. If the purchase is over \$3500, the SF-182 is mandatory.</p> <p>All training taken by NIH employees must be entered into LMS after completion of the course and adhere to the pertinent laws and procedures governed by the Government Employee Training Act or Title 5 USC §4109(b). Cardholders must maintain copies of the LMS registration for classes that are purchased with the purchase card.</p> <p>For additional information, please see:</p> <ul style="list-style-type: none"> - NIH Manual Chapter 2300-410-2 – Managing Mandatory Training for NIH Employees - Training Center payment information and PDF SF-182 form - HHS Learning Portal 	

VIII. MAKING THE PURCHASE

There are different ways a cardholder can make a purchase using the purchase card. These include: internet, electronic transmittal via fax or email, telephone order, or over-the-counter. In general, please keep the following in mind:

- Electronic transmittal (e.g., fax, email) of the full credit card number to a merchant is discouraged due to security risks. If used, the cardholder should not write the full card number on the fax form and provide the account information over the phone to the vendor. Cardholders should redact account numbers, expiration dates, and security codes in their documentation.
- When purchasing over the internet, cardholders should only buy from reputable stores and merchants. To ensure secure transactions, cardholders should check that there is an "s" after "http" in the web address of the web page where they enter credit card or other personal information. Cardholders should also check that there is a small closed padlock in the address bar or on the lower right corner of the window for additional

security.

A. Avoiding Split Purchases

The cardholder's SPL applies to each purchase card transaction. A split purchase occurs when a purchase is intentionally divided into separate purchases to avoid exceeding the cardholder's SPL (or the competition threshold above \$3,500). Intentionally splitting an order or purchase to stay within a purchase limit is a violation of law per FAR 13.003.

The following **are** examples of splitting:

- The cardholder's SPL is \$3,500. The cardholder, on the same day, gets a request from his/her supervisor to purchase four identical laptops, each costing \$1,000. The cardholder places two separate orders to avoid exceeding \$3,500.
- The cardholder's SPL is \$3,500. The cardholder enters into a maintenance agreement and pays \$2,500 on a monthly basis. Annually, the agreement totals \$30,000.
- The cardholder's SPL is \$3,500. The cardholder, on the same day, places an order in the Learning Management System (LMS) for one student for two classes -- both classes are at the University of Maryland (one for \$1,500 and the other for \$1,800).

Please refer to the HHS Purchase Card Guide Version 6.0 for further guidance on splitting purchases.

B. Tax Exemption

All U.S. government purchases using the purchase card are tax exempt. Cardholders must ensure the merchant is aware of the tax exempt status prior to placing the order. If tax was paid, the cardholder is entitled to receive a refund from the merchant. If the merchant requests a tax exempt form, the cardholder should provide a copy of either the [state tax letter](#) or the Federal Tax Identification Number (TIN).

The NIH Federal Tax Identification Number (TIN) is 52-0858115.

If unsuccessful at recovering the tax amount, the cardholder should document the situation in their purchase card file. If the cardholder does not attempt to recover the taxes paid, he/she may be held personally liable.

NOTE: The [District of Columbia and Montgomery County bag tax](#) does not apply to federal government purchase cardholders. In keeping with NIH's sustainability practices; however, cardholders are encouraged to bring reusable bags when possible and reduce the use of disposable bags when making purchases.

C. Surcharges and Other Fees

Surcharges are fees that a merchant may add to the cost of a purchase if a credit card is used. A surcharge is a percentage of the value of the sale. For example, if a cardholder purchases \$100 in office supplies, a merchant may add a surcharge

of 3% to the total purchase.

Merchants in the U.S. and U.S. Territories may impose a surcharge on cardholders when a purchase card is used. However, surcharges are prohibited in many states by state law. For additional information, please refer to the [GSA SmartPay](#) website.

D. International Purchases

A 1% international transaction fee may be assessed by VISA for currency conversions. Such fees will appear as an individual charge in NBS.

International transaction fees are legitimate and should not be disputed.

If a cardholder receives a separate invoice with inbound shipping costs for an international purchase associated to a purchase that has been received and paid, payments for that invoice must be processed following the guidance stated in the [NIH Manual Chapter 26101-42-F](#).

To arrange for payment of these invoices, the responsible AO must:

- Type his/her name, phone number, IC, CAN, and date on the invoice;
- Note the NIH contact (if different) for receipt and their phone number;
- Sign the authorization statement;
- Provide a brief justification; and
- Send the invoice to the Shipping Officer, Freight Forwarding Section DLS, OLAO, Building 13, Dock E, Room 1759, MSC 5725 for processing.

<p>NOTE: For all international purchases, the cardholder should convert the amount to dollars on the actual invoice.</p>

E. Billing upon Shipment

Cardholders must confirm that the merchant will bill the purchase card account only upon shipment of the goods or services, per VISA regulations. Merchants may not bill in advance.

<p>NOTE: When purchasing services, VISA regulations allow the merchant to bill upon initiating some action related to the service being performed. The merchant is not required to wait until the service is completed or accepted by the government in order to bill the account.</p>

F. Accidental Personal Use

If the government purchase card is accidentally used for a personal purchase and the merchant is unable to credit the cardholder's account, NIH must be reimbursed. The cardholder must issue a personal check payable to the NIH and attach the check to a memo addressed to the Cashiers Office (Buildings 10 or 31), OFM, with the following:

- Explanation for the reimbursement;

- Screenshot of the transaction in NBS;
- Project number and CAN information; and
- Date of the original purchase and the amount.

Cardholders must place a copy of the above in their monthly purchase card file and submit the original copy to the NIH Cashiers Office. The cardholder must also send a copy to the NIH Purchase Card Help Desk.

IX. AFTER THE PURCHASE

A. Logging the Purchase

An NBS log constitutes an obligation of funds. Cardholders must log transactions into NBS **within five business days** of when the transaction was made. Open logs that are not anticipated to be matched against an order must be cancelled. Cardholders must routinely review their open logs to ensure that any logs no longer needed are cancelled promptly, allowing these funds to be used for other legitimate NIH purchases. Cardholders should work with merchants to ensure prompt billing.

B. Receiving Products and Services

The receiving official (typically the requestor) is the individual that accepts and acknowledges receipt of the goods or services. The individual that receives the good or service should sign and date the receiving document (e.g., packing slip or invoice) or send an email to the cardholder verifying the good or service was received. A person other than the cardholder should receive the goods or services to ensure separation of duties. While receiving by the requestor is ideal, a contractor may also receive goods or services, specifically in ICs or labs where the cardholder is the only person. The receiving documentation must be retained in the monthly purchase card file for each transaction. For any property and/or equipment purchased, a copy of the receiving documentation must be available for the IC PAO/PCO. For all training classes, course completion should be reported to LMS, per the NIH Training Center.

C. Reconciliation

Reconciliation is the process of reviewing the monthly NBS NIH Purchase Card Statement, validating purchase card transaction records, and authorizing payment of the charges. Reconciliation also certifies that purchases were made for official government purposes and have been received.

Reconciliation is a dual responsibility of the cardholder and CAO. Each bank transaction must be validated by the cardholder and approved by the CAO. Cardholders must perform reconciliation in NBS by the 13th of each month, and CAOs must perform reconciliation in NBS by the 18th of each month.

Purchase card transactions are posted daily to the cardholder's account in NBS and cardholders are encouraged to reconcile daily.

NOTE: The dispute function cannot be used as a means of reconciling the
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statement. Please see Section XI on Billing Discrepancies and the proper use of the dispute function.

The billing cycle ends on the 5th of every month. All purchase card transactions received from JPMorgan between the 6th of the month to the 5th of the following month constitutes a billing cycle. For example, September 6th through October 5th is considered the October invoice cycle. Although the invoice is downloaded from JPMorgan into 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 NBS until as late as the 9th of the month.

Cardholders must review, print, and sign the reconciliation for the current billing cycle by the 13th of each month or their card may be suspended. In NBS, cardholders must ensure that all of the purchase card transactions for the month are verified in order for their CAO to review and approve the transactions in NBS. The NBS NIH Purchase Card Statement must be printed and included with the monthly purchase card files. CAOs have until the 18th of the month to complete their review, and approve the transactions in NBS and then sign off on their cardholders' monthly statement. If this date falls on a holiday or a weekend, the due date is the next business day. If the monthly files are not reconciled by the established deadlines and an extension is not requested, cardholder accounts will be suspended.

Reconciliation 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 IC must notify the Program once the reconciliation is completed. Upon notification and verification, the purchase card will be reinstated. It may take 24 to 48 hours before the card is reactivated.
- **Second Suspension:** If the cardholder account has been suspended twice in one calendar year, the account will be suspended for two weeks after reconciliation is completed and verified.
- **Third Suspension:** If the unreconciled account results in a third suspension within a calendar year, the cardholder's account may be cancelled. Once the account is cancelled, the cardholder must wait one year before applying for a new account. Prior to the cardholder receiving a new account, he/she must retake the 3-day purchase card training.

D. Extensions

Reconciliation extensions due to vacations, illnesses, or other extenuating circumstances may be granted but must be requested through the respective IC Purchase Card Coordinator. Requests beyond the 18th of the month (regardless of whether they are cardholder or CAO extensions) must be approved by the NIH Purchase Card Program. Requests will be logged and a response will generally be provided by the Program within 24 to 48 hours of receipt. Extension requests that do not go past the 18th of the month can be formally approved by each IC Purchase Card Coordinator and handled internally within the IC. Written proof of

all extensions must be included in the cardholders' monthly file.

Failure to reconcile by the established deadlines without an approved extension will result in temporary card suspension. Additionally, if the transaction is not matched to a log, OFM will pay the bill using the default project number assigned to the individual purchase card account. **NOTE:** This also applies to unmatched transactions of cardholders/CAOs who received extensions beyond the payment date.

Once the invoice is paid, the CAN or project number can be changed manually **only** through coordination with the IC's Budget Office and OFM. OFM must be provided with the following information using the "NBS Acquisitions CAN Change Request Form" available on the [NIH portal](#).

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 OC code to the appropriate project number and OC code.

E. Cardholder Documentation

1. Monthly Purchase Card File

The monthly purchase card file is used to maintain all documents associated with purchase card transactions for the cycle in which the bank invoices are received in the cardholder's NBS account. Each monthly file must contain the NBS NIH Purchase Card Statement signed and dated by the cardholder and the CAO.

Cardholders are responsible for all documentation associated with a purchase and maintaining it as part of the monthly file. At a minimum, the cardholder's monthly file must include the following documentation for each reconciled transaction:

- Purchase request with justification for the purchase and a written approval **prior** to purchase
- Quote or Invoice, cash register receipt, or email order confirmation
Documentation from the merchant showing the total price charged must be included in the purchase card file. Merchant documentation can be in the form of an invoice, cash register receipt, order confirmation from the merchant via email, or a packing slip with the total price included. The total price shown on the documentation should match the charge on the NBS NIH Purchase Card Report. If the merchant refuses to provide documentation showing the total price, the cardholder should dispute the charge and indicate that an invoice or receipt is needed from the merchant.
- Packing slips and/or proof of receipt of goods or services: The individual that receives the good or service must sign and date the receiving document (e.g., packing slip), provide an electronic

acquisition system signature (e.g., POTS, AMBIS), or provide other evidence of receiving.

Monthly file documentation may also include the following documents:

- Convenience check records, including travel receipts
- Evidence of property decal if a 31** OC code was not used at the time of reconciliation
- JPMorgan dispute form
- JPMorgan fraud affidavit
- Awards and notices
- Required clearances
- All forms required by IC-specific policies
- Drug free workplace clause, or evidence the clause was sent to the merchant

If a cardholder does not have documentation for a transaction in their monthly file, they must attach an explanation that includes a description of the item, date of purchase, merchant's name and an explanation as to why there is no supporting documentation.

NOTE: Cardholders should redact or black out credit card numbers, expiration dates, and security codes in any documentation to reduce risk.

2. **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, Appendix 1, NIH Records Control Schedule," Section 2600 Procurement, Property, & Supply Management.

NIH e-mail 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. If necessary, back-up file capability should be created for this purpose. Contact your IC Records Liaison for additional information.

All e-mail messages are considered Government property, and, if requested for a legitimate Government purpose, must be provided to the requester. Employees' supervisors, NIH staff conducting official reviews or investigations, and the Office of the Inspector General may request access to or copies of the e-mail messages. E-mail messages must also be provided to Congressional oversight committees if requested and are subject to Freedom of Information Act requests. Back-up files are subject to the same requests as the original messages.

X. BILLING DISCREPANCIES, FRAUD, LOST/STOLEN

A. Reasons for Disputing a Purchase

A dispute occurs when a cardholder challenges the validity of a transaction. The reason for disputing a purchase must be cited on the JPMorgan Dispute Form.

The most common reasons to dispute a purchase are:

- Inadequate description or unrecognized charge
- Duplicate charge
- Merchandise returned/order cancellation (account charged, credit not received)
- Merchandise or service not received (account charged)
- Merchandise not as described/damaged (account charged)
- Account charged (paid by other means)
- Incorrect amount charged
- Did not authorize the charge mentioned

The bank will not process disputes for:

- Foreign exchange rates for international purchases
- Shipping and handling charges
- Taxes
- Convenience checks and associated fees

B. Steps to Disputing a Purchase

Prior to disputing an unrecognized charge, the cardholder should check his/her purchase card file for purchase requests and/or invoices that match the amount charged. If the unrecognized charge matches but the vendor's name is different than expected, this may be the result of a company with parent and subsidiary relationships or billings processed through a third party credit card processor. In these cases, the cardholder should contact the merchant directly for confirmation and resolution. If the issue is still not resolved, the following steps must be followed:

1. In all cases, the cardholder should first attempt to resolve the issue directly with the merchant. Generally, if the issue is not resolved after a reasonable amount of time and the merchant does not provide a credit, the cardholder should file a dispute with the bank. All disputes that are reported to the bank must be filed **within 90 days** of the transaction post date.
2. The cardholder initiates a dispute by submitting the [JPMorgan Dispute Form](#) to [JPMorgan Disputes](#) and copying the [Purchase Card Help Desk](#).

3. JPMorgan sends the cardholder an email and a letter confirming a dispute case has been initiated. A provisional credit will then be issued by the bank. (**NOTE:** If a provisional credit does not post to the cardholder's account within 3-5 days, the cardholder must follow-up with the bank immediately.)
4. JPMorgan may follow-up with the cardholder to get additional information.
5. The cardholder checks the dispute box in NBS and cites the reason for the dispute. This triggers the purchase to be charged against the cardholder's default CAN. (**NOTE:** Checking the dispute box in NBS does not notify the bank or merchant of the dispute.)
6. JPMorgan sends another email and letter to the cardholder when the dispute is resolved advising of the outcome. (**NOTE:** If the cardholder does not agree with the decision, he/she must contact the JPMorgan Disputes Department immediately to resolve.)
7. Cardholder maintains a copy of the JPMorgan Dispute Form and all correspondence with JPMorgan in their monthly purchase card file.

It is the cardholder's responsibility to track and follow-up on disputes to ensure that they are resolved. All disputes must be filed within 90 days of the transaction post date. **Cardholders and CAOs may be held personally liable for failure to dispute incorrect or improper charges, and the cardholders' account may be suspended until the dispute issue is resolved or paid back.**

C. Types of Credits

A credit is a transaction initiated by a merchant or JPMorgan to reflect a refund to a cardholders' account. The types of credits that can be issued to a cardholder's account are as follows:

- **Merchant Credit:** When unauthorized or incorrect charges are resolved directly with the merchant, a merchant credit may be issued for the amount that is being disputed.
- **Provisional Credit:** After a dispute is submitted to JPMorgan, a temporary credit is automatically issued for the amount that is being disputed. The provisional credit prevents a transaction from aging while in the dispute process. JPMorgan may reverse a provisional credit if it is determined that a dispute was not valid or if the merchant issues a credit.
- **Fraud Credit:** When the bank initiates a fraud case for transactions not authorized by the cardholder, a fraud credit may be issued to the cardholder's account.

<p>NOTE: The cardholder should document in his/her file why a credit was received or why a credit was reversed. In cases where a credit was reversed by the bank, JPMorgan will provide a letter to the cardholder which should be maintained as part of the file. If the cardholder does not agree with the reversal, the cardholder must contact the bank by the date specified in the letter.</p>

D. Fraud

Fraud occurs when a transaction is made or attempted on a cardholder account without cardholder authorization.

1. The bank or a cardholder can initiate an investigation of suspicious transactions to determine whether charges are fraudulent.

Cardholder Initiated: If a cardholder does not recognize a posted transaction or notices a suspicious charge, the cardholder must notify the bank immediately. In addition, the cardholder must also notify the IC Purchase Card Coordinator and the NIH Purchase Card Help Desk.

Bank Initiated: If the bank notices a suspicious transaction, a temporary suspension will be placed on the account until the cardholder is contacted and is able to verify the validity of the transaction. If the cardholder verifies that he/she authorized the transaction, the suspension will be lifted by the bank and the cardholder may resume using the purchase card. If the cardholder deems the charge as fraudulent, the account is closed and a new card is issued.

In some cases, fraud may be attempted but does not actually post to the cardholder account. The bank will still close the account, however, as a precautionary measure.

2. If fraudulent transactions post to a cardholder's account, the cardholder will be sent a Fraud Affidavit from the bank to be completed. The affidavit must be completed and returned to the bank within 1-3 business days. A copy must also be sent to the NIH Purchase Card Helpdesk. Failure to complete the Fraud Affidavit in a timely manner may result in the cardholder being held personally liable for the improper charges.

If convenience checks are associated with a compromised account, the cardholder must request new checks and contact any merchants who have not yet cashed the convenience check so new checks can be reissued to them.
3. Once the Fraud Affidavit is received, JPMorgan will send the cardholder a letter stating that a case has been created and a fraud credit has been issued. A copy of the affidavit and all correspondence with JPMorgan must be kept in the monthly purchase file.
4. In NBS, any fraudulent charges that posted must be disputed and matched against associating fraud credits that are issued by the bank.

<p>NOTE: It is important for cardholders to continue to monitor and review transactions for both old and new accounts for any unauthorized activity.</p>

E. Lost/Stolen Cards

If the purchase card is physically lost or stolen, cardholders must take these steps to prevent and/or minimize any misuse:

1. Contact JPMorgan immediately at 1 (888) 297-0781

2. Email the [NIH Purchase Card Help Desk](#)
3. Notify the CAO and IC Purchase Card Coordinator
4. Request new checks (if the cardholder has convenience check authority)

If the theft occurred at an NIH facility, the cardholder must immediately report the theft to the NIH Security Office. If the theft occurred off-site, the cardholder should contact the local police. Cardholders must notify the NIH Purchase Card Help Desk upon receipt of the new card so that the account number can be changed in NBS.

NOTE: It is important for cardholders to review invoices for both the old and new account numbers, especially during the first month of the lost/stolen incident for any unauthorized purchases.

XI. PURCHASE CARD AS A PAYMENT MECHANISM FOR ITEMS ABOVE MICRO-PURCHASE THRESHOLD

As stated in the HHS Purchase Card Guide, cardholders are required to follow the policies and procedures in FAR Part 13 and HHSAR Part 313, Simplified Acquisition, for any purchase that exceeds the micro-purchase threshold (\$3,500). Additional documentation is required to be kept in the purchasing file and is detailed below. The cardholder must adhere to the requirements for competition, public notice, reporting data, small business set-asides, and use of appropriate provisions and clauses. It is the responsibility of the cardholder to ensure that all regulatory requirements in the FAR and HHSAR for purchasing over \$3,500 are followed and documented adequately.

NOTE: Additional training is required for cardholders who intend to purchase above the micro-purchase threshold.

Authority	Required Documentation (at a minimum)
Above \$3,500 and up to \$15,000	<ul style="list-style-type: none"> • Evidence of approval prior to purchase • Justification • Final invoice • Proof of receipt of goods/services • Evidence that a minimum of three quotes have been obtained (or an adequate sole source justification) • Adequate brand name justification, if applicable • A copy of FAR 52.219-1 containing the NAICS code (six digit industry code) and the small business size standard (NOTE: NAICS codes and size designation may be found at: http://epic.od.nih.gov/. Federal Supply Schedules and BPA orders do not need a NAICS code determination) • Transaction must be reported in the Departmental Contract Information System (DCIS) • If the award was issued to an individual, evidence that the drug free workplace clause was provided to the individual

Authority	Required Documentation (at a minimum)
	<ul style="list-style-type: none"> • Evidence that the requirements of the Buy American Act have been adhered to • If the purchase was for services, incorporate the Service Contract Act wage determinations or exemption certification, when applicable
Above \$15,000 and up to \$25,000	<ul style="list-style-type: none"> • All documentation required for purchases above \$3,500 to \$15,000 • Evidence that the requirements were displayed/posted in a public place for at least 10 days
Above \$25,000 and up to \$150,000	<ul style="list-style-type: none"> • All documentation required for purchases from \$3,500 to \$25,000 • If a small business was not used, an HHS-653 form must be signed by the Contracting Officer and reviewed and approved by the Small Business Office • Copy of the FedBizOpps notice

To obtain a warrant or for additional questions, please contact the [Acquisition Career Manager](#).

XII. CONVENIENCE CHECKS

The purchase card is the preferred method for micro-purchases. Public Law 104-134, The Debt Collection Improvement Act of 1996 requires that, with limited exceptions, federal payments be made through electronic means. The Department of the Treasury has ruled that checks are not electronic funds transfer (EFT) compliant. Convenience checks are a payment and/or procurement tool intended only for use with merchants that do not accept purchase cards and for other authorized purposes where charge cards are not accepted. Convenience checks should be used as a payment method of last resort, only when no reasonable alternative merchant is available who accepts the purchase card.

NOTE: Checks cannot be written for amounts greater than \$3,500, regardless of the cardholder's single purchase limit.

Convenience checks must fall into one of the categories listed in the Treasury Financial Manual (TFM) Part 4 - 1500. NIH allows convenience checks only to be issued for the following:

1. NIH **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 EFT.)
2. A **professional service order (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. These services are usually paid in the form of an honorarium. A convenience check can be written if the individual does not have

the appropriate EFT information registered with the NIH. **Multiple checks for professional services to one individual to cover his/her costs for one service are prohibited.** Convenience checks may not be used more than six times for an individual providing a professional service. Following six visits, individuals are expected to register in the System for Award Management (SAM), which replaces the legacy system Central Contractor Registration (CCR), and to obtain an electronic fund transfer (EFT) account with a bank. Also, those individuals who are already registered in SAM should be issued purchase orders, not convenience checks, for any additional professional services efforts.

- **NOTE:** Payment of an honorarium to a non-US citizen or a permanent resident alien who is authorized for payment in accordance with the terms and conditions of his/her VISA is prohibited.

For Foreign PSOs, per the ORS International Services Branch payment can be remitted for honorarium to a B-1/B-2 VISA-holder on a Professional Service Order. A B-1/B-2 VISA is granted to a foreign (alien) visitor for official business. Specific requirements must be met for the B-1 VISA holder to receive honorarium on a Professional Service Order. For additional information, see [ORS - International Services Branch](#).

The expenses for the PSOs must be separated in a three line format: honorarium, per diem, and travel. Honoraria 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. Honoraria 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."

Per diem for lodging and meals cannot exceed the Government rates for these areas as established in the Federal Travel Regulations (FTR). Reimbursement for travel may not exceed the cost for coach/economy class (first class travel is unallowable).

NOTE: If no honorarium is to be paid, the request should be processed using invitational travel procedures and a convenience check should not be written.

PSOs are reimbursements and cannot be paid in advance of the service rendered. Payments of PSOs must be accomplished after services are rendered. Airline tickets can be included in the cost of the PSO when the traveler is still at the location of service if the service has been provided and a receipt or invoice for the paid airline ticket showing a return to the professional's destination is provided.

All receipts for PSOs must be kept in the cardholder's monthly purchase card file, in accordance with the FTR and the NIH Manual Chapter 1500 "Travel Policies and Procedures." Receipts are required for the following:

- Lodging;
- Transportation (receipts, passenger coupons, or other appropriate documentation to support claim); and
- Any single authorized expense incurred costing over \$75.

Refer to [GSA's per diem rates](#) for additional information on per diem rates for different locations.

For additional information on NIH travel policies and procedures, please refer to [NIH Manual Chapter 1500 – “Travel Policies and Procedures”](#).

3. Instances where the card is not accepted, no other product or service will meet the government's need, and no other merchant can provide the service or product.

For example international merchant that is the sole provider of a vaccine. In these cases a detailed justification must be included in the cardholders' monthly purchase card file, providing evidence that the merchant cannot accept any other payment mechanism and there are no other merchants who can provide an equal product or service.

Convenience checks must be maintained in a secure location, and may only be issued by the individual authorized to use convenience checks. Merchants must be instructed to cash their checks within 90 days of receipt; after this time, the convenience check becomes void. Convenience checks are subject to the same regulations and restrictions as the purchase card. Cardholders must maintain convenience check documentation which at a minimum must include:

- Approval prior to purchase
- Recipient or merchant's name
- Description of the purchase
- Duplicate check
- Check fee amount
- Receipts
- Evidence that the drug free workplace clause was issued to the merchant, if applicable

All cardholders with check writing authority are required to use the NBS electronic log to enter pertinent merchant information including:

- Recipient's address;
- Recipient's telephone number; and
- Recipient's social security number or Tax Identification Number (TIN).

This data is necessary for OFM to produce a 1099 for each recipient. For additional information see the Job Aid available through the NBS Portal: NBS Portal>Job Aids>P-Card User>Convenience Checks and 1099 Fields. The log must show the date, the check number, payee, the amount of the check, and the check fee. Checks are to be written legibly, in sequence, and have an identifier in the memo portion of the check. Checks written out of numerical sequence may be due to missing checks and should be reported lost or stolen (if applicable) to the bank immediately.

XIII. 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 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, NIH will use data-driven, statistical, and data analysis techniques to evaluate compliance via targeted reviews. This approach allows NIH to focus on those cardholders and CAOs that present the most risk to the NIH Purchase Card Program.

A. On-site Reviews

For the on-site review, the reviewer will check all purchases within a specified time period for compliance with NIH Purchase Card Program policies and procedures. Cardholders, CAOs, and the IC Purchase Card Coordinator will be notified via email of scheduled review times. Cardholders must be physically present at the on-site review, per the NIH Purchase Card Program policy. An approved absence can only be granted by the NIH Purchase Card Program. In addition to a physical review of the purchase card files, the reviewer will also ask the cardholder on-site review questions. The questions assess compliance with specific procedural and regulatory areas for:

- Purchases at or below the micro-purchase threshold
- Purchases above the micro-purchase threshold
- Convenience check purchases

At the end of the review, the reviewer will conduct an exit briefing with the cardholder to discuss any feedback and/or preliminary findings, and to address any questions. The reviewer will also conduct a separate review with the cardholder's CAO to ask questions regarding the CAO's roles and responsibilities. Generally within 30 to 60 days after the completion of the on-site review, results will be prepared and distributed to the cardholder, CAO, and the IC Purchase Card Coordinator.

B. Targeted Reviews

For targeted transactional reviews, the reviewer will request and review all supporting documentation for the selected transaction(s) in question via email. If additional questions arise, an on-site review may be warranted. Within 30-60 days after the completion of a targeted transaction review, results will be prepared and distributed to the cardholder, CAO, and the IC Purchase Card Coordinator.

C. Compliance Decisions

There are generally two types of compliance decisions that are issued based on the results of the review:

- **Compliant** – no issues were noted and files were generally compliant with regulatory and procedural requirements. Recommendations may be provided by the reviewer(s).

- **Noncompliant** – files were not in compliance with regulatory and procedural requirements. For those cardholders and CAOs that receive a noncompliant result, a findings report will be issued. The report will include a written summary of the findings and corrective actions necessary to ensure no recurrence.

Examples of noncompliance may include, but are not limited to:

- Allowing others to use the cardholder’s purchase card
- Not having required documentation such as pre-approval for each purchase, an invoice, or evidence of receipt to indicate the goods or services were received by NIH
- Failure to appear at the scheduled review and/or to contact the reviewer to reschedule

Consequences for noncompliant on-site reviews: Follow-up reviews may be scheduled for cardholders and CAOs that are not in compliance. If, after a follow-up review, the results are determined to be noncompliant, the cardholder and CAO privileges may be suspended or revoked. The determination to suspend or revoke a cardholder or CAO will be considered on a case-by-case basis at the discretion of the NIH Purchase Card Program.

Non-Compliance	Consequence
After 1st offense	Warning
After 2nd offense	Privileges suspended for 1 month
After 3rd offense	Privileges may be suspended for 6 months and employee must retake the 3-day purchase card training or card/account may be cancelled.

Suspected cases of fraud, waste, and abuse will be referred to the Office of Inspector General (OIG) for additional investigation.

XIV. GLOSSARY

The terms defined in this Glossary supplement those terms defined in HHS Purchase Card Program Guide Version 6.0. To the extent there is a conflict between the terms, the terms in this NIH Purchase Card Supplement shall prevail.

Term	Definition
1099	Information used for reporting income to the Internal Revenue Service (IRS) using a Tax Identification Number (TIN). This could be either a Social Security Number (SSN) or an Employer Identification Number (EIN). Individuals should provide an SSN
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 under the Delegated Acquisition section titled NIH-wide BPA

Term	Definition
	List. NIH BPA merchants should be considered for use only after the required sources have been considered. When the BPA merchant 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 merchant to extend the discount rate to any NIH mechanism.
Agency/Organization Program Coordinator (A/OPC)	The individual serving as the focal point for management, task order administration, establishing and maintaining accounts, and issuance and destruction of cards. The AO/PC at NIH is the Purchase Card Program. The Purchase Card Program 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")
Cardholder	An individual to whom a purchase card is issued to buy goods and services in support of official agency business. The cardholder holds the primary responsibility for the card's proper use.
Card Approving Official (CAO)	The individual responsible for ensuring that the purchase card is used properly by the cardholder. The CAO also authorizes cardholder purchases (for official use only) and ensures that the statements are reconciled and submitted in a timely manner.
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.
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
Electronic Funds Transfer (EFT)	Delivery systems used to transfer payments of funds electronically. These systems transfer funds faster and more securely than transfers authorized by paper check. NIH began making all payments from the U.S. Treasury via EFT in

Term	Definition
	January 1998. The Debt Collection Improvement Act of 1996 (Public Law 104-134) mandates the use of EFT for all Federal payments.
Head of the Contracting Activity (HCA)	This individual is responsible for assuring the effectiveness, efficiency, and integrity of all NIH acquisition activities. The HCA's address is: Director, Office of Acquisition and Logistics Management 6100 Executive Blvd., Room 6D01 Bethesda, MD 20892-7540 Telephone: (301) 496-4422
Merchant Category Code (MCC)	A code used by the issuing bank to categorize each merchant according to the type of business in which the merchant is engaged and the kinds of supplies or services provided. These codes are used as authorized transaction codes on a card/account to identify the types of businesses that provide authorized supplies or services. A cardholder's account limitations should reflect the normal usage by that cardholder rather than defaulting to the maximum available.
Micro-purchase	An acquisition of supplies or services, the aggregate amount of which does not exceed the threshold as defined in FAR 2.101. The threshold is currently \$3,500 for most purchase types.
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.
Proxy	A cardholder or CAO temporarily assigned to act during the reconciliation period on behalf of a cardholder who is on extended leave. The proxy should be at a higher or equivalent

Term	Definition
	grade level and have the same acquisition authority as the cardholder.
Patient Services	These are blood draws, lymphs, monos, apheresis, bone marrow aspiration, phlebotomy, and other procedures relating to health care patients.
Section 508	(Section 508 of the Rehabilitation Act (29 USC Chapter 794d), as amended by the Workforce Investment Act of 1998 (P.L. 105-220), August 7, 1998): Section 508 is a U.S. law that was enacted to eliminate barriers in information technology, to make available new opportunities for people with disabilities, and to encourage development of technologies that will help achieve these goals. It identifies specific standards for internet and web accessibility, which are often used as a basis for evaluating whether or not websites meet accessibility requirements.
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.
Taxpayer Identification Number (TIN)	A unique set of digits used to identify a business or person for the purpose of federal income tax reporting (i.e., a social security number (SSN) or employer identification number (EIN)).

APPENDICES

Appendix A - NIH Sensitive Items List

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 and the NIH Manual Chapter 26101-25-2 “Personal Property Management Guide” for a complete list of sensitive items as well as the time frame required for their submission for inclusion into the NIH Property Database.

Below is a list of sensitive items provided by the NIH Property Management Branch.

- Computers/Tablets (Includes PCs, servers, laptops and micro-mini laptops, tablet, and monitors)
- Hazardous Materials (Radioactive, chemical, nuclear material and reagents (see 40 CFR part 261)
- Laboratory Grade Freezers (Includes freezer liquid gas, freezer ultra low temperature upright, chest and benchtop)
- Liquid Scintillation Counters
- Multi-Functional Office Equipment (Equipment that performs any combination of: fax, copy, scan, print)
- Personal Digital Assistant with PC Connectivity (Palms, Blackberries, and SmartPhones)
- Portable Hard Drives (Data Storing) (Does not include smart cards, USB memory sticks or other devices classified as "media")
- Portable Instrumentation (Voltmeters, o-scopes, and watt meters)
- Power tools (Includes stand alone items such as portable compressors, generators, or table saws)
- Precious Metals (or equipment made of same) (Gold, Silver, Platinum)
- Projectors, Multi-media (Digital. Does not include slide or overhead projectors)
- Still Cameras (Digital)
- Televisions (Sets, CRT and Flat panel)
- Video Cameras (Does not include surveillance equipment)
- Video Recorders/Players (Digital recorders/players such as: Digital compact audio disc (CD), Digital video disc (DVD), blu-ray)
- Weapons (Firearms, including tranquilizer guns)

Appendix B - Gift Card Process Flow for Incentive Awards

Step 1: Nomination

- Supervisors may nominate an employee or group of employees to receive an informal recognition award to acknowledge an aspect of performance or job accomplishments.
- The award nomination/approval document must include:
 - Employee name
 - Justification for the award
 - Required signatures

Step 2: Approval

- The authority to approve informal recognition awards lies within each IC

Step 3: Documentation

- The purchase cardholder must maintain a complete gift certificate/gift card log of informal recognition awards purchased and distributed. The responsible program must also maintain a complete record/log of all information recognition awards given out. **At a minimum**, the cardholder's log must contain the following:
 - Date of gift certificate/gift card purchase
 - Gift certificate/gift card type
 - Gift certificate/gift card amount
 - Gift certificate/gift card nominator
 - Gift certificate/gift card recipient
 - Reason for the incentive award
 - Date the gift certificate/gift card was awarded
-

*See Appendix C for a sample gift card log

Appendix C - Gift Cards for Incentive Awards

**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: _____
- (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	"						

Appendix D - Example Metro Farecard/SmarTrip Card Log

IC Metro Farecard/SmarTrip Card Log							
IC	Date Card Released	Date Card Returned	Card Balance Before Use	Amount Used	Card Balance After Use	User	Purpose of Use