MIDWEST AREA
STANDARD OPERATING PROCEDURES
MANUAL

PURCHASING FOR NON-PROCUREMENT PERSONNEL

Created By
Program Administrative Support Task Group

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CUT OFF DATES – MIDWEST AREA

The following chart provides the dates by which the procurement must be logged in at the MWA Procurement Office. East Location Purchasing Agent, in conjunction with the LAO and Budget Personnel, need to adjust these dates to fit their location's needs and to ensure that the

Supply, Service and Equipment (includes IT)	
	CUT OFF DATES
$2,500 and under	August 1
$2,501 – 25,000	August 1
$25,001 – 100,000	July 15
$100,001 & over (Commercial Item[1])	July 1 (if in forecast[3])
$100,001 & over (Commercial Item[1])	June 15 (if not in forecast[3])
$100,001 & over (Non-Commercial Item[2])	June 1
Design & Construct (This FY)	
$2,501 – 25,000	May 1
$25,001 – 100,000	March 1
$100,001 & Over	January 1
Construction with Completed Design	June 1
A/E Design Only	August 1
Special or Additional Tasks for Major Facilities Support Services Contracts	
Under $100,000	August 15

procurement reaches the Area Office by the cut off date.

[1] Commercial Item is an item available in the commercial marketplace that is used for other than Government purposes—an item or service that is "off the shelf".
[2] Non-Commercial Item is an item that would be used only by the Government—not available to the general public.
[3] For an item to be considered in a forecast, it must have been included in the ARMP or included in the Procurement Forecast for this fiscal year. An item not included in a forecast may need to be advertised for 40 days instead of 10 days.

GENERAL PROCUREMENT RULES

Excess property is the first required source for all items to be purchased. An Excess Property Certification Form can be found under Related Forms and Templates.

Under $2500:

Items may be purchased on the Government Purchase Card.

Restriction:
1) All items available from AbilityOne Program (formerly JWOD) **MUST** be purchased from JWOD or a distributor (GSA, Boise, etc.). This is a required source with no exceptions granted. See items available through JWOD by visiting AbilityOne Program - JWOD Website
2) An order may not be split in order to get the dollar amount under $2500.

$2,500 to $25,000:

Order must be placed by a warranted contracting officer. Three quotes must be obtained in order to purchase.

Restriction:
1) In addition to the JWOD required source, UNICOR was a required source for purchases over $2500 but now must be one of your three quotes. UNICOR should still be the chosen Vendor if they are the most cost effective and can meet the need. 2) Procurement must post all orders between $10,000 and $25,000 in a public place for ten days.

Over $25,000:

Order must be placed by a warranted contracting officer. No quotes should be obtained. Market research may be done to obtain estimated cost of item and to help define minimum needs. Possible source information can be included with the order. Do not place Vendor name on AD-700 as that seems like pre-selection. Minimum specifications giving ranges (temperature, speed, etc.) should be stated. If there is truly only one source which can meet the need, then a sole source justification (12 questions to be answered) must be completed.

Restriction:
1) Required sources must be checked. 2) Orders that are less than $100,000 must be set aside for small business. 3) All orders estimated to cost more than $25,000 must be advertised at www.fedbizopps.gov to ensure full and open competition.

PURCHASE CARDS (VISA-Credit card for Federal Government purchases)

DR 5013-6 Use of the Purchase Card and Convenience Check

CARDHOLDER REQUIREMENTS

Demonstrate Need Within Micro Procurement Realm
Nominated by Fundholder to LAPC
Successfully Complete Micro-Purchase Self-test
Receive USBank Access On-Line (AXOL) Training

Procurement Integrity Requirements:

VISA IS:

To Be Used for Small Purchase Needs
Subject to All Federal, Department, and Agency
Procurement Laws, Regulations, and Directives
1) Federal Prison Industries
2) National Industries for the Blind (NIB)
3) National Industries for the Severely Disabled (NISH)

VISA IS **NOT**:

To Compete with Other Government Credit Cards
Gasoline Credit Card
Travel Credit Card
For Personal Use of the Cardholder

SYSTEM CONTROLS

Cardholder Spending Limits:

- Single Purchase Limit--approved limit cannot exceed $2,500 (No circumventing the government regulations by splitting a $4,000 purchase into 2 orders)
- 30 Day Limit--total of all charges incurred in one calendar month
- Are set by the RL

HOW THE PROCESS WORKS FOR OVER THE COUNTER PURCHASES

Cardholder Obtains Fundholder Approval of an AD-700 created in CATS (Go to http://www.mwa.ars.usda.gov/mwa/adp/cats.shtml and click on the CATS Manual)
Cardholder Presents Card to Vendor for Payment
Vendor Follows Authorization Procedures for Credit Cards

Cardholder Checks Sales Total and Signs Sales Receipt
Cardholder Returns to Office with Merchandise and Receipt

ALL ITEMS PURCHASED BY TELEPHONE MUST BE DELIVERED BY THE VENDOR WITHIN 30 DAYS. THE ORDER SHALL NOT BE PLACED WITHOUT THIS ASSURANCE FROM THE VENDOR.

Charges on Purchase Card are exempt from Sales Tax.

CARD SECURITY

Cardholder is responsible for safeguarding the card at all times. Do not permit anyone to use your card or account number.

CREDIT CARD PROCUREMENT CYCLE

1. Requirement identified
2. Cardholder:
   A. Identifies source of supply
   B. Phones in order, or completes order form and completes log
   C. Material received by cardholder and delivered to end user
   D. Shipping documents retained
   E. Entries in AXOL must be verified within a reasonable amount of time. With the implementation of FFIS, it is encouraged that cardholders reconcile weekly. Budget object, description, accounting is noted in AXOL program. Supporting documents must be kept together with each individual order placed.

CONVENIENCE CHECKS

Some credit card holders may also have the ability to write convenience checks. The same regulations apply to check writing as with the credit card.

Checks may be issued to make purchases only if the vendor does not accept the purchase card. Waiver number must be inserted into the Comments field when reconciling in AXOL. Contact your LAPC for list of waiver numbers.

Cardholders may issue checks to employees for reimbursement of miscellaneous expenditures such as supplies, services, and registration fees, although every effort should be made to pay for registration fees on the Visa purchase card. Before issuing a check, form SF-1164, Claim for Reimbursement for Expenditures on Official Business, must be approved by an authorized official other than the cardholder. Reimbursements must be in accordance with federal, department, and agency procurement regulations.

When using a convenience check use the following form to record transaction. All checks must also be verified in AXOL.

International vendor: Use code 989898989 as the tax ID number.

USBANK CHECK DOCUMENTATION

CHECKWRITER

VENDOR'S TAX IDENTIFICATION NO.:_____

(IF AN INDIVIDUAL) SOCIAL SECURITY NO.:_____

NAME OF INDIVIDUAL BEING HANDED THE CHECK, IF DIFFERENT FROM THE NAME ON THE CHECK:_____

DATE CHECK WAS HANDED TO THAT INDIVIDUAL:_____

IF MAILING THE CHECK, DATE IT WAS MAILED:_____

ADDRESS:_____
_____
_____

A FEE OF 1% OF CHECK TOTAL WILL BE ASSESSED.

CHECK AMOUNT ($_____) AND FEE (1%) ARE CHARGED TO

ACCOUNT:_____

BOC:_____
(Budget Object Classification Code: 2670 unless item is over $1,000)

BOC: 2581 (check fee)

WAIVER NO. _____

TAPE YOUR COPY OF CHECK HERE:

RECONCILING USING USBank ACCESS ONLINE (AXOL)

USEFUL BOC CODES

The Budget Object Code is a very important planning and reporting tool for both Procurement and Property. Procurement is required to forecast funded and unfunded items and personal property is required to track capitalized and noncapitalized property. With the emergence of FFIS, CATS, PROP, and CPAIS and the future implementation of the Integrated Acquisition System (IAS), it is imperative that the correct BOC be entered.

The following BOCs are a sampling of what should be used in IAS and possibly CATS. For the full list and explanation of each BOC, stay on the same publications page and click on "List by Title/Chapter" and slide the sidebar down the page to Title 5 (Miscellaneous Systems Manual) and click on Chapter 3.

Examples only - not all inclusive:

EQUIPMENT, SUPPLIES, SERVICES

Under $1,000
2670 – Miscellaneous supplies and materials (except for training, check fees)
2523 – Training, tuition, fees
2581 – Check fees
2353 – FedEx shipping charges

Under $5,000
2532 – Maintenance Service on Equipment
2560 – ADP Services – maintenance, service and support of equipment
2629 – Scientific supplies
2639 – ADP supplies such as diskettes, software, printers, computers
3140 - Equipment with a cost less than $5,000 and not sensitive
3141 - Equipment with a cost less than $5,000 and defined as sensitive

Between $5,000 and $25,000
3151 - Machinery and Equipment
3152 - IT Software (Cost of $5,000 - $99,999)
3153 - IT Hardware
3154 - Furniture

3155 - Motor Vehicles

Over $25,000
3111 - Motor Vehicles
3121 - Agricultural Machinery/Equipment
3122 - Laboratory Machinery/Equipment
3124 - IT Hardware

FACILITIES (Construction)

2533 – Repair & Maintenance – Interior
2534 – Repair & Maintenance – Exterior
3220 – New Buildings and Additions to Buildings – $25,000 & over
3230 – Other Structures/Improvements (ex.: landscaping, fences, sewers, wells) $25,000 & over
3280 - New Buildings and Additions to Buildings – (Cost between $5,000 and $24,999)
3290 - New Buildings and Additions to Buildings – (Cost less than $5,000)

If in doubt, call your local Purchasing Agent or the Area Procurement and Property Section.

DO'S AND DON'TS

Do check required sources - if in doubt call your local or area purchasing office.

Don't split orders: #1 Question for determining whether an order would be considered split. Did you know of the whole requirement before the first order was placed?
Split Order: Two requisitions for the same company received on the same day before either order was placed.
Not a Split Order: Requisition received for Company A - order placed. Later, another order for Company A received.

Do keep your Government Purchasing Card in a secure place.

Don't allow anyone to ever use your Government Purchasing Card.

Do keep complete records of all purchases for the required time before destroying your records. (Retention is 3 years from the date of purchase)

Don't hesitate to contact the Procurement & Property Section if you have a question.

United States Department of Agriculture

Research, Education and Economics
Agricultural Research Service

January 31, 2001

SUBJECT: Delegation of Authority to Approve Payment of Refreshments

TO: Center Directors/Location Coordinators
Research Leaders
Location Administrative Officers

FROM: Adrianna D. Hewings /s/
Midwest Area Director

With this memo I hereby delegate authority for approval of payment for refreshments to the **Location Administrative Officers** in the Midwest Area.

Please refer to the guidance issued by Dr. Floyd Horn, December 9, 1999, March 27, 2000, and April 21, 2000 as the basis for determining whether or not the requested approval for the provision of refreshments meets the criteria as set forth in that guidance.

The above referenced guidance is very clear on what constitutes official functions for which it would be appropriate to furnish refreshments, and attendees covered. **Only those situations clearly defined as allowable are to be approved.**

For those functions that are approved, the criteria for light refreshments is clearly defined as "only what is minimally required to support the particular event" such as:

Mid morning or afternoon snacks comprised of any of the following:
Coffee, tea, milk, juice, soft drinks
Donuts, bagels, muffins, cookies, fruit, pretzels, chips

This does **not** include pizza, box lunches, or any other type of refreshment that would normally be defined as a "light meal". As a guide, I am suggesting that up to $2/person is a maximum amount to be considered light refreshments.

Should payment for refreshments be requested, LAO approval must be granted **prior** to the purchase of refreshments, with copies of the signed approval furnished to the purchasing agent or cardholder as authorization to complete the transaction. A format for approval by the LAO is attached for your use.

Please do not hesitate to contact the area office should any questions arise that cannot be resolved by a review of the policies/guidelines already in place.

REQUEST FOR PAYMENT OF REFRESHMENTS

DATE OF REQUEST:
LOCATION:
MANAGEMENT UNIT:
****
NAME OF MEETING/FUNCTION:

LOCATION OF MEETING:

MEETING DATE(S):

PURPOSE OF MEETING/FUNCTION:

TARGET AUDIENCE: (Stakeholders, university personnel, agency personnel, location personnel, etc.)

LOCATION EMPLOYEES INCLUDED: (Categories, not names)

TYPE OF REFRESHMENT REQUESTED:

ESTIMATED COST:

PREFERRED PROCUREMENT METHOD:

Purchase Order_____ **Purchase Card_____**
Authorized Cardholder:_____

APPROVED:_____ **DISAPPROVED:_____** **DATE:_____**

_____
Administrative Officer

RESEARCH SUPPORT AGREEMENTS (RSA) Bulletin 07-001

An RSA means a cost reimbursable agreement with a State Cooperative Institution, college, or university for the acquisition of goods and/or services without regard to competition and other acquisition regulations.

THE RSA SHALL NOT BE USED TO AVOID OR CIRCUMVENT ESTABLISHED FEDERAL PROCUREMENT, PROPERTY, OR PERSONNEL PROCEDURES.

The following is a listing of mandatory responsibilities for Location personnel involved in the financial management of the RSA:

RL Responsibilities:

- RLs plan for goods and services to be obtained via the RSA during the ARMPS cycles using the ARMPS Form ARS-550. AD approval constitutes certification that the intended use of the RSA is in accordance with ARS and MWA policy.
- RLs use AD-700s to request goods and services via the LAO. The initial FY AD-700 and task order should match the ARMPS Form ARS-550. The following minimum details are required on AD-700s:
    - Description and amount of supplies and materials requested.
    - Description and amount of services requested.
    - Listing of occupational categories with corresponding duties and qualifications or personal services requested.
    - Dates or timeframes for delivery of goods or performance of services.
    - Accounting Code(s).
- RLs certify receipt of goods and services including quantity and quality by reviewing and signing each University of Monthly Management Report.

LAO (as ADODR) Responsibilities:

- The LAO is administratively responsible for receiving, reviewing, and determining appropriateness of requests received from the RLs for acquisition of goods and services.
- The LAO verifies the accuracy of the University Monthly Management Reports based upon documentation (i.e. receipts, packing slips, delivery tickets, work orders, etc.).
- The LAO manages funds including obligation and deobligation of funds during the fiscal year with a frequency to deter over-obligations and under-obligations on account balances.

As a reminder, the following RSA agreement policies must be emphasized and followed:

1. The RSA shall not be used to avoid or circumvent established Federal procurement, property, or personnel procedures.
2. The RSA shall not be used to give a particular person a temporary or intermittent appointment in anticipation of a Federal appointment.
3. The RSA shall not be used to avoid competitive Federal employment procedures.
4. Payments to the University are made for **actual direct costs** incurred, open blanket arrangements within the RSA accounts are not allowed.

INTEGRATED ACQUISITION SYSTEM (IAS)

NOTE: Secretaries located on university campuses may have to connect the VPN Client in order to gain access to this web site.

https://ias.usda.gov/iasportal/index.html

When you arrive on this site, click the icon on USDA-IAS icon on the bottom left of the screen.

On the Home Page you find Quick Tips from the side bar to the left and by choosing Guidance from the bar along the top you can access step by step guides on entry & troubleshooting depending on your role in IAS - Requisitioner, Receiver, Acquisition, Document Manager.

A dedicated helpdesk has been established at Headquarters for questions relating to use of IAS (not policy or purchasing questions). **Peter Lee** is available to answer questions at 301-504-4383. The e-mail address for Peter is **REE-IAS-Help@ars.usda.gov**

As always please contact your local Purchasing Agent or the MWA Procurement Office if you have questions.