

NCA GOVERNMENT PURCHASE CARD PROCEDURES

1. REASON FOR ISSUE: This handbook outlines procedures for the use and management of Government purchase cards by National Cemetery Administration (NCA) staff.

2. SUMMARY OF MAJOR CHANGES: The handbook updates information about purchase card uses and restrictions, internal controls, reconciliation procedures, program functions and processes, and citations/availability of references.

***NOTE:** Because this handbook has been extensively revised, users are advised to read the full content. New/revised information is not specifically designated in the margin.*

3. RESPONSIBLE OFFICE: National Cemetery Administration, Office of Finance and Planning, 810 Vermont Avenue, NW, Washington, DC 20420, is responsible for the contents of this publication.

4. RELATED NCA PUBLICATIONS: NCA Handbook 3315 - NCA Procedures for Ordering Government-Furnished Headstones/Markers (August 14, 2009).

5. RESCISSIONS:

a. NCA Handbook 4080 - NCA Government Purchase Card Procedures (April 28, 2008)

b. Acting Under Secretary for Memorial Affairs policy memorandum "Amendment to Purchase Card Policy on Micro-Purchases" (October 12, 2010)

6. RECERTIFICATION: This publication is scheduled for recertification in September 2016.

/s/
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Under Secretary
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Distribution: Electronic

NCA GOVERNMENT PURCHASE CARD PROCEDURES

1. PURPOSE

a. This handbook outlines procedures for the use of the Government purchase card by National Cemetery Administration (NCA) staff. These procedures supplement the information and guidance in Department of Veterans Affairs (VA) *Financial Policies and Procedures, Volume XVI – Chapter 1, Government Purchase Card*.

b. These procedures describe the NCA recordkeeping and reconciliation process, minimize the potential for misuse of Government purchase cards, and increase the awareness of employees participating in the purchase card program.

c. NCA does not endorse or recommend any commercial products, processes, or services. The use of trade, firm, or commercial product names in this publication is for information only, and does not constitute an official endorsement or approval by NCA to the exclusion of other products that may be similar and/or suitable.

2. POLICIES

a. NCA employees are authorized to use Government purchase cards to buy goods and services in support of official Government business.

b. Purchase card holders will use Government purchase cards for all micro-purchases¹ that do not exceed \$3,000 per transaction, except for the following where the limit is:

(1) \$2,000 per transaction for construction that must not exceed the limits set by the Davis-Bacon Act² as stated in the Federal Acquisition Regulations (FAR); or

(2) \$2,500 per transaction for the acquisition of services that must not exceed the limits set by the Service Contract Act³ as stated in the FAR.

c. Government purchase cards may be used for a recurring purchase with the same vendor as long as such purchases do not exceed \$12,000 annually and meet the per-transaction thresholds stated above.

d. Purchase card holders will use Government purchase cards to the maximum extent practicable to pay for all purchases up to the simplified acquisition threshold, currently \$150,000, where appropriate warranting has been completed.

e. Purchase card holders may use Government purchase cards to purchase headstones/markers and provide inscriptions for active duty deaths in accordance with accelerated delivery procedures stated in NCA Handbook 3315 - NCA Procedures for Ordering Government-

¹ A micro-purchase is an acquisition of supplies and services using simplified acquisition procedures where the aggregate amount does not exceed \$3,000.

² Davis-Bacon Act requirements are covered in FAR 22.403-1 and FAR Clause 52.222-6 (see References).

³ Service Contract Act requirements are covered in FAR 22.1002-2 and FAR clause 52.222-41 (see References).

Furnished Headstones/Markers. In addition, cemetery staff may use purchase cards for special size graveliners not included in existing contracts. These purchases are subject to the micro-purchase threshold spending limits set by the FAR. Purchase card holders must use the fund codes for Headstones and Markers (0102H) or Graveliners (0102G) on the purchase card request.

3. PROCEDURES

a. **Standards of Conduct.** Purchase card holders may use cards only to purchase supplies and services within the guidelines of the Government purchase card program. Under no circumstances may purchase card holders use the card for personal purchases or cash advances.

b. **Internal Controls.** The VA Office of Business Oversight (OBO) Management Quality Assurance Service (MQAS) and Office of Finance and Planning, Finance Service, will conduct internal control reviews/audits of purchase card use using random sampling and data mining techniques. The NCA Agency/Organization Program Coordinator (A/OPC) will document results of internal reviews/audits and monitor corrective actions to ensure they are effectively implemented. The NCA A/OPC will ensure an audit is completed annually for all purchase card holders using either audit format.

(1) The NCA A/OPC will email a request for audit to the office or cemetery to include an audit questionnaire with questions for both the cardholder and Approving Official (AO).

(2) The AO must initial next to the cardholder's responses to certify his/her review of the transaction and the requested support documentation.

(3) The NCA A/OPC will review the documentation submitted and provide a written memorandum of result to the cardholder, the AO, and where applicable, the Memorial Service Network (MSN) point of contact.

(4) Cardholders must keep their card(s) in a locked cabinet or safe in the office when not in use. The AOs will certify at the time of audit that the card is kept locked in the office or facility.

c. **General Restrictions on Purchase Card Use.** The purchase card may not be used for the procurement of:

(1) Long-term rental or lease of land or buildings of any type;

(2) Employee travel or travel-related expenses (excluding payment for conference or meeting rooms, and local transportation services such as Metro fare cards);

(3) Purchase of gasoline, vehicle parts or maintenance for VA-owned or -leased vehicles (these purchases should be on a government fleet card);

(4) Items to be presented as gifts, given away as mementos, or disposed of where the Government loses title, without legislative authority (excludes items authorized by VA Financial Policy Volume II, Chapter 4 – Awards, Ceremonies, Food or Refreshments, Gifts or Mementos);

(5) Gift cards; or

(6) Third-party merchant services (Paypal, eMoney, E-Account, etc.).

d. Unauthorized Use/Penalties.

(1) When using a Government purchase card, a cardholder must comply with VA and NCA policies and procedures. Any violations of the following requirements are considered misuse of the purchase card. The employee will be personally liable to the Government for the amount of any unauthorized transaction, and may be subject to disciplinary action or criminal prosecution.

(a) Approval Requirements. Purchase Card Order must be fully approved at each approval level in CAATS prior to placing the order or within 24 hours when deemed an emergency order verbally authorized in advance;

(b) Spending Limitations. Cardholders are not authorized to exceed either their designated Single Purchase or Monthly Spending Limits. Cardholders must not break down requirements aggregating more than their micro-purchase threshold into several purchases (i.e. "split purchase");

(c) Internal Controls, i.e. fraud, abuse, or misuse of the purchase card; or

(d) Purchasing Prohibitions, including the use of mandatory sources of supply for either office supplies or toner (covered under the Federal Strategic Sourcing Initiative), or printing and business cards (Government Printing Office);

(2) The table below provides supervisors a range of penalties to apply after considering the appropriate mitigating or aggravating circumstances and ensuring consistent corrective action. Supervisors should base the points selected within each range on the severity of the offense. Multiple incidents of misconduct may warrant greater than the maximum points within a range.

NATURE OF OFFENSE		POINTS
Purchase card		
Inappropriate use of less than \$200.		4-to-7
Inappropriate use of more than \$200.		6-to-8
Failure to safeguard or monitor or allowing/enabling another to use a cardholder's account or card.		4-to-8
Misuse and/or conversion of Government funds for personal use.		7-to-8

POINTS CONVERSION TABLE			
Points	Penalty	Points	Penalty
4 pts	4-workday suspension	7 pts	10-workday suspension
5 pts	6-workday suspension	8 pts	Removal
6 pts	8-workday suspension		

e. Requirement for Timely and Accurate Reconciliation. Purchase card holders and AOs are responsible for timely and accurate reconciliation of purchase card charges. Purchase card orders should be reconciled within 10 days of receipt of the charge from the bank, but no later than the 4th business day prior to month-end to avoid generating automated accruals of unreconciled purchase card orders where purchase card charges have been received. NCA offices and cemeteries will use the Centralized Administrative Accounting Transaction System (CAATS) to create, obtain approval, and reconcile purchase card orders.

(1) Approving Officials and NCA CAATS Finance Approvers must approve purchase card documents in the CAATS system prior to use of the Government purchase card to make purchases. **NOTE:** *In the case of an emergency, written approval outside the system will meet this requirement. The cardholder must complete a purchase card document within 24 hours of purchase.*

(2) Upon receipt of goods or services, the cardholder should update the status of the purchase card document to either “*partially received*” or “*fully received*” under the Receiving Module. **NOTE:** *If a cardholder receives a charge on their purchase card prior to receiving the merchandise, the AO can direct the cardholder to mark the document “Unable to Receive” and reconcile the charge if the item is pending arrival, or dispute the charge if the order’s delivery is not guaranteed or is more than 30 days away.*

(3) Timely reconciliation: Cardholders will reconcile valid transactions within 10 calendar days of email notification from the CAATS system of bank charges received for reconciliation. **NOTE:** *It is not necessary for AOs to approve the reconciliation transaction in the CAATS system because AO approval was obtained prior to purchase.*

(4) If capability exists, the cardholder will attach receipts and other support documentation to the purchase card document in the CAATS system.

(5) Fraudulent Charges: If a cardholder discovers a fraudulent charge on his/her purchase card, they will immediately inform the NCA A/OPC and contact the Government purchase card provider to have their account blocked and a new card delivered. They will complete the fraudulent charge form sent by the bank and send a courtesy copy of the completed form to the NCA A/OPC for record-keeping. Once the Government purchase card provider has confirmed the charge is fraudulent, NCA Finance Service A/OPC will deactivate the charge and credit in the CAATS system and support documentation maintained in the cardholder’s file.

f. **Increasing monthly purchase limit:** To request an increase to the limit, both the cardholder and the AO must complete and sign a new VA-0242 (Governmentwide Purchase Card Certification Form). The form is available electronically to VA staff at <http://vaww.va.gov/vaforms>.) The cardholder or AO must provide a written justification for the requested increase on the bottom of the form. The AO will submit the completed form to the MSN Financial Administrator and NCA A/OPC for review and subsequent submission to the Head of Contracting Activity for approval.

g. **Performance Standards:** The performance plans of purchase card holders, AOs, and other personnel responsible for critical Government purchase card duties will contain performance standards commensurate with their responsibilities.

4. PROGRAM FUNCTIONS

a. **Under Secretary for Memorial Affairs** is responsible for ensuring that the NCA purchase card program meets all legal and financial requirements.

b. **Principal Deputy Under Secretary for Memorial Affairs** is responsible for ensuring that staff responsibilities related to Government purchase cards are carried out appropriately.

c. **Deputy Under Secretary for Finance and Planning**, as NCA's **Chief Financial Officer (CFO)**, is responsible for implementation and oversight of the Government purchase card program within NCA. The NCA CFO is responsible for establishing procedures to implement management controls for card use and for ensuring that adequate internal controls are established and followed.

d. **Deputy Under Secretary for Management** serves as Head of Contracting Activity (HCA) for NCA. The HCA will provide services to NCA and is responsible for ensuring the following actions are carried out appropriately:

- (1) The A/OPC conducts audits checking compliance with applicable policy and procedures;
- (2) Cardholders are appointed and VA Form 0242 signed by the HCA; and
- (3) Authority for micro-purchases is delegated to cardholders.

e. **Deputy Under Secretary for Field Programs** and **Memorial Service Network (MSN) Directors** are responsible for providing management support for the purchase card program at field offices, and for developing effective internal controls to avoid fraud, waste, and abuse of purchase card usage.

f. NCA **Agency/Organization Program Coordinator (A/OPC)**, assigned to the Accountability Division in the Finance Service, oversees the purchase card program for NCA and responsibilities include:

- (1) Making final decisions on the appropriate number of cards needed by each NCA organization and assigning the appropriate number of AOs to cardholders within each organization to maintain the appropriate span of control (1 to 10);
- (2) Monitoring and maintaining a master list of current cardholders and AOs, and the cardholder's single and 30-day threshold limitations;
- (3) Verifying that threshold limitations are reduced after any temporary increase;
- (4) Assuring that adjustments to the single purchase limitation exceeding \$3,000 will be granted only to warranted purchase card holders as approved by the HCA;
- (5) Ensuring completion of mandatory training by cardholders, AOs, and alternate AOs prior to issuance of purchase cards;
- (6) Maintaining and updating cardholder certification records to reflect the completion of initial and refresher training (refresher training must occur at least once every two years);
- (7) Setting up or canceling accounts for cardholders and AOs;
- (8) Acting as liaison for audits conducted by Management Quality Assurance Service (MQAS) and entering audit results in their on-line system;
- (9) Conducting audits on cardholders not subjected to MQAS audits to ensure each cardholder has at least one audit per year, maintaining statistics of audits completed, discrepancies, and corrective actions taken;

(10) Providing information as requested on the program to the HCA; and

(11) Approving/denying requests to add/remove Merchant Category Code (MCC) Restrictions from VA MCC in accordance with VA policy and Appropriation Law.

g. The **Director, Finance Service**, is NCA's **Level 2 Purchase Card Manager**, responsible for:

(1) Developing and implementing Administration-specific purchase card policy and internal controls in accordance with VA-wide purchase card policy;

(2) Ensuring the A/OPC completes initial training requirements and refresher training;

(3) Reviewing and monitoring reports to ensure compliance with Government-wide and VA policy; and

(4) Assisting the A/OPC with questions and issues concerning use of the card within NCA.

h. **Approving Officials (AOs)** (typically supervisors) and officially-designated **Alternate AOs** ensure that the Government purchase card is used properly, and are responsible for:

(1) Attending acquisition training appropriate for AOs and signing VA Form 0242 to indicate acceptance of responsibilities; except where the AO is a warranted contracting officer. This training is provided to cardholders through VA's Talent Management System (TMS);

(2) Ensuring that Federal, VA, and local acquisition regulations are followed and adequate supporting documentation (see paragraph 4.i.(12)) is maintained;

(3) Monitoring the activities of cardholders to ensure that adequate funds were available, purchases made were for official use only, the cardholder's single purchase limit was not exceeded, and purchases were not split to avoid that limit;

(4) Ensuring timeliness of cardholder reconciliation of charges in accordance with the reconciliation standards outlined in paragraph 3.e.;

(5) Providing guidance to cardholders in response to issues raised by the cardholder related to use of the purchase card;

(6) Signing authorization for purchase of food or beverages prior to the purchase, to include Deputy Under Secretary concurrence. The justification will identify the legal exception used, but not limited to, authorities cited in GAO-04-261SP - *Principles of Federal Appropriations Law*, Volume I, Chapter 4, Section C, part 5. Refer to VA Office of Financial Policy Volume II Chapter 4 - *Awards, Ceremonies, Food or Refreshments, Gifts or Mementos*, for additional information on the general rules and exceptions for VA to purchase food and beverages for patients, employees and other VA stakeholders;

(7) Assuring timely response to audit questionnaires sent by the A/OPC; and

(8) Keeping NCA Finance Service A/OPC informed of any change in cardholder status (e.g., retirement, temporary leave of absence) to assure cards are deactivated in a timely manner and any unreconciled orders are processed.

i. **Purchase Card holder** is the legal agent authorized to use a Government purchase card to buy goods and services in support of official Government business. The cardholder holds the primary responsibility for the card's proper use and is responsible for:

(1) Taking appropriate training and signing VA Form 0242 to become the contracting officer of record for micro-purchases made with the card (for cards at the micropurchase threshold, this Purchase Card training is provided through TMS);

(2) Following activation instructions provided when the card is issued and registering credit card(s) in the government purchase card provider's electronic system to be able to check the account profile and review monthly statements;

(3) Complying with all Federal, VA, and local acquisition policies and regulations;

(4) Ensuring purchase requests received from employees are approved by a supervisor and that funds are available prior to making a purchase;

(5) Complying with the single purchase limit and monthly limits placed on the card (a transaction may not be split into more than one segment to avoid the single purchase limit);

(6) Ensuring that sales tax is not paid when it is not required;

(7) Ensuring that goods and services are delivered promptly and reconciled in accordance with policy after the related payments are posted in the VA financial management system;

(8) Receiving approval from the Cemetery or Service Director prior to purchasing general nonexpendable items (e.g., equipment);

(9) Notifying the individual accountable for equipment at facility of all nonexpendable equipment procured with purchase cards to ensure that the piece of equipment is properly accounted for in the agency's property record system;

(10) Safeguarding the Government purchase card by keeping it secured in the office in a locked location when not in use;

(11) Not allowing others to use the card;

(12) Providing accurate and timely responses to audit questionnaires;

(13) Retaining purchase documentation for 6 years and 3 months;

(14) Following the accounting reconciliation procedures stated in this handbook;

(15) Providing the AO with applicable electronic or paper records to enable certification of payment; and

(16) Maintaining all required supporting documentation (receipt records - packing slip, receipt, cash register slip, sales slip, etc.) in accordance with VA Manual MP-4, Part 10 (Controller Records Control Schedule), Item No. 5-1c, which states that procurement and voucher documentation must be kept for 6 years and 3 months.

j. **Billing Officer** and **Dispute Officer** is assigned to the Accountability Division in the Finance Service.

5. AUTHORITY AND REFERENCES

a. Davis-Bacon Act as codified in title 40, United States Code (U.S.C.), sections 3141-3144, 3146, and 3147 *

(Title 40 - Public Buildings, Property, and Works, Subtitle II - Public Buildings and Works, Part A - General, Chapter 31 - General, Subchapter IV - Wage Rate Requirements)

b. Service Contract Act of 1965 as codified in title 41, U.S.C., section 351 *
(Title 41 - Public Contracts, Chapter 6 - Service Contract Labor Standards)

c. Federal Acquisition Regulations (FAR) as codified in title 48, Code of Federal Regulations, Parts 22 and 52 (available electronically at <http://www.gpoaccess.gov/cfr/index.html>)

d. OMB Circular A-123 (revised 12/21/2004), *Management's Responsibility for Internal Control* (available electronically at <http://www.whitehouse.gov/omb/circulars/index.html>)

e. GAO-04-261SP - *Principles of Federal Appropriations Law*, Volume I, Chapter 4, Section C, part 5 (available electronically at <http://www.gao.gov/legal/lawresources/resources.html> under Other Resources - Red Book)

f. VA Financial Policies and Procedures - Government Purchase Card, Volume XVI – Chapter 1 (Feb 2011) (available electronically at <http://www.va.gov/finance/policy/pubs/index.asp>)

g. VA Financial Policy Volume II, Chapter 4 – Awards, Ceremonies, Food or Refreshments, Gifts or Mementos) (available electronically at <http://www.va.gov/finance/policy/pubs/index.asp>)

h. VA Form 0242 - Governmentwide Purchase Card Certification Form (available electronically to VA staff at <http://vaww.va.gov/vaforms>)

i. NCA Handbook 3315 - NCA Procedures for Ordering Government-Furnished Headstones/Markers (August 14, 2009) (available electronically at http://vaww.nca.va.gov/leg_reg.asp)

* Available electronically at <http://www.gpoaccess.gov/uscode/index.html>

** Available electronically at <http://www1.va.gov/vapubs>