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# ADS Chapter 331

## USAID Worldwide Purchase Card Program

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Functional Series 300 – Acquisition and Assistance  
 ADS 331 – USAID Worldwide Purchase Card Program  
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## ADS 331 – USAID Worldwide Purchase Card Program

### 331.1 OVERVIEW

Effective Date: 05/19/2015

This chapter outlines the policy directives and required procedures for procurements made using the government-wide Commercial Purchase Card Program (see [Federal Acquisition Regulation \(FAR\), Subpart 13.001](#)). The guidelines described in this chapter apply to all USAID employees using a purchase card to acquire goods and services.

### 331.2 PRIMARY RESPONSIBILITIES

Effective Date: 05/02/2024

The roles below are described in more detail in [ADS 331maa, USAID Worldwide Purchase Card Program Manual](#) (referred to in this chapter as the **Manual**).

- a. The **Agency Program Coordinator (APC)** of the General Services Administration (GSA) SmartPay Purchase Card Program is a staff member of the Bureau for Management, Office of Acquisition and Assistance (M/OAA). The APC implements and administers the USAID Worldwide Purchase Card Program and serves as USAID's primary liaison with GSA and the servicing bank on matters related to the overall program management. The APC coordinates cardholder nomination requests and obtains approval of a cardholder's Delegation of Authority from the M/OAA Director or the individual delegated by them. The APC, or another official designated by the Bureau for Management, Office of Acquisition & Assistance, Systems Support & GLAAS (M/OAA/SSG), serves as the disputes official for the Purchase Card Program and is responsible for providing guidance to approving officials and cardholders regarding disputes, and interacting with the servicing bank on disputed transactions.
- b. **Assistant Administrators (AAs)** and **Mission Directors** are responsible for selecting the approving official and the alternate approving official within their respective areas of responsibility and notifying the APC accordingly.
- c. The **Approving Official** (previously called the Office Program Coordinator/Program Manager) develops the Mission or Bureau/Independent Office (B/IO) Standard Operating Procedures for its Purchase Card Program and is responsible for the day-to-day operations and oversight of the program. The approving official nominates purchase cardholders to the APC and recommends the single transaction and monthly cardholder limits and the types of merchants from whom the cardholder may purchase goods and services. The approving official confirms with the B/IO or Mission Program Manager (PM) that the funds have been committed in the accounting system before purchase; oversees monthly reconciliations; approves the cardholder's billing statement; and reports any misuse of the purchase card to the APC.

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Every approving official must have an Alternate. The Alternate approving official is required to have the same training and certification as the primary approving official. Alternate approving official duties are the same as those of the primary approving official and must only be performed in the absence of the primary approving official.

**d. The Cardholder:**

- Seeks the best value for goods and services;
- Ensures that funds are available prior to making a purchase;
- Makes purchases with the purchase card in accordance with applicable policies and procurement regulations;
- Documents transactions in a purchase card buying log;
- Reconciles the monthly purchase card statement of account;
- Maintains physical control of the purchase card; and
- Reports a lost or stolen purchase card to the servicing bank customer service department and to the APC.

**e. The Bureau for Management, Chief Financial Office, Cash Management & Payments Division (M/CFO/CMP) is the Designated Billing Office (DBO)** (also known as the Paying Office, see [ADS 630, Payables Management](#)) for purchases made in Washington. The **USAID Mission Controller Office is the Designated Billing Office** for purchases made overseas. The DBO:

- Serves as the focal point for the receipt of corporate invoices;
- Reconciles corporate invoices;
- Makes payment to the servicing bank for the monthly invoices within Prompt Payment Act timeframes;
- Identifies billing discrepancies to the APC; and
- Provides feedback to the APC on the servicing bank's performance.

**f. The Bureau for Management, Chief Financial Office, Central Accounting and Reporting Division (M/CFO/CAR) is responsible for the quarterly report on available purchase card rebates in USAID's Working Capital Fund** (see [ADS 635, Working Capital Fund](#)).

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**g.** The **Mission Supervisory/Regional Contracting Officer (SCO/RCO)** maintains a list of purchase cardholders in the SCO's/RCO's location and performs annual reviews of the Purchase Card Program for the Mission's procurement activities. The SCO/RCO may redelegate this function to another Contracting Officer (CO) in the same Mission.

**h.** The **Director, Bureau for Management, Office of Acquisition and Assistance (M/OAA)** serves as the **Agency's Chief Acquisition Officer (CAO)** (see [ADS 103, Delegations of Authority](#)). The M/OAA Director is responsible for the overall effective management of the USAID Purchase Card Program. In accordance with [AIDAR 701.601](#), the M/OAA Director is responsible for selecting and appointing contracting officers and may terminate their appointments pursuant to FAR 1.603. Based on this authority, the M/OAA Director, or individual delegated this authority by the M/OAA Director, appoints warranted contracting officers and issues delegations of authority to cardholders to make purchases with the purchase card.

**i.** The **Bureau for Management, Office of Acquisition and Assistance, Systems Support & GLAAS (M/OAA/SSG)** conducts annual surveillance reviews of the USAID Purchase Card Program and reports the results to the M/OAA Director.

**j.** The **Bureau for Management, Office of the Chief Information Officer's (M/CIO)** approves purchases of any IT and IT assets or supplies and services.

### **331.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES**

#### **331.3.1 USAID Worldwide Purchase Card Program**

Effective Date: 08/13/2021

- a.** The USAID Worldwide Purchase Card Program is part of the GSA SmartPay Program. It is the preferred purchase mechanism and payment method for procurements below the simplified acquisition threshold (see FAR 2.1 for the definition of "simplified acquisition threshold" and I TFM 4-4500 Government Purchase Cards, Section 4515, for the purchase card - Policy & Use).

The Purchase Card Program is designed to empower employees not otherwise warranted or designated as procurement officials to make official purchases within the limits of their delegations of authority. The program increases cost-effectiveness by:

- 1) Streamlining the purchasing and payment process by reducing the paperwork generated by small dollar, high volume transactions;
- 2) Eliminating the need for purchase orders; and
- 3) Facilitating quick payment to vendors.

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The purchase card must be used for procurements up to the simplified acquisition threshold to the maximum extent practicable, if:

- 1) The use of the purchase card is not limited on a temporary or permanent basis, as specified in paragraph b. and section **331.3.2** below;
  - 2) The purchase card is authorized for procurement of the type of good or service;
  - 3) The cardholder's purchase card has a sufficient single-purchase limit;
  - 4) The appropriate Merchant Category Code is assigned to the account; and
  - 5) The vendor will accept the purchase card.
- b. The purchase card must not be used when the M/OAA Director has decided that its use is inappropriate or represents a high risk of statutory violations or fraud, such as in identified areas, regions, or countries experiencing high levels of credit card fraud.
- c. When making purchases, cardholders must procure eligible goods and services within the authorized limits of their purchase card, comply with the requirements in Section 4.1 of the [Manual](#), and comply with the limitations established in the cardholder's purchasing Delegation of Authority (DOA).
- To ensure that purchase card transactions meet the requirements of the FAR and the AIDAR, cardholders must follow the seven steps of the buying process in Section V of the [Manual](#).
- d. Taking into consideration the limitations in paragraph b. above and section **331.3.2**, COs and Executive Officers (EXOs) must, to the maximum extent practicable, use the purchase card to:
- 1) Make purchases exceeding the purchase card limits of non-warranted cardholders;
  - 2) Place task, delivery, or call orders (if authorized in the master contract, basic ordering agreement, or blanket purchase agreement); and
  - 3) Make payments under purchase orders and contracts when the contractor agrees to accept payment via the purchase card.
- e. FAR Part 8 mandates that, to the extent possible, cardholders must satisfy the Agency's requirements from the required sources listed in FAR Part 8 before

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procuring elsewhere. See section V, step 5 of the [Manual](#) for more details.

If the cardholder cannot fulfill their requirement from a required source, they must use the following order of precedence to fulfill the requirement:

- 1) Use a Category Management (CM) Best-in-Class (BIC) source. This will support USAID's CM spending targets and ensure compliance with [OMB's CM policy](#). Some required sources listed in FAR Part 8 are also CM BIC sources (e.g., GSA Global supply (FAR 8.002(a)(1)(v)) and FSSI OS4 (FAR 8.004(a)(1))).
- 2) Use a CM Tier 2 or Tier 1 source such as an existing government-wide or agency source. See Section V, step 5 of the Manual for details on the market research sites for finding potential sources. See [PEB 20-01](#) on Category Management for more information on CM Tiers.
- 3) Procure from the open market.

### 331.3.2 Regulatory and Procedural Requirements

#### 331.3.2.1 Compliance with Section 508 of the Rehabilitation Act

Effective Date: 05/02/2024

[Section 508 of the Rehabilitation Act](#) requires that federal information and communication technology (ICT) is accessible according to standards developed by the Access Board, an independent federal agency charged with accessibility for people with disabilities. These standards cover a variety of products including, but not limited to, computers, telecommunications equipment, multifunction office machines such as copiers that also operate as printers, software, websites, information kiosks and transaction machines, and electronic documents (see [ADS 551](#)). Section 508 of the act applies when federal agencies develop, procure, maintain, or use ICT. All ICT purchased by the cardholder must be Section 508 compliant, unless an exception per [FAR 39.204](#) or an exemption per [FAR 39.205](#) applies to the procurement action.

For any procurement action, including micro-purchases, that includes ICT to which Section 508 applies, the requesting office must provide the cardholder a purchase request that includes: 1) a written determination that the requirement is ICT as defined by Section 508 standards (see definition at end of chapter) and 2) all information identified in [FAR 11.002\(f\)](#), including the applicable ICT accessibility standards. The requesting office must prepare these using the revised [Section 508 Standards Applicability Checklist](#) and the [Accessibility Requirement Tool](#). Additional information required to complete these requirements are available in the [Section508.gov Laws and Policy Quick Reference Guide](#).

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If an exception to the ICT accessibility standards per [FAR 39.204](#) applies to the procurement action, the requesting office must provide the cardholder a written confirmation in the purchase request. When an exemption per [FAR 39.205](#) applies to the procurement action, the cardholder must obtain a written determination from the requesting office. Guidance for acquisition considerations of ICT is available at [Section508.gov](#). For technical questions email [Section508@usaid.gov](mailto:Section508@usaid.gov).

The cardholder must work with the requesting office to identify a source for the ICT following the order of precedence in section **331.3.1.e**.

If the ICT is subject to the M/CIO approval requirements set forth in ADS 331.3.2.5, the cardholder must work with the requesting office to identify ICT listed in the Agency Approved Software and Hardware Product List. Products included in the Agency Approved Product List are M/CIO-approved sources for Section 508-compliant ICT. If ICT subject to M/CIO approval is not listed in the Agency Approved Product List, M/CIO's Section 508 team will review the Section 508-related documentation provided by the requesting office and validate Section 508 compliance of the proposed ICT as part of M/CIO's approval process. If M/CIO determines that the proposed ICT is not Section 508 compliant, the cardholder must ask M/CIO to recommend a Section 508 compliant alternative.

If M/CIO approval is not required for the ICT, and the ICT is not listed in the Agency Approved Software and Hardware Product List, the requiring office should refer to the [GSA Acquisition tool](#) to find a 508 compliant product.

A cardholder may purchase from the open market, after determining that procuring from a required source is not possible. If purchasing from the open market, the cardholder must still confirm that the ICT is 508 compliant. The cardholder may contact the vendor/manufacturer/maker/producer/creator of the ICT or search online to obtain an Accessibility Conformance Report (ACR) or any other accessibility statements about the ICT. A template for the ACR is available here: <https://www.itic.org/policy/accessibility/vpat>. An ACR or similar statement is required to determine if the ICT product is Section 508 compliant. If the ACR cannot be obtained from the vendor, the cardholder must review the applicable Section 508 standards and document that the compliance requirements have been met prior to purchasing the ICT.

### **331.3.2.2 Prohibition of the Use of Products and Services of Kaspersky Lab** Effective Date: 08/13/2021

FAR subpart 4.20 prohibits Federal agencies from using any hardware, software, or services developed or provided, in whole or in part, by the Kaspersky Lab, its successors and affiliates.

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To comply with these requirements, cardholders must follow the guidance in section **331.3.2.5** when purchasing IT supplies and services.

### **331.3.2.3 Compliance with Section 889 Requirements**

Effective Date: 09/19/2022

In order to combat the national security, cybersecurity, and intellectual property threats that face the United States, FAR Subparts 4.21 and 13.2 prohibit agencies from purchasing covered telecommunications equipment and services from vendors who sell products containing spyware. The list of prohibited vendors is available on the [GSA SmartPay website](#). In addition, agencies are further prohibited from contracting with an entity that uses covered telecommunications equipment or services as described in FAR 4.2102(a)(2), regardless of whether that usage is in performance of work under a Federal contract. Since the majority of purchases made on Agency-issued purchase cards are low-risk, USAID Administrator has determined that open-market purchases of these sorts of items do not have significant national-security implications. However, to reduce the risk of potential statutory violations, purchase card holders must follow the guidance below:

- a. Purchases of Non-Information Technology or IT supplies and services from United States Government (USG) sources.

As required in paragraph **331.3.1 (e)**, all cardholders must use the purchase card to purchase from mandatory, Category Management or other USG sources to the maximum extent practicable. When purchasing from government-wide contracts, cardholders must first ensure that the required Section 889 FAR clause 52.204-25 has been added to the base contract. See Section V, step 3 of the purchase card manual for additional guidance.

- b. Open market purchases of Non-IT supplies and services.

Cardholders may make purchases on the open market up to the micro-purchase level of \$10,000. Use of the purchase card to make IT purchases is addressed in section **331.3.2.5** below.

- c. All purchases of IT services or supplies. Certain items such as IT supplies or services may pose security implications and risk, and thus require additional levels of approvals to mitigate such risks. As such, all purchases of IT supplies and services must comply with the requirements in section **331.3.2.5**.

- d. Contracts with use of the purchase card as a payment method.  
Cardholders may continue to use the purchase card to make payments under contracts, purchase orders, and other contractual instruments when the contractor requires payment via the purchase card and: (1) the contractual arrangement was entered into before August 13, 2020; or (2) the CO has

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obtained the FAR Representation at 52.204-24 and/or FAR 52.204-26 prior to award, and the award document includes the FAR clause 52.204-25 (or 52.212-05 for commercial items).

Note: The purchase card may be used to register and pay for training requests that have been approved on the SF-182 form up to \$25,000. If training is for a group class and is not based on SF-182 forms, the purchase card transaction is limited to \$10,000.

**331.3.2.4 Prohibition on the Purchase of Covered Unmanned Aircraft Systems (Drones) from Covered Foreign Entities**

Effective Date: 05/02/2024

Section 1826 of the National Defense Authorization Act (NDAA) of 2024 ([P.L. 118-31](#)) (also referred to as The American Security Drone Act of 2023) prohibits the use of purchase cards to buy any covered unmanned aircraft (drone) systems from covered foreign entities. A cleared list of drone vendors is available from the [Defense Innovation Unit](#).

**331.3.2.5 Purchase of Information Technology Supplies or Services**

Effective Date: 05/02/2024

Cardholders must ensure that all purchases of IT, such as printing services and wireless supplies and services, comply with the requirements in FAR Subparts 4.20 and 4.21, as well as [ADS 545](#) and [ADS 547](#). To accomplish this, cardholders must follow the guidance below:

Cardholders must obtain M/CIO approval prior to purchase of any IT and IT assets (see section **331.6** for the definitions of the applicable IT terms) or supplies and services with the merchant category codes listed below.

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Merchant Category Code	Description
5045	Computers, Computer Peripheral Equipment (including monitors), Software
5065	Electrical Parts and Equipment
5732	Electronic Sales
4814	FAX and Telecommunications Service
5734	Computer Software Stores

Note: All wireless and endpoint computing devices (desktops and laptops) for use on the Agency network must be procured by M/CIO (see [ADS 547.3.3](#)). Cardholders are not authorized to buy desktops and laptops. Requesting offices must submit requests for such purchases to the M/CIO Service Desk at [cio-helpdesk@usaid.gov](mailto:cio-helpdesk@usaid.gov).

For approval requests and questions related to such approvals, please contact M/CIO at [itauthorization@usaid.gov](mailto:itauthorization@usaid.gov). M/CIO will provide a written response to the cardholder within five business days from receipt of the request.

Typically, M/CIO instructs overseas cardholders to purchase mobile phones, printers tablets, and other IT services and supplies available from an M/CIO-approved blanket purchase agreement (BPA). A full listing of the items on the BPA is available from the M/CIO Service Desk. If directed to use an M/CIO-approved BPA, a Cardholder must report the completed purchases to [cio-helpdesk@usaid.gov](mailto:cio-helpdesk@usaid.gov). **Cardholders must comply with the order of precedence in section 331.3.1.e.** USAID/Washington (USAID/W) Operating Units must request purchase of mobile phones, printers, tablets, and IT accessories through their Administrative Management Services (AMS) Officers and must not use the purchase card for these purchases.

To expedite the M/CIO review and approval, cardholders should work with the requesting office to ensure that all IT-related purchases are made from the [Agency Approved Software and Hardware Product list](#) to the maximum extent practicable. This Agency Approved Product list covers IT devices such as printers, fax machines, telecommunications service systems such as mobile service for overseas operations,

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scanners, removable storage devices (e.g., USB drives), personal wireless devices such as headsets, and other network connected equipment.

If the requested product or service is not approved for purchase, the cardholder must inform the requiring office that they must contact M/CIO Client Services to identify an alternative solution **that is approved for purchase.**

### **331.3.2.6 Sustainability Requirements**

Effective Date: 05/02/2024

The Federal Government's policy in FAR part 23 that promotes a clean energy economy, safeguards the health of our environment, and reduces greenhouse gas emissions applies to acquisition of supplies and services made with a government purchase card. **For additional guidance, including proper coding for recovered materials/sustainability data fields in FPDS and GLAAS, see [Procurement Executive Bulletin \(PEB\) 2021-01 - FAR Part 23 Sustainability and Environmental Considerations in USAID Contracts](#). The GSA [Green Procurement Compilation](#) is a comprehensive green purchasing resource for quickly locating sustainable products and services that cardholders may use.**

### **331.3.3 Authorized Versus Unauthorized Commitments**

Effective Date: 05/19/2015

Regardless of the source of funds, only individuals with contracting authority and cardholders acting within their authority may enter into a contract, incur charges against a purchase card, or direct a vendor or contractor to provide supplies or perform services. Any person without this authority who requests, authorizes, or directs a vendor or contractor to provide supplies or perform services, directly violates Federal regulations (see [FAR Subpart 1.6](#)) and may be subject to personal financial liability for any expenses incurred as well as disciplinary action (per [ADS 485, Disciplinary Action - Foreign Service](#) and [ADS 487, Disciplinary and Adverse Actions Based Upon Employee Misconduct - Civil Service](#)).

### **331.3.4 Procurement Authority**

Effective Date: 08/13/2021

In accordance with [AIDAR 701.601](#), the M/OAA Director issues warrants to authorize USAID Contracting and Executive Officers to conduct the full range of acquisition procedures within the limits of their warrants. When appointed as a cardholder, a warranted CO may exercise their authority to procure goods and services using the purchase card.

Other employees appointed as a cardholder must also be delegated purchasing authority evidenced by a Procurement Delegation of Authority (DOA) signed by the M/OAA Director or an individual delegated this authority by the M/OAA Director. This authority allows the cardholder to use the purchase card to procure goods and services

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within the established single purchase and monthly spending limits (for a sample DOA, see Exhibit 5 of the [Manual](#)).

### **331.3.5 Selection of Approving Officials**

Effective Date: 05/19/2015

- a. Assistant Administrators (AAs) (for USAID/Washington) and Mission Directors (overseas) must select both the approving official and the alternate approving official and notify the APC of their decision. Overseas, the EXO generally performs this role. In Missions without an EXO, or those new to the purchase card program, the Mission Director assumes the responsibilities of an approving official until another individual is designated by the Mission Director to perform this role. If necessary, one primary and alternate approving official may be designated for each individual organization unit (a Bureau, Office, or a division within an Office).

When choosing an individual to perform the approving official's role, the selecting officials must consider the following:

- The approving official must be at a higher or equivalent grade level with respect to the cardholders under their purview. Typically at USAID, the approving official is the cardholder's immediate supervisor; and
  - The approving official must meet the segregation of duties limitations discussed in section **331.3.12**.
- b. Individuals selected to perform approving official/alternate approving official functions must complete the training requirements prescribed in Section III of the [Manual](#) and recertify annually to continue in the program.
- c. When the approving official transfers to another location or separates from the Agency, the departing individual must inform the APC of their replacement. In the event the newly-designated approving official will not occupy the same position as the departing or separating approving official, the designation must be confirmed by the AA or the Mission Director. In the interim, the alternate approving official will function as the approving official. In the event the alternate approving official cannot perform the approving official's functions effectively or is not available (e.g., is out of office on extended leave), the accounts under the approving official's management will be suspended until a new approving official is designated by the selecting official.
- d. To establish a new approving official/alternate account, the selecting official must submit the complete application package, as described in Section III of the [Manual](#), to the APC.

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**331.3.6 Nomination and Approvals of Cardholders**

Effective Date: 05/02/2024

- a. Approving Officials are responsible for nominating prospective cardholders. When making the decision, the approving official should consider individuals who have good judgment, character, and adequate business acumen to be entrusted with a purchase card.

Cardholders are not limited by position or grade; however, a cardholder cannot be the supervisor of their approving official. B/IOs and Missions can nominate both Direct-Hire employees and Personal Services Contractors (PSCs) (including U.S. PSCs, Cooperating Country National (CCN), and Third Country National (TCN) PSCs) to perform cardholder duties. When nominating a cardholder, B/IOs and Missions must adhere to the following limitations:

- CCN and TCN cardholders are not authorized to receive a single purchase limit per transaction above \$3,500. They are also limited to a monthly cumulative amount of \$25,000.
  - Unless the APC grants an exception, first-time cardholders who are not warranted COs are only eligible for a single-purchase limit of up to **\$10,000**.
  - Only a warranted CO may be granted single purchase limits in excess of \$25,000.
- b. All prospective cardholders must complete the training requirements prescribed in Section III of the [Manual](#) and recertify annually to continue in the program.
- c. All nominations made by the approving official must be forwarded to the APC, who in turn will submit it to the M/OAA Director or the individual delegated the authority to appoint cardholders by the M/OAA Director for approval. The application package must include all applicable forms and certifications as discussed in Section III of the [Manual](#).

Upon receipt of an application package, the APC prepares a DOA for each prospective cardholder and submits it to the M/OAA Director. When the DOA is signed by the M/OAA Director or the individual delegated by the M/OAA Director, the APC issues a purchase card to the cardholder to procure goods and services within the constraints of their individual B/IO and Mission office budgets and authorized purchase limits, as outlined in the [Manual](#).

**331.3.7 Span of Control**

Effective Date: 05/19/2015

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Span of control, in a government purchase card program, refers to the extent of review responsibilities placed on a single approving official for the purchase card transactions of one or more cardholders. In accordance with the recommendations of the [Government Accountability Office \(GAO\) Audit Guide dated November 2003](#), all approving officials must have no more than a maximum of seven cardholders under their purview unless authorization to exceed that maximum is received in writing from the APC.

When making this determination, the APC will consider:

- 1) The number of cardholders under the approving official's purview,
- 2) The number and complexity of purchase card transactions the approving official must review each billing cycle, and
- 3) Demands of other responsibilities assigned to the approving official.

The APC will regularly monitor timeliness and effectiveness of the approving official invoice review and certification process for all B/IOs and Missions that exceed the standard span of control. This is done to ensure that the approving official has sufficient time to complete a thorough review and certification of all card accounts. If any delay or non-compliance with the invoice reviews and approval process is identified, the approving official will be required to take immediate corrective actions. If the issues are not resolved in a timely manner, or if repetitive problems are identified, the APC will close accounts in order to have the B/IO or Mission back at the standard span of control.

### **331.3.8 Procedures for Purchase Card Use**

Effective Date: 05/02/2024

- a. Cardholders may use the purchase card for over-the-counter, internet, or telephone purchases as stand-alone procurement instruments. If the terms authorize it, cardholders may also use the purchase card to place orders against established contracts and agreements (such as Federal Supply Schedules, blanket purchase agreements, and indefinite delivery type contracts).
- b. The APC establishes B/IO and Mission programs and handles the setup, maintenance, and cancellation of Purchase Card accounts (see Sections III and IV of the [Manual](#)).
- c. To procure the requested goods and services the cardholder must follow the **seven** basic steps in the buying process, as outlined in Section V of the [Manual](#).
- d. All cardholders are responsible for establishing and maintaining official records for all transactions made with their card and maintaining the records in accordance with

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Section VI of the [Manual](#).

- e. Approving Officials and cardholders must refer to Section VII of the [Manual](#) for guidance on reconciling the cardholder E-Statement of Account.
- f. Cardholders or approving officials must dispute unsatisfactory merchandise and billing discrepancies with the vendor and/or the servicing bank as soon as possible in order to comply with Treasury and financial management regulations and procedures related to financial transactions. Per the GSA master contract, a dispute must be filed within 60 calendar days from the receipt of the first invoice on which the charge appears (see Section VIII of the [Manual](#)).
- g. Cardholder's reporting requirements for lost or stolen account numbers or cards are described in Section IX of the [Manual](#).

### **331.3.9 Purchase Card Annual Review**

Effective Date: 05/19/2015

The APC, or designee, must conduct an annual program review for all Bureaus in USAID/W by a random sampling of participant records. The SCO/RCO, or designee, performs the same review of cardholder records at overseas Missions. The purpose of the review is to:

- Determine the extent of adherence to prescribed policies, procedures, and good management practices;
- Access adequacy of the program's internal controls; and
- Provide the agency recommendations to improve the program.

Details of the annual review process, including schedule, steps, and documentation requirements can be found in Section X of the [Manual](#).

### **331.3.10 Departmental Review**

Effective Date: 05/19/2015

In order to support OMB reporting requirements, the Bureau for Management, Chief Financial Office, Audit, Performance, Compliance Division, Internal Controls Program Team (M/CFO/APC/ICPT) will conduct Procurement Management Reviews (PMRs) to assess M/OAA's implementation of the purchase card program. PMRs are scheduled and coordinated as part of the overall ICPT process. This assessment addresses the following elements:

- Adequacy of the USAID purchase card program management controls; and

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- Implementation of the purchase card program, including;
  - The APC's knowledge of purchase card policies and procedures;
  - Verification of approving official and cardholder selection and appointment procedures;
  - Verification of training and delegation of authority procedures;
  - Verification of APC monitoring and surveillance activities, and use of bank reports and purchase card data;
  - Resolution of cases involving fraud, waste, abuse, or misuse; and
  - Identification of program weaknesses and recommendations for improvement.

During the internal review process, cardholders may be required to submit documentation pertaining to transaction files. Cardholders must comply with the request and are considered non-compliant if requested files are not received within the established timeframes.

### **331.3.11 Management Controls**

Effective Date: 05/19/2015

The USAID Purchase Card Program contains a variety of management controls designed to minimize purchase card misuse. Approving Officials are responsible for ensuring that management controls under their purview are followed and appropriately used to reduce potential card misuse or abuse within their Missions or Bureaus.

Key management controls are:

- Participation in the purchase card program is limited to USAID Direct-Hire employees or personal services contractors;
- All USAID Purchase Card Program participants must meet the role-specific mandatory annual training requirements;
- Each cardholder receives a formal Delegation of Authority that establishes specific spending and usage limits;
- Reasonable single purchase and monthly limits are set and merchant category codes are blocked to restrict card use to appropriate merchants;
- Cardholders must safeguard the purchase card and purchase card account

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number at all times. Cardholders are prohibited from allowing anyone other than themselves to use the card;

- All requests for purchases made using the purchase card are submitted through GLAAS;
- Cardholders properly document all transactions. The records must be available to both the cardholder and the approving official and maintained for audit purposes;
- Monthly billing statement reconciliations and certifications are performed within specified timeframes;
- Annual reviews of purchase card files are performed for all cardholders;
- A semi-annual review of all inactive purchase cards is performed to determine if account closure is warranted due to non-use;
- Purchase of sensitive or pilferable products is documented in the USAID property management system upon delivery;
- Separation of duties are such that a participant in the USAID purchase card program is not permitted to serve in two or more roles for the same transaction, as described in section **331.3.12**; and
- Anyone suspecting a potential purchase card misuse must report all alleged misuse to the APC or the Office of the Inspector General (OIG).

### **331.3.12 Separation of Duties and Supervision**

Effective Date: 05/02/2024

Key duties and responsibilities in authorizing, processing, recording, and reviewing official agency transactions must be separated among individual participants in the Purchase Card Program. Managers must exercise appropriate oversight to ensure that these individuals do not exceed or abuse their assigned authorities.

The participant roles in the Purchase Card Program are restricted as follows:

- 1) The APC must not be a cardholder or perform the approving official, **PM**, or DBO functions.
- 2) When an approving official or a DBO staff member is also a cardholder, accounts must be set up so that the individual does not perform the approving official or the DBO functions with respect to their own transactions. Additionally, when the financial management staff member in an overseas Mission is a cardholder, the

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individual must not perform payment or certification functions for the purchase card corporate invoice.

- 3) The approving official, PM or the DBO staff member must not perform both the approving official and the DBO functions for cardholder transactions under their purview.
- 4) M/OAA/SSG staff and the Mission or Regional Contracting Officer, or designee must not conduct the annual review functions for transactions in which they have participated as a cardholder or an approving official.

If resource constraints prevent assignment of key duties to different individuals, as identified in 3) above, in regards to Approving Official and PM, the B/IO or Mission must request a waiver by sending an action memo to the APC for review and approval.

### **331.3.13 Category Management**

Effective Date: 08/13/2021

Category Management is an approach to the business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs. Agencies are required to meet spending targets by purchasing from Category Management solutions. This is done through a tiered structure based on attributes defined by the Office of Management and Budget (OMB). For more information on Category Management and the associated Tier structure, see [Procurement Executive Bulletin No. 2020-01 Category Management: Best in Class, Spend Under Management, and Agency Mandatory Solutions](#) and [OMB Memo M-19-13](#).

To meet the Agency's Category Management goals, cardholders must purchase from the Category Management (CM) sources described in Section V, step 5, Review Required Sources and Other Priority Purchases Requirements of the [Manual](#), to the extent practicable.

### **331.3.14 The Law and Ethics**

#### **331.3.14.1 Misuse of the Purchase Card and Penalties**

Effective Date: 05/19/2015

- a. When using the purchase card, the cardholder must comply with all applicable Federal and USAID prohibitions, controls, limitations, and approval requirements. Each participant of the Purchase Card Program has a duty to protect and conserve government property and must not use a government purchase card for purposes other than those authorized under this policy. To obtain a better understanding of the basic ethics rules and become familiar with reporting of ethics violations and potential consequences of ethical misconduct, employees should consult [ADS 109](#),

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**Ethics and Standards of Conduct.** When in doubt, employees may seek ethics advice from their Resident Legal Officer (RLO) or a Legal Ethics Advisor in the Office of General Counsel (GC/EA).

- b. Intentional misuse of the purchase card by a cardholder will be considered an attempt to defraud the United States Government (USG) and will result in the immediate cancellation of the employee's purchase card. Furthermore, a cardholder will be subject to disciplinary action in accordance with [ADS 485](#) or [ADS 487](#). A PSC cardholder will be subject to contract termination. Deliberate and egregious abuse must be referred to the Office of Inspector General for investigation and possible prosecution.
- c. The cardholder, and if warranted, the approving official, are personally liable to the U.S. Government for the amount of any unauthorized transaction, as reported by the APC to the Chief Financial Officer (CFO), and may be subject to a fine of up to \$10,000, imprisonment for up to five years, or both under [18 U.S.C. 287](#). In such a case, a bill for collection will be issued to the employee in accordance with policies and procedures prescribed in [ADS 625, Accounts Receivable and Debt Collection](#).

#### **331.3.14.2 Indicators of Fraud and Misuse**

Effective Date: 05/02/2024

Suspected purchase card misuse and fraud often have the same or similar indicators. A determination of whether the misuse is fraudulent may only be possible after a thorough investigation. Therefore, anyone suspecting a potential purchase card misuse must report the possible misuse to the APC or the OIG. The approving officials are required to review bank purchase card data and reports on a regular basis to identify and investigate possible instances of fraud or misuse. Any of the following can be an indicator of fraud or improper card use:

- Repetitive purchases from the same merchant in situations where the cardholder should be rotating purchases among more than one merchant;
- Missing purchase documentation;
- Cardholder permits others to use their card;
- Failure to safeguard cards or account information;
- An approving official's lack of oversight and surveillance of cardholders under their purview;
- Unauthorized purchases (unnecessary purchases, personal purchases, purchases of prohibited products or services, etc.);

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- Payments made for items that were never received;
- Split purchases made to avoid a cardholder's single-purchase limit;
- Failure to account for nonexpendable or sensitive items in accordance with property management procedures;
- Approval of a cardholder's purchases by an individual other than the cardholder's approving official (or alternate approving official);
- Cardholders returning items to a merchant for a store credit instead of a credit to their purchase card account;
- Attempted purchases that exceed the cardholder's limits; and
- Purchases that have been declined by the card system.

The servicing bank continuously monitors accounts for suspicious activity, and at times may block an account until the cardholder confirms any transactions deemed questionable. Once the cardholder verifies the legitimacy of questionable transactions, any blocking on the account is removed. The cardholder may continue to use the card for purchasing. If fraudulent charges are found, the account is permanently blocked. The bank will make arrangements with the cardholder to issue a new card. The cardholder must follow the proper procedures for documenting any change in account status.

### 331.4 MANDATORY REFERENCES

#### 331.4.1 External Mandatory References

Effective Date: 05/02/2024

- a. [Executive Order 14008, Tackling the Climate Crisis at Home and Abroad](#)
- b. [Executive Order, Improving the Security of Consumer Financial Transactions](#)
- c. [Federal Acquisition Regulation \(FAR\)](#)
- d. [GSA SmartPay Program](#)
- e. [GSA State Tax Information](#)
- f. [U.S. Department of the Treasury Financial Manual Vol. 1, Part 4, Chapter 4500, Government Purchase Cards](#)

Text highlighted in yellow indicates that the material is new or substantively revised.

g. **Section508.gov****331.4.2 Internal Mandatory References**

Effective Date: 05/02/2024

- a. [ADS 109, Ethics and Standards of Conduct](#)
- b. [ADS 300, Agency Acquisition and Assistance \(A&A\) Planning](#)
- c. [ADS 331maa, USAID Worldwide Purchase Card Program Manual](#)
- d. [ADS 502, The USAID Records Management Program](#)
- e. [ADS 518, Personal Property Management \(Domestic\)](#)
- f. **[ADS 551, Section 508 and Accessibility](#)**
- g. [ADS 621, Obligations](#)
- h. [ADS 625, Accounts Receivable and Debt Collection](#)
- i. [ADS 630, Payables Management](#)
- j. [Agency for International Development Acquisition Regulation \(AIDAR\)](#)

**331.5 ADDITIONAL HELP**

Effective Date: 05/02/2024

a. **[GSA Green Procurement Compilation](#)**b. **[PEB 2021-01](#)****331.6 DEFINITIONS**

Effective Date: 05/02/2024

See the [ADS Glossary](#) for all ADS terms and definitions.

**Abuse**

Use of a government charge card to buy authorized items, but at terms (e.g., price, quantity) that are excessive, for a questionable government need, or both. Examples of such transactions include the purchase of a day planner costing \$300 rather than one for \$45; purchasing bottled water when potable water is accessible; allowable refreshments at an excessive cost; and year-end bulk purchases of computers and electronic equipment for a questionable government need. (**Chapter 331**)

Text highlighted in yellow indicates that the material is new or substantively revised.

**Blanket Purchase Agreement (BPA)**

A blanket purchase agreement (BPA) as defined in FAR 13.303-1(a) is a simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply. For example, a BPA could be a procurement agreement between the government and a vendor for recurring purchases that may authorize the use of the purchase card to order against it. (**Chapter 331**)

**Category Management**

The business practice of buying common goods and services as an enterprise to eliminate redundancies, increase efficiency, and deliver more value and savings from the government's acquisition programs. (**Chapter 331**)

**Contracting Activity**

An element of the Agency designated by the Agency head and delegated broad authority regarding acquisition functions. In USAID, the contracting activities consist of the Office of Acquisition and Assistance (M/OAA), the Office of U.S. Foreign Disaster Assistance (DCHA/OFDA), and the Bureau for Economic Growth, Education and Environment, Office of Education (E3/ED) (see AIDAR 702.170). (**Chapter 331**)

**Contracting Officer (CO)**

A person representing the U.S. Government through the exercise of their delegated authority to enter into, administer, and/or terminate contracts and make related determinations and findings. This authority is delegated by one of two methods: to the individual by means of a "Certificate of Appointment", SF 1402, as prescribed in FAR 1.603-3, including any limitations on the scope of authority to be exercised, or to the head of each contracting activity (as defined in AIDAR 702.170), as specified in AIDAR 701.601. (**Chapters [302](#), [331](#), [535](#)**)

**Corporate Invoice**

The Corporate Invoice is the bank document that lists all purchase cards assigned to an organization and details the transactions - broken down by categories, such as Cardholder, merchant, dollar amount, office, and total amount due. The Designated Billing Office receives it electronically from the bank card management system. (**Chapter 331**)

**Delegation of Authority (DOA)**

A document that officially recognizes when an official, vested with certain powers (authorities), extends that power (authority) to another individual or position within the chain of command. (**Chapter [201](#) and [331](#)**)

**Designated Billing Office (DBO)**

The Agency office responsible for paying bills. The Office of the Chief Financial Officer, Cash Management and Payment Division (M/CFO/CMP), is the DBO for USAID/W corporate accounts and the Controller at each overseas Mission is the DBO in that location. (**Chapter 331**)

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**Dollar Limit**

The maximum amount of money that a purchase cardholder may spend on a single purchase or the cumulative dollar amount of purchases allowed per month, as determined by the approving official in a Mission or Bureau. (**Chapter 331**)

**Employee**

Includes all USAID Direct-Hire personnel and personal service contractors. (**Chapter 110** and **331**)

**E-Statement of Account**

The electronic monthly summary of account activities of each purchase cardholder is provided by the bank. This summary also itemizes each transaction posted to the account during the billing cycle. (**Chapter 331**)

**Federal Acquisition Regulation (FAR)**

The primary document containing the uniform policies and procedures for all executive agencies for the acquisition of supplies and services with Congressional appropriations. It is Chapter 1 of Title 48, Code of Federal Regulations (CFR). (**Chapter 302** and **331**)

**Fraud**

Any felonious act of corruption, or an attempt to cheat the government or corrupt the government's agents. Use of the purchase card to transact business that is not sanctioned, not authorized, not in one's official government capacity, not for the purpose for which the card was issued, and not a part of official government business are instances of fraud. This list is not intended to be all-inclusive. (**Chapter 331**)

**GLAAS**

The Global Acquisition and Assistance System (GLAAS) is the Agency's worldwide web-based Acquisition & Assistance system. It is available only internally at <https://sites.google.com/a/usaid.gov/glaas-intranet/home>. It is used to process and record acquisition and assistance agreements and record commitments and obligations by Obligation Managers, Program Managers (PMs), Agreement Officers (AOs), and Contracting Officers (COs) respectively. Commitments and obligations are transmitted from GLAAS to Phoenix through real-time interface between the two systems. (**Chapter 331** and **621**)

**Government-wide Commercial Purchase Card**

The FAR defines a government-wide commercial purchase card as a purchase card, similar to a commercial credit card, issued to authorized Agency personnel to use to acquire and to pay for supplies and services. (**Chapter 331**)

**Head of the Contracting Activity (HCA)**

The official who has overall responsibility for managing the contracting activity. AIDAR 702.170 lists the HCAs in USAID and the limits on the contracting authority for them are

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listed in AIDAR 706.601. Also, see contracting activity. (**Chapters [302](#), [330](#), [331](#)**)

### **Information and Communication Technology (ICT)**

Information technology and other equipment, systems, technologies, or processes, for which the principal function is the creation, manipulation, storage, display, receipt, or transmission of electronic data and information, as well as any associated content. Examples of ICT include but are not limited to computers and peripheral equipment; information kiosks and transaction machines; telecommunications equipment; customer premises equipment; multifunction office machines; software; applications; websites; videos; and electronic documents. (**Chapter [331](#) and [551](#)**)

### **Information Technology (IT)**

As defined in **[M-15-14: Management and Oversight of Federal Information Technology Resources](#)**, information technology includes:

- 1) Any services or equipment, or interconnected system(s) or subsystem(s) of equipment, that are used in the automatic acquisition, storage, analysis, evaluation, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the agency; where
- 2) Such services or equipment are “used by an agency” if used by the agency directly or if used by a contractor under a contract with the agency that requires either use of the services or equipment or requires use of the services or equipment to a significant extent in the performance of a service or the furnishing of a product.
- 3) The term "information technology" includes computers, ancillary equipment (including imaging peripherals, input, output, and storage devices necessary for security and surveillance), peripheral equipment designed to be controlled by the central processing unit of a computer, software, firmware and similar procedures, services (including provisioned services such as cloud computing and support services that support any point of the lifecycle of the equipment or service), and related resources.
- 4) The term "information technology" does not include any equipment that is acquired by a contractor incidental to a contract that does not require use of the equipment. (**Chapter [300](#), [331](#), [509](#), [518](#), [519](#), [541](#), [545](#), [547](#), [552](#)**)

### **IT Assets**

IT assets include, but are not limited to: computers (government furnished equipment [GFE] laptops and desktops), software, voice over internet protocol (VoIP) phones (desk lines), computer monitors, mobile phones, tablets, printers, scanners, fax machines, peripherals (e.g., computer memory, hard drives, keyboards, and cameras), infrastructure equipment (router, switch, hub, server, firewall, encrypter), tokens,

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portable storage devices (e.g., USB drives (M/CIO approved encrypted USB drives), and portable hard drives. (**Chapter 331**)

**Merchant**

Usually referred to as a vendor, a merchant supplies the products and services for sale to purchase cardholders. A merchant may be another government agency or organization, a required source, or a retail supplier. (**Chapter 331**)

**Merchant Category Code (MCC)**

A four-digit code used to identify the type of business a merchant conducts, e.g., office supplies, restaurants, and professional services. The merchant selects its MCC with its bank. The allowable codes encoded on the purchase card restrict the types of merchants from whom cardholders may make purchases. (**Chapter 331**)

**Micro-purchase**

An acquisition of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold, as specified in FAR 2.101. (**Chapter 331**)

**Misuse**

Use of the purchase card for other than the official government purpose for which it is intended. (**Chapter 331**)

**Monthly Credit Limit**

The total dollar amount a purchase cardholder may spend monthly using their purchase card. (**Chapter 331**)

**Organization Unit**

An official, identifiable work unit within USAID that is recognized by a unique title, abbreviation, and code number. (**Chapter [102](#) and 331**)

**Required Source**

A government-established source of supplies and services that the purchase cardholder must consider before going to the commercial sector to make acquisitions. (**Chapter 331**)

**Single-purchase Limit**

The maximum dollar amount allowed when using a purchase card to complete a transaction. (**Chapter 331**)

**Splitting**

A prohibited tactic used to avoid the single-purchase limit for purchase cards. For example, if a cardholder has a single-purchase limit of \$3,500 and wants to purchase a computer valued at \$3,600, “splitting” the purchase into two transactions, one for \$100 and another for \$3,500 in order to bypass the limit and make the procurement, would be

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a violation of the single-purchase limit. (**Chapter 331**)

**Vendor**

An entity that sells products and services. It may be a government agency or organization, a contractor, or a retail merchant. (**Chapter 331**)

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