DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
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JUL 14 2009

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Use of the Purchase Card – American Recovery and Reinvestment Act (ARRA)

The attached Director, Defense Procurement and Acquisition Policy memorandum of July 6, 2009 is forwarded for your information and action, as appropriate. This memorandum disseminates DoD specific ARRA guidance, along with some specific guidance related to use of the purchase card in support of ARRA, issued recently by Office of Management and Budget Memorandum M-09-15.

Please distribute these guidelines to all authorized Government Purchase Card users in your organization.

Seán F. Crean
RDML, SC, USN
DASN (A&LM)

Attachment:
As stated

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See next page

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ACQUISITION,
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JUL - 6 2009

MEMORANDUM FOR COMMANDER, UNITED STATES SPECIAL OPERATIONS COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT), ASA (ALT)
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SUBJECT: Use of the Purchase Card – American Recovery and Reinvestment Act (ARRA)

On April 3, 2009, the Office of Management and Budget (OMB) issued Memorandum M-09-15: Updated Implementing Guidance for the American Recovery and Reinvestment Act of 2009.

Section 1.14 (attached) of the guidance provides instructions regarding use of the purchase card for ARRA related purchases. The purpose of this memorandum is to supplement this guidance with the following requirements:

- Separate, dedicated ARRA only purchase card(s) and convenience check accounts shall be established, if the card is used for payments against ARRA supported contracts, or if it is anticipated that ARRA related card or convenience check purchases will constitute 25% or more (number count) of the purchases.

- Purchase logs shall be annotated to separately identify ARRA related purchases.

- To the extent possible, ARRA related purchases at or below the micropurchase threshold should have a unique line-of-accounting (LOA) that is distinct from those used on contracts. This will minimize duplicative reporting when the card is used as a method payment since contracts will be reported via the

Federal Procurement Data System (FPDS) process, and purchase cards and convenience checks will be reported via financial systems.

- Card and convenience check holders must be prepared to manually comply with the ARRA related reporting requirements detailed in the OMB guidance if automated measures are not in place

- Cardholders are responsible for ensuring that presolicitation/award notices are posted to FedBizOpps and contract action reports are provided to FPDS for all purchases made above the micropurchase threshold where the card is used for contract payments (including those purchases made using electronic catalogs or malls) in accordance with DPAP memo and ARRA reporting instructions dated April 21, 2009, (http://www.acq.osd.mil/dpap under the EBusiness/FPDS section).

Questions and comments regarding this Memorandum may be directed to Gregory Plasters, 703-325-9514 or Gregory.plasters@us.army.mil.

Shay D. Assad
Director, Defense Procurement
and Acquisition Policy

cc:
Component Financial Managers

The Memorandum indicates that "The Director of OMB shall assist and, as appropriate, issue guidance to the heads of executive departments and agencies to carry out their responsibilities under this memorandum." OMB has begun working with Federal agencies to identify any issues or matters related to the Memorandum that require further clarification or guidance. Any such clarification or guidance will be issued expeditiously.

1.14 What are the relevant requirements and issues related to purchase card use under the Recovery Act?

- GSA SmartPay® purchase cards can be used for official purchases in support of the Recovery Act, consistent with OMB Circular A-123, Appendix B, and agency policy. Purchase cards use a streamlined and cost-effective business process compatible with the need to quickly and transparently support the delivery of Recovery Act programs to the taxpayer and other beneficiaries.
- Cardholders should follow typical transaction reconciliation procedures, but must reconcile purchases to the accounting code(s) and provide appropriate Recovery Act transaction description(s) (if applicable) as specified by agency policy for Recovery Act transactions.
- Purchases below the micro-purchase threshold using the GSA SmartPay® purchase cards should be recorded in Agency systems in accordance with existing Agency policy. Purchases above the micro-purchase threshold using the GSA SmartPay® purchase cards should be reported through the Federal Procurement Data System – Next Generation (FPDS-NG). GSA SmartPay® purchase cards continue to be available for use as a payment mechanism under purchase orders and contracts annotated as required by your agency policy this Guidance.
- Additional purchase card accounts can be established with a Recovery Act accounting code as a default. However, agencies should exercise caution in doing so to ensure that the total number of purchase cards issued remains manageable, appropriate Agency/Organization Program Coordinator span of control is maintained, and internal controls consistent with OMB Circular A-123, Appendix B, remain in effect. These "dedicated" purchase cards should only be established in circumstances where agencies anticipate a high volume of Recovery Act -related transaction activity and/or there is a high risk of errors in reconciling transactions to the appropriate Recovery Act accounting code(s). Furthermore, agencies should explore the use of cardless accounts under the GSA SmartPay® program where a high volume of Recovery Act -related transactions with a particular vendor is expected.
- Initially, all transactions, including purchase card spending, will be included in the gross outlay reporting by TAFS, not by individual transaction. Instructions on more detailed reporting may be included in future updates to this guidance.
- For more information, please contact the General Services Administration's Office of Charge Card Management at (703) 605 – 2808 or via e-mail at gsa_smartpay@gsa.gov.

1.15 What actions must a Federal agency take when it issues guidance for recipients (e.g., state and local governments) regarding the Recovery Act?