



JANUARY 3, 2013

MEMORANDUM FOR HEADS OF SERVICES AND STAFF OFFICES AND
REGIONAL ADMINISTRATORS

FROM:

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CHIEF ADMINISTRATIVE SERVICES OFFICER (H)

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GARY GRIPPO
ACTING CHIEF FINANCIAL OFFICER (B)

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SUBJECT:

Policy Guidance for the GSA Purchase Card and
E2 System Miscellaneous Reimbursements

We want to remind you of the guidelines on use of the GSA purchase card and on use of E2 for miscellaneous reimbursements.

In accordance with the Federal Acquisition Regulation §13.301, the governmentwide commercial purchase charge card is authorized for use in making and/or paying for purchases of supplies or services. Purchase cards are issued to GSA employees to make work-related purchases on behalf of their office. The purchase card streamlines an office's ability to make purchases and payments quickly and efficiently.

The E2 miscellaneous reimbursement voucher provides an efficient and cost-effective way to reimburse employees for eligible, low dollar expense items. E2 miscellaneous reimbursements are made in accordance with GSA policies and procedures. For example, since GSA policy generally restricts the use of GSA funds to pay for an individual employee's membership dues in a professional association, E2 users and reviewing officials must make sure that such transactions are not authorized in the system.

Approving officials must be prudent when approving purchases on the purchase card and approving E2 miscellaneous reimbursements. Approving officials will only approve purchases and reimbursements that are reasonably-priced and that represent the lowest cost necessary to meet the needs and mission of the organization and the job requirements of the individual requestor.

The accuracy and completeness of information entered into GSA's E2 and Pegasys systems for these spending actions also needs greater attention. Decision making at

various management levels, and monitoring of GSA's spending, depends on accurate financial information. In addition, GSA intends to increase transparency regarding spending via purchase cards including the possibility of publishing transaction details on the GSA website. Accordingly, cardholders and approving officials must enter relevant and appropriate descriptions of this spending to make this information useful and informative to the public.

GSA Purchase Card

When using a purchase card, the following policies must be adhered to.

- All purchase card procurements and/or payments must be made in accordance with GSA Order CFO 4200.1A, Use of the GSA Purchase Card.
- Pursuant to Instructional Letter ADM-IL-12-2, purchase cards may not be used to purchase any print output devices including personal printers, network/group printers, copiers, fax machines, and multi-functional devices.
- Heads of Services and Staff Offices (HSSO) and Regional Administrators (RA) will limit the number of individuals holding purchase cards to the minimum number that is essential. It is also important that all approving officials for purchase cards receive guidance and direction from the HSSO or RA.
- Approving officials are responsible for ensuring that all charges made by the cardholders are authorized, allowable and accurate. A significant element of this responsibility is ensuring the accuracy of financial accounting codes and descriptions entered in the Pegasys credit card logs. HSSOs and RAs are reminded that they must review questionable charges and take appropriate disciplinary action when misuse is discovered in accordance with GSA Order CPO 9751.1, Maintaining Discipline.
- Purchase cardholders are reminded that all purchase card transactions must be logged and reconciled in Pegasys within 10 calendar days.
- All logs will contain a complete description of the purchase card transaction(s). Cardholders must ensure they select the most appropriate financial accounting codes, to accurately capture the proper funding source, as well as cost identifiers such as the sub-object class code. A log description such as "none" or one that merely repeats the name of the provider (e.g., Verizon, Century Link, etc.,) or financial information is unacceptable. The description must clearly communicate what is being procured and/or paid for by the cardholder. Cardholders may use the extended description field if needed to enter pertinent details regarding the transaction (e.g., full description of the training class, names of employees receiving training, or the GSA office address and location for internet services). For example, a description that states "internet service" would not be sufficient. An appropriate description provides details such as; "internet services for July

2012, 1275 E. 1st St, Washington, DC 20417, Room 999” (see Attachment A for sample entries/examples).

- Supporting documents (e.g., order form, packing slip, receiving report, and invoice) must be uploaded into Pegasys for audit and tracking purposes. Once documents are uploaded into Pegasys and verified, the paper documents can be discarded.
- Micro-purchase cardholders are strictly prohibited from splitting purchases to circumvent the single purchase limit of \$3,000. Transactions above \$3,000 must be handled by a warranted Contracting Officer. Purchase cardholders and Warranted Contracting Officers also are prohibited from splitting purchases to circumvent their purchase card limits. Any cardholder that violates these policies will have his/her card removed. Cardholders and their approving officials who participate in split transactions will also be subject to disciplinary action in accordance with GSA's policy on misuse of the purchase card, CFO 4200.1A, paragraph 27.

E2 Miscellaneous Reimbursements

E2 miscellaneous reimbursements are designed to create efficient and timely reimbursements to employees for eligible expenses in accordance with GSA policies. The following guidelines must be adhered to regarding these transactions.

- Employees must enter a full description in E2 pertaining to a miscellaneous reimbursement request and fully document what is being requested. Supervisors and managers have a fiduciary responsibility to carefully examine each request and receipt to ensure that only authorized expenses are reimbursed in accordance with all GSA policies. Careful attention must be paid to receipts containing multiple transactions and summary information that includes a rollup or bundling of multiple charges. Supervisors and managers should request documentation that includes a breakdown of all charges and only authorize reimbursement for eligible expenses.
- Receipts for miscellaneous reimbursements are to be uploaded in E2, regardless of the amount. If the reimbursement is for internet service, the entire bill (not just a summary page) must be included that delineates all costs. Once uploaded and verified, the paper documents can be discarded.
- Miscellaneous reimbursement requests exceeding \$2,500 will require review and approval by the Office of the Chief Financial Officer. Approval routing pools will be established in E2 to enforce this policy.

Please communicate these important policy guidelines to all employees under your management and supervision. These policy guidelines will be posted on GSA's *InSite* web pages for the Office of Administrative Services and Office of the Chief Financial

Officer. Contact Tom Mueller at 202-208-0247 or thomas.mueller@gsa.gov for purchase card or E2 policy related questions, or contact Erik Dorman at 202-501-2546 or lynn.dorman@gsa.gov for financial policy related questions.

Attachment

Attachment A

Sample Pegasys Log Entries

Poor Entries/DON'T Use	
Log Entry	Explanation
Verizon	Repeating a vendor name is not appropriate. Indicate what service is being provided, for whom and the full address and location.
Product 145	Description lacks specificity, plain language and has no meaning to the average person.
None	Never enter "none" as a description for a log, always enter a detailed description.
N/A	Never enter "N/A" in the description log. Always enter a detailed description.
Award	The word "award" does not explain the purchase. Describe what kind of award was purchased, who received it and why it was presented.
Signage for front door	Lacks the full address and location for the signage.
Safety shoes	Lacks who received the shoes and the purpose of the purchase.
55" TV	Lacks the full address and location of the TV and the reason it was purchased.
iPad accessories	Lacks who received the accessories and the purpose of the purchase.
Vehicle Adapter Plug and Fuses	Lacks which vehicle and the purpose of the purchase.
Event Rental	Lacks the event name, purpose of the event and description of what is being rented.
Car Wash	Lacks which vehicle.

Good Entries/DO Use	
Log Entry	Explanation
Acquisition 101 Training for John Doe 9/21/12 - 9/22/12	Indicates what training is being provided, including the employee name and dates.
Plaque Award for Jane Smith for retirement on 12/31/2011	Indicates the type of award given, as well as the reason for the award and the recipient.
Safety shoes for Mark Doe to be used on construction grounds as a safety measure	Indicates whom the safety shoes were purchased for and the business justification.
55 inch TV for meetings in RA's Office in region 8, Room 242, W 6 th Ave & Kipling St, Lakewood, CO	Indicates what was purchased, the purpose, for whom and the full address and location.
Product Code 145; Scraper Blades for cleaning in Rm. 1218 at 7 th & D Streets SW, Washington, DC	Indicates what was purchased, the purpose and the full address.
Plaque for installation at the Buffalo Courthouse, 1275 New York Avenue, Buffalo, NY	Indicates what was purchased, the purpose and the full address.
Space rental at the Marriott, 2122 Castle Blvd, Oakland, CA for the SmartPay conference on 8/12/12 – 8/16/12	Indicates what was purchased, dates of service, purpose and full address.
Event Rental - PA System and Podiums for American Heritage Week at 1800 F. St, Washington DC (Lobby) on 4/20/12	Indicates what was purchased, dates of service, purpose and full address.