

**Functional Series 300 – Acquisition and Assistance  
ADS 331 - Simplified Acquisitions, Micro-Purchases, and Use of the USAID  
Worldwide Purchase Card**

\*This chapter has been reformatted and substantively revised throughout.

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## **ADS 331 - Simplified Acquisitions, Micro-Purchases, and Use of the USAID Worldwide Purchase Card**

### **331.1 OVERVIEW**

Effective Date: 9/15/2003

This chapter addresses the policies and procedures for procurements not exceeding the [Simplified Acquisition Threshold \(SAT\)](#). (see Mandatory Reference, [Federal Acquisition Regulation \(FAR\) 2.1](#))

### **331.2 PRIMARY RESPONSIBILITIES**

Effective Date: 9/15/2003

- a. USAID [Contracting Officers](#), Purchasing Agents, and Executive Officers conduct the full range of [simplified acquisition procedures](#), within the limits of their warrants.
- b. Heads of contracting activities provide operational support, commodities, and/or services for simplified acquisitions and other transactions that exceed the [micro-purchases](#) threshold, per the limitations in the Mandatory Reference, [USAID Acquisition Regulation \(AIDAR\) 701.601](#).

(The roles below relate specifically to the USAID Worldwide Purchase Card Program and are addressed in detail in Mandatory Reference, [USAID Worldwide Purchase Card Program Manual](#) (referred to as the Manual).

- c. The Agency Program Coordinator (APC) of the General Services Administration (GSA) Smart Pay Purchase Card Program, a staff member of the Bureau for Management, Office of Acquisition and Assistance Office (M/OAA), implements and administers the USAID Worldwide Purchase Card program and serves as USAID's primary liaison with GSA and the issuing bank on matters related to the overall program management.
- d. The Office Program Coordinator/Program Manager develops the Office/Mission Standard Operating Procedures for its Purchase Card program; determines who may be issued a purchase card, the single/monthly Cardholder limits, and the types of merchants from whom the Cardholder can purchase goods and services; ensures the reservation of funding before purchase and reconciliation and approval of the Cardholder's billing statement; and reports misuse of the Purchase Card to the APC. The OPC position is normally held by the Executive Officer (USDH) or the immediate supervisor of the cardholder.
- e. The [Approving Official](#) (AO) designates employees in his/her organization to be Cardholders; specifies the single transaction and monthly limits of the Cardholders and the type of merchants from whom Cardholders may make purchases; oversees the monthly reconciliation process for each Cardholder account; and provides administrative approval for payment of charges on the billing statement. This role is

most frequently exercised overseas where the number of USDH employees is limited and there is no USDH Executive Officer. The Mission Director is usually the AO when there are cardholders who are not USDH employees.

f. The Cardholder makes purchases with the card in accordance with applicable policies and procurement regulations; ensures that funds are available prior to making a purchase; seeks the best value for goods and services; 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 issuing bank customer service department and to the APC.

g. The Billing/Finance Office establishes commitments and obligations for Cardholders (for the OPC in USAID/W); reconciles corporate invoices; makes payment to the issuing bank for the monthly invoices within Prompt Payment Act timeframes; identifies billing discrepancies to the APC; and provides feedback to the APC on the issuing bank's performance.

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

Effective Date: 9/15/2003

#### **331.3.1 Authorized Versus Unauthorized Commitments**

Effective Date: 9/15/2003

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 work. Any person without this authority who requests, authorizes, or directs a vendor or contractor to provide supplies or perform work directly violates Federal regulations (see Mandatory Reference, [FAR Subpart 1.6](#)) and may be subject to personal financial liability for any expenses incurred.

#### **331.3.2 Procurement Authority**

Effective Date: 9/15/2003

The Director, Office of Acquisition and Assistance Office (M/OAA) issues warrants, under Mandatory Reference, [AIDAR 701.601](#), to authorize USAID Contracting Officers and Executive Officers to conduct the full range of simplified acquisition procedures within the limits of their warrants.

Heads of contracting activities may, under [AIDAR 701.601](#), delegate limited contracting authority to qualified individuals in the [contracting activity](#) to execute procurement actions on the open market for supplies and services up to \$50,000, except the Director, Center for Human Capacity Development, who is limited to delegations up to \$10,000.

The Agency Program Coordinator of the GSA Smart Pay Purchase Card Program may issue nonprocurement personnel a Purchase Card and give them authority to procure

goods and services within the constraints of their individual office budgets and authorized purchase limits, under procedures outlined in the [Manual](#).

### **331.3.3 Simplified Acquisitions**

Effective Date: 9/15/2003

The basic Simplified Acquisition Threshold (SAT) is \$100,000, though under certain conditions it is either \$200,000 or \$300,000. (see Mandatory Reference, [FAR Subpart 2.1.](#))

The higher SAT applies under the following conditions:

a. The \$200,000 SAT applies to any “contract to be awarded and performed, or purchase to be made outside the United States in support of a contingency operation or a humanitarian or peacekeeping operation.” This means a U.S. military operation designated by the Secretary of Defense as a contingency operation or one supporting humanitarian or foreign disaster assistance or peacekeeping operations under chapter VI or VII of the Charter of the United Nations. An example is the procurement of disaster relief supplies following or related to military operations in Iraq. An increased SAT does not apply to maintaining a USAID disaster relief stockpile or conducting humanitarian operations that do not involve supporting U.S. military operations as described above.

b. For acquisitions to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack if initiated by a solicitation issued from January 24, 2003 to November 24 2003, in support of the above types of military operations, the term means

(A) \$200,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and

(B) \$300,000 for any contract to be awarded and performed, or purchase to be made, outside the United States.

The SAT applies to the cost of supplies and services, exclusive of the cost of transportation and other accessorial costs if their destination is outside the United States. Accessorial costs mean the cost of getting supplies or services to their destination in the cooperating country (and the travel costs of returning personnel to the U.S. or other point of hire). It does not include costs such as allowances or differentials related to maintaining personnel at post, which are to be considered as part of the base costs within the simplified acquisition threshold. (see Mandatory Reference, [AIDAR Part 713](#))

Notwithstanding the above, Contracting Officers may use simplified acquisition procedures for acquisitions of commercial items with a value greater than the SAT but not exceeding \$5,000,000, under conditions specified in [FAR Part 13](#) (Subpart 13.5).

Contracting Officers, Purchasing Agents, Executive Officers, and Purchase Cardholders must process all simplified acquisitions that exceed \$2,500 through the A&A Applications Small Purchases Module of the New Management System (NMS) where NMS is available.

### **331.3.4 Micro-Purchases**

Effective Date: 9/15/2003

The basic [micro-purchase threshold](#) is \$2,500 per transaction. [FAR Part 13](#) (13.201(g)) specifies the threshold at \$7,500 for purchases made prior to November 24, 2003, to facilitate defense against or recovery from terrorism or nuclear, biological, chemical, or radiological attack. (see also [FAR 2.1](#))

You do not need competitive quotations for micro-purchases as long as you consider the price to be reasonable pursuant to [FAR Part 13](#) (13.202(a)).

You need not consider small business set-asides for micro-purchases pursuant to Mandatory Reference, [FAR Subpart 19.5](#).

Simplified acquisitions, including micro-purchases, must comply with the priorities for use of government supply sources in Mandatory Reference, [FAR Part 8](#).

Payment for micro-purchases does not require provisions or clauses, except as provided at [FAR 32.1110](#), concerning electronic funds transfer. This paragraph takes precedence over any other FAR requirement to the contrary, pursuant to [FAR Part 13](#) (13.201(d)), but does not prohibit the use of any clause. This limited requirement for provisions or clauses for the payment of micro-purchases excludes those that are made solely by using the Purchase Card.

### **331.3.5 Use of the USAID Worldwide Purchase Card**

Effective Date: 9/15/2003

The USAID Worldwide Purchase Card is the preferred purchase mechanism and payment method for simplified acquisitions and Cardholders must use it to the maximum extent practical for all eligible goods and services. (See the [Manual](#) for detailed guidance, policies, and procedures.)

The Purchase Card may not be used for the categories of purchases that are listed in Section 6.2 of the [Manual](#).

Nonprocurement-personnel Cardholders must use the Purchase Card for procurements of commodities and services eligible for purchase on the card which do not exceed the Cardholder's transaction limits. Do not forward such procurements to M/OAA, Mission contracting offices, or Executive Officers for processing unless the vendor does not accept the purchase card.

Contracting Officers, Executive Officers, and Purchasing Agents must, to the maximum extent practicable, use the Purchase Card to

- a. Make purchases exceeding the transaction limits for nonprocurement-personnel Cardholders;
- b. Place task or delivery orders (if authorized in the master contract, basic ordering agreement, or blanket purchase agreement); and
- c. Make payments under purchase orders and contracts, when the contractor agrees to accept payment by the card.

The APC establishes Bureau and Mission programs and individual accounts. (see Sections III and V of the [Manual](#).)

Program participants must pass the training requirements prescribed in Section 5.2 of the [Manual](#) to be authorized for a procurement role and must recertify annually to continue in the program.

The Cardholder follows seven basic steps in the buying process, as outlined in Section VI of the [Manual](#).

The Cardholder or the Office Program Coordinator must dispute unsatisfactory merchandise and billing discrepancies with the vendor and/or the issuing bank within 60 days from the receipt of the first invoice on which the charge appears as described in Section VIII of the [Manual](#).

The APC, or designee, must conduct an annual program review by a random sampling of participant records to verify compliance with directives and improve program operations under Section X of the [Manual](#).

#### **\*331.4 MANDATORY REFERENCES**

Effective Date: 9/15/2003

##### **331.4.1 External Mandatory References**

Effective Date: 9/15/2003

- a. [FAR Subpart 1.6](#)
- b. [FAR Subpart 2.1](#)
- c. [FAR Part 8](#)
- d. [FAR Part 13](#)
- e. [FAR Subpart 19.5](#)

- f. [FAR 32.1110](#)
- g. [AIDAR 701.3](#)
- h. [AIDAR 701.601](#)
- i. [AIDAR Part 713](#)

**\*331.4.2 Internal Mandatory References**  
Effective Date: 9/15/2003

- \*a. [USAID Worldwide Purchase Card Program Manual](#)

**331.5 ADDITIONAL HELP**  
Effective Date: 9/15/2003

**331.6 DEFINITIONS**  
Effective Date: 9/15/2003

**acquisition**

Acquiring by contract with appropriated funds supplies or services (including construction) by and for the use of the Federal government through purchase or lease, whether the supplies or services are already in existence or must be created, developed, demonstrated, and evaluated. Acquisition begins at the point when agency needs are established and includes the description of requirements to satisfy agency needs, solicitation and selection of sources, award of contracts, contract financing, contract performance, contract administration, and those technical and management functions directly related to the process of fulfilling agency needs by contract. (Chapter 331)

**Approving Official**

The approving official is the individual responsible for reviewing a USAID Purchase Cardholder's monthly statements. The approving official certifies the Cardholder's monthly statements and ensures that payments are for purchases that are authorized and made in accordance with FAR and USAID regulations. (Chapter 331)

**contract**

A mutually binding legal instrument that obligates the seller to furnish property, supplies, or services (including construction) and the buyer to pay for them. The principal purpose of the instrument is the acquisition (by purchase, lease, or barter) of property, supplies, or services for the direct benefit or use of the Federal government, or in the case of a host country contract, the host government agency that is a principal, signatory party to the instrument. The term does not include grants and cooperative agreements covered by 31 U.S.C. 6301, et seq. (Chapter 302, 304, 305, 331, 621)

**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 Foreign Disaster Assistance (DCHA/OFDA), the Center for Human Capacity Development (EGAT/EHD), and each overseas post (see AIDAR 702.170-3). (Chapters 302, 331)

**Contracting Officer (see also, Agreement Officer)**

A person representing the U.S. Government through the exercise of his/her 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)

**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. (Chapters 201-202, 331)

**head of the contracting activity (HCA)**

The official who has overall responsibility for managing the contracting activity. AIDAR 702.170-10 lists the HCAs in USAID and the limits on the contracting authority for them are listed in AIDAR 706.601. Also see contracting activity. (Chapters 302, 330, 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.

**Micro-purchase Threshold**

\$2,500, except it means-

- (1) \$2,000 for construction subject to the Davis Bacon Act; and
- (2) \$7,500 for acquisitions of supplies or services that, as determined by the head of the agency, are to be used to facilitate defense against or recovery from terrorism (defined at Public Law 107-296, Sec. 2) or nuclear, biological, chemical, or radiological attack, as described in FAR 13.201(g)(1)(i), except for construction subject to the Davis Bacon Act (Pub. L. 107-296, Sec. 854).

**Simplified Acquisition Procedures (SAP)**

A term, formerly known as Small Purchasing Procedures, which identifies the methods used for making simplified acquisitions such as imprest funds, Agency bank card purchases, purchase orders, and Blanket Purchase Agreements (as prescribed in the Federal Acquisition Regulation [48 CFR 1] Part 13) to streamline the process of purchasing. (Chapter 331)



**Simplified Acquisition Threshold (SAT)**

\$100,000, except-

(1) in the case of any contract to be awarded and performed, or purchase to be made, outside the United States in support of a (U.S. military) contingency operation (as defined in 10 U.S.C. 101(a)(13)) or a (U.S. military) humanitarian or peacekeeping operation (as defined in 10 U.S.C. 2302(7) and 41 U.S.C. 259(d)), the threshold is \$200,000, and

(2) for acquisitions of supplies or services that, as determined by the head of the agency are to be used to facilitate defense against or recovery from terrorism (defined at Public Law 107-296, Sec. 2) or nuclear, biological, chemical, or radiological attack in support of a humanitarian or peacekeeping or a contingency operation if initiated by a solicitation issued from January 24, 2003, to November 24, 2003 (Pub. L. 107-296, Sec. 853(a)), the term means-

(A) \$200,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and

(B) \$300,000 for any contract to be awarded and performed, or purchase to be made, outside the United States.

This threshold does not apply to acquisitions of commercial items, up to \$5,000,000, conducted under FAR Subpart 13.5. (Chapter 331)

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