

For: All FFAS Offices**FFAS Procurement Guidance for Kitchen Appliances****Approved by:** Deputy Administrator for Management

1 Overview**A Background**

On June 25, 2004, a Comptroller General decision was made regarding the use of appropriated funds for the procurement of kitchen appliances. The decision concluded that appropriated funds could be used to purchase items normally considered to be personal in nature, such as refrigerators, microwave ovens, coffee makers, and ice makers. The decision was based on the primary benefit of the use of these items as they relate to the efficient operation of an agency rather than an individual.

If the items are procured by FFAS, they must be located in a common area for use by all employees. This means they cannot be located in an individual's office or personal space. This policy does not authorize the use of appropriated funds to purchase coffee, tea, condiments or other goods, such as plates, cups, napkins and other paper products or food to be used in the common area. These items would remain a personal expense to the employee.

This policy is effective upon its issuance and it is not retroactive. This policy cannot be used to authorize the reimbursement of employees for prior personal expenditures for common use microwave ovens, refrigerators, or coffee makers.

B Purpose

This notice:

- replaces Notice AS-2258 in its entirety, FFAS Procurement Guidance on Personal Items, Kitchen Appliances and Paper Goods,
- provides policy that defines personal items,
- provides guidance for the purchase of kitchen appliances, and
- authorizes the use of the purchase card to procure allowable items provided they do not exceed the cardholder's single purchase limit, warrant limit or the micro-purchase threshold.

Note: Guidance provided in this notice is applicable to all FFAS Procurement personnel, FFAS Purchase Card Agency Program Coordinators (APC's) and Local Agency Program Coordinators (LAPC's), approving officials, and cardholders.

Disposal Date	Distribution
May 1, 2015	All FAS, FSA, and RMA Offices; State Offices relay to County Offices

1 Overview (Continued)

C Contact

Direct questions about this notice according to the following.

IF questions regarding...	THEN contact...
the purchase card program review process	<p>either of the following:</p> <ul style="list-style-type: none"> Sheryl Welch, APC, by either of the following: <ul style="list-style-type: none"> e-mail to sheryl.welch@kcc.usda.gov telephone at 816-926-6108 Lavern Walker, APC, by either of the following: <ul style="list-style-type: none"> e-mail to laverne.walker@wdc.usda.gov telephone at 202-720-4044.
procurement policy	<p>Yvonne Howerton, Director, Acquisition Management Division by either of the following</p> <ul style="list-style-type: none"> e-mail to yvonne.howerton@wdc.usda.gov telephone at 202-690-5401.

2 Policy

A Personal Items

Items purchased with the purchase card are for “Official Government Use Only” and items used for personal consumption (personal items) are not authorized and are considered to be misuse and abuse. Misuse and abuse is any intentional use of a Government purchase card for other than official Government business, and depending on the situation, may constitute fraud.

Potential consequences for misuse and abuse may include:

- reimbursement to the agency,
- counseling,
- cancellation of the card,
- a written warning,
- notation on the employee’s performance evaluation,
- reprimand, and/or
- suspension or termination.

2 Policy (Continued)

B Kitchen Appliances

GAO decision B-302993, permits the use of appropriated funds for the procurement of refrigerators, microwave ovens, and coffee makers that are not included in the lease agreement. If a refrigerator is to be used in a shared office (more than one USDA agency), the lead agency shall assume the responsibility for procuring the shared refrigerator and the other agency(s) shall reimburse their portion of the cost using Interagency Agreement forms FMS 7600A and FMS 7600B, <http://www.fms.treas.gov/finstandard/forms.html>. Refrigerators shall be purchased from a GSA Schedule, meet Energy Star guidelines, and adhere to a target cost not to exceed \$1000.00. Individual offices may take a more restrictive approach if deemed necessary because of budget constraints.

Microwave ovens may be procured with appropriated funds for use in a common area if they are not already included in the lease agreement. If the microwave oven is to be used in a shared office (more than one USDA agency), the lead agency shall assume the responsibility for procuring the shared microwave oven and the other agency(s) shall reimburse their portion of the cost using Interagency Agreement forms FMS 7600A and FMS 7600B, <http://www.fms.treas.gov/finstandard/forms.html>. Microwave ovens shall be purchased from a GSA Schedule and currently there are no green purchasing requirements governing the purchase of microwave ovens. Individual offices may take a more restrictive approach if deemed necessary because of budget constraints.

FAS Specific Instructions – FAS international purchases will be reviewed and approved on a case-by-case basis. Request **must** be submitted to the FAS, Office of Foreign Service Operations, International Services Division.

C Procedures

The purchase request for the procurement of kitchen appliances must be supported by documentation that:

- describes the refrigerator, microwave oven, coffee maker or ice maker,
- designates the intended location,
- estimates the cost of the appliance, and
- provides a justification for the procurement.

A determination must be made by the LAPC and/or APC that the benefit of the purchase is reasonably related to the efficient operation of the agency rather than an individual.

USDA acquisition and property management requirements apply to the acquisition of refrigerators, microwave ovens, coffee makers, and ice makers with appropriated funds. These include requirements such as:

- competition, when appropriate;
- property reporting, labeling, inventory and disposal requirements; and
- acquisition of commercial warranties, including extended warranties when appropriate and in the best interest of the Government.

2 Policy (Continued)

D Appliance Requirements

In accordance with this policy, the following requirements will be placed on purchases of kitchen appliances.

- Refrigerators will have a freezer compartment, be white or black in color. Refrigerators may have a built in ice maker where a health or safety need is justified. The ice makers may not be located in the door, nor may the refrigerator have water dispensing capabilities.
- Refrigerators will be Energy Star® qualified products, even if the purchase price is more expensive than a standard model. Energy Star® qualified appliances incorporate advanced technologies using 10-50 percent less energy than standard models and are less expensive to operate over a period of time.
- Microwave ovens may only be standard countertop models and have an oven capacity no larger than two cubic feet.
- Coffee makers may not have cappuccino or espresso making capabilities.
- Ice making machines separate from a refrigerator ice maker may be purchased if the refrigerator ice makers are not of sufficient capacity for the number of employees served by the common area or are justified as a health or safety need of the employees.

E Appliance Exceptions

Requests for exceptions to this policy will be supported with proper documentation that:

- describes the appliance that is being requested,
- designates the intended location of the appliance,
- estimates the cost of the appliance, and
- provides a justification for the procurement.

An example of a possible exception may be an appliance required by a standard building code requirement applicable to a facility.

F References

Principles of Federal Appropriations Law, Third Edition, Volume 1, Chapter 4 Availability of Appropriations: Purpose

B-302993, Comptroller General Decision: Use of Appropriated Funds for Kitchen Appliances, dated June 25, 2004

GSA SmartPay “Misuse and Abuse” – <https://smartpay.gsa.gov/cardholders/card-basics/fraud/misuse-abuse>

Cardholder Purchase Card Program Guide – http://www.dm.usda.gov/procurement/ccsc/pc_guides_ref.htm