DEPARTMENT OF THE ARMY

GOVERNMENT PURCHASE CARD

OPERATING PROCEDURES

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Chapter 1: The Government Purchase Card Program

1-1. Purpose

a. This document provides the procedures to be used within the Army to establish and manage the Army Government Purchase Card (GPC) program. Best practices are identified in Appendix A. Army activities may adopt more stringent internal control requirements than the requirements cited herein. However, as these are risk-managed programs, activities should maintain a proper balance between the control environment and ease of use to ensure that the benefits of the card continue to accrue. These procedures establish Army-wide standards designed to provide all Army activities with a foundation upon which to build specific standard operating procedures governing their programs.

b. Nonappropriated activities implement policies and procedures governing the Army's morale, welfare, and recreation programs and general policies on Nonappropriated Fund Instrumentalities (NAFI). Chaplaincy activities implement policies and procedures governing Army Chaplain Corps activities. Army NAFIs/entities must operate within the parameters of these procedures.

1-2. Glossary

Acronyms and special terms are in the Glossary, Appendix J.

1-3. Background

The General Services Administration (GSA) awarded a multiple award schedule contract for U.S. Government commercial purchase card services. The contractor (hereinafter referred to as the "Servicing Bank") provides commercial GPCs and associated services. The Army issues a task order to the servicing bank for its GPC services.

1-4. References

a. Federal Acquisition Regulation (FAR), Part 13 "Simplified Acquisition Procedures"
b. Defense Federal Acquisition Regulation Supplement (DFARS), Part 213.301 "Government-wide commercial purchase card"
c. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 "Simplified Acquisition Procedures"
d. Treasury Financial Manual, - Vol. I, Part 4, Ch. 4500, "Government Purchase Cards"
e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, "Purchase Card Payments"
f. DOD FMR Vol. 10, Ch. 23, Annex 1, "Purchase Card Certification Statements"
g. DOD FMR Vol. 10, Ch. 2, "Discount Offers and Rebates/Refunds"
h. DOD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DOD Guidebook)
i. OMB Circular No. A-123, Appendix B Revised

1-5. GPC Authority

a. The Chief of the Contracting Office (CCO) shall delegate micro-purchase procurement authority to individuals at the lowest level in accordance with FAR Part 1-603-3(b). This authority may be redelegated in writing to the Level 3 or 4 Agency/Organization Program Coordinator (A/OPC). Sample appointment letters are located at Appendix F.

b. Orientation and training on the Army purchase card program is a prerequisite to receiving a GPC.

c. Generally, only government employees can be cardholders. However, a number of exceptions apply:

(1) Under certain conditions, GSA can authorize contractors to establish cards directly with the issuing bank, if necessary. (DOD Guidebook page A-1). Requests for GPC by contractors working under cost type contracts shall be forwarded to the Army contracting officer for the cost-reimbursable contract. If the contracting officer determines that the contractors are eligible, the contractors must file a Request for Eligibility Determination with the GSA SmartPay contracting officer. (AFARS 5113.202-90(b)).

(2) Foreign nationals may be designated as accountable officials - Billing Officials (BOs) and Cardholders (CHs) provided they are direct hires, even though they may not be subject to pecuniary liability under U.S. law. Given the above, purchase cards may be issued to foreign national employees of the Army if they meet accountable official requirements (nomination and training). They are subject to the same disciplinary actions for card misuse as U.S. citizen employees, subject to host country agreements and local law. (DOD Guidebook page A-1 and DOD FMR Volume 5, Chapter 33, paragraph 330204)

(3) Junior Reserve Officer Training Corps (JROTC) Instructors are members of the Armed Forces in accordance with AR 145-2, paragraph 4-3, and may be designated micro-purchase procurement authority as GPC cardholders. (FAR Part 1-603-3(b))

d. Army cardholders who are ordering officers may be authorized to use the GPC as a payment instrument for orders made against Federal Supply Schedule contracts (FSS), Blanket Purchase Agreements (BPAs), DOD Indefinite Delivery/Indefinite Quantity (IDIQ) contracts that contain a provision authorizing payment by purchase card, or other contracts when authorized by the contracting officer.

e. The GPC may provide a streamlined way of paying for contracts and other contracts than those listed above, but a contracting officer shall first determine that use of the GPC is in the best interest of the government (AFARS 5113.202-90(d)). See FAR Subpart 32.1110(d) and 32.1108 for instructions for use of the appropriate clause when payment under a written contract is made through use of the card. If payment under a written contract is made by the GPC, then the contracting officer shall insert the FAR clause

52.232-36, Payment by Third Party, in solicitations and contracts. Payment by a purchase card may also be made under a contract that does not contain the clause at 52.232-36, to the extent the contractor agrees to accept that method of payment. When the clause at 52.232-36 is included in a solicitation or contract, the contracting officer shall also insert the clause at 52.232-33, Payment by Electronic Funds Transfer—Central Contractor Registration, or 52.232-34, Payment by Electronic Funds Transfer—Other Than Central Contractor Registration, as appropriate.

f. The maximum single transaction dollar limit for the GPC for stand-alone purchases shall be the micro-purchase threshold as defined at FAR 2.101, DFARS 213.301(2) and AFARS 5113.270-90. The maximum single transaction dollar limit for contract payments against existing contracts shall be as identified in the contract and shall be within the limits defined in the CH written Delegation of Authority letter or the contracting officer's warrant. In the event of an emergency need for contingency or humanitarian aid operations, the Executive Office of the President may sign into law an emergency procurement authority allowing increased GPC and convenience check limits and revised procedures in support of contingency and humanitarian aid operations. In such circumstances, the Director of Defense Procurement and Acquisition Policy also may authorize class deviations to allow organizations to deviate from the FAR and DFARS. Such deviations may include raising GPC spending limits. These contingency/emergency purchases require separate training and Delegation of Authority by the A/OPC on contingency/emergency procedures and authority must be issued/granted by the Chief of Contracting or other authorized person.

g. The GPC shall be used to pay for government-owned material or government-performed services received from other government sources (e.g. Defense Logistics Agency Document Services, GSA Global, and Defense Logistics Agency).

h. The GPC shall be used as a method of payment for all commercial training $25,000 and below. The Standard Form (SF) 182 must be completed for training up to $25,000. If training costs exceed $25,000, submit the training requirement to your local contracting office. A separate and dedicated training GPC card must be issued and used to purchase training. These GPC training cards are only used to purchase training requirements.

i. Where it is identified that the purchase is processed via a third party merchant (such as PayPal), the CH should make every attempt to choose another merchant with whom to procure the goods and/or services. If found necessary to procure using a third party payment merchant, the BO must ensure adequate supporting documentation showing that there was a detailed review of the purchase and that the use of the third party payment merchant was unavoidable.

1-6. Applicability

These procedures apply to all GPC purchases with cards issued by the Army. Non-Army tenant organizations issued Army GPCs or convenience checks by an Army contracting office are also subject to these procedures. All BOs, CHs, A/OPCs (at all levels),

Resource Managers (RMs), Logisticians, and other stakeholders that participate in the GSA SmartPay Purchase Card Program under the Army Level 2 hierarchy are subject to these procedures. The policy established in this document supersedes previous guidance issued in the Draft Army Regulation (AR715-xx). Explanation of the Army level hierarchy is provided at 1-8.

1-7. Program Organization, Roles and Responsibilities

The general roles and responsibilities of the participants in the purchase card program are presented in the references listed in paragraph 1-4 and the following: AFARS 5113.201, Chapter 2 and Appendix A of the DOD Government Charge Card Guidebook; Volume 1, Part 4, Chapter 4500 of the Treasury Financial Manual; Office of Management and Budget (OMB) Circular 123, Appendix B Revised, Chapters 4.3, 4.4, and 4.8; 31 U.S.C. §3528 "Responsibilities and Relief from Liability of Certifying Officials; DOD Financial Management Regulation (DOD FMR) Volume 5, Chapter 33 "Departmental Accountable Officials, Certifying Officers and Review Officials", and DOD FMR Volume 10, Chapter 23, paragraph 2303 and 2304.

Army Level Hierarchy GPC Program structure uses a multi-level approach defined by level numbers		
Level 1 A/OPC	DOD	DOD Purchase Card Program Management Office (PCPMO) is the reporting agency representative to DOD.
Level 2 A/OPC	ASA(ALT) DASA(P) SAAL-PP	Assistant Secretary of the Army (Acquisition, Logistics, and Technology), Office of the Deputy Assistant Secretary of the Army for Procurement Policy Programs and Oversight staff member serves as the Level 2 A/OPC
Level 3 A/OPC	Army Command (ACOM) or equivalent	• ACOM or equivalent organization must possess Head of Contracting Activity authority and the PARC designates a Level 3 A/OPC and alternate • The Level 3 A/OPC reports to the Level 2 A/OPC as required • The PARC's management responsibility for the GPC program may be delegated to the CCO.
Level 4 A/OPC	Installation or equivalent	• The installation or equivalent organization's CCO designates a contracting staff member as the Level 4 A/OPC - The Level 4 A/OPC reports to the Level 3 A/OPC as required
Level 5	Billing Official (BO) and Alternate BO	• BO appointed by COC - may be delegated to Level 4 A/OPC - see sample letter in Appendix F • Certifying Officer (which is the Billing Official) appointed by Installation Commanders or activity directors on DD577 • BO monitors and approves CH purchases and certifies billing statements
Level 6	Cardholder	• Individual issued the GPC or convenience checks • Appointed by Level 4 A/OPC (when COC delegates the authority to A/OPC) • CH must acknowledge authority and duties by signing appointment letter

a. **Level 2 – A/OPC duties:**

(1) administering the Army GPC Program;
(2) establishing policies and guidelines;
(3) designing and maintaining hierarchies and approving subordinate A/OPCs;
(4) ensuring effective surveillance within the ACOMs, Army Service Component Commands, Direct Reporting Unit;
(5) serving as a liaison with Army organizations, the Servicing Bank, the PCPMO, and GSA; and,

(6) managing and implementing technical enhancements (developing, testing and deployment of GPC hardware/software/networking systems enhancements).

b. **Level 3 – A/OPC duties:** Alternate Level 3 A/OPC duties are the same as the Primary Level 3 A/OPC.

(1) implementing, administering, and monitoring the ACOM GPC program subject to DOD and Army policies;
(2) serving as a liaison with Army Headquarters, the Servicing Bank, ACOM staff, and field organizations;
(3) keeping Level 2 A/OPC apprised of GPC Program trends and issues as they arise;
(4) providing program support to ACOM and installation Level 4 A/OPCs;
(5) establishing and implementing ACOM-specific policy and guidelines;
(6) disseminating GPC Program-related information to Level 4 A/OPCs
(7) developing and writing GPC program internal control requirements, reporting mechanisms and surveillance plan.
(8) participating in GPC programs meetings sponsored by US Bank and Headquarters;
(9) tracking training requirements for Level 4 A/OPCs (see section 2-2);
(10) ensuring all Level 4 A/OPCs and Alternates hold appointment letters
(11) leading systems implementation at Command level;
(12) maintaining GPC Program documentation: Level 4 A/OPC training records, appointment letters, certifications, etc.;
(13) ensuring all Level 4 A/OPCs meet education, training and certifications requirements (see Section 1-8(b));
(14) coordinating GPC program changes with Level 2 A/OPC, including hierarchy changes, Level 3 appointments, etc.;
(15) responding to all data calls timely and with concise, current data;
(16) overseeing Level 4 A/OPC program controls, including BO account reviews, semi-annual surveillance, etc; and,
(17) Manage agent numbers: periodically assess the ongoing need for agent numbers.

c. **Level 4 - A/OPC duties:** Alternate Level 4 A/OPC duties are the same as the Primary Level 4 A/OPC.

(1) managing the day-to-day operation of the GPC Program at the installation/organization;
(2) assisting CHs and BOs in fulfilling their responsibilities;
(3) ensuring local agency training is provided to CHs and BOs via an appropriate training method (i.e. classroom, VTC, electronic, etc.) prior to participation in the GPC program;
(4) ensuring installation-specific training is provided to CHs on property accountability procedures (in coordination with local Property Book Officers);
(5) ensuring an alternate billing official is in place;
(6) oversight responsibilities that may not be redelegated (e.g. annually reviewing BO and CH accounts, span of control);

(7) maintaining delegation of authority appointment letters and a current listing of all CHs and BOs under the Level 4 A/OPC's jurisdiction;

(8) determining annually each CH's continuing need to maintain an account;

(9) issuing purchase cards in controlled limited quantities to authorized personnel with a demonstrated need to make purchases when reasonably necessary to meet operational requirements;

(10) cancelling accounts with no activity for six months; or

a) set the single purchase limit to $1 in the event of unauthorized activity/fraud on the account.

b) receive justification in writing when individuals are deployed or other authorized absence for six months or longer;

c) receive justification in writing from BOs when accounts that have little activity must remain open in the event of an emergency service outage, emergency repair, contingency, etc.

(11) developing and implementing local procedures to identify and make CHs aware of unauthorized and prohibited items from purchase with the GPC;

(12) ensuring completion of the following training for all CHs and BOs (see Section 2-2 for training links);

a) mandatory Defense Acquisition University (DAU) initial GPC training

b) local specific agency training through any authorized training method deemed appropriate by the activity

c) mandatory refresher training every two years

d) mandatory annual ethics training

e) U.S. Bank Access Online web based training

(13) maintaining training records including a database of all completed training;

(14) monitoring bank transaction reports to disclose potential prohibited or improper use, and taking immediate action to address suspected legal or policy violations;

(15) monitoring bank transaction declination reports to identify potential fraud activity;

(16) conducting an annual review of each assigned BO's records and procedures ensuring a minimum representative sample size review of 25% of all transactions;

(17) reviewing transactions and buying logs within four months of newly appointed CHs; and,

(18) processing requests for user identifications and passwords for the Servicing Bank's Electronic Access System (EAS).

d. **Level 5 – Billing Official duties:** Alternate BO duties are the same as the Primary BO, and should only be performed in the absence of the Primary BO.

(1) BO should be in the CH's direct chain of command;

(2) providing written approval/disapproval of purchases to the CH;

(3) reconciling invoices and timely certifying the billing statement for payment and verifying payments to be legal, proper, necessary, and correct in accordance with government rules and regulations;

(4) ensuring CHs fulfill their responsibilities by conducting an annual review of all CHs:

(5) reporting questionable transactions to the Level 4 A/OPC and/or appropriate authorities for investigation;
(6) recommending in writing appropriate GPC credit limits to the Resource Manager and Level 4 A/OPC for CHs under the BO's oversight;
(7) reviewing CH's statement and approving CH statement in the CH's absence within the required time frames;
(8) identifying and communicating billing discrepancies to the bank's transaction dispute point of contact when the CH is unavailable - for Access Online users;
(9) retaining an electronic (printable) or manual copy of each billing statement, and maintaining with the billing statement all original supporting documentation, receipts, logs, invoices, delivery tickets, approvals, etc. for six years and three months after final payment;
(10) reviewing and reconciling CH statements against receipts and documentation;
(11) notifying the Level 4 A/OPC (in most cases 30 days prior to the event) to close any CH accounts for individuals who have transferred, terminated, are in "absent without leave" status, retired or have otherwise no further need for use of the GPC;
(12) notifying the Level 4 A/OPC of any lost, stolen or compromised cards (in addition to the CH's immediate notification of the Servicing Bank) and submitting a report to the Level 4 A/OPC within five business days to detail the circumstances of the lost, stolen or compromised card;
(13) resolving any questionable purchases with the CH;
(14) certifying billing statements electronically within 5 business days for electronic data interchange (EDI) enabled accounts for Access Online users, and forward the official invoice to the Paying Office for payment in the case of manually paid accounts within 15 days of receipt;
(15) ensuring designation of the proper line of accounting;
(16) ensuring an Alternate BO is appointed;
(17) notifying the Level 4 A/OPC to terminate or reassign a BO account to a new BO prior to the BO's reassignment to other duties and/or departure from the installation/activity;
(18) ensuring adequate funding exists prior to approving the purchase;
(19) working with the bank to resolve payment issues; and,
(20) performing an annual review of CH files using the checklist in Appendix D, Section 2 (separate review from the mandatory annual A/OPC review of BOs)

e. **Level 6 – Cardholder duties:**

(1) making authorized purchases;
(2) collecting and maintaining the required documentation;
(3) maintaining files and records;
(4) rotating merchants when practicable;
(5) verifying independent receipt and acceptance of goods and services;
(6) verifying the establishment of the legitimate government need;
(7) complying with required sources:
    (a) FAR Part 8 and DFARS 208 Required Sources of Supply/Service
    (b) Utilize mandatory BPAs to purchase office supplies

(c) Utilize CHESS for IT hardware and software purchases;

(d) Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794d)

(e) Environmentally Preferable Purchasing (EPP). FAR Part 23.

(8) obtaining all required pre-purchase approvals in support of requirements;

(9) Screen all requirements for their availability from the mandatory Government sources of supply (i.e. Office Supplies - FSSI BPAs on Army Corridor of DOD EMALL);

(10) verifying receipt/acceptance of purchased goods or services received including tracking of partial shipments and components that must be received within the dispute window;

(11) reviewing and reconciling monthly statements;

(12) resolving unauthorized, erroneous, or questionable transactions with merchants;

(13) disputing questionable transactions and disputing with the merchant any unresolved transaction for which a charge occurred during the prior billing cycle(s) but the item(s) have not been received, and tracking the dispute to completion;

(14) notifying the BO of unusual/questionable requests and disputable transactions;

(15) maintaining physical security of the GPC (and convenience checks) to avoid unauthorized use, allow no one but the CH to use the GPC, and do not release the GPC account number to entities other than a merchant processing a transaction;

(16) notifying the BO of a lost, stolen, or compromised GPC within one business day so the BO can meet the requirement to submit a report to the Level 4 A/OPC within five business days;

(17) maintaining the Servicing Bank's electronic access system (EAS) purchase log throughout the billing cycle, reconciling all transactions, and approving the statement of account within three business days of the end of the billing cycle;

(18) maintaining a manual purchase log if the electronic purchase log is not accessible;

(19) ensuring adequate funding is available prior to the purchase;

(20) properly allocating the transactions to the proper line of accounting;

(21) checking with the Property Book Officer to determine what is considered pilferable property to be recorded in the property control systems records or which items can be placed on a hand receipt;

(22) ensuring all pilferable and other vulnerable property receipts are provided to the supporting Property Book Officer (PBO) within five working days to enable the PBO to establish accountability and asset-safeguarding controls by recording the asset in the property control system records;

(23) notifying the BO prior to departure, when you are on leave or travel and are not available to promptly sign and forward the CH statement of account. Forward all sales receipts and credit vouchers to the BO; and,

(24) providing to the BO upon departure the disposition of CH records and transfer all CH records to the BO with all statements, supporting documentation, receipts, logs.

f. **Resource Managers (RMs)** fund GPC purchases using the General Fund Enterprise Business System (GFEBS), and in the case of organizations on legacy systems, continue to use the "bulk" method in lieu of creating and citing unique accounting classifications for each individual GPC purchase. The bulk funding method requires a periodic (monthly, bimonthly, quarterly, or annually) fund reservation, through obligation, equal to the anticipated purchases for that period. Bulk funds may be assigned

as a single line of accounting to each CH account to cover anticipated GPC purchases for a specified period. The Resource Manager's duties:

(1) Provide a system of positive funds control by coordinating credit and cycle limits with the BO and Level 4 A/OPC;
(2) establishing funding for each account, at either the CH or BO level; non-applicable to U.S. Army Corps of Engineers;
(3) assisting the Level 4 A/OPC in establishing and maintaining BO and CH accounts in the Servicing Bank's EAS; non-applicable to U.S. Army Corps of Engineers;
(4) assigning default and alternate lines of accounting as appropriate;
(5) ensuring obligations are posted prior to invoicing for non-EDI accounts;
(6) assisting with resolving accounts that are in a delinquent status and providing payment information when requested;
(7) assisting the Level 4 A/OPC with the surveillance of assigned accounts;
(8) monitoring GFEBS daily to identify account payment issues to prevent and resolve GPC payment delinquencies, correct Intermediate Document (IDOC) errors, and provide payment information upon request; and,
(9) providing guidance and training to installation RMs, certifying officials, and cardholders on GFEBS processes.

g. **Defense Finance and Accounting Service (DFAS)** duties:

(1) maintaining the DD Form 577 for certifying officials;
(2) receiving and processing EDI transaction sets 821, Obligation Files; and 810, invoice files, and notifying the responsible installation or activity when the corresponding files are not received;
(3) notifying the installation/activity, within one day, of rejects and interest penalties assessed to individual accounts (confirm-does this happen);
(4) receiving and processing requests for manual payments; for example, bank system rejects and non-EDI accounts; and,
(5) assisting in resolving GPC payment issues.

h. **Property Book Officer** duties:

(1) Ensuring established property control and accountability procedures are developed and disseminated to all personnel who are entrusted with the acquisition of Army property and equipment;
(2) Assisting the A/OPC in review of the purchase card account to ensure that property accountability procedures are being followed;
(3) Compliance with accountability procedures in AR 710-2, AR 735-5;
(4) Promptly record in agency property systems, sensitive and pilferable property purchased with the GPC; and,
(5) Determining the accounting requirements for the GPC purchased property, such as nonexpendable or controlled (requires property to be accounted for on property book records), durable (requires control when issued to the user) and expendable (no requirement to account for on property book records).

1-8. Management of the GPC Program

a. Responsibility for the establishment and operation of an agency's GPC program is delegated to the agency's Principal Assistant Responsible for Contracting (PARC). The PARC, or in activities that do not have a PARC, the Chief of the Contracting Office (CCO), designates a Level 3 A/OPC and an alternate(s) who once appointed is dedicated to the GPC Program within their agency/organization.

b. The PARC or CCO forwards the Level 3 A/OPC Appointment Letter to the Level 2 A/OPC using the template found at Appendix F. The letter delegates responsibility for managing the agency GPC program and details responsibilities, training and certification requirements, and grade level preferences for the Level 3 A/OPC role. The Level 2 A/OPC reviews the nomination and ensures the Level 3 A/OPC meets all requirements of the position. Once approved, the Level 2 A/OPC provides written endorsement and coordinates Level 3 A/OPC appointment with the servicing bank. The Level 2 A/OPC is the final approval authority for agency Level 3 A/OPC appointments.

c. PARCs must ensure adequate resources are dedicated to the GPC program within their agency/organization to ensure successful management of the program. Adequate GPC resources refer to an agency's efficient and effective deployment of assets (such as number of personnel, training, funding, facilities, knowledge and skills, etc.) when and where needed to meet agency requirements in compliance with the laws and regulations governing the GPC Program. Adequate resources must be deployed to reasonably ensure that programs achieve their intended results; resources are used consistent with agency mission; programs and resources are protected from fraud, waste, and mismanagement; laws and regulations are followed; and reliable and timely information is obtained, maintained, reported and used for decision making.

d. Individuals meeting the following criteria may be appointed as Level 3 or 4 A/OPCs for the GPC Program; GPC knowledge, training, and experience, basic contracting knowledge and/or acquisition training. The Defense Acquisition Workforce Improvement Act (DAWIA) requires the Department of Defense to establish education and training standards, requirements, and courses for the civilian and military workforce. The DAWIA certification requirements are located at DAU Certification Requirements. DAWIA contracting or purchasing certification includes a training, education, and experience requirement. The Army requires Level 3 and Level 4 A/OPCs to be DAWIA Level II certified in contracting. A/OPCs that are not DAWIA Level 2 certified in contracting must either complete the DAWIA Level 2 contracting training requirement within 24 months or achieve DAWIA Level 2 certification in purchasing within 24 months of being assigned to the Level 3 or Level 4 A/OPC position. This requirement is effective immediately upon appointment of all A/OPCs. Although the Level 3 A/OPC position typically warrants a minimum equivalent grade of GS-13 or higher, the grade depends on the responsibilities, complexity, and volume of the program. In addition to certification requirements, Level 3 and 4 A/OPCs are required to have completed the training requirements detailed in Section 2-2.

e. The PARC management responsibility authority for the GPC Program is further delegated to the CCO. The CCO must ensure adequate resources are dedicated to the GPC program within their installation/activity to allow effective administration of the program. The CCO coordinates with the local personnel office(s) to ensure procedures are established requiring individuals involved in the GPC Program to clear through the Level 4 A/OPC when they out-process from the installation. The Level 4 A/OPC is appointed at a sufficient grade/rank to exercise their authority depending on the responsibilities, complexity, and volume of the program. Only individuals who meet the criteria in paragraphs 1-8(d) may be appointed as A/OPCs for the GPC Program.

f. The Level 3 and 4 A/OPCs must have the following knowledge, skills, and abilities:

(1) understanding of the relevant policies, procedures, and commercial contracting practices;
(2) understanding of the relevant procurement laws and regulations;
(3) understanding of what constitutes and authorized purchase transaction;
(4) understanding of procurement methods and standards;
(5) ability to communicate, organize, and manage effectively;
(6) basic analytical and computer skills;
(7) ability to summarize data, draft reports and write effectively using proper grammar, punctuation, and tone;
(8) ability to analyze, research, and provide concise recommendations to the chain of command on required actions to anticipate, prevent, or correct problems in business processes that are supported by the GPC.

Chapter 2: Establishing and Maintaining a GPC Account

2-1. Nomination, Selection, and Appointment of Cardholders and Billing Officials

a. Nomination, selection, and appointment of CHs and BOs are in accordance with AFARS Part 5113. The nominating official must be in the supervisory chain of the individual being nominated. CHs, BOs, and Checkwriters must be issued written authority identifying their limits of authority, duties, responsibilities, credit limits, and the written authority must reference mandatory compliance with the AFARS Subpart 5113.2 and the Army Government Purchase Card Operating Procedures. The BO, or CH will acknowledge receipt (electronic signature and date permissible) of appointment letters. Warranted contracting officers do not require a separate delegation of authority to use the GPC.

b. The CH is also a Departmental Accountable Official (DAO) according to paragraph 3305 and 3306, Chapter 33, Volume 5, of the DOD FMR. CHs must successfully complete the required GPC and ethics training to be delegated micro-purchase authority prior to receiving a GPC (see paragraph 2-2). The PARC or COC may delegate in writing to the Level 3 or 4 A/OPC the authority to delegate micro-purchase authority to CHs. A sample delegation of micro-purchase authority is provided at Appendix F.

c. The BO is also a Certifying Officer within the context of the GPC program. The Certifying Officer's minimum qualifications and eligibility are further discussed in DOD FMR Volume 5, Chapter 33. BOs are responsible for the accuracy of payments, including designation of the proper appropriation(s) or other funds certified to the paying office and Disbursing Officer. BOs are financially responsible for any illegal, improper, or incorrect payment as a result of an inaccurate or misleading certification. To certify GPC invoices for payment by the DFAS, the BO must be appointed as and accept the responsibilities of a Certifying Officer using the DD Form 577 and complete ethics and fiscal law training (see paragraph 2-2). The BO completes and signs the DD577 and provides to the A/OPC in order for the A/OPC to set up the BO account. The A/OPC provides the original signed and completed DD Form 577 to the supporting DFAS, ATTN: GPC. The BO and A/OPC retain a copy.

2-2. Training Requirements

a. Individuals must complete the training identified in the chart below. The training must be completed prior to issuance of appointment letters and/or establishment of GPC accounts. Proof of training must be documented and retrained by the A/OPC.

GPC Training Requirements		
Training Requirement	**Role**	**Source**
Mandatory Training		
Ethics	A/OPC/CH/BO	AR 350-1 paragraph G-18 and DOD 5500.7-R, the Joint Ethics Regulation HBS 415 Ethics at Work http://clc.dau.mil
U.S. Bank Access Online	A/OPC/CH/BO	https://access.usbank.com/cpsApp1/index.jsp
Purchase Card Online System (PCOLS) CLG 005	A/OPC/CH/BO	http://clc.dau.mil/
Local GPC Training	CH, BO	Activity/Level 3 A/OPC developed
DoD GPC (CLG001)	A/OPC/CH/BO	http://clc.dau.mil/
DoD GPC Refresher Training (every 2 years) (CLG004)	A/OPC/CH/BO	http://clc.dau.mil/
Suggested Training		
Fraud Awareness (AUD 1283)	A/OPC/CH/BO	http://clc.dau.mil/
Effective Report Writing (AUD 6115)	A/OPC/CH/BO	http://clc.dau.mil/
Simplified Acquisition Procedures (CON 237)	Ordering Officers	http://clc.dau.mil/
GSA SmartPay Purchase Card Training (CH)	CH	https://training.smartpay.gsa.gov/training/purchase-card-cardholders
GSA SmartPay Purchase Card Training (A/OPC)	A/OPC	https://training.smartpay.gsa.gov/training/purchase-card-aopc

b. Each Level 4 A/OPC is responsible for providing training to CHs and BOs. No exceptions or substitutions for this training are authorized. At a minimum, the local training for CHs and BOs must cover the following:

(1) Army Purchase Card Program policies and procedures
(2) CH and BO duties and responsibilities
(3) CH and BO guides developed by the Servicing Bank
(4) Procedures and techniques for the use of the Servicing Bank's EAS
(5) Funding, billing, payment, and file documentation requirements
(6) Property accountability procedures
(7) Ethics Training

(8) Required sources of supply
(9) FAR/DFARS/AFARS coverage of simplified acquisition procedures
(10) Record retention requirements
(11) Prohibited items and items that require pre-approval for purchase
(12) Dispute procedures
(13) Cancellation and lost, stolen, or compromised card procedures
(14) Convenience check usage
(15) Oversight tools and techniques
(16) Card Security
(17) Emphasize consideration of small business concerns when making micro-purchases
(18) Mandatory use of Office Supply BPAs located on DOD EMALL Army Corridor
(19) Use of the AbilityOne Base Supply Centers

c. A/OPCs provide additional training on simplified acquisitions procedures and required documentation to CHs who are given authority to place orders above the micro-purchase threshold against existing contracts (appointed as Ordering Officers), and for CHs outside the continental United States (OCONUS) who have a single purchase limit in excess of $3,000 but does not exceed $25,000 (DFARS 213.301).

d. GPC A/OPCs are required to track the training (including refresher training) of all program participants (CHs, A/BOs, Certifying Officers (CO), and A/OPCs) in a system of records and ensure that the required DAU initial and refresher training (Courses CLG001 and CLG004, respectively) have been completed. Successful completion of the initial training course is required before issuing cards. Successful completion of the refresher training course must be satisfied once every two years by program officials in order to continue in their roles. A/OPCs must ensure completion of the refresher training requirement is part of their annual review of all managing accounts under their cognizance.

e. CHs and BOs who fail to complete biennial refresher training must have their GPC account suspended until training is completed. The PARC or the local GPC activity may require refresher training more frequently to satisfy their training or operational needs. The training requirement for CHs and BOs trained at a previous duty station may be abbreviated or waived, in writing, as determined by the current A/OPC.

f. All trainees must sign a statement of training certifying they have received the initial GPC program training, they understand the training provided, GPC program training materials have been provided or made available, and they understand the penalties associated with misuse of the card. Cardholders should provide their Level 4 A/OPC with a copy of the training certificate and retain the original.

g. Level 3 and Level 4 A/OPCs should notify all participants in the GPC program of changes, as they occur, through the most efficient means (e.g. e-mail, newsletters, etc.).

h. Attendance at the annual GSA SmartPay Conference is mandatory for all Level 3 and 4 A/OPCs as funding permits.

i. All GPC personnel must receive mandatory ethics training annually in accordance with AR 350-1 paragraph G-18 and DOD 5500.7-R, the Joint Ethics Regulation.

j. GSA developed and hosts an online training course for to help A/OPCs and CHs understand their role and responsibilities. To visit the Purchase Charge Card Online Training, go to the GSA SmartPay® website at https://training.smartpay.gsa.gov. The servicing bank provides an A/OPC Guide available in hard copy and/or via the Internet at https://access.usbank.com/cpsApp1/index.jsp2476933.

k. Section 508 of the Rehabilitation Act (29 U.S.C 794d), as amended, requires that Federal agencies purchase and use electronic and information technology (EIT) that is accessible to people with disabilities and conforms to Section 508 standards. Visit http://www.section508.gov/ for more information and Section 508 compliance training titled "Micro-purchases and Section 508" http://www.section508.gov/index.cfm. GSA developed several online and CD training modules that can be accessed at: http://www.section508.gov/index.cfm?FuseAction=Content&ID=5. The requiring activity must identify IT deliverables covered by Section 508 and then identify the applicable technical standards; functional performance criteria; and information, documentation and support that apply to each IT deliverable to produce products that conform to the accessibility standard.

2-3. Account Establishment

a. GPCs are issued only as mission requirements dictate. Only DOD civilian employees, military personnel, or members of the Armed Forces may be issued a GPC or be appointed a BO. GPCs may not be issued to contractor personnel, except as provided in Section 1-6. Junior Reserve Officer Training Corps (JROTC) instructors, OCONUS local national employees of the Army, and host Government direct hires for OCONUS agencies/organizations whose salaries are reimbursed by the Army, are not considered DOD contractors, and may be designated as CHs and BOs.

b. The spending limits and cycle limits can be changed as necessary to meet operational needs. The RM Office establishes the default and alternate lines of accounting for the proper designation of appropriation, and inputs the spending limits in Access Online (AXOL).

c. Each GPC account has a single purchase transaction limit and monthly purchase limit. Generally the single purchase limit is the micro-purchase threshold. The cumulative spending total of all CHs' monthly purchases make up the billing cycle limit for the BO. Total monthly purchases may not exceed the billing cycle limit that is established in the Servicing Bank's transaction authorization system. The CH's monthly spending limits are modified by the RM in AXOL when operational circumstances warrant. The Level 4 A/OPC is notified of the monthly spending limits change, approves the change, and forwards the change to the Servicing Bank.

2-4. Account Maintenance

The Level 4 A/OPC is required to maintain current account information.

2-5. Liability of the Government Cardholders and Billing Officials

a. Use of the GPC by an authorized CH to make an unauthorized purchase is the liability of the Government. However, the installation/organization is responsible for taking appropriate action against the CH including efforts to recover the funds.

b. The intentional use of the GPC for other than official Government business may be considered an attempt to commit fraud against the U.S. Government. Misuse may result in immediate cancellation of an individual's card, financial liability, and negative administrative and/or disciplinary action against the CH and, if warranted, against the BO.

c. Liability: GPC BOs are personally and pecuniarily liable for the full amount of any improper payments resulting from misuse, abuse, or unauthorized purchases of the GPC, in accordance with Title 31 U.S.C. § 3528. Strict pecuniary liability attaches automatically when there is an erroneous (illegal, improper, or incorrect) payment. GPC CHs are pecuniarily liable for erroneous payments that result from the negligent performance of duties in the amount of erroneous payment, up to one month's pay. All accountable officials are required to comply with DOD regulations, policies, and procedures, including standard operating procedures. Failure to act in accordance with such regulations, policies, and procedures is generally considered evidence of negligence. Following orders from superiors that are contrary to regulations, policies, and procedures, is no defense to negligence or bad faith. A heavy workload or a lack of experience, supervision, or training, is not a factor in determining relief from liability.

d. Statutory authority: Any misuse of the GPC is subject to criminal, civil, Uniform Code of Military Justice, administrative, and disciplinary actions as appropriate.

(1) CHs: DOD FMR defines a CH as a DAO, and as such, are liable for up to one month's pay for misuse resulting from their negligent actions. DOD Directive 7000.14-R imposes financial liability for negligent performance of the CH's duties. The FMR Vol. 5, Chapter 33, §3309 also discusses pecuniary liability. Accountable Officials shall be personally and pecuniarily liable for erroneous payments that result from the negligent performance of duties in the amount of the erroneous payment, up to one month's pay.

(2) BOs: Title 31 U.S.C. §3528 provides for personal and pecuniary liability for improper payments resulting from misuse/abuse of the purchase card for Certifying Officials. The GPC BO meets the definition for Certifying Officer in the DOD FMR. The BO is financially liable for improper payments resulting from misuse or abuse of the GPC. The act of certifying a billing statement for payment makes the BO financially responsible for illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, a BO who knowingly makes a false certification may be

asked to repay the Government for the items or service purchased. If a BO is unsure about certification, he/she should contact the supporting Level 4 A/OPC for guidance and/or assistance.

e. Investigation Required: When a review/audit of the GPC account indicates questionable purchases, to include unauthorized purchases, the reviewer must ask the Certifying Officer for justification. If there is no justification, the reviewer must notify the BO's Commander or Director. The Commander or Director must conduct an investigation in accordance with AR 15-6. The investigation must provide the DOD employee or military member with an opportunity to rebut the presumed liability. Failure to follow regulation and policy constitutes negligence.

2-6. Card Suspension Policy

a. In accordance with DOD business practices, when any of the following conditions exist the Servicing Bank automatically suspend BO accounts when:

(1) BO's account goes over 60 days past due (90 days after the billing date), that BO's account, and those of all assigned CHs within the account, is suspended until the delinquent payment is posted at the Servicing Bank.

(2) BO's account goes over 180 days past due (210 days after the billing date) all accounts assigned under the respective Level 4 A/OPC is suspended.

(3) BO's account has more than 20 open Card and/or checking accounts, the BO's account is suspended unless a waiver has been approved by the Army Level 2 A/OPC.

b. Only the Army Level 2 A/OPC may reopen suspended accounts before the cause of the suspension has been corrected. Before reopening a closed account due to a delinquent payment, the Level 3 A/OPC documents the payment was made to the Servicing Bank to clear the delinquency. Accounts will be closed permanently if more than two suspensions occur within a 12-month period. Only the Army Level 2 A/OPC may approve waivers to this policy.

2-7. Card Security

a. CHs are responsible for properly using and safeguarding their GPCs. Only the CHs make purchases using their GPC. The CH must maintain the physical security of the card. If the card is lost or stolen, notify the issuing bank, A/BO, and A/OPC immediately.

b. In addition to corrective or disciplinary action, military personnel who misuse their GPC may have their access to classified information modified or revoked if warranted in the interest of national security. Commanders and supervisors shall follow Army guidance to ensure that security clearance reviews are conducted when the holder of a government purchase card comes under investigation for card misuse.

c. The Servicing Bank must ensure that adequate controls are in place to ensure the security of transaction data within their electronic access system. Only the cardholder or A/BO can approve, dispute, or reallocate purchase card transactions. The Servicing Bank must ensure that adequate controls are in place within their data warehouse to preclude anyone other than the A/BO or alternate A/BO from accessing, making changes and certifying the monthly bill.

Chapter 3: Operational Guidance and Procedures

3-1. Making Purchase Transactions

a. Requiring activities must perform acquisition planning to: consider strategic sourcing vehicles; identify procurement needs; and initiate procurement actions with sufficient lead time to buy appropriate products at the right price from the right suppliers in a timely manner. Requirements and logistics personnel should avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules, since it generally restricts competition and increases prices.

b. CHs should consider small businesses and installation AbilityOne Base Supply Centers to the maximum extent practicable, when making micro-purchases to increase their participation when using the GPC below the micro-purchase threshold.

c. Purchase requirements exceeding the micro-purchase threshold must be referred to a contracting office for formal contracting action. Splitting requirements into smaller parts to avoid formal contracting procedures, competition requirements, or to keep spending limitations under the micro-purchase threshold is prohibited. GPC micro-purchases should be distributed equitably among qualified suppliers, in accordance with FAR 13.202(a)(1), with special consideration paid to supporting your installation AbilityOne Base Supply Center, and local, small, and small disadvantaged businesses. When purchasing from FSSs and BPAs, cardholders must review prices on at least three contracts/agreements, unless it is a competitively awarded BPA and select the best value item for their requirements.

d. CHs who receive authorization and training from their Level 4 A/OPC may use the GPC to make commercial purchases up to $25,000 if the CH making the purchase is located outside the United States and the purchase is for use outside the United States (OCONUS). CH's must use mandatory sources identified in this regulation (e.g. FAR Part 8, DOD EMALL for office supplies), before deciding to use outside commercial vendors. For the use of the GPC outside the United States, CHs must follow policy in accordance with DFARS 213.301(2).

e. OCONUS Units. For CONUS purchases for use overseas, the CH must contact their local Director of Logistics Traffic Management Office for assistance regarding transportation and packaging requirements and/or instructions prior to contacting the vendor. CHs must ensure the final price includes all costs associated with the mode of transportation and packaging selected to the destination country, customs import duties, and any other charges that may accrue. Consult DOD Directive 4500.54-E, DOD Foreign Clearance Program (FCP) prior to the requisitioning action to ensure compliance with host nation customs requirements.

f. The GPC may be used as a method of payment (MOP) for simplified acquisitions and contracts in accordance with DFARS 213.301, AFARS 5113.202-90 and 5113.270-90. An individual authorized as an Army ordering officer, and other designated

contracting personnel may use the purchase card as a method of payment up to the limit as identified in the contract; under the supervision of the contracting officer or from Army contracts that, by their terms, expressly allow Army ordering officers to place orders and pay with the GPC as identified in AFARS 5113.202-90. GPCs contract payment cards must be issued and dedicated solely for this purpose.

g. Federal Procurement Data System – Next Generation (FPDS). Agencies are responsible for collecting and reporting Army procurement data to FPDS as required by FAR Subpart 4.6. The requirements for reporting GPC actions to the FPDS is contained in DPAP memo dated 26 October 2010, http://www.acq.osd.mil/dpap/pdi/eb/docs/Reporting_GPC_Actions_to_FPDS_(Oct_26_2010).pdf, and DFARS PGI Part 204.6.

h. CHs may place orders online via the Internet if authorized by their internal agency procedures to do so. When making online purchases, CHs must take appropriate measures to safeguard their account numbers at all times and ensure they are purchasing on a secure Web site.

3-2. Use of the GPC for Training and Education

a. The GPC shall be used by Training and Education Office personnel, and may be used by CHs, to pay for commercial off-the-shelf training and education up to $25,000 for an individual or planned series of the same training event, activity, or course material - AFARS 5113.270-90(g). GPC training cards must be issued and dedicated solely for this purpose.

b. The Standard Form (SF)-182 (Request, Authorization, Agreement, Certification of Training and Reimbursement) remains the authorized and required training source document. GPC payment for commercial off-the-shelf training must be accompanied by an SF-182.

c. GPC training cards are established with a single purchase limit of $25,000. Use of the GPC above the training micro-purchase level of $25,000 constitutes a payment mechanism, not a contracting method. Any use of the GPC above $25,000 as a payment method for commercial services must have a valid underlying contract in which payment can be made using the GPC. Training cards will have all merchant category codes (MCCs) blocked except the following sources of training:

7392 - Management, Consulting and Public Relations Services
7399 - Business Services (Not Elsewhere Classified)
8220 - Colleges, universities, junior colleges, and other professional schools
8241 - Correspondence schools
8244 - All business/secondary schools
8249 - Vocational/trade schools
8299 - Schools and Education Services (Not Elsewhere Classified)

3-3. Use of the GPC for Military Tuition Assistance

The GPC shall be used for the payment of military tuition assistance invoices. DD Form 2171, Request for Tuition Assistance (TA), provides financial assistance for voluntary off duty education programs in support of soldiers' professional and personal self development. Advance payments are authorized under the TA Program in accordance with AR 621-5. All course enrollments must be approved prior to start of class. Soldiers must request TA through www.GoArmyEd.com, prior to the course start date or before the school's late registration period.

3-4. Reimbursement of Training Expenses

Commanders at all levels must insure that the Government's interests are protected when an employee fails to complete training for which the Army pays all or part of the training expenses. (This includes both Government and non-Government training.)

a. Government training. If an employee fails to complete training satisfactorily, one of the following actions will take place:

(1) If failure is due to the employee's negligence or willful misconduct, disciplinary action will be taken.

(2) If failure is for reasons beyond the employee's control (such as illness or recall by proper authority), no action will be taken.

b. Non-Government training.

(1) If an activity pays for training only when the training is completed or requires the employee to share the training costs, the activity will fully inform the employee in advance. In some cases, this information may be included in the continued service agreement. (Training must still be approved in advance.)

(2) If an employee fails to complete non-Government training satisfactorily, actions in (a) or (b) below will be taken. Employees must be advised in writing of these requirements before the training starts.

(a) If the failure to complete training is due to the employee's negligence or willful misconduct, he or she must repay training expenses other than salary costs. If appropriate, disciplinary action will be taken.

(b) If failure is for reasons beyond the employee's control, no action will be taken.

3-5. Required Sources of Supplies and Services

a. Specific guidance on use of required sources and order of precedence of sources is prescribed in FAR, Part 8, and DFARS, Part 208, e.g., National Industries for the Blind (NIB), National Industries for the Severely Disabled (NISH), Federal Prison Industries (a.k.a. UNICOR), and FSS/GSA schedule requirements. In addition to those mandatory sources listed in FAR Part 8, cardholders should strongly consider using small and small disadvantaged businesses whenever possible. The AbilityOne Program is a mandatory source of supply, with any procurement method and at any dollar value, in compliance with the Committee for Purchase from People Who Are Blind or Severely Disabled statute, (41 U.S.C. §8501-8506). The AbilityOne Program's mandatory status remains in effect for all purchases--including those under the micro-purchase threshold. A full line of AbilityOne products can be found at your local installation AbilityOne Base Supply Center, DOD EMALL Army Corridor, and through AbilityOne.com where installation agreements do not exist for Base Supply Centers.
http://www.abilityone.com/OA_HTML/ibeCZzpHome.jsp?sitex=10020:22372:US

b. In accordance with AFARS 5139.101-90(a), Computer Hardware, Enterprise Software and Solution (CHESS) is the Army's mandatory source for commercial Information Technology (IT) hardware and software purchases. CHESS, accessible at https://chess.army.mil, is a set of multiple award Indefinite Delivery Indefinite Quantity (IDIQ) contracts that offer IT products and services that comply with NETCOM, Army and DoD policy and standards. Cardholders must utilize CHESS contracts and DoD enterprise software agreements first regardless of dollar value. Any purchase made outside of the CHESS contracts requires a waiver. The waiver process is located at https://chess.army.mil. Waivers are granted when products are unavailable on CHESS contracts or when hardware and software is available at a lower price from an alternate source. A CHESS waiver does not constitute approval to purchase any product or deviate from any other Army regulation or policy. Individual waivers are approved by CHESS and Army organization/activity blanket waivers are approved by the Army Chief Information Officer (CIO)/G-6. There is no fee associated with using CHESS and cardholders should maximize the use of discounts when ordering off CHESS contracts.
If no small business capability exists, CHESS contract vehicles are the preferred source for acquisition of IT services. Waivers from CHESS are not required when procuring IT services. However, if IT Hardware and Software are required as part of a non-CHESS IT services contract, a waiver for the hardware and software is required.

c. Green procurement is the purchase of environmentally preferable products and services (see FAR 23.202, 23.403, and 23.703). The Army Green Procurement Policy Memorandum, dated 22 Nov 06, established the Army Green Procurement Program (GPP) policy that "All Army personnel must comply with green procurement requirements to facilitate attainment of the DOD goal of 100% compliance with mandatory Federal purchasing preference programs" (see AR 70-1). The Army Green Procurement Guide provides an overview of the Federal procurement preference programs and guidance on implementing an effective GPP including A/OPC and cardholder responsibilities. A copy of the guide can be found at:

http://www.garrison.hawaii.army.mil/sustainability/Documents/SustAcquisition/ArmyGreenProcurementGuide.pdf.

(1) Training on GPP requirements should be conducted when cards are issued and on a recurring basis to provide updates and remind buyers of responsibilities and procedures. The Level 3/4 A/OPC should ensure that initial card training includes a module on green procurement, particularly the mandatory GPP requirements. Green procurement training is available from sources found in the Army Green Procurement Guide.

(2) The Level 4 A/OPC is responsible for ensuring GPP compliance and documenting noncompliance on the semi-annual surveillance report.

(3) Cardholders must show preference to recycled content and biobased products whenever they are cost effective and meet technical requirements. Installations must consider environmental factors in all purchasing decisions and give preference to those products and services designated by or recommended in Federal green purchasing preference programs.

(4) Per the National Defense Authorization Act of 1998, as of January 1, 2004, paper purchased using the GPC must be 50% post-consumer recycled paper. If 50% post-consumer recycled paper is not available for purchase, then as an alternative to meeting the standards for all printing and writing papers, the minimum content standard shall be no less than 50% recovered materials.

(5) Acquisition of EPA-designated items that do not meet the EPA minimum recovered material standards must be justified in writing if over the micro-purchase threshold. A written determination must cite one or more of the following reasons and be maintained by the cardholder for exemption from recovered material standards:

(a) Items containing EPA-recommended recovered content standards are not available within a reasonable period of time.
(b) Items are only available at an unreasonable price. Include sufficient information to support price decision.
(c) Items are not available from a sufficient number of sources to maintain a satisfactory level of competition. Include list of sources queried.
(d) Items based upon technical verification fail to meet performance standards or specifications.

3-6. Separation of Duties

a. OMB standards for internal controls require that key duties and responsibilities be divided or segregated among individuals to ensure they do not exceed or abuse their assigned authority, OMB Circular A-123, Appendix B Revised, paragraph 4.3. Separation of duties is an internal control activity, intended to provide checks and

balances to the GPC process, to prevent or minimize innocent errors or intentional fraud occurring without detection. This is done by ensuring that no single individual has control over multiple phases of a purchase card transaction. To protect the integrity of the procurement process, no one person is responsible for an entire purchase card transaction. Key purchase card functions must be handled by different individuals. Inadequate separation of duties could allow errors and fraud to occur without detection. Key duties, such as making purchases–CH, authorizing payments–BO, certifying funding–RM, and reviewing transactions–Level 4 A/OPCs and PBOs must be assigned to different individuals in order to minimize the risk of loss to the Government to the greatest extent possible.

b. If resource constraints prevent assignment of the key duties to different individuals, as set forth in paragraph (a) above, the activity must request a waiver through the Level 4 A/OPC and the CCO to the Level 3 A/OPC for approval, and will require additional surveillance.

c. Notwithstanding the above-described waiver process, certain key duties must not be assigned to the same individual. In no case shall the same individual be the CH and the BO for a GPC account. In no case shall the CCO, Property Book Officer, or any Level 4 A/OPC (primary or alternate) also be a CH, BO or contracting officer who is making contract payments with a GPC or executing GPC purchases. A CH, who is a hand receipt holder, should not purchase property for their own use. PCOLS provides the functionality to generate a report identifying potential conflicts of interest in GPC Program duties.

3-7. Span of Control

a. The Army standard for span of control for a Level 4 A/OPC is 300 accounts. This number includes both BO and CH accounts. A ratio of not more than seven card accounts to an A/BO is the Army standard. Ensuring a reasonable number of card accounts are assigned to each A/BO or Certifying Officer account is paramount to the effective accomplishment of the A/BO or Certifying Officer's responsibilities. The total number of transactions, as well as the number of assigned card accounts, must be considered when determining an acceptable account-to-A/BO ratio. Span of control refers to the extent of oversight and review responsibilities placed on a single A/OPC or BO. An appropriate span of control must efficiently and effectively allow the A/OPC or BO to provide reasonable assurance they can effectively perform their responsibilities regardless of the number of accounts assigned. The assigned span of control must factor in a Level 4 A/OPC's responsibility to conduct an annual review of all BO accounts including semi-annual surveillance of 25% of all transactions under his/her oversight. A span of control too large may preclude the A/OPC from accomplishing this task effectively and efficiently.

b. When the number of accounts (300:1 accounts per A/OPC) or workload complexity/administration assigned to a Level 4 A/OPC exceeds the Army standard, the PARC and the CCO must ensure adequate resources are made available to allow the

Level 4 A/OPC's successful performance of his or her duties. When the span of control exceeds the Army standard by more than 10 percent and the CCO elects not to provide additional resources, the CCO must provide the PARC with formal documentation stating that the CCO has personally reviewed the existing span of control and has determined the span of control is adequate to ensure program administration and surveillance can be performed at a satisfactory level. The Level 3 A/OPC must retain a copy of this documentation.

c. When the ratio for CH accounts to BOs exceeds the Army standard, the BO shall prepare a request for a waiver to policy. The approval levels for waivers are indicated in paragraph 3-7e. The total number of transactions as well as the number of assigned CH accounts must be considered when determining an acceptable card and/or checking account-to-BO ratio.

d. Upon the nomination and approval of a prospective CH and during the annual review of BO accounts, the Level 4 A/OPCs determines if the span of control is acceptable—that is, whether the BO can reasonably be expected to complete a thorough review of all transactions and certify the invoice within five business days of its receipt.

e. The Level 4 A/OPC documents all cases where the CH-to-Billing Official ratio exceeds the Army standard. In these cases, the BO prepares a request for a waiver to policy. The request must address the unique conditions that affect the process and show, with a high degree of certainty, that the BO can be expected to comply with the review and certification procedures. The request must include the number and location of assigned CHs, the total average number of transactions made by the CHs, the amount of time the BO can devote to the certification process, the history of delinquencies, and other factors that seem appropriate. The waiver is approved at the following level indicated below and maintained by the approver with copies furnished to the BO:

(1) 8–10 CHs accounts: Through the Level 4 A/OPC to the CCO.
(2) 11–19 CHs accounts: Through the A/OPC (Level 4 and Level 3) to the PARC.
(3) 20 or more CHs accounts: Through the A/OPC (Level 4, Level 3, to the Level 2).

3-8. Tax-Exempt Status

a. Centrally Billed GPC accounts are exempt from state tax in EVERY state but require tax exemption forms in 13 states, including Florida, Georgia, Louisiana, Michigan, Minnesota, Rhode Island, South Dakota, Tennessee, Texas, Utah, West Virginia, Wisconsin, and Wyoming. For purchases within the United States, the CH informs the merchant that the purchase is for official U.S. Government purposes and, therefore, is not subject to state or local sales tax. The GPC is embossed with the statement "U.S. GOVT TAX EXEMPT" and the CH will point this statement out to any merchant attempting to apply taxes to a purchase. In those states where a tax exemption form is required, the CH obtains the required form from the GSA SmartPay Website at: https://smartpay.gsa.gov/about-gsa-smartpay/tax-information/state-response-letter. By clicking on the state in the map, there is a link to download the required forms, as well as

contact information for the Department of Revenue should additional questions arise. CHs are responsible for ensuring no sales tax has been included in their purchase, except where applicable.

b. Exceptions to the state tax rules above include Hawaii and Illinois. Both states levy a General Excise Tax (GET) on businesses selling tangible personal property which is allowed to be passed on to the Federal Government (customer).

c. Some companies, such as Amazon, have established a Tax Exemption Program, in which the CH must enroll in order to receive the tax exemption at the point of sale. The GSA SMARTPAY® SMART BULLETINs are found at: https://smartpay.gsa.gov/news/smart-bulletins.

The Federal Government Tax Exemption Information	
Tax Exempt	**Not Tax Exempt**
Sales Tax	Certain federal and state excise taxes (Hawaii and Illinois)
Federal communications and highway vehicle users tax – FAR 29.203	If you pay for a service, you may pay the tax on labor only for work that is performed in that state. (e.g. New Mexico Gross Receipts Tax (NMGRT)
	The commissary surcharge is a federally mandated charge
	Overseas purchases are not exempt from foreign taxes unless foreign tax agreements so specify
	Tax exemption does not apply at the point of sale for any fuel purchases

3-9. Surcharges

a. Surcharges are fees that a retailer adds to the cost of a purchase when a customer uses a charge/credit card. As a result of the settlement between a class of retailers and the brands, on January 27, 2013, merchants in the United States and U.S. Territories are permitted to impose a surcharge on cardholders when a charge/credit card is used.

b. Not all merchants impose a surcharge, and some states (California, Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, New York, Oklahoma and Texas) have laws which do not allow or limit surcharges. Cardholders who receive a surcharge or a check out fee in any of the above mentioned states should report the merchant to the state Attorney General's Office.

c. Surcharges may not be added to debit, prepaid or cash purchases and cardholders are required to be notified in advance of making the purchase if a merchant will impose a surcharge. Merchants must also include the surcharge fee on any receipt(s) provided to the cardholder.

d. Per Visa and MasterCard guidance, there is a limit to the allowable surcharge amounts. These limits vary by brand and by merchant discount rate. Information on surcharge limitations for Visa and MasterCard is available at:
http://www.mastercard.us/merchants/support/surcharge-rules.html
http://usa.visa.com/personal/using_visa/checkout_fees/index.html

e. A/OPCs should ensure cardholders and other charge card management personnel are aware of the possibility of surcharges when making purchases using credit/charge cards. If a merchant is imposing a surcharge, the cardholder should consider choosing another merchant that offers the same or similar item(s) to avoid paying the surcharge.

3-10. Property Accountability

a. Personnel who are entrusted with the acquisition of Government property are responsible for its proper custody, safekeeping, and accountability in accordance with AR 710-2 and AR 735-5. .

b. GPC Property Book Procedures:

(1) PBO approves purchases on purchase request form prior to delivery of the PR form to the cardholder; (2) Cardholder screens PR form to ensure PBO approval obtained prior to making the purchase:
(3) Cardholder provides purchase receipt to PBO within 5 days of obtaining the receipt per AR 710-2;
(4) Monitoring and oversight reviews must assess whether cardholders provided the GPC receipts to the PBO per AR 710-2; and
(5) Training must be updated to include the above procedures.

3-11. Statement Reconciliation and Certification

a. The CH reconciles the statement of account throughout the month by reviewing it for accuracy and comparing it with his or her purchase log entries. If the statement is correct, the CH approves it within three business days from the end of the billing cycle. If the statement is incorrect, the CH must contact the merchant and request correction. If the merchant does not cooperate or provide the ordered goods and services, the CH disputes the incorrect transaction.

b. The BO must ensure GPC transactions are legal, proper, and correct in accordance with Government rules and regulations. If the billing statement is correct following the BO's review throughout the month, certification of the billing statement is done within five business days from the end of the billing cycle. If the BO finds questionable transactions, the CH must be contacted to review supporting documentation. If the BO determines the CH is negligent, the BO takes appropriate action in accordance with DOD and Army policy, and informs the Level 4 A/OPC of the action taken. Disputes must be filed by one of three methods: calling the Servicing Bank, faxing over a Cardholder Statement of Questioned Items form or using the Servicing Bank's dispute process in

AXOL, within 60 days of the cycle end date in which the transaction appeared in order to retain the Government's dispute rights.

c. **Independent Receipt and Acceptance**. The cardholder ensures receipt and acceptance of goods, services, and accountable (to include sensitive, classified, and pilferable) property purchased is properly performed and confirmed through proper documentation by an individual other than the CH. The date received, along with the signature (or electronic alternative when supported by appropriate internal controls), printed name, telephone number, and office designator or address of the receiving official will be recorded on the sales invoice, packing slip, bill of lading, or other shipping or receiving document as confirmation of receipt. The billing official verifies the existence of receipt and acceptance documentation during reconciliation of the billing statement.

3-12. Confirm and Pay

a. The Army certifies invoices for payment after all purchased items have been confirmed. This procedure has been called "Confirm and Pay". Each BO must establish a system to flag and track all transactions certified for payment with proof of receipt and acceptance. This procedure ensures all transactions reconciled and approved for payment have receipt verified.

b. Under the following condition, the Army has adopted the following process in order to allow the Servicing Bank to be paid for items that have been shipped by the merchant but not received by the organization to prevent withholding payment of the entire billing statement for a few transactions. Transactions that have been reconciled and approved for payment will have receipt verified no later than 45 days after the date of the original invoice. If receipt and acceptance cannot be verified, the CH shall protect the Government's rights by disputing the transaction prior to the end of the dispute period.

3-13. File Retention

a. The approving or certifying official maintains certified billing statements and supporting documents for six years and three months in accordance with National Archives and Records Administration (NARA), General Records Schedule (GRS) 6, "Accountable Officers' Accounts Records". See DOD FMR Volume 15, Chapter 6 for additional information on document retention for accountable officers' records (10 years from the date of case closure for Foreign Military Sales).

b. All financial records, both paper and electronic, must be retained documenting the GPC transactions in a file to include (1) the BO statement, (2) the CH statement, and (3) all original receipts and documentation for those statements.

c. Receipts are considered supporting documents for the certified billing statement and in accordance with the DOD FMR, Volume 1, Chapter 9, must be retained for six years and three months after final payment. Original receipts are preferred; however, printed electronic forms or copies of an itemized receipt are acceptable. The receipt must be

legible; goods must be itemized/detailed with the item description, quantity, price, and extended price; indicate vendor's name and address; date of the purchase; and must indicate paid by credit card or zero amount due. The BO maintains these records, either physically in his/her physical possession, or when appropriate transfers to a records holding area. However, if certifying electronically, the CH and BO may rely on the Servicing Bank recordkeeping for the BO and CH statements. Original records are the property of the U.S. Government and may not be removed from government control by the BO for any reason.

d. Level 4 A/OPCs shall retain hard copy file documentation for Government credit card files documenting application for cards and approval, account maintenance, letters of GPC delegation (CH or BO), ethics certification (if applicable), required training certifications, results of annual reviews, and related information for three years after the fiscal year in which the card account is cancelled.

e. Documents received and/or generated by the cardholder to support transactions shall be retained for six years and three months after final payment. Data residing in the bank's electronic access system is maintained by the bank for six years and three months. Reports may be retrieved from the Bank's electronic access system (EAS) for the previous two years. Reports covering data for periods beyond the previous two years are available from the Bank upon request.

3-14. Convenience Checks and Foreign Draft Checks

a. Convenience checks and Foreign Draft Checks (FDCs) provide activities with the flexibility to issue checks for payment of supplies and services. With the exception of contingencies, convenience checks shall not be written over the micro-purchase threshold. Convenience checks are issued for domestic purchases valued in U.S. dollars when the merchant does not accept the GPC. DOD activities have the flexibility to issue convenience checks to pay for products and services at the activity level. FDCs are issued for overseas purchases valued in foreign currency when the merchant does not accept the GPC. The following requirements apply to one or both of these financial instruments as specified.

b. The CH shall not use a convenience check or FDC unless its use is considered advantageous to the activity after evaluating all alternative methods of purchase. Convenience checks and FDCs may not be used to avoid the normal GPC payment process. Before a check is issued, the paying agency must make every effort to use the GPC, including making maximum efforts to find and use merchants that accept the GPC. The authority to maintain a checkbook shall be justified on an individual organization basis and controlled and monitored by the organization's CCO. The number of checkbooks per installation must be kept to a minimum. A delegation of procurement authority is granted in writing by the CCO for the maintenance and use of convenience checks.

c. Convenience checkbook accounts are available only to organizations that maintain active GPC accounts in good standing. A convenience checkbook holder may have a GPC account and a separate convenience checkbook account. Convenience checks are pre-numbered, and their use is controlled with a separate convenience check purchase log for each account. Checkbook holder shall maintain original voided checks.

d. Convenience checks and FDCs are not issued for more than the micro-purchase threshold (or the foreign currency equivalent), and must be issued for the exact payment amount. In the case of an FDC, the payment amount includes the administrative processing fee. However, in the case of convenience checks, the payment amount does not include the administrative processing fee. The convenience check processing fee is added by the servicing bank during processing of the transaction, and the addition of the processing fee is not considered a split requirement. "Splitting" payment amounts across more than one convenience check or FDC to keep the purchase amount per check below the micro-purchase threshold limit is prohibited. Convenience checks and FDCs will not be issued as an "exchange-for-cash" vehicle to establish cash funds. If merchants issue credit or refunds by cash or check, the funds must be immediately credited to the account against which the purchase was originally made.

e. Convenience checks and FDCs are negotiable instruments and must be stored in a locked container, such as a safe or locking filing cabinet. Checks must be accounted for appropriately to prevent loss, theft, or potential forgery. Convenience check and FDC accounts must be reviewed quarterly by a disinterested party and not the A/OPC. The checks are reconciled just as other GPC transactions, as a part of the monthly statement billing cycle. Copies of voided checks must be retained through the carbon copy or photocopy the original check as a part of the account-holder's original documentation files.

f. The same purchase prohibitions that apply to the GPC apply to the convenience check and the FDC.

g. The normal dispute process associated with the GPC is not applicable to convenience checks and FDCs. Any concerns over a purchase made with a check must be resolved directly with the merchant. The check writer is solely responsible for securing credit or disputing purchases with the merchant. Each organization is responsible for all checks written on an account; unless it is determined fraud is involved (see Section 4-5 on fraud). In some cases, payment can be stopped on a convenience check that has been written if the check has not yet been posted to an account. To stop payment on a check, the check-writer must call the Servicing Bank's Customer Service Department to receive instructions on processing the action.

h. FDC accounts are established in the contracting office. Customer activities desiring FDC accounts outside the contracting office must justify, in writing, to the CCO why an account is necessary. FDC BOs, cashiers, and custodians must receive standard GPC training prior to being issued active FDC accounts.

i. The check cashier is the only person who has the authority to issue and sign checks. He or she may hold a GPC account in addition to the convenience check FDC account, as long as the accounts are maintained separately.

j. The check custodian orders, receives, stores, issues, inventories, reconciles, and disposes of FDC stock. He or she is not responsible for approving and processing requirements for check writing.

k. The BO authorizes and certifies the issuance of FDCs written by the cashier. In order to maintain effective internal controls, the BO may not perform the check-writing and maintenance functions of the cashier and custodian. All convenience checks and FDCs must be reconciled as a part of the monthly billing statement at the end of the billing cycle.

l. Establishing Convenience Check Accounts. Any U.S. Government employee, military or civilian, including local national employees, may be selected for appointment as a check writer. Contractors working for the Army must not to be selected for appointment. Requests to establish convenience check accounts must be justified in writing by the organization's Commander/Director and forwarded to the Level 4 A/OPC. If approved, a delegation of procurement authority is granted in writing by the CCO, for the maintenance and use of convenience checks. Required information must consist of the following:

(1) Reason for requesting checks
(2) Types of vendors the check will be written to
(3) Estimated dollar amount of checks intended to be written within a 12-month period
(4) Single and monthly purchase limits
(5) Check writer's complete name, office name, address, e-mail, phone/fax number

m. Use of Convenience Check Accounts.

(1) Convenience checks may be used for small purchases, when supplies or service are available for delivery within 15 days whether at the contractor's place of business or at destination. Convenience checks must not be used for employee reimbursements, cash advances, cash awards, travel-related transportation payments, or meals. Purchases made with the check must not require detailed specifications or an inspection report. Convenience checks should not be used for recurring payments.

(2) Convenience checks may be used for purposes not related to small purchases when such expenditures are authorized by other regulations such as:

(a) Delivery charges associated with the purchases made with a convenience check when the contractor is requesting to arrange delivery. These charges include local delivery, parcel post including cash on delivery (COD) postal charges, and line haul or inter-city transportation charges, provided the charges are determined in the best interest of the Government.

(b) C.O.D. charges for supplies ordered for payment with a convenience check upon delivery.

n. Tax Reporting - The 1099 Tax Reporting Process (TRP) was developed to collect convenience checks written for services, rent, medical and health care services and other Internal Revenue Service (IRS) requirements. This data is used to process IRS 1099-MISC forms. The BO is responsible to monitor the check writer's compliance with 1099-TRP.

(1) Convenience check holders must submit check data to DFAS on any checks they issue for tax reportable categories. This should be done throughout the year and is suggested to be completed monthly, and can be done on-line once the check writer and their corresponding A/OPC officially request access to the 1099 TRP. The 1099 TRP is restricted to authorized users only. Access is optional for the BO, but may be necessary to fulfill the BO's responsibility to ensure the check writer is compliant with 1099 TRP.

(2) 1099 TRP System Access: To obtain access, users must complete two system access forms, DD form 2875 and DD form 2869. The link to access the System Access Request Forms is: https://dfas4dod.dfas.mil/systems/1099/. Carefully follow the instructions for completing the forms. All check writers and A/OPCs must complete both forms. Fax completed forms to 614-693-5452 or Defense Switched Network (DSN) 869-5452, or scan and email them to cco.checks@dfas.mil. Prior to accessing the 1099-TRP, all users should read the Convenience Check User's Manual.

3-15. Office Supply Blanket Purchase Agreements (BPAs)

The Army must satisfy requirements for supplies and services from or through the sources and publications listed in the descending order of priority in FAR Part 8.002. The Office Supply BPAs fall under mandatory Federal supply schedules and must be utilized for office supply purchases unless an exception applies. The Office Supply BPAs can be accessed through the Army Corridor of the DOD EMALL site: https://dod-emall.dla.mil/acct/. The primary goals of the Office Supply BPAs are to ensure that office product purchases are in compliance with the statutory preferences afforded to products manufactured under the AbilityOne Program, capture economies of scale, and realize significant savings while providing opportunities for small business. Exceptions to the mandatory use of the BPAs and DOD EMALL are as follows:

(1) This policy does not apply to purchases made Outside the Continental United States (OCONUS).

(2) Purchases made directly from AbilityOne or from AbilityOne Base Supply Centers (BSCs). Cardholders may purchase office and cleaning supplies directly from AbilityOne Base Supply Centers and are exempt from using the Office Supply BPAs. These products are available at Base Supply Centers on military installations or in federal buildings.

(3) Cardholders may purchase National Stock Number (NSN) items directly from AbilityOne BSCs and are exempt from using the Standard Army Retail Supply System (SARSS) or the Office Supply BPAs. When NSN products are not available from the BSCs, then cardholders should use the SARSS to purchase NSN Products.

(4) Purchases made from wholesale supply sources such as stock programs of the General Services Administration (e.g. GSA Global Supply Center).

(5) Cardholders may purchase an item from another source if an urgent need exists for an unplanned requirement needed for the same day. Poor acquisition planning and inadequate market research would not apply to this exception. Use of this exception requires valid documentation and retention in the purchase card file.

(6) NAFI cardholders must comply with the required sources (see paragraph 3-5). When purchasing office supplies, NAFI GPC cardholders shall consider the AbilityOne Base Supply Centers or the Office Supply BPAs on the DOD EMALL Army Corridor as a practical choice. If it is not in the best interest of the NAFI to purchase through AbilityOne Base Supply Centers or the Office Supply BPAs, the cardholder may consider other required sources. The cardholder must adequately document the decision to not purchase from the AbilityOne Base Supply Centers or the Office Supply BPAs before an open-market source can be considered.

(7) In the event the DoD EMALL is unavailable for more than 24 hours, cardholders may place orders with the Office Supply BPA vendor through another form of communication.

3-16. Rebates/Credits

a. Rebates are posted as credits against billing statements and applied at the billing statement level unless specified otherwise by the Level 2 A/OPC. Rebates are automatically assigned to the default line of accounting (LOA) on the billing statement. BOs should reallocate the rebates across various LOAs (of the same appropriation) to the extent that no single LOA has a credit balance. Under no circumstance will the CH retain gift checks, vendor rebates or other purchase incentives that can be converted to personal use. If received, these items must be turned over to the U.S. Treasury.

b. Unless specific authority exists allowing rebates to be used for other purposes, rebates must be returned to the appropriation or account from which they were expended, and can be used for any legitimate purchase by the appropriation or account to which they were returned, or as otherwise authorized by statute.

c. Credit transactions are posted as credits against billing statements, applied at the billing statement level. When a closed account carries a credit balance the amount shall be sent via check to the Level 4 A/OPC. The check will be addressed to US Government or US Treasury. The Level 4 A/OPC shall work with his/her RM in identifying an account and in determining how the credit is distributed within the installation.

d. Reimbursements such as rebates, merchant credits, or other credits attributable to accounts closed during the quarter or accounts not having enough purchases to offset the credit, require the Servicing Bank to issue quarterly checks to the Level 4 A/OPC. Merchant credits must be applied back to the funding appropriation. Rebates must be used in the fiscal year they are received.

e. Each Level 4 A/OPC is directed to deliver all reimbursement check(s) to their RM within five (5) days of receipt, retain a copy of each reimbursement check(s), and obtain the RM's signature acknowledging their receipt and acceptance of the reimbursement check(s). The CH, BO, and RM should have a process to ensure adequate controls are in place to track credits and rebates. Questions related to reimbursements in the form of a rebate, merchant credit, or other credit should be directed to your local RM. CHs must forward their monthly cardholder statement to the BO with the appropriate supporting documentation, within 5 working days, to maximize rebates and minimize prompt payment penalties.

f. Rebate policy guidance is available in the DOD FMR Volume 10 Chapter 2, OMB Circular A-123 Appendix B Chapter 7, and DOD Charge Card Guidebook Appendix K paragraph 13.

Chapter 4: Management Controls and Program Oversight

4-1. Management Controls

a. This section provides specific management controls required of GPC programs, guidelines for disciplining abusers, and other control information. Office of Management and Budget (OMB) Circular A-123, Appendix B, provides additional guidance on implementing strong internal controls. PCOLS is designed to both maintain the integrity of these controls and validate their effectiveness in safeguarding Government resources. Management officials are responsible for establishing a process of internal controls that is (1) designed to provide reasonable assurance that the GPC program is used efficiently, effectively, and legally to achieve the purpose for which the program was established and (2) is in compliance with applicable laws and regulations.

b. Required Management Controls include:

(1) **Maintain Purchase Log:** All CHs are required to maintain either an electronic or a manual log (if not electronically enabled) for each transaction made using the card.

(2) **Maintain Positive System of Funds Control:** Spending limits (such as monthly and office limits) are tied directly to the funding allocated for each card account (monthly, quarterly, and semiannually). Fund limits should be consistent with historical spending patterns to minimize Government exposure and ensure adequate funds availability. This provides an overall control to ensure funding is available prior to purchases being made with the card.

(3) **Ensure Separation of Duties:** For the GPC, a mandatory management control is the separation of duties. Key duties such as making purchases (CH), verifying purchases are proper (A/BO), authorizing payments (BO and FSO), certifying funding (Finance and Resource Managers), independent acceptance for accountable property, and reviewing and auditing functions (A/OPC and Property Book Officers) must be assigned to different individuals to the greatest extent possible to minimize the risk of loss to the Government.

(4) **Reconciliation/Approval by the CH:** During each billing cycle, CHs are required to reconcile the CH statement they receive from the issuing bank against the purchase card log they are required to maintain for card purchases.

(5) **Reconciliation/Approval by the A/BO:** After the CH has approved his/her entire CH statement, he/she forwards the electronic or hard copy file to the cognizant A/BO. The A/BO is required to approve or reject each purchase made by the CHs under his/her hierarchy. When the A/BO has completed their review of each invoice submitted for his/her card accounts, the A/BO, acting in the role of Certifying Officer, can certify the entire invoice as legal, proper, and correct in accordance with his/her responsibilities.

(6) **Exercise Dispute Authority:** The CH has 60 days from the date of the billing statement to dispute the transaction.

(7) **Exercise/Maintain Authorization Controls:** Appropriate spending limits and Merchant Category Code (MCC) access are tailored to each CH account. Spending limits and MCC access should reflect historical buying patterns/trends.

(8) **Systems Access Security:** Appropriate safeguards must be in place to control issuance and safeguarding of access credentials to the EAS.

(9) **Available Funding Integrity:** Certified lines of accounting (LOAs) must be traceable through disbursement. All changes to LOAs must be documented and certified.

(10) **Invoice Integrity:** An electronic certification process ensures the original electronic invoice is traceable from the vendor through the certification and entitlement processes and retained in a Government record. Should the original invoice submitted by the contractor be in paper form, the Certifying Officer shall determine if the invoice is proper for payment and affix his/her signature in accordance with the governing provisions of the DoDFMR. If appropriate, the Certifying Officer makes any required "pen and ink" changes on the original invoice to reallocate the payment to different funding lines from those reflected on the original invoice. The Certifying Officer determines whether these changes are proper and affix his/her signature with the standard certification language on the original paper invoice.

4-2. Surveillance Reporting and Surveillance Reviews

a. The Level 4 A/OPC must conduct a review of 100% of BO accounts annually to include a minimum representative sample size of 25% of transactions for each BO account. The A/OPC should utilize PCOLS Data Mining/Risk Assessment (DM/RA) reviews, transactional reports from the Bank's EAS (or other electronic oversight process), DoD Checklist and Certification Template (appendix D), and the Formal Reporting Requirements Template (Appendix G) to perform the review.

b. Reviews may be conducted in person, remotely, or electronically depending on the size, complexity, and past review history of the BO account. Reviews should focus on transaction activity and overall adherence to the purchase card program requirements, as well as provide a response to previous findings and recommendations and resulting corrective actions taken. Results of the review should be documented and briefed to the BO and the BO's supervisor detailing findings, discrepancies, issues, and/or identifiable trends.

c. In conjunction with reviewing all BO accounts annually, the Level 4 A/OPC is responsible for drafting a semi-annual surveillance report and providing it to the Level 3 A/OPC (due April 21st and October 21st). The report should address all aspects of the activity's GPC program, including BO/CH account/transaction reviews; appointment and account issuance/maintenance; GPC usage requirements; GPC documentation, processing, and financial requirements; convenience check writer requirements; and training.

d. In reporting BO/CH account and transaction data, the review should include the following: at least 25% of transactions based on a representative sample of data, inclusion of high risk transactions as flagged in Access Online and PCOLS, and transactions from every BO and CH account. The semi-annual surveillance report must thoroughly analyze and summarize all items addressed in the DoD Checklist and Certification Template (Appendix D) and the Formal Reporting Requirement Template (Appendix G). The report should be all-inclusive as to provide a clear, precise representation of the agency GPC Program and its daily operations.

e. Level 3 A/OPCs must conduct semi-annual reviews of all Level 4 Programs within their oversight and must provide a formal semi-annual report (due May 1 and November 1) to the Army Level 2 A/OPC. The report should provide the results of the surveillance programs for their prospective organization, should summarize repetitive or systemic weaknesses by activity, and should address all aspects of a surveillance plan. The surveillance report should provide a detailed summary of the reports provided by his/her respective Level 4 A/OPCs. The report must be drafted and presented to the Level 2 A/OPC using the template found at Appendix H which summarizes all aspects of the GPC Program, consistent with the DoD Checklist and Certification. All area of the template should be fully analyzed, discussed, and supported with metrics, concrete examples and evidence that a surveillance plan was implemented and surveillance conducted throughout the reporting period.

f. The Level 2 A/OPC will provide an Army-wide GPC Semi-annual surveillance report describing the Army GPC Program. The report will identify trends, corrective actions, and dates for implementing changes throughout the GPC community to support identified program trends, strengths and weaknesses. The Level 2 A/OPC may interview Level 3 and/or Level 4 A/OPCs to gain further insight into GPC trends across the Army GPC program and may perform a separate random sample review of GPC transaction to determine whether or not identified trends are substantiated.

g. Review reports must be maintained on file for six years and three months. Repeat findings from the previous fiscal year review report may result in suspension of your account.

h. Convenience check and FDC accounts shall be reviewed quarterly by a disinterested party and not the BO of the convenience check account or A/OPC.

i. Reports of surveillance reviews must provide information to each management level, which identifies repetitive problems and systemic weaknesses at the individual and organizational levels.

j. A/OPCs, BOs, and CHs must use PCOLS to assist and monitor the use of the GPC.

k. The Army shall use PCOLS as an electronic tool for managing its GPC program. See section 4.4 for a description of PCOLS. PCOLS enables A/OPCs to conduct oversight and surveillance of an organization's GPC program utilizing PCOLS reporting capabilities. By clicking on the "PCOLS Reporting" section upon logging into the PCOLS website, the A/OPC is able to run various reports based upon her/her role in PCOLS. These reports assist the A/OPC in identifying GPC program trends and strengths and weakness and should be monitored and used in conjunction with conducting GPC surveillance. The Army GPC Program Office will utilize PCOLS reporting capabilities to decipher the overall health of the GPC Program and to validate finding of each agency's semi-annual surveillance and Office of Management and Budget (OMB) report findings.

4-3. Suspected Fraud or Abuse

a. All instances of suspected fraud or abuse must be reported. Various channels of reporting include the Chain of Command, the A/OPC, the command's procurement fraud advisor (Staff/Command Judge Advocate), the servicing Criminal Investigation Division office, internal review organizations, and Inspector Generals at all levels.

b. The following may be indicators of possible fraud, waste, or abuse:

(1) Repetitive buys from the same merchant;
(2) Lack of documentation for a purchase;
(3) Failure to safeguard cards and account numbers;
(4) CHs/BO authorizing the use of their cards by others;
(5) Inadequate oversight by BOs and agencies;
(6) Payments made for items not received;
(7) Split purchases to avoid spending limitations;
(8) Lack of accounting for items requiring accountability;
(9) Payment delinquencies incurring interest penalties;
(10) Approval of a CH's statement of account by someone other than the CH or A/BO;
(11) Unauthorized purchases; and,
(12) CHs returning merchandise to merchants for store credit vouchers instead of having credits issued back to their GPC accounts.

4-4. Purchase Card Online System (PCOLS)

a. PCOLS is a DoD-wide suite of electronic systems that GPC officials use to improve the management and accountability within their GPC program organizations. PCOLS is comprised of five applications: Enterprise Monitoring and Management of Accounts

(EMMA), Authorization, Issuance, and Maintenance (AIM), PCOLS Reporting, Data Mining (DM), and Risk Assessment (RA). PCOLS is Common Access Card (CAC) enabled to ensure secure authentication and nonrepudiation. Due to enhancement of program oversight, the Purchase Card On-Line System (PCOLS) is mandated for GPC participants Army-wide and accessible at: **https://www.dmdc.osd.mil/appj/pcols-web**/.

b. EMMA is used to capture and define organizational purchase card hierarchies, document authority chains, and identify relationships among purchase card roles. EMMA increases the accuracy of personnel data and institute more robust inclusion of supervisors (e.g., cardholder and managing account supervisors). EMMA acts to electronically define the GPC hierarchy, the roles within the hierarchy, and assigns individuals to those roles. Additionally, EMMA enables the A/OPC to alter or remove any personnel from assigned roles reflecting changes to hierarchy structures, also known as provisioning.

c. AIM is used to initiate, approve, and transmit requests for GPC issuance and maintenance actions. AIM draws from hierarchies (e.g., role responsibilities and permissions) established in EMMA. It directly engages GPC supervisors, helps ensure business rules comply with internal organizational management controls, and is a workflow tool performing various GPC Program account authorization and maintenance functions.

d. Data Mining (DM) programmatically reviews 100% of the DoD purchase card transactions using sophisticated intelligent/learning software and identifies correlations, patterns, and trends in purchase card buying actions. This transaction review allows daily, near-real-time mining of the data. The Case Manager, which is an integral component of DM, interprets the referred transactions and creates specific cases that are assigned to the Approving/Billing Officials (A/BOs) for review. Through the use of the Case Manager Interview Process, the A/BO demonstrates that due diligence is exercised in the review of the referred transactions. With this DM tool, scarce human resources can be targeted on identified high-risk transactions and maintain a record of actions taken on referred transaction reviews for improved internal audit ability of the program.

e. Risk Assessment (RA), together with results from the DM Application, assess and report on the overall "health" of a DoD organization's purchase card program. RA allows users to monitor risks associated with their purchase card program. Users assess the risk of their purchase card program by monitoring certain risk controls on a cycle-by-cycle basis. This monitoring is accomplished through the following components within the RA Application: controls, dashboards, and quarterly reports.

f. PCOLS automatically un-provisions, or removes users from their PCOLS roles in EMMA when their retirements or separations are reported to the Defense Enrollment Eligibility Reporting System (DEERS). DEERS receives personnel information updates from the DoD services and agencies on a regular basis.

g. As discussed in Section 2-2, PCOLS users are responsible for completing DAU GLG005, Purchase Card Online System (PCOLS) prior to GPC appointment and GPC account issuance. DAU GL 005 provides comprehensive role-based PCOLS training and assists in understanding how to utilize the preceding applications in providing oversight of your GPC Program.

4-5. Violation of Army GPC Procedures

If, as a result of findings from a surveillance visit, or by any other means, the A/OPC discovers a CH or BO has violated GPC procedures, the A/OPC shall document the violation and take action to resolve the noncompliance to include, if necessary, retraining of the CH or BO and/or temporarily suspending the CH or BO's GPC privileges. Any determinations to cancel or permanently suspend a CH or BO account shall be made by the Level 2 A/OPC, CCO or designee (e.g. Level 3 or 4 A/OPC), and their findings forwarded to the CH or BO's supervisor. Continual violation of GPC procedures by an individual CH or BO shall result in termination of GPC privileges. A/OPCs shall verify that all potentially fraudulent and erroneous transactions that have been identified are disputed and properly resolved. Evidence of deliberate abuse shall be referred to the CH's and/or BO's Commander by the CCO for appropriate action in accordance with the Uniform Code of Military Justice or civilian disciplinary rules. Evidence of fraud or other criminal activity shall be referred, by the Commander/CCO, to the appropriate investigative body (e.g. Office of the Inspector General (OIG), Army Audit Agency (AAA)) or other investigative body for a follow up investigation. The violation and action taken shall be documented in the A/OPC's files.

Appendix A: Best Practices

1. Account Establishment

a. Only those personnel with a continuing need to use the GPC are appointed as CHs. The BO must advise the Level 4 A/OPC when one or more of the following conditions apply: CH no longer has a continuing need to use the card; CH transfers to other duties or organizations, retires, or leaves Government service. The BO must confirm in writing the actual card assigned to the CH was returned and destroyed. During the annual review of a BO's account, the BO will advise/recommend to the Level 4 A/OPC whether, based on mission requirements and purchase history, a continuing need for the GPC is justified for each assigned CH.

b. The Level 4 A/OPC reviews and approves the spending limits the RM assigns to the CHs, and forwards to the bank the approved spending limits and merchant codes based on a reasonable estimation of what the CH needs to buy as part of the activity mission and function (RM setup for BOs/CHs in EAS). The spending limits and cycle limits must be set at a level commensurate with historical spending, anticipated requirements, and available funding of the activity or organization. Limits should not be based on unlikely contingencies.

2. Account Maintenance

The Level 4 A/OPC is required to update account information (i.e. changes in a CH's name, address, spending limits). The CH must promptly report lost, stolen, or compromised cards to the Servicing Bank's Customer Service Center, BO, and Level 4 A/OPC. The Servicing Bank must immediately block the account from accepting additional charges.

3. Use of the GPC for Non-Personal Services

Recurring services performed at regular intervals having a demand that can be accurately predicted on an annual basis may be purchased with the GPC if they do not exceed $2,500 per fiscal year. Recurring services requirements estimated to exceed $2,500 per fiscal year shall be acquired through the servicing contracting office. Non-recurring services involve one-time, unpredictable, or occasional requirements, and may be purchased with the GPC up to $2,500 whenever a requirement occurs. If any doubt exists as to which category a service falls under, the cardholder shall consult with the local contracting office for a written determination.

4. Card Security

CHs must take appropriate precautions comparable to those taken to secure personal checks, credit cards, or cash. CHs must maintain physical security of the card to preclude compromise. The card should never be surrendered unless it is going to be cancelled. Additionally, the account number should not be released to other than the vendor

processing the transaction. The card is not to be used as a company card (e.g. if the CH is to be away, someone in the office, who is not the authorized CH, borrows the CH card and makes purchases using the card). This is prohibited. Only the CHs can make purchases using their GPC.

5. AbilityOne Program

The AbilityOne Program strives to ensure that its products are priced within the fair market range. Obtaining a commercial product at a lower price than an AbilityOne product is not a valid reason to circumvent the AbilityOne Program mandate. If you feel the AbilityOne product is priced significantly higher than a commercial item, you should contact the AbilityOne Program for guidance. AbilityOne does not offer a general-use, white, 8.5 x 11 or 30% recycled copy paper. AbilityOne's copy paper is for letterhead application and is archival quality. Since AbilityOne is not a mandatory source for a general-use paper (30% recycled is considered general use), you don't need a waiver from AbilityOne for the purchase of general-use copy paper and may purchase from AbilityOne Base Supply Centers or another source such as the office supply BPAs on the DOD EMALL Army Corridor.

6. Property Accountability

The PBO will acknowledge screening of all purchase requests on the purchase request form and the cardholder will screen the purchase request form for PBO approval prior to making the purchase. The cardholder must provide a copy of the purchase receipt to the PBO within 5 days after receipt In rare situations where scarce human resources and operation readiness dictates, a PBO may be appointed as a CH or BO, but to ensure separation of duties, PBOs that are also BOs or CHs may not purchase items they use requiring property accountability. PBOs or their representatives will ensure property accountability procedures are being followed. .

7. Contingency Operations

a. Active Component Units: Units deploying in support of contingency operations should take their locally issued GPCs with them to use while deployed. Prior to deployment, coordinate with the Contracting Activity that has contracting authority in the contingency area to see if there are special requirements for using the GPC while deployed in the Area of Responsibility (AOR), and ensure the cards' lines of accounting are properly funded. If after coordination with the contracting authority for the deployed area, it is determined the deploying units are not taking their GPCs, these accounts must be temporarily suspended by the A/OPC, upon notification from the BO, during the period of deployment. If GPCs are authorized while deployed, the local RM must make appropriate adjustments to the lines of accounting/EDI flags and routers, and additional information must be entered in the Servicing Bank's EAS. The BO must notify the

A/OPC in writing if GPCs are authorized while deployed. GPCs OCONUS will be managed to meet program requirements of the issuing agency.

b. Reserve Units and National Guard: Mobilizing reservists may use their GPC once they arrive at the Mobilization (MOB) station. The reserve issued GPC shall no longer be used. The Reserve A/OPC deactivates the mobilized soldier's GPC account at this point, through temporary closure or termination. The gaining activity in the contingency operation area determines if a soldier requires a GPC. If it is determined that the mobilized reservist requires a GPC, the unit's command identifies the FORSCOM home station responsible for its issuance. All GPC accounts (CH and BO) for mobilized reservists are managed by the FORSCOM home station installation A/OPC to which the contingency unit is assigned. Cards are to be used in theater for mission essential requirements only. The A/OPC provides a GPC CH worksheet to the CH to assist the CH with contingency purchases.

8. Prohibited Purchases and Restrictions on GPC Use

Each CH is authorized to buy necessary supplies and services provided there is adequate funding, the items are purchased at a reasonable price, and are not prohibited.
Appendix C provides general rules regarding prohibited purchases. In most cases, Appendix C allows the CH to determine whether a particular buy is appropriate. This list is not all-inclusive and should be supplemented by ACOM and installation GPC standard operating procedures, as necessary. In addition to the items listed in Appendix C, CHs must obtain pre-purchase approval and documentation addressing the bona fide need for requirements that appear to be outside the normal needs of the requesting organization. CHs must ensure that all purchases are properly documented, and that necessary approvals are obtained prior to making the purchase.

9. Merchant category Code Blocks and Overrides

a. The banking community has established a code system to categorize merchants by the goods and services they provide. These MCCs are used within the Servicing Bank's card processing system to authorize or decline purchase transactions based on controls established for each GPC account.

b. Based on their MCCs, various classes of merchants have been blocked from doing business with the Army through the GPC. These merchants have identified themselves as specializing in certain products or services that are not authorized for official purchases with the GPC. The unauthorized MCCs are:

(1) 4829 – Wire Transfer/Money Orders
(2) 5932 – Antique Shops
(3) 5933 – Pawn Shops
(4) 5937 – Antique Reproductions

(5) 5944 – Jewelry Stores
(6) 5960 – Direct Marketing Insurance
(7) 6010 – Financial Institutions: Manual Cash Advance
(8) 6011 – Financial Institutions: Automatic Cash Advance
(9) 6012 – Financial Institutions: Merchandise and Services
(10) 6051 – Non-Financial Institutions: Foreign Currency, Money Orders, and Travelers Checks
(11) 6211 – Security Brokers/Dealers
(12) 6760 – Savings Bonds
(13) 7012 – Timeshares
(14) 7273 – Dating and Escort Services
(15) 7995 – Betting, Casino Gaming Chips, and Off-Track Betting
(16) 8651 – Political Organizations
(17) 9211 – Court Costs, Alimony, and Child Support
(18) 9222 – Fines
(19) 9223 – Bail and Bond Payments
(20) 9311 – Tax Payments
(21) 9700 – Automated Referral Service

c. A merchant that has been blocked may still sell items that are authorized for purchase with the GPC. If a CH determines that he or she must make a purchase from a source that has been blocked because of its assigned MCC, the following procedures apply. The request to override a merchant's blocked MCC must be prepared by the BO of the CH who wants to make the purchase. The request must contain the name and masked account number (show only the last 10 digits of the account number) of the CH, a description of the item(s) to be purchased, the merchant's exact name and address, the MCC that must be overridden, the estimated dollar amount of the purchase, the estimated date of the purchase, and a description of efforts to locate a source other than the merchant with the blocked MCC. In addition, the request must specify the need for the particular requirement (for example, a special magnifying glass, available only from a jewelry store, needed to examine circuit card wiring). The request is routed through the appropriate Level 4 A/OPC to the Level 3 A/OPC for approval. Approvals are granted on a transaction-by-transaction basis. This process does not allow recurring purchases from a restricted merchant. If the request is approved, the Level 4 A/OPC contacts the Servicing Bank to have the specific transaction approved from the restricted merchant. The CH has five days to make the purchase. At the time of purchase, the CH advises the merchant to call the Servicing Bank's Customer Service Department and provide the following information:

(2) GPC number, CH name and billing address.
(3) GPC expiration date.
(4) Purchase amount.
(5) Advise that this transaction has been coordinated through the Army Level 4 A/OPC.

10. Monitoring and Surveillance

a. Monitoring and surveillance of the GPC program are shared responsibilities. All stakeholders in the program, including RMs, PBOs, and local audit and oversight organizations, have a part in ensuring that the GPC is used in the proper manner and only authorized and necessary official purchases are made. The Servicing Bank's EAS gives all A/OPCs and RMs the capability to electronically review CH transaction details on a daily basis. This tool must be used to maintain the highest level of visibility over this program.

b. Level 4 A/OPCs annually inspects 100% of Billing Officials and a representative, randomly selected sample of transactions of each BO account. Hands-on reviews are preferred, but alternative methods are allowable. The Level 4 A/OPCs reviews the selected transactions to verify that the BOs and CHs are following correct procedures and processes. The Level 4 A/OPCs are encouraged to include participation from representatives of the local Resource Management Office as well as other local oversight organizations in their surveillance programs. At a minimum, these reviews must address compliance with formal GPC purchase and payment procedures, appropriateness of spending limits, span of control, and property accountability. Review guidelines and checklists are provided in Appendix D. The A/OPC will utilize the surveillance tools in the Servicing Bank's EAS.

c. The A/OPC performs an annual review of the ongoing need for existing cards and makes a determination to cancel or allow unused cards to remain open. Cards with no activity for more than 6 months should be cancelled or the continued need documented. An annual review of credit limits on each CH account must be performed and credit limits adjusted based on an analysis of individual CH expected usage or past spending patterns.

11. Metrics and Reporting

There are many reports available through the Servicing Bank's EAS to assist all A/OPCs in the management and oversight of the GPC program. In addition to reviewing these reports, A/OPCs at all levels collect and maintain certain metrics to assess the performance of their program. These include the following:

(1) Metrics listed in OMB Circular A-123 Appendix B Chapter 5.3
(2) Army Level 2 A/OPC reporting requirements listed in Appendix G.
(3) Span of control ratios for accounts listed under the A/OPC and BO.
(4) Data mining reports available through the Servicing Bank's EAS which focus on purchase card activity for indications of potentially fraudulent, improper, or questionable purchases.
(5) The number and dollar amount of transactions.

(6) GPC centralized training database – monitor adherence to GPC program training requirements.

(7) Annually assess relevancy and appropriateness of GPC training.

(8) Financial Controls – at a minimum every 6 months monitor and assess single and monthly purchase limits.

(9) File Retention – annually review A/OPC files for up-to-date delegation letters for BOs and CHs, corrective action plans, documentation for application for cards and approvals, account maintenance, ethics certification, required training certifications, and results of annual reviews.

(10) Succession Planning – at a minimum annually assess available resources/workforce to ensure continuity of needed skills and abilities at a grade level commensurate with responsibilities to perform and fulfill GPC duties and responsibilities.

(11) The reporting for purchases for special operations or contingency operations (such as Hurricane Katrina). American Recovery and Reinvestment Act (ARRA) funding may also be used with the GPC. The CH must keep track of ARRA funding purchases through choosing the selection in the drop-down list in EAS.

(12) A/OPC Matrix of internal control weaknesses resulting from the annual reviews of the BOs and CHs.

12. Payment Delinquency Monitoring.

a. A/OPC's and Financial Managers can view in Access Online which accounts have not been approved before U.S. Bank takes suspension action. By using the Managing Account Approval Status Report, you can see which accounts are still outstanding for any cycle. This report can be found in the Reports listing under – "Financial Management Reports". Additionally, a faster method would be to scan the Managing Account List screen in Transaction Management for the cycle in question. Another report you can access is the "Past Due Report" by going through "Access Online Reporting-Program Management-Past Due". Please ensure all A/OPCs and RMs take advantage of the Servicing Bank's reporting capabilities to assist them in identifying and resolving delinquent accounts.

b. The Army goal is to pay all accounts on time. Level 4 A/OPCs who have a history of more than 5 percent of BO accounts delinquent during four or more billing cycles in the reporting period must report, on a semi-annual basis to their Level 3 A/OPCs, what corrective actions they have taken to improve payments. Delinquencies as a percentage of the outstanding balance due also should be tracked. The Army may not have more than 0.75 percent of its total receivables at the bank over 60 days past due. The Army maintains a zero tolerance for any percentage of receivables over 180 days past due.

Appendix B: References

Section 1

Required Publications: Per DA Pamphlet (PAM) 25-40, a *required* publication is one that the user needs to read in order to understand or comply with the publication being written.

a. Army Regulation (AR) 11-2, Manager's Internal Control Program.
b. AFARS 5113.202-90 - Purchase guidelines.
c. AR 710-2, Supply Policy Below the National Level
d. AR 735-5, Policies and Procedures for Property Accountability
e. FAR 8, Required Sources of Supplies and Services.
f. FAR 13.301, Government-wide Commercial Purchase Card.
g. DFARS 208, Required Sources of Supplies and Services.
h. DFARS 213.301, Simplified Acquisition Methods.
i. DOD Directive 7000.14-R, DOD Accountable Officials and Certifying Officers.
j. DOD FMR, Volume 5 - Disbursing Policy and Procedures, Chapter 33 - Accountable Officials and Certifying Officers; also Paragraph 3308.
k. DOD FMR, Volume 10, Ch. 23, "Purchase Card Payments"
l. DOD FMR Vol. 10, Ch. 23, Annex 1, "Purchase Card Certification Statements"
m. DOD FMR Vol. 10, Ch. 2, "Discount Offers and Rebates/Refunds"
n. AR 25-1 and DA PAM 25-1-1 designate Computer Hardware, Enterprise Software and Solutions (CHESS) as the primary source for the purchase of COTS software, desktops, and notebook computers regardless of dollar value.
o. DOD Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (DOD Guidebook)
p. OMB Circular No. A-123, Appendix B Revised

Section 2

Related Publications: Per DA PAM 25-40, a *related* reference informs the reader of a source of additional information.

a. AR 37-47, Representation Funds of the Secretary of the Army.
b. AR 725-50, Requisition, Receipt, and Issue System.
c. DOD Charge Card Task Force Final Report, June 27, 2002.
d. DOD, "Department of Defense (DOD Charge Card Programs," Policy Memorandum (Paul Wolfowitz, June 21, 2002)
e. DOD, "Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel," Policy Memorandum (David Chu, June 10, 2003)
f. DOD, "Government Charge Card Disciplinary Guide for Civilian Employees," Policy Memorandum (Ginger Groeber, April 21, 2003)
g. DOD, "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards," Policy Memorandum (Joseph Schmitz, September 25, 2002).
h. DOD, "Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards," Policy Memorandum (David Chu, June 23, 2003)

i. DOD, "Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards," Policy Memorandum (John Stenbit, November 4, 2002).
j. Executive Order 12931, Federal Procurement Reform, October 13, 1993.
k. FAR 2.101, Definitions.
l. FAR 4.805, Storage, Handling, and Disposal of Contract Files.
m. FAR 52.232-25, Prompt Payment.
n. Federal Acquisition Streamlining Act of 1994, P.L. 103-355, Title IV—Simplified Acquisition Threshold, Subtitle D—Micro-Purchase Procedures.
o. Government Accountability Office (GAO), Audit Guide: Auditing and Investigating the Internal Controls of GPC Programs, November 2003. GAO Report Number GAO-04-87G.
p. GAO, General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies.
q. GAO, Appropriations Law, Volume I, Nature of Appropriations Law.
r. GSA SmartPay master contract, Section CC.8, Authorization Controls for the Purchase Card Program.
s. OSD Memo for Secretaries of the Military Departments Attn: Acquisition Executives Directors of the Defense Agencies: Subject: Internal Controls for the Purchase Card Program, 19 Dec 2005
t. Management Initiative Decision No. 904, DOD Charge Card Management, December 18, 2002.
u. Office of the Assistant Secretary of the Army Financial Management and Comptroller Memorandum, Foreign Draft Checks, February 4, 1998.
v. Office of the Under Secretary of Defense, "Acquisition Policy on Facilitating Merchant Shipments in the DOD Organic Distribution System," Memo July 23, 2003.
w. Office of the Under Secretary of Defense (Comptroller), "Purchase Card Reengineering Implementation Memorandum #1, Certifying Officer Guidance, Change 1," Memorandum.
x. Treasury Financial Manual, Volume 1, Part 4, Chapter 4500—Government Purchase Cards.
y. U.S. Army Non-Appropriated Fund Instrumentalities Standing Operating Procedure, Purchase Card and Convenience Checks, 22 June 2004
z. U.S.C., Title 5, §5514, Withholding Pay – Installment Deduction for Indebtedness to the United States.
aa. U.S.C., Title 10, §2302b, Implementation of Simplified Acquisition Procedures.
bb. U.S.C., Title 10, §2304, Contracts: Competition Requirements, note Requirements Relating to Micro-Purchases.
cc. U.S.C., Title 10, Chapter 47, Uniform Code of Military Justice.
dd. U.S.C., Title 18, §208, Acts Affecting a Personal Financial Interest.
ee. U.S.C., Title 18, §287, False, Fictitious, or Fraudulent Claims.
ff. U.S.C., Title 18, §371, Conspiracy to Commit Offense or to Defraud United States.
gg. U.S.C., Title 18, §641, Public Money, Property, or Records.
hh. U.S.C., Title 18, §1001, Fraud and False Statements—Statements or Entries Generally.

ii. U.S.C., Title 18, §1031, Major Fraud against the United States.
jj. U.S.C., Title 18, §1341, Frauds and Swindles.
kk. U.S.C., Title 18, §1343, Fraud by Wire, Radio, or Television.
ll. U.S.C., Title 31, §3528, Responsibilities and Relief from Liability of Certifying Officials.
mm. U.S.C., Title 31, §3729, False Claims.
nn. U.S.C., Title 31, §3801, Administrative Remedies for False Claims and Statements—Definitions.
oo. USC, Title 37, §1007, Pay and Allowances of the Uniformed Services – Deductions from Pay.
pp. U.S.C., Title 41, §8701 to 8707, Kickbacks statute.
qq. U.S.C., Title 41, §1901, Simplified Acquisition Procedures.
rr. U.S.C., Title 41, §1902, Procedures Applicable to Purchases Below Micro-purchase Threshold.

Appendix C: Prohibited Purchases

This section identifies prohibited transactions. CHs should first contact local authorities (e.g., Legal, RM, Level 3 or Level 4 A/OPC) prior to purchasing any items that seem questionable or may have the appearance of being inappropriate. Contact the Level 2 A/OPC through the ASAALT central mailbox for further guidance if necessary. The following list, which is not all-inclusive, identifies some services and supplies that are prohibited from purchase with the GPC (this list also applies to convenience checks):

a. Items purchased for other than official Government use.
b. Making purchases and returning them to the merchant for cash or merchant credit slips.
c. Use of the GPC as a procurement method above the micro-purchase threshold is prohibited; however, use of the GPC as the payment method after the contract is procured is permissible.
d. Cash advances, including money orders and travelers' checks.
e. Gift certificates and gift cards are also considered to be cash advances and will not be purchased with the GPC, even to obtain items from merchants that do not accept the GPC.
f. Long-term lease of land and buildings: Use of the GPC to lease real property (i.e., land and/or buildings) for a term longer than 30 days is prohibited.
g. Repair of leased GSA vehicles.
h. Vehicle-related expenses: Vehicle-related expenses are to be paid with the travel or fleet cards (as appropriate).
i. Telecommunication systems: The purchase of major telecommunications systems, such as the Federal Telecommunications System or DSN system, is prohibited.
j. Fines: Use of the GPC to settle a commercial or governmental fine is prohibited.
k. Auto Insurance: Use of the GPC to purchase auto insurance for government-owned vehicles is prohibited. Government-owned vehicles are insured by the government.
l. Aircraft fuel and oil.
m. Vehicle fuel is prohibited; however, the following exceptions apply: (1) the purchase card may be used for fuel for special purpose vehicles (i.e. fork lift, tractor, lawn mower) and vehicles rented 30 days or less for official purposes.
n. Wire transfers.
o. Training Vouchers for Prepayment of Training (charging the GPC to reserve training slots prior to establishing the legitimate government need and requirement).
p. Food or refreshments; however, exceptions below apply: Organizations are highly encouraged to check with their local servicing JAG or attorney's office, before purchasing food, or applying the exceptions listed below. Your agency's guidance may be more restrictive than this provision. An event may qualify for appropriated funding if certain requirements are satisfied and documented. The justification for use of the purchase card under one of these exceptions must be authorized in an MFR and signed by an activity director (O-6 or above) or civilian equivalent. Include a copy of this in the cardholders purchase files. If you are authorized to use appropriated funds to purchase food, the disposable serving materials are authorized. Fine china and other luxury materials are not authorized and are considered wasteful and abusive.

(1) Light Refreshments at Conferences. Sponsoring Agency/Conference proponent may use its purchase card to purchase light refreshments on breaks at Government sponsored conferences only for Government employees on travel orders (TDY status). The purchase card may not be used to purchase refreshments for non-Government employees, or for Government employees who are not on travel orders.

(2) Meals at Formal Meetings or Conferences. Sponsoring agency may provide a meal at a formal meeting or conference when: 1) the meal would be incidental to the meeting; 2) attendance by employees at the meal is necessary to full participation in the conference or meeting and 3) employees may not take meals elsewhere without being absent from an essential part of the meeting. This exception is limited to formal meetings or conferences, typically organized or sponsored externally, which cover topical matters of general interest to both Government and Non-Government employees. This exception does not apply to purely internal business meetings.

(3) Training. Sponsoring agency may serve refreshments/meals at training where the food is necessary to achieve the objectives of the training program. The food must be incidental to the training session, i.e., don't conduct training for the purpose of serving a meal. Actual training must be conducted, not just discussions or open forums relating to problems and day-to-day operations of the agency. Attendees would fail to complete the training if they miss the meal.

(4) Award Ceremonies. Sponsoring agency may serve light refreshments at award ceremonies honoring individuals recognized under your Civilian Employee Incentive Award Program. CHs are prohibited from using purchase cards for refreshments at events such as retirement, promotion, PCS and longevity ceremonies. To avoid any confusion in addition to the above, graduations, recurring quarterly recognitions, and commanders' call are also not award ceremonies for serving of refreshments using appropriated funds.

(5) Formal Ethnic Awareness Program Sponsored by your EEO Office where food samples relating to the particular ethnicity are served as part of an education program.

(6) Food and/or refreshments served using Official Representational Funds (ORF) in accordance with AR 37-47 or appropriate agency regulations. Note: Card must be dedicated solely for use of ORF expenditures for this exception to apply.

q. Savings bonds.
p. Foreign currency.

q. Coins not in compliance with DA Memo 600-70. Coins may be procured with operating funds and presented pursuant to the following authorities: Recognition for accomplishments, award of trophies (10 USC 1125), and Agency Awards (5 USC 4503).
r. Dating and escort services.
s. Betting, casino gaming chips, and off-track betting.
t. Court costs, alimony, and child support.
u. Bail and bond payments.
v. Tax payments. i.*e.* personal taxes
w. Payment of salaries and wages.
x. Airline, bus, or travel-related expenses. Exception 1: the GPC may be used for Electronic Toll Collection (i.e. toll roads, bridges, tunnels using EZPass) for official business in government vehicles. The GPC shall not be used to pay for tolls while on Temporary Duty Assignment (TDY). The Government Travel Card is still the appropriate vehicle for paying tolls accrued during TDY. Exception 2: Lodging is allowable when purchased by Casualty and Mortuary Affairs Operations Center (CMAOC) or by a Casualty Assistance Center (CAC) for a family member entitled to invitational travel to a funeral, the bedside of an injured soldier, a unit memorial event, or to attend the dignified transfer of remains at Dover Air Force Base when the following conditions are met:
   (1) The persons for whom lodging is procured are eligible for the travel benefit as defined in JFTR, Vol. 1, Para. U5242 and 5246.
   (2) The CMAOC or CAC has issued Invitational Travel Authorizations to those persons for whom lodging is procured.)
y. Travel advances.
z. Payment of travel claim.

aa. Purchases of Explosives, Munitions, Toxins, and Firearms. This specifically includes weapons (and parts), small arms, and ammunition. (Exception: PEO-Ammunition; Aberdeen Test Center , U.S. Army Accessions Support Brigade (for non-combat weapons under micropurchase threshold in support of the U.S. Army Marksmanship Unit IAW 710-2), NAFI MWR activities at Fort Benning, Fort Campbell, Fort Knox, Fort Stewart, Fort Jackson, Fort Gordon, and Redstone Arsenal; the U.S. Army Criminal Investigation Lab (USCIL); U.S. Army Special Operations Command (USSOCOM); and the U.S. Army Research, Development and Engineering Command (ARDEC), have been granted a waiver to purchase small quantities of commercial off-the-shelf non-standard ammunition.)

bb. Purchases from contractors or contractor agents who are military personnel or civilian employees of the Government.

cc. Non-rotation of sources by making repetitive purchases with the same merchant or contractor when other sources are available. This is not applicable to mandatory sources such as installation AbilityOne Base Supply Centers that replaced legacy SSSCs.

dd. Split purchases (FAR 13.003(c) (1)). The requirement is the quantity known at the time of the buy. If an individual purchases as [s]he becomes aware of a requirement, the

Appendix C: Prohibited Purchases (continued)

requirement is each. If the person consolidates purchases and buys once a day, the requirement becomes what was received during the day. Splitting is the intentional breaking down of a known requirement to stay within a cardholders single purchase limit to avoid other procurement methods or competition requirements. Examples of split purchases or split requirements include the following:

(1) A single CH making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit and the total requirement was known at the time of the first purchase.

(2) A single CH purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit and the total was known at the time of the first purchase.

(3) A single CH making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.

(4) Multiple CHs under the same supervision or BO purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.

(5) Requirements exceeding the micro-purchase threshold. (i.e. yearly requirement where the monthly recurring services are less than the micro-purchase threshold but the known yearly total exceed the micro-purchase threshold.)

Appendix D: Department of Defense (DoD) Purchase Card Checklist and Certification Template

Function: The function covered by this checklist is the administration of the Government Purchase Card Program.

Purpose: The Army GPC Operating Procedures mandates a review of each Billing Official account annually, to include a representative sample of associated card transactions. The purpose of these reviews is to ensure compliance with GPC program policy/guidance and other applicable government regulations, policies, and procedures; and to identify any GPC misuse, fraud, waste, and abuse. The attached checklist below is designed to help reviewers perform the required review. Each activity is encouraged to supplement and tailor their review checklist to include any unique requirements. It may be necessary to complete one check list for each CH associated with the BO account. Place a copy in each CH's file.

Instructions: Answers must be based on the actual testing of key internal controls (e.g., document analysis, direct observation, sampling, simulation, and other). Answers that indicate deficiencies must be explained and corrective action indicated in supporting documentation.

Click here for the Department of Defense (DoD) Purchase Card Policy Office (PCPO) Government Purchase Card (GPC) Review Best Practice Checklist (July 2012).

The checklist is located at: http://www.acq.osd.mil/dpap/pdi/pc/policy_documents.html

RETENTION REQUIREMENTS: A minimum of six years and three months from the date of the review or corrective action report date.

Appendix E: DD Form 577 for Appointing a Certifying Officer

The DD Form 577 and instructions for completing the form can be found on the official website for Department of Defense forms at:
http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd0577.pdf
NOTE: Use the language in Block 14 and 15 in all DD Form 577s

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE
(Read Privacy Act Statement and Instructions before completing form.)

PRIVACY ACT STATEMENT

AUTHORITY: E.O. 9397, 31 U.S.C. Sections 3325, 3528, DoDFMR, 7000.14-R, Vol. 5.
PRINCIPAL PURPOSE(S): To maintain a record of certifying and accountable officers' appointments, and termination of those appointments. The information will also be used for identification purposes associated with certification of documents and/or liability of public records and funds.
ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C Section 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the the Federal Reserve banks to verify authority of the accountable individual to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published in the Federal Register.
DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment.

SECTION I - FROM: APPOINTING AUTHORITY

1. NAME *(First, Middle Initial, Last)*	2. TITLE	3. DOD COMPONENT/ORGANIZATION
4. DATE *(YYYYMMDD)*	5. SIGNATURE	

SECTION II - TO: APPOINTEE

6. NAME *(First, Middle Initial, Last)*	7. SSN	8. TITLE
9. DOD COMPONENT/ORGANIZATION	10. ADDRESS *(Include ZIP Code)*	
11. TELEPHONE NUMBER *(Include Area Code)*	12. EFFECTIVE DATE OF APPOINTMENT *(YYYYMMDD)*	

13. POSITION TO WHICH APPOINTED *(X as applicable (one only))*

[ ] DISBURSING OFFICER	[ ] DEPUTY DISBURSING OFFICER	[ ] DISBURSING AGENT
[ ] PAYING AGENT	[ ] CASHIER	[ ] COLLECTION AGENT
[ ] CHANGE FUND CUSTODIAN	[ ] IMPREST FUND CASHIER	[X] CERTIFYING OFFICER
[ ] DEPARTMENTAL ACCOUNTABLE OFFICIAL		

14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY IDENTIFIED IN ITEM 13. YOUR RESPONSIBILITIES INCLUDE:

A. Ensure transactions are legal, proper, correct, and satisfy a bona fide need; retain adequate documentation; cardholders must reconcile all transactions with purchase log entries; ensure facts presented in documents for payment are complete and accurate to include designation of the proper funds; ensure all items and services have been received, ensure procedures in place for items or services not received by the next billing cycle are disputed within the designated dispute timeline; and ensure billing statement invoice transactions are reallocated to other accounting classifications, if necessary, prior to the actual certification of the invoice.
B. Verify the line item detail on the invoices matches the amount certified for payment. Do not certify a known or suspected fraudulent transaction.
C. Take appropriate action to prevent submission of duplicate invoices for the same transaction.
D. Certify authorized transactions and forward the official invoice for timely payment processing.
E. Follow agency procedures for addressing all fraudulent, improper, abusive, or questionable transactions.

15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED:

A. DOD Government Charge Card Guidebook
B. DOD Financial Management Regulation Volume 10, Chapter 23
C. Army Federal Acquisition Regulation Supplement, Section 5113.2
D. Army Government Purchase Card Operating Procedures
E. DOD FMR, Volume 5, Chapter 33, Certifying Officers, Departmental Accountable Officials, and Review Officials

SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT

I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds under my control. I have been counseled on my pecuniary liability and have been given written operating instructions. I certify that my official signature is shown in item 17 below.

16. PRINTED NAME *(First, Middle Initial, Last)*	17. SIGNATURE

SECTION IV - TERMINATION OF APPOINTMENT

The appointment of the individual named above is hereby revoked.	18. DATE *(YYYYMMDD)*	19. APPOINTEE INITIALS
20. NAME OF APPOINTING AUTHORITY	21. TITLE	22. SIGNATURE

DD FORM 577, FEB 2011 PREVIOUS EDITION IS OBSOLETE. Reset Adobe Professional 8.0

Appendix F: Sample GPC Appointment Letters

MEMORANDUM FOR CARDHOLDER NAME/ADDRESS (include level 5 number)

SUBJECT: Delegation of Procurement Authority to Use the Government Purchase Card (GPC)

1. You are advised to review and adhere to the following regulations needed to adequately perform the duties to which you have been assigned:

a. Army Government Purchase Card Operating Procedures
b. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 "Simplified Acquisition Procedures"
c. Defense Federal Acquisition Regulation Supplement (DFARS) Part 213.301 "Government-wide Commercial Purchase Card"
d. Federal Acquisition Regulation (FAR), Part 13 "Simplified Acquisition Procedures"
e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, "Purchase Card Payments"

2. You are hereby delegated procurement authority as a GPC Program Cardholder. You have successfully completed the mandatory GPC training, and you are authorized to purchase supplies and non personal services using the purchase card. Your **single purchase limit** has been established at **$3,000**. You cannot exceed this limit without written approval of your Agency/Organization Program Coordinator (A/OPC). These limits below are set by statutes and may not be exceeded:

a. Purchases of construction covered under the Construction Wage Rate Requirements statute shall not exceed **$2,000**.
b. Purchases of services covered under the Service Contract Labor Standards statute shall not exceed **$2,500**.
c. Purchases of services specifically exempted from the SCA such as training services, utility services, installation services, repair and maintenance services, etc. shall not exceed **$3,000**. If you are uncertain whether the SCA applies to your purchase, you must contact you're A/OPC for guidance prior to making the purchase. Purchases of supplies shall not exceed **$3,000**.

3. Monthly purchase limits must be established by the billing official in coordination with the resource manager/advisor designated to review the purchases. All purchases must satisfy a legitimate government need. The supplies and non-personal services you obtain with the GPC must be for official Government requirements and must be consistent with your assigned responsibilities and your card purchase limits, including commodity restrictions. This authorization does not exempt you from the requirement to obtain certain supplies from required sources of supply listed in Federal

4. Regulation (FAR) Part 8, or from other organizations that have been given exclusive contracting authority for that commodity or service. You are required to obtain any pre-purchase approval required by your organization's policy and also to ensure that all accountable property is reported to the Property Book Officer. You are responsible for all transactions made with this card. You alone are authorized to use this card. You are subject to disciplinary action for misusing the Government Purchase Card.

5. Disciplinary action, to include the reduction of spending limits or suspension or termination of your card privileges, will occur if violations are identified. This delegation is valid until it is formally modified, suspended or canceled, and shall automatically terminate upon separation from the agency or upon reassignment to another office within the agency.

6. For assistance please contact the undersigned at (phone number) or by e-mail at (email address). Thank you in advance for effectively managing an important Army purchasing program.

COC or designee (A/OPC)
Activity
Title

I HAVE REVIEWED THE ABOVE AND UNDERSTAND AND CONCUR WITH MY RESPONSIBILITIES IN CONNECTION WITH THE GPC PROGRAM

_____

(SIGNATURE) (DATE)

MEMORANDUM FOR BILLING OFFICIAL NAME and Address

SUBJECT: Appointment as Primary Billing Official for the level 5 (number) Account Ending in (XXXX) for the (Activity) Government Purchase Card Program

1. You are advised to review and adhere to the following regulations needed to adequately perform the duties to which you have been assigned:

a. Army Government Purchase Card Operating Procedures
b. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 "Simplified Acquisition Procedures
c. Defense Federal Acquisition Regulation Supplement (DFARS) Part 213.301 "Government-wide Commercial Purchase Card"
d. Federal Acquisition Regulation (FAR), Part 13 "Simplified Acquisition Procedures"
e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, "Purchase Card Payments"
f. Section 3325 and 3528 of Title 31, United States Code
g. DoD Directive 7000.14R, DoD Departmental Accountable Officials and Certifying Officers
h. DoD FMR, Volume 5, Chapter 33, Certifying Officers, Departmental Accountable Officials, and Review Officials

2. You have successfully completed the mandatory training requirements, and occupy a position where your duties include the functions of a billing official/certifying official for (Activity's) purchase card program. Therefore, in accordance with the references in paragraph 1, and pursuant to the authority vested in the undersigned, I hereby appoint you as a billing official for your agency cited above.

3. This account is for supplies, non-personal services, and training purchases in accordance with the mission of your agency. As the primary billing official, you are responsible for certifying your cardholders' purchases for payment to:

DFAS INDIANAPOLIS

4. Your appointment is effective upon your signature and remains in effect until formally revoked in writing by the appointing official. Pre-purchase approval from you is required of your cardholders in accordance with the Army Government Purchase Card Operating Procedures and your local standard operating procedures. .

5. Appointed certifying officers must complete an approved Certifying Officer Legislation training course within 2 weeks of their appointment and before actually

Appendix F: Sample GPC Appointment Letters (Continued)

performing as certifying officers, and provide a printed copy of the course completion certificate to their supervisor, who may specify any of these sources of training:

A. *http://www.dfas.mil/fastrac/coltraining.html*.
B. *https://fm.csd.disa.mil/kc/login/login.asp?kc_ident=kc0014&blnAccess=TRUE*.
C. *https://www.defensetravel.dod.mil/Passport*

6. As an individual involved in approving the spending of public funds, you are held to a high standard of responsibility and accountability. Be advised that billing officials have pecuniary liability for any illegal, improper, or incorrect payment processed by the organization as a result of any payment that is found to be illegal, improper or incorrect. You must become thoroughly familiar with your responsibilities and accountability. Non-compliance with applicable laws and regulations may result in suspension of your account.

7. By signature below you acknowledge this appointment, and affirm you have read and understand your responsibilities as described in the following references:

a. Title 31, US Code, Section 3325, Vouchers (http://www4.law.cornell.edu/uscode/31/3325.html)
b. Title 31, US Code, Section 3528, Responsibilities and Relief from liability of certifying officials (http://www4.law.cornell.edu/uscode/31/3528.html)
c. DoD Directive 7000.14R, DoD Departmental Accountable Officials and Certifying Officers (http://comptroller.defense.gov/fmr/12/12_19.pdf)
d. DoD FMR, Volume 5, Chapter 33, Certifying Officers, Departmental Accountable Officials, and Review Officials (http://comptroller.defense.gov/fmr/05/05_33.pdf)

8. Planning succession is crucial and required. When you process out, you must notify the A/OPC. Accounts without a primary and alternate billing official or have an alternate billing official without a primary billing official longer than 45 days will be suspended. Further, you must notify this office of any changes to your managing account so that your account can be brought up to date in a timely manner. NOTE: All nominations for account holders and changes to your current account must be submitted to your A/OPC.

9. Please promptly complete the following actions:

a. Sign and date Enclosure 1, and return to your Level 4 A/OPC.
b. Complete a DD Form 577 (Encl 2), and submit to the DFAS office cited below and your A/OPC.

DEFENSE FINANCE AND ACCOUNTING SERVICE
VENDOR PAY PRODUCT LINE
ATTN: DEPT 3275 (IMPAC/CARE)
8899 EAST 56TH STREET
INDIANAPOLIS, INDIANA 46249-3275

c. Retain a copy of all documents for your records for audit review purposes.

10. You are required to return your acknowledgement statement to your Level 4 A/OPC immediately upon signing and dating below.

1. Thank you in advance for ensuring the U.S. Army maintains a sound Government Purchase Card Program.

COC or designee (Level 4 A/OPC)
Activity
Title

ENCL DD Form 577

BILLING OFFICIAL/CERTIFYING OFFICER'S ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING AND CONCURRENCE OF HIS/HER APPOINTMENT AND RESPONSIBILITIES:

By signature hereon, I acknowledge my appointment as a purchase card billing official/certifying officer. I have read and understand my responsibilities as cited above. I understand my right to request relief of liability for payments certified due to an inadvertent administrative error. I further understand that this appointment remains in effect until revoked in writing by the appointing official (or his/her successor).

Attached is the completed DD Form(s) 577

_____

(Insert Name) (Billing Official/Certifying Officer Signature) (Date)

MEMORANDUM FOR *(Name of Official)*, *(Command)*, *(Address).*

SUBJECT: Appointment of Government Purchase Card (GPC) Level 3 Agency/Organization Program Coordinator (A/OPC)

1. As the _____, I hereby appoint you as the GPC Level 3 A/OPC for the *Command*. This designation remains in effect until you vacate this position or a formal memorandum rescinding this appointment is issued. You are advised to review and adhere to the following regulations needed to adequately perform the duties to which you have been assigned:

a. Army Government Purchase Card Operating Procedures
b. Army Federal Acquisition Regulation Supplement (AFARS), Part 5113.2 "Simplified Acquisition Procedures
c. Defense Federal Acquisition Regulation Supplement (DFARS) Part 213.301 "Government-wide Commercial Purchase Card"
d. Federal Acquisition Regulation (FAR), Part 13 "Simplified Acquisition Procedures"
e. Department of Defense (DOD) Financial Management Regulation (FMR) Vol. 10, Ch. 23, "Purchase Card Payments"
f. OMB Circular A-123, Appendix B
g. Chapter 4500 of Treasury Financial Manual

2. Army Government Purchase Card Operating Procedures (AGPCOP), Section 1-7, prescribes the references for your role as the Level 3 A/OPC and describes the associated responsibilities, knowledge, skills, abilities, education, and training requirements as summarized below.

3. Responsibilities: Your Level 3 A/OPC responsibilities include the following:

- Implementing, administering, and monitoring the Army Command (ACOM) GPC program subject to DoD and Army policies;
- Serving as a liaison with Army Headquarters, the Servicing Bank, ACOM staff, and field organizations;
- Providing program support to ACOM and installation GPC focal points;
- Establishing and implementing ACOM-specific policy and guidelines; and,
- Developing the GPC program internal control requirements, reporting mechanisms and surveillance plan.

4. Knowledge, skills, and abilities: Your Level 3 A/OPC knowledge, skills and abilities include the following:

- Understanding of the relevant policies, procedures, and commercial contracting practices;
- Understanding of the relevant procurement laws and regulations;
- Understanding of what constitutes and authorized purchase transaction;
- Understanding of procurement methods and standards;
- Ability to communicate, organize, and manage effectively;
- Basic analytical and computer skills; and,
- Ability to analyze, research, and provide concise recommendations to the chain of command on required actions to anticipate, prevent, or correct problems in business processes that are supported by the GPC.

5. Education requirements: In conjunction with appointment, Level 3 A/OPC has achieved DAWIA Level II certification in contracting or will complete DAWIA Level 2 Contracting or DAWIA Level 2 Purchasing training requirements within 24 months of this appointment. Level 3 A/OPC is a GS-13 or higher or in a grade conducive to the responsibilities, complexity, and volume of the Command's GPC program.

6. Training Requirements: Level 3 A/OPC has completed the following mandatory GPC training requirements within the twelve months prior to this appointment.

- Ethics training (AR 350-1 paragraph G-18, DOD 5500.7-R, the Joint Ethics Regulation);
- DAU DoD GPC Tutorial;
- U.S. Bank Access Online web based training;
- DAU online training course CLG 005 Purchase Card Online System (PCOLS);
- DAU initial and refresher training (Basic (CLG001)/Refresher (CLG004); *DAU purchase card courses are online at http://clc.dau.mil/.*

7. Congratulations on your designation as the GPC Level 3 A/OPC for the *Command.* My staff and I stand ready to support you in this important part of your mission.

_Signature Signature

_Appointee Appointing Official

_Date Date

Appendix F: Sample Appointment Letters (continued)

MEMORANDUM FOR (*insert individual's name*), (*insert individual's title*), (*insert Command*), (*insert Command address*).

SUBJECT: Letter of Endorsement for the Appointment of Department of the Army Government Purchase Card (GPC) Level 3 Agency/Organization Program Coordinator (A/OPC)

1. I recommend and endorse (*insert individual's name*) for the position of GPC Level 3 A/OPC for the (*insert Command*).

2. It has been determined that (*insert individual's name)* possesses the required knowledge, skills, abilities, and education and training requirements to fill the Level 3 A/OPC role and to successfully carry out the responsibilities of managing the GPC Program throughout (*insert Command)* as defined in the Army Government Purchase Card Operating Procedures (AGPCOP).

3. As Level 3 A/OPC, (*insert individual's name*), (*insert individual's title)* will serve as the primary liaison between Army Headquarters and Level 4 A/OPCs throughout (*insert Command*).

4. Welcome to the GPC Program and congratulations on your appointment as Level 3 A/OPC!

(*insert signature)*
(*insert name*)
Level 2 A/OPC

Appendix G: Formal Reporting Requirements

1. Surveillance program results are prepared by each Level 3 A/OPC and provided to the Army Level 2 A/OPC no later than April 21st and October 21st. The report identifies data collected during the two previous quarters of the fiscal year.

2. A list of the number of waivers to the Army Standard Span of Control that have been requested (broken down to CH to BO, 300 accounts per Level 4 A/OPC, and so on), and the disposition of these requests, must be reported.

3. Level 3 A/OPCs must submit a summary of the corrective actions taken by the Level 4 A/OPC to reduce the number of delinquent accounts. In subsequent reports, the Level 4 A/OPC advises the results of the corrective actions.

4. Level 3 A/OPCs outlines routine reviews of their program, identifying compliance reviews, reports, adverse actions, and exceptional activities.

5. Reports due to the Army Level 2 A/OPC. A sample semi-annual surveillance report format is provided below.

Reports due to the Army Level 2 A/OPC Office

Report Name	Frequency	Army Suspense Date	Data Coverage
OMB	Quarterly	January 5th April 5th July 5th October 5th	Each previous quarter
Surveillance	Semi-Annually	April 21st October 21st	1st & 2nd Qtr 3rd & 4th Qtr

Department of the Army
Government Purchase Card (GPC) Program

Semi-Annual Surveillance Report

Report ____ for Fiscal Year _____

Installation/Organization: _____

Reporting Activity _____

A/OPC Name: _____
A/OPC Phone Number: _____ COMM
_____

Person Preparing Report (if different than A/OPC)
_____
Phone Number _____

Span of Control Waivers

As of End of Quarter	21 Apr (1 Oct – 31 Mar)	21 Oct (1 Apr – 30 Sep)	Comments	FY Total
A. Total Number of Waiver Requests				
A1. Total Number of Waivers Approved				
A2. Total Number of Waivers Disapproved				
B. Number of Open but Inactive Accounts (more than 3 months)				

Detailed Span of Control Waiver Report

Entry No.	Organization Name/Code	Span of Control Waiver Request Summary and Reason for Waiver Request	Date Waiver Submitted to A/OPC (ddmmyyyy)	Status/Disposition of Waiver Request
1				
2				
3				
4				
5				
6				
7				
8				

Inactivity

As of End of Quarter	21 Apr (1 Oct – 31 Mar)	21 Oct (1 Apr – 30 Sep)	Comments	FY Total
A. Total Number of Open but Inactive accounts				
B. Number of Open but Inactive Accounts (more than 3 months)				

Detailed Inactivity Report

(List all Open but Inactive accounts over 3 months excluding accounts terminated or those in a V9 status)

Organization Name/Code	GPC Account Number (masked)	Date Opened (ddmmyyyy)	Beginning Date of Inactivity (ddmmyyyy)	Disposition of Account and Reason for inactivity

Reviews

As of End of Quarter	21 Apr (1 Oct – 31 Mar)	21 Oct (1 Apr – 30 Sep)	FY Total	Significant Findings
A. Total Number of Level 4 A/OPC Programs Inspected				
B. Number of BO Accounts under Level 3				
C. Number of BO Accounts reviewed				
D. Number of transactions reviewed				
E. Number of formal reports issued to COC				
F. Summary of Repetitive, or Systemic Weaknesses by Activity Explicitly state by activity where no repetitive problems or systemic weaknesses were found during the review period.				
G. Summary of Adverse Actions by Activity				
H. Exceptional GPC Programs or Performance				

Appendix H: Semi-Annual Surveillance Report Template

MEMORANDUM FOR ARMY LEVEL II A/OPC *insert Level 2 A/OPC*, HQ, Department of the Army, ATTN: DASA(P) (SAAL-PB), 2800 Crystal Drive, Arlington, VA 22202.

SUBJECT: Semi-Annual Surveillance Report for *insert agency*, Government Purchase Card Program (GPC) *insert period* Quarter Fiscal Year *insert year*.

ENCLS: (A) Department of Defense Purchase Card Review Checklist and Certification, Department of the Army Government Purchase Card Operating Procedures (AGPCOP) 22 July 2015, Appendix D
(B) Formal Reporting Requirements, AGPCOP Appendix G

1. Subject report is provided in accordance with AGPCOP, 22 July 2015, Chapter 4-2 Program Oversight and Reviews. The following provides an analysis and summary of findings identified in Enclosures (A) and (B) for *insert agency*. The subject report explains GPC Program systemic weaknesses, corrective actions, and lessons learned. The review was conducted by *insert reviewer name* for the period *insert time period*.

2. Formal Reporting Requirements: *Address reporting requirements found in Enclosure (B).* ***Analysis should include the following:***

- *Span of Control Waivers (BO:A/OPC=7:1, A/OPC:BO=300:1; Is justification sufficient/approved for increased span of control?*
- *Accounts inactive > 3 months-justification sufficient?*
- *Number of BO accounts inspected, number of transactions reviewed for each BO, number of BO accounts reviewed during prior reporting period*
- *Compliant with 100% yearly BO review?*
- *Number of CH accounts inspected, number of transactions reviewed for each CH (1 per CH preferred/6% sample size is DoD standard)*
- *Method of compliance review for BO and CH (PCOLS, Bank's EAS, in person, remotely, or electronically)*
- *Mandatory transaction log review of new CHs within initial 4 months of CH appointment?*
- *What metrics are being utilized to manage your GPC Program (i.e. Delinquency (0.75), Financial Exposure)?*

3. Appointment and Account Issuance and Maintenance for A/OPCs, BOs, and CHs: *Address Section A, 1-14 of Enclosure (A).* ***In addition to*** *items on the checklist, address the following:*

- *Level 3 and 4 A/OPC training requirement*
- *Is Level 4 A/OPC certified at Level II in Contracting or Purchasing or will individual have acquired the certification within 24 months of appointment?*
- *Organization's Delegation of Authority (i.e. PARC → CCO, PARC → Level III A/OPC and Alternate, CCO → Level 4 A/OPC and Alternate, Level 4 A/OPC or CCO → BO and CH)*
- *Are appointment letters current?*

4. GPC Usage Requirements: *Address Section B, 1-39 of Enclosure (A)****. In addition to*** *items on the checklist, address the following:*

- *Adherence to GPC Program requirements: transaction activity; systemic problems, delinquencies and corrective action, abuse, or fraud; summary of adverse actions (type and number) against the responsible individual; formal reports issued to the Chief of the Contracting Office (CCO)*
- *Incidents of splitting purchases to override purchase threshold*
- *Incidents of "After the fact" buys*
- *Rotating sources in order to give vendors a fair opportunity*
- *Use of mandatory sources, specifically CHESS, AbilityOne, FSSI BPAs on DoD EMALL Corridor*
- *Credits and rebates-were they adequately accounted for*
- *What Strategic Sourcing initiatives are in place?*

5. Documentation Requirements: *Address Section C, 1-14 of Enclosure (A).* ***In addition to*** *items on the checklist, address the following:*

- *File Documentation (hard copy)-Does Level 4 A/OPC file contain purchase card applications and approvals, account maintenance, CH and BO delegation of appointment letters, ethics and training certifications, results of annual reviews?*
- *Do BO files contain hard copy CH statements, original receipts, invoices, logs, approvals, supporting documentation, CH delegation of authority letters, BO appointment letters?*
- *Do CH files contain purchase logs, statements of record, billing statements, documentation supporting purchase (fair and reasonable, competition, legitimate need, receipt and acceptance), appointment letter, training certificates?*

6. Processing Requirements: *Address Section D, 1-3 of Enclosure (A).* ***In addition to*** *items on the checklist, address the following:*
Reconciliation and certification of invoice payments-review and reconciliation of CH statement against receipt documentation within 5 days; prior bills paid; purchases necessary, mission essential, meet minimum need of the Government; contains valid line of accounting

7. Financial Requirements: *Address Section E, 1-2 of Enclosure (A).*

8. Convenience Check Writer Requirements: *Address Section F, 1-10 of Enclosure (A).*

9. GPC Accounts Used to Place Orders by Ordering Officer: A*ddress Section G, 1-9 of Enclosure (A).*

10. Contract Payment Requirements: *Address Section H, 1-10 of Enclosure (A).*

11. Payments to Document and Automation Production Services (DAPS) or Other Government Entities: A*ddress Section I, 1-4 of Enclosure (A).*

12. Training Payments: *Address Section J, 1-7 of Enclosure (A).*

13. Previous Findings: *Address adverse findings from previous quarterly reviews, corrective actions taken, and results.*

14. Surveillance Reporting: *Have all Level 4 A/OPCs received proper training and oversight for conducting surveillance? How is information transferred from Level 3 A/OPC to Level 4 A/OPCs; how is information packaged and presented to Level 2 A/OPC? To what extent is PCOLS used to collect surveillance data. What tools within PCOLS were utilized (EMMA, AIM, DM, Risk Assessment)?*

15. Program Summary: *Summarize repetitive or systemic weaknesses at the individual command and organizational level. What corrective actions will be taken and how will corrective actions be tracked?*

16. Exceptional Performance: *Identify examples of exceptional GPC programs or performance and/or lessons learned.*

17. Any questions may be directed to the undersigned at *insert Level 3 A/OPC* at *(XXX)XXX-XXXX*.

Level 3 Agency/Organizational Coordinator

Insert A/OPC Signature

Appendix I: GPC Thresholds

GPC THRESHOLDS			
TYPE	**THRESHOLD**	**DESCRIPTION**	**REFERENCE**
Micropurchases	$3,000	Supplies or services - If purchases are made from CONUS vendors for use overseas, the micro-purchase threshold of $3,000 remains in effect.	FAR 2.101 48 CFR Part IV AFARS 5113.270-90 paragraph (h)(1)
	$2,500	purchases covered by Service Contract Labor Standards statute	
	$2,000	purchases covered by Construction Wage Rate Requirements statute	
	$15,000	**CONUS** 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	FAR 13.201 paragraph (g)(1)(i) & (ii) FAR Part 18.2 FAR 2.101 FAC 2005-45 FAR Case 2008-024 DFARS 213.301
	$25,000	**OCONUS** DFARS 213.301 - CH appointed per 201.603-3(b) may use the GPC up to $25,000, if—A commercial item purchase— made outside the United States for use outside the United States; cardholder is trained, complies with FAR 8.002, seeks maximum practicable competition for the purchase in accordance with FAR 13.104(b) - get at least 3 quotes.	
	$30,000	**OCONUS** 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	
Contract Payments	As identified in Contract	Warranted contracting officers may use the GPC as a contract payment method up to the limit of their warrant. Written contracts to be paid by purchase card should include the clause at 52.232-36, Payment by Third Party, as prescribed by FAR 32.1110(d).	AFARS 5113.270-90 paragraph (h)(2) FAR 32.1108 FAR 52-232-36
Cardholders (CHs) **designated as Ordering Officers**	$25,000	CHs not in contracting organizations may use the GPC only to obtain items from pre-priced government contracts and agreements (e.g., FSS, BPAs, Indefinite Delivery/Indefinite Quantity ID/IQ contracts etc.). When purchasing from FSSs and BPAs, cardholders must review prices on at least three contracts/agreements. A record of this review is be kept with the GPC documentation.	AFARS 5113.202-90 (c)
Convenience Checks	$3,000	With the exception of contingency or emergency operations, convenience checks shall not be written over: • $3,000 for supplies, • $2,500 for services covered by the Service Contract Labor Standards statute, and • $2,000 for construction covered by the Construction Wage Rate Requirements Statute.	AFARS 5113.270-90 paragraph (h)(3) DOD Guidebook DOD FMR Vol. 10 Ch. 23, 230505
	$2,500		
	$2,000		
Contingency, Humanitarian, or Peacekeeping Operations	May be adjusted IAW applicable act or order	As authorized by a specific appropriation or an Executive Order, the micro-purchase threshold may be adjusted in accordance with the applicable act or the order.	AFARS 5113.270-90 paragraph (h)(4) DOD Guidebook

Appendix I: GPC Thresholds (continued)

GPC THRESHOLDS (Continued)			
TYPE	**THRESHOLD**	**DESCRIPTION**	**REFERENCE**
Commercial Training	$25,000	Off-the-shelf Training and Education - The GPC shall be used by training and education office personnel to pay for government, non-government and/or off-the-shelf training and education up to $25,000 for an individual or planned series of the same training event, activity, or course material. Advance payments are authorized under Tuition Assistance.	AFARS 5113.270-90 paragraph (g)
	Equal to invoice submitted by institution	Military Tuition Assistance (MTA) - Single purchase limits for MTA is set commensurate to the level of the consolidated GPC invoice submitted by each university or college.	AFARS 5113.270-90 paragraph (g)
Government to Government	No thresholds when making payment with GPC: however, CHs can't exceed their delegated authority	When requisitioning for supplies/services from other government sources (i.e. DLA Document Services, GSA stores or depots, DLA, Interagency Agreements), payment by GPC can be used up to the CHs delegated authority.	AFARS 5113.270-90(e)
DLA Document Services	Thresholds do not apply	Self-service copiers are used only when necessary to satisfy needs that are impractical for sending to DLA Document Services due to size or time constraints. The GPC is not used to purchase printing and reproduction services directly from a commercial vendor unless a waiver has been obtained through DLA Document Services. The Lighthouse for the Blind, Inc., and UNICOR, may be used (without a waiver) as an alternate source of procuring services when it is clearly less costly to the Army.	AFARS 5113.270-90(e) AR 25-30
Emergency Acquisition Flexibilities **Warranted Contracting Officer**	$300,000	**CONUS** **Can't exceed SAT** 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	DFARS 213-301(3) FAR 2.101 "Definitions" 10 U.S.C. 101(a)(13) 10 U.S.C. §2302(8) 41 U.S.C. §1903 FAC 2005-45 FAR Case 2008-024
	$1,000,000	**OCONUS** **Can't exceed SAT** 1. Contingency Operation 2. Defense or Recovery from Certain Attacks (nuclear, biological, chemical, or radiological)	
NAFI	$50,000	Purchases up to $50,000 maybe made from exchanges only (vice NAFI's) by overseas organizations and the purchase card can be used as a method of payment.	AFARS 5113.270-90 (f)

Appendix J: Glossary – Sections I and II

Section I: Acronyms

ACOM
Army Command

AFARS
Army Federal Acquisition Regulation Supplement

A/OPC
Agency/Organization Program Coordinator

ARRA
American Recovery and Reinvestment Act

ASA(ALT)
Assistant Secretary of the Army (Acquisition, Logistics, and Technology)

AXOL
Access Online

BO
Billing Official

BPA
Blanket Purchase Agreement

CAP
Computer/Electronic Accommodations Program

CCO
Chief of Contracting Office

CH
Cardholder

CHESS
Computer Hardware, Enterprise Software and Solutions

C.O.D.
Cash on delivery

DA
Department of the Army

DAWIA
Defense Acquisition Workforce Improvement Act

DAU
Defense Acquisition University

DFARS
Defense Federal Acquisition Regulation Supplement

DFAS
Defense Finance and Accounting Service

DOD
Department of Defense

DD Form
Department of Defense Form

DTMO
Defense Travel Management Office

DSN
Defense Switched Network

EAS
Electronic Access System

EEO
Equal Employment Opportunity

EDI
Electronic Data Interchange

FAR
Federal Acquisition Regulation

FDC
Foreign Draft Checks

FORSCOM
Forces Command

FMR

Financial Management Regulation

FPDS-NG
Federal Procurement Data System – Next Generation

GAO
Government Accountability Office

GFEBS
General Financial Enterprise Business System

GPC
Government Purchase Card

GSA
General Services Administration

HA
Head of Activity

IRS
Internal Revenue Service

IT
Information Technology

JWOD
Javits-Wagner-O'Day

MCC
Merchant Category Code

MBA
Military Bus Agreement

OCONUS
Outside the Continental United States

OMB
Office of Management and Budget

PARC
Principal Assistant Responsible for Contracting

PAM
Pamphlet

PBO
Property Book Officer
PCOLS
Purchase Card Online System

PCPMO
Purchase Card Program Management Office

RM
Resource Manager

SDDC
Surface Deployment and Distribution Command

SF
Standard Form

TRP
Tax Reporting Process

U.S.C.
United States Code

Section II
Terms

The following definitions are provided for terms used in this regulation. Other definitions that are not detailed below are contained in the training manuals provided by the Servicing Bank.

AbilityOne Program - FAR Subpart 8.7 - formerly Javits-Wagner-O'Day (JWOD), this socioeconomic program provides employment opportunities for over 40,000 Americans who are blind or have other severe disabilities by orchestrating government purchases of products and services provided by nonprofit agencies employing such individuals throughout the country. The Committee for Purchase from People Who Are Blind or Severely Disabled statute, (41 U.S.C.§ 8501-8506) requires the Government to purchase supplies or services on the Procurement List, at prices established by the Committee, from AbilityOne participating nonprofit agencies if they are available within the period required.

Accountable Official (AO) - A member of DOD, military or civilian personnel, designated in writing and not otherwise accountable under applicable law, who provides source information, data, or service (such as an RO, a CH, and an Automated Information System Administrator) to a reviewing or disbursing official in support of the payment process. The AO has pecuniary liability for erroneous payments resulting from his/her negligent actions.

Accountable Property - Army Regulation 735-5 - A term used to identify property recorded in a formal property management or accounting system. Accountable property includes all property purchased, leased (capital leases), or otherwise obtained having a unit acquisition cost of $5,000 or more (land, regardless of cost), and items that are sensitive. Sensitive items require a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition material or classified (See Volume 10, Table 61 of DOD 4100.39-M reference (k)). Additional and/or separate records or other record keeping instruments shall be established for management purposes, or when otherwise required by law, policy, regulation, or agency direction, including, but not limited to pilferable items. Pilferable items have a ready resale value or application to personal possession and are, therefore, especially subject to theft. Screening by the Property Book Officer (PBO) is required to determine the accounting requirements of the purchased property. The installation PBO provides guidance on specific local property accountability procedures to the A/OPC, BOs, and CHs related to GPC purchases.

Agency/Organization Program Coordinator (A/OPC) - A Government employee responsible for the implementation and execution of his/her agency/organization

purchase card program in accordance with established regulations, policies and procedures. The A/OPC has overall administration to include developing and implementing policy, establishing and making changes to accounts, as well as training CHs and BOs. Multiple levels of Agency/Organization Program Coordinators exist at different hierarchical levels within the program for each agency/organization.

Assessable Unit Manager - A Head of Activity designated by the head of the reporting organization to provide leadership and support needed to ensure that internal controls are in place and operating effectively.

Billing Invoice - The billing invoice identifies all of the purchase card transactions made by the CHs assigned to a particular BO that are posted during a billing cycle. The invoice can be paper based or presented through the Electronic Access System (EAS) of the issuing bank.

Billing Official (BO) - A Government employee who has been nominated by his or her activity/organization to have oversight responsibility over the CHs assigned to his or her managing account. The BO is responsible for: oversight of CHs; certifying officer for the accounts assigned; review CHs' monthly statements and verify all transactions made were necessary and were accomplished in accordance with regulations and all other agency policies and procedures; and certify monthly invoices (billing statements) for payment processing. Installation, unit, and local Heads of Activities or their designees nominates individuals from their organizations as BOs. The nominating official must be in the supervisory chain of the individual being nominated, and the nomination must be forwarded to the Chief of the Contracting Office (CCO) for issuance of an appointment letter. Issuing appointments to BOs may be redelegated in writing to the A/OPC. The BO is at Level 5 in the GPC reporting hierarchy.

Bulk Funding Method - The bulk funding method requires posting specific funds to the official accounting records prior to payment of a CH's account. Bulk funding may be made as appropriate to the funding environment of the activity.

Cardholder (CH) - An individual designated by an agency/organization to be issued a card. The card bears the individual's name and can be used only by that individual for official purchases in compliance with agency internal procedures. The term "CH" also applies to check writers on convenience check accounts. CHs are responsible for the timely and accurate processing of monthly CH statements and maintaining a purchase log or the servicing bank's automated system to record purchases. CHs must adequately control access to the card to preclude unauthorized use and take timely and proper action when unauthorized charges occur. Installation, unit, and local Heads of Activities or their designees nominates individuals from their organizations as CHs. The nominating official must be in the supervisory chain of the individual being nominated, and the nomination must be forwarded to the Chief of the Contracting Office (CCO) for issuance of a delegation of micro-purchase authority. Issuing delegations of authority to CHs may be

redelegated in writing to the A/OPC. The CH is at Level 6 in the GPC reporting hierarchy.

Cardholder Statement - The statement of charges provided to a CH detailing all of the transactions posted to his or her account during a billing cycle.

Certifying Officer - Certain Government employees (Resource Managers, Billing Officials) are held accountable for Federal Payments responsible to verify that payments made by the Federal Government are legal, proper and correct. Certifying officers are responsible for the accuracy and legality of the payments made from Federal funds that they approve (31 U.S.C. §3528). Certifying Officers review payment vouchers before certification to ensure that the information on the vouchers agrees with all supporting documentation. See DOD FMR Volume 5, Chapter 330308 A.2.c. *For GPC purposes, certifying officer and certifying official are synonymous.*

Computer Hardware, Enterprise Software and Solutions (CHESS) - The CHESS program is the Army's primary source for commercial information technology (IT) hardware and software. Memorandum signed by the Army CIO/G-6 and the Acting ASA (ALT), dated May 4, 2009 informed of the requirement to use CHESS for IT hardware and software purchases. The CHESS website is located at URL: https://chess.army.mil/ascp/commerce/disclaimer/disclaimer.jsp

Computer/Electronic Accommodations Program (CAP) - A centrally funded program that provides ergonomic-related and low-vision equipment for all DOD employees.

Contract Action Report (CAR) - Form used to report contract actions on the FPDS-NG web site.

Convenience Checks - Third-party drafts issued using the GPC account. Third-party drafts may be used to acquire and pay for supplies or services.

Delegation of Procurement Authority Letter - A document issued by the CCO that gives an individual the authority to place orders with the GPC. This delegation of procurement authority specifies the single-purchase and monthly purchase limitations unique to that CH.

Direct-Hire - Authorities: 5 U.S.C. §3304 and 5 CFR Part 337, Subpart B Using OPM–approved government wide or agency specific direct-hire authorities, agencies may appoint candidates to positions without regard to the requirements in title 5 U.S.C. §3309 through §3318. In order for an agency to use direct hire, OPM must determine that there is either a severe shortage of candidates or a critical hiring need for a position or group of positions.

Disinterested 3rd Party - An independent, impartial, neutral, and competent person in both action and appearance, independent of the office maintaining the convenience check account, responsible for reviewing and providing an unbiased review of the convenience check account(s) quarterly. This internal control activity provides safeguards against threats to a reviewer's impartiality and pressures posed in the environment that may compromise or reasonably be expected to compromise the effectiveness and ability of the reviewer to maintain an unbiased comprehensive review report.

Electronic Access System (EAS) - is a web-based computer system required by the task order with the issuing Bank for account set-up, maintenance, reporting, and electronic bill presentment and certification.

Electronic data interchange (EDI) - The automatic process of receiving electronic obligation and invoice records directly from the Servicing Bank into a DOD accounting system.

Erroneous Payment - Illegal, improper, or incorrect payment. DOD FMR Vol. 5 Ch. 33 paragraph 330903.

Federal Procurement Data System Next Generation (FPDS-NG) - a computer-based Federal Procurement Data System for collecting, developing and disseminating procurement data to the Congress, Executive Branch and private sector in compliance with 41 U.S.C. §1101 et seq. and FAR Subpart 4.6. The data is used to measure and assess the impact of Federal procurement on the nation's economy, the extent to which awards are made to businesses in the various socio-economic categories, the impact of full and open competition on the acquisition process and other procurement policy purposes. The Office of Federal Procurement Policy (OFPP) requires that each Department and Agency certify annually that all data within FPDS-NG is valid and complete.

File Turn Time - The average number of calendar days between the time a charge (purchase) is posted and payment is received by the issuing Bank.

Fraud - Any intentional deception designed to deprive the Government unlawfully of something of value or to secure from the Government for an individual a benefit, privilege, allowance, or consideration to which he or she is not entitled.

General Fund Enterprise Business System (GFEBS) - a web-enabled enterprise resource planning (ERP) system allowing the U.S. Army to share financial, asset and accounting data across the Service. The system will standardize transactional input and business processes across the Army to enable cost management activities; provide accurate, reliable, and real-time data; and tie budgets to execution. GFEBS moves the Army from a 'spend and consume culture' - to a 'cost and control culture' by providing value-added, decision-support tools. GFEBS benefits the Army by reducing and

eliminating waste; reducing variation and improving quality, and complying with regulatory and legislative directives.

Hand Receipt Holder - An individual responsible for property listed on a signed document, thereby acknowledging acceptance and responsibility for items therein.

Head of Activity (HA) - The military officer in command or the civilian executive in charge of the mission of a command or activity. This individual has disciplinary authority over CHs and BOs in his or her organization and is responsible for having proper internal controls that deter fraud and ensuring that those who violate the policies are properly sanctioned or counseled.

Head of the Agency - means, for DOD, the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. Subject to the direction of the Secretary of Defense, the Under Secretary of Defense (Acquisition, Technology, and Logistics), and the Director of Defense Procurement and Acquisition Policy, the directors of the defense agencies have been delegated authority to act as head of the agency for their respective agencies (i.e., to perform functions under the FAR or DFARS reserved to a head of agency or agency head), except for such actions that by terms of statute, or any delegation, must be exercised within the Office of the Secretary of Defense. (For emergency acquisition flexibilities, see DFARS 218.270). (DFARS 202.101 Definitions)

Head of Contracting Activity - The official who has overall responsibility for managing the contracting activity, including use of the GPC by personnel under his or her contracting cognizance. (FAR 2.101) "Contracting activity" for DOD also means an element of a Defense agency, designated by the Head of Activity for that Defense agency that has been delegated contracting authority through its agency charter. (FAR 2.101)

Committee for Purchase from People Who Are Blind or Severely Disabled statute - A law that establishes mandatory sources for supplies and services, administered by the Committee for Purchase from People Who Are Blind or Severely Disabled. Two national, independent organizations, National Industries for the Blind (NIB) and National Institute for the Severely Handicapped (NISH), help state and private nonprofit agencies participate in the AbilityOne Program.

Merchant Category Code (MCC) - A code used by the issuing bank to categorize each merchant according to the type of business in which the merchant is engaged and the kinds of goods and services provided. MCC codes are used as authorized-transaction-type codes on a card/account to identify authorized types of businesses from which purchases may be made with the GPC. The DOD PCPMO maintains the list of DOD-wide blocked codes. The Army Level 2 A/OPC is responsible to administer and record any waiver requests to these blocks.

Packing List/Slip - (also known as a bill of parcel, unpacking note, packaging slip, (delivery) docket, delivery list), is a shipping document that accompanies delivery packages, usually inside an attached shipping pouch or inside the package itself. It commonly includes an itemized detail of the package contents and does not include customer pricing. It serves to inform all parties, including transport agencies, government authorities, and customers, about the contents of the package. It helps them deal with the package accordingly.

Pre-Purchase Approval - When required and identified by Army or local procedures, documentation showing authority has been obtained to purchase special-use items such as hazardous material or information technology.

Prompt Payment Act - A law that requires prompt payment of invoices (billing statements) within 30 days of receipt (FAR Clause 52.232-25, Prompt Payment, (May 1997)). An automatic interest penalty is required if payment is not timely.

Purchase Card Online System (PCOLS) - a DOD-wide, DOD-operated data mining electronic system that Government Purchase Card (GPC) participants use to improve the management and accountability of their GPC Program organizations. It is comprised of five web-enabled automated tools: Enterprise Monitoring and Management of Accounts (EMMA); Authorization, Issuance and Maintenance (AIM); Data Mining (DM); Risk Assessment (RA); and PCOLS Reporting.

Receipt - A receipt is a written record of a transaction documenting proof of payment. The receipt acts as the title to the property obtained in the exchange. A receipt is a legal document which serves as a permanent record of the transaction that can be used to support financial records (i.e. billing official invoice). Internet shopping has led to the creation of electronic receipts. Many online businesses provide the cardholder with the option of printing a receipt of the transaction as soon as the payment is approved. In addition, the vendor may provide the cardholder with an email copy of the receipt. The receipt includes basic information about the nature of the sale. This essential detail includes the date of the transaction, a list of the prices of the items purchased, subtotal, applicable taxes, and a final total. Some receipts will provide unit prices and extended prices when multiple units of the same item are purchased, as well as a detailed description of each item.

Required or Mandatory Sources of Supply - The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services, Subpart 8.001, Priorities for Use of Government Supply Sources, and DFARS 208. Mandatory sources must be considered before an open-market source can be considered. Other mandatory sources include DLA Printing Services, Army CHESS, Army BPAs.

Resource Manager (RM) - RM is a Certifying Officer who certifies that funds are available for the GPC program and establishes lines of accounting used on the GPC

program. The RM is responsible for the proper assignment of funding on an obligation document before the obligation is incurred, and for maintaining a system of positive funds control.

Split Purchase - Occurs when a CH splits a known requirement at the time of the purchase into several transactions in order to: circumvent dollar thresholds in order to use the GPC; to avoid competitive bids for purchases over the micro-purchase threshold; or to avoid other established credit limits (this is prohibited). When a known small purchase requirement exceeds the micro-purchase threshold, it must be purchased through a contract using simplified acquisition procedures. Examples of Split Purchases or Split Requirements include the following:

(1) A single CH making multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit and the total requirement was known at the time of the first purchase.
(2) A single CH purchasing the same/similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit and the total was known at the time of the first purchase.
(3) A single CH making multiple purchases of similar items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the single purchase limit.
(4) Multiple CHs under the same supervision/billing official purchasing the same/similar item(s) the same day or in a compressed timeframe when the total requirement is known at a given time and exceeds the single purchase limit.

Third Party Payments – An online payment processor (i.e. PayPal, 2Checkout.com) provides ways for a merchant to accept credit cards and other payments online without the extra cost and obligation of a merchant account. Where it is identified that a purchase will be processed via a third party merchant (i.e. PayPal), the CH should make every attempt to choose another merchant with whom to procure the goods and/or services. If still found necessary to procure using a third party payment merchant, the CH and BO must ensure there is adequate supporting documentation to prove that there was a detailed review of the purchase and that the use of the third party payment merchant was unavoidable. Transactions made with a third party payment merchant are considered high risk for both subsequent audit and data mining screening.

Training – Commercial Off-the-Shelf Training - is defined as training products and services regularly available to the general public and/or Government personnel. The term includes training offered in catalogs or other printed material by a college, university, professional association, consultant firm or organization. It does not include training specifically developed, designed, and produced to meet requirements unique to an organization and/or program. **Non-government training** sources include, but are not limited to:

(1) State government or instrumentality;

(2) Interstate government organization;
(3) Medical, scientific, technical, educational, research, or professional institutions, foundations or organizations; and,
(4) Universities, technical, business, and vocational schools**,** business, commercial, or industrial firms, corporations, partnerships, proprietorships, or other organizations.

United States - The 50 States and the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, Guam, American Samoa, Wake Island, Johnston Island, Canton Island, the outer Continental Shelf lands, and any other place subject to the jurisdiction of the United States (but not including leased bases).