Government Purchase Card Training
ACC-RI GPC Team
Refresher training is mandated for participation in the Government Purchase Card (GPC) Program.

Liability of Cardholders(CH), Billing Officials(BO), and Alternate Billing Official(ABO) - Fraudulent activities and Unauthorized Commitments have occurred.

Recent GPC reviews indicate there are areas which require reinforcement and improvement.

Provide you new requirements and opportunity for you to ask questions.
Using the GPC is a valuable tool, but not a blank check. Strict compliance is necessary to uphold the integrity of the GPC Program.
“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/ABO.”

Source: AFARS Appendix EE, GPC Operating Procedures, 22 July 2015, 2-5.
Statutory Authority: Any misuse of the GPC is subject to criminal, civil, Uniform Code of Military Justice, administrative, and disciplinary actions as appropriate.

STRONGLY suggest you read and understand Section 2-5 Liability of the Government CH and BO/ABO section of AFARS Appendix EE, the Department of the Army Government Purchase Card Operating Procedures, dated 22 July 2015
Any intentional use of the Government Purchase Card for anything other than official government business is considered to be misuse.

**Examples**

- No funding available
- Paying for supply/service not properly approved **PRIOR** to the purchase
- Person other than cardholder using card to make purchase
SPLIT PURCHASES

FAR 13.003(c)(1): Separating a **KNOWN** requirement that exceeds a CH’s single purchase limit or threshold into two or more buys as a means of getting around the CH’s purchase limit.

No government CH may fragment/split requirements that exceed the CH’s limit or threshold, as means to use the purchase card. To do so is a violation of federal procurement law.

To prevent split purchases: Do not buy same/similar items from same type of vendor.
Do not buy some today and some tomorrow.

Do not use two different CHs under the same BO.

**IMPORTANT!** Purchases that exceed micro purchase threshold must be submitted to Contracting for formal action.
GENERAL TYPES of FRAUD

Cardholder Fraud examples:
• Kickbacks
• Falsified transactions
• False statement

Non-cardholder fraud:
• Lost or stolen purchase card
• Account takeover or identify theft

Merchant Fraud:
• False charges/transaction
• Mischarges
• Bribes and gratuities
Credit limits – Single purchase and monthly limits.

Spending pattern reviews.

High Risk Transactions – Identified PCOLS.

Flagged Transactions – Identified PCOLS.

Merchant category code blocks (MCC Codes).

Account deactivations – GPC inactivity.

Audits – Internal and External reviews – must have ALL documentation to support each transaction.
Unauthorized Commitment

• An agreement that is not binding solely because the Government representative who entered into it lacked the authority on behalf of the Government.
• Occurs when a Government Employee, without proper authority, commits the Government to pay for goods/services from a commercial vendor.

Ratification

• The act of approving an unauthorized commitment (UC) by an official who has the authority to do so

NOTE: An Unauthorized Commitment does not have to be Ratified – you could be held financially accountable!
Liability in a “Nut Shell”

You can be held Financially responsible for Misuse, Fraudulent Transactions, and Unauthorized Commitments. Actions may include:

• Personnel Actions
• Counseling
• Removal from GPC Program
• Reprimand
• Suspension of employment
• Termination of employment
• Criminal Prosecution
Your purchase must be:

- Lawful
- Meets Legitimate Government Need
- Meets Bona Fide Need
- Meets Minimum Needs of the Government
- Fair and Reasonable Price

If you are unsure – Consult the GPC Team or your Legal office prior to making a purchase!
Purchases that would be lawful using conventional contracting methods.

Purchases that utilized the appropriate funding types.

Purchases that are otherwise authorized by law or regulation.

Purchases made for official purposes – may not be used to acquire items for personal benefit of a Government employee.

Funding must be available at the time of the purchase if not you are in violation of the Anti-Deficiency Act!
A legitimate need for the good or service being acquired must be determined prior to the purchase being made.

It is the cardholders and billing official’s responsibility to review each requirement prior to purchase. The requestor must provide the necessary back-up documentation before the purchase. Question the requirement up-front to protect yourself.

A legitimate Government need does not include “gold-plating” the requirement.
The appropriation is available only for the needs of the current year.

The bona fide needs rule does not prevent maintaining a legitimate inventory at reasonable and historical levels, the “need” being to maintain the inventory level to avoid disruption of operations.

Problems come up when the inventory crosses the line from reasonable to excessive.
FAR 11.002(a) requires that agencies describe Government needs in a manner designed to:

- Promote full and open competition
- Only include restrictive provision or conditions to the extent necessary to satisfy the minimum needs of the agency or otherwise required by law

**Example:** If you need a pen and the required source of Skillcraft/JWOD/Ability One will not meet your needs – you **MUST** justify why the required source item will not meet the **MINIMUM** needs of the Government.
Micro-purchases <$3.5K can be awarded without competition based on the cardholder/billing official decision that the price is reasonable.

However – if you suspect or have information that indicates the price is not reasonable – it is your responsibility to check it out. Don’t pay an unrealistic price just because you are using Government money.

Question: If the toner you have always purchased for $100 increases to $300 would you continue with the purchase or question the cost increase? Would it matter if you were using YOUR money?
Ask yourself

• What is it really for?
• Why do we need it?
• Is the cost reasonable?
• Is there a similar item available from mandatory sources?
• Are there any “appearance” concerns?
• Would you want your name on the front page of the newspaper for this purchase?
• Could you go to court and rationalize your actions?
• Is making this purchase worth your job or reputation?
PURCHASE CHECKLIST

• Do you have sufficient money available?
• Is it a Government requirement?
• All Pre-approvals – completed?
• Requirement is not Split?
• Is price fair and reasonable?
• Does the vendor accept the Credit Card? Only purchase from a vendor who uses third party payments as a last resort.
• Does the vendor know you are tax exempt?
• Will the item be shipped within 30 days? Vendor may not charge you until the item has been shipped.
• Have you given the vendor the correct shipping address?
AFTER PURCHASE CHECKLIST

• Did you include all applicable information?
• Were all items received by Government?
• Do you have Independent receipt (legible and dated)?
• Did someone certify that the Services received were satisfactory to the Government?
• Were charges on statement correct?
• Did you provide complete file to BO each month (filed by month)?
• Set-up suspense file for missing/incomplete orders?
• CALL your AOPC BEFORE you dispute anything.
• Dispute items that can’t be resolved with vendor?
Secure the Card at all times

- Immediately report a lost or stolen card to the bank and your AOPC.
- Action needs to be taken to reduce spending limits and/or cancel the card if not in your possession!

Make only authorized purchases

- **PRIOR** approval from **YOUR** BO is required.
- Purchase can only be made if you have money in hand (A PR/PO loaded in AXOL or an approved TFMS requisition number.)
- You must be the face to the vendor in all transactions.
Maintain complete and accurate files

- Files must be by month – Not by vendor
- Must contain:
  - Proof of sufficient funding
  - Independent Requester
  - Prior BO approval
  - Independent Receipt and Acceptance of Goods/Services
  - Property Book/Hand Receipt Acceptance, as required
- All signatures must be legible and dated
- All documents must be dated
- Verify receipt of Goods/Services – including all partial shipments – **DOCUMENT THE FILE**
• Use Mandatory Sources of Supply even if they are more expensive.

• Ability One products are to be purchased over other commercial products – If you can’t buy/use Ability One Products – Document Reason.

• Rotate vendors where possible.

• Resolve unauthorized/erroneous charges.

• Dispute questionable charges only after speaking with your AOPC.

• Notify your BO on questionable charges.
• Property book/hand receipt all required items – including those which could be considered pilferable.

• If there is a question of property book – contact the Property Book Officer (PBO) before you purchase the item.

• Obtain PBO signature for all property book/hand receipt items when they are received.
  - Examples of items – copiers, computers, monitors, cell phones, shredders, fax machines, tools, etc.

• Stay current with required training and provide certificates to GPC team upon completion.
• Never release the GPC number to anyone other than a vendor you are making the current purchase with.
• Never allow anyone to make a copy of your card.
• Never allow anyone else to use your card – it has YOUR name on it!
• Never pay a bill that is handed to you that **YOU** did not:
  o Get prior BO approval for
  o Make arrangements with the vendor for
  o Have money for in advance
• Never put all your CC info on a sheet and fax it to vender – rather, call the vender with the information.
• Venders may not keep your account info on file.
• Make sure the BO has ALL original records and receipts prior to your departure.

• Do not leave your current job with a GPC card issued to you in that office. You must clear your account.

• Complete and provide Destruction/Clearing documents to the GPC Team.

• Notify the BO of a lost, stolen, or compromised card within 1 business day – BO must report it within 5 days.

• Complete your part of the certification process within the first 3 days.

• Notify the BO if you are not going to be available within the 3 days required for certification.
BO RESPONSIBILITIES / DUTIES

• Must be in the Direct Line of Supervision for any assigned Cardholder.

• Provide written approval/disapproval of purchase to the cardholder *PRIOR* to the purchase.

• Certify your statement for payment within the 5 day Army standard verifying payments to be legal, proper, necessary, and correct in accordance with Government rules and regulations.

• You are the official that certifies that all purchases are for Official Business.
• Closely monitor your account – ensure payments are posted correctly each month.

• Contact RM if there are payment issues with your account. Don’t let your account get over 60 days delinquent – Your account WILL be suspended for non-payment – Even if it isn’t your fault!

• Certify the Cardholders account in their absence – Document the file why this was necessary.

• Complete the Annual BO Internal Control Checklist and return to the GPC Team. This is an annual requirement and a GPC team member will send it to you to complete. Usually sometime in the fall.
• Stay current with required training and provide certificates to GPC team upon completion.

• Notify the GPC Office as soon as you know you are leaving – Gives time for new BO to be trained and delegated.

• Provide Clearing Record prior to leaving.

• Pass all records to new BO when leaving.

• Maintain all records for 6 years and 3 months after final payment.
• Duties same as BO.

• It is required to have an ABO assigned to every BO account.

• ABOs certify in the BO absence. This “back-up” capability is important to cover when BO is on leave, travel, etc.

• This role is for **SHORT** periods only - not intended to get Primary BO out of their delegated duties. You must document the file EACH time you take action as an ABO.

• ABO can only act in the absence of the Primary BO for 45 days!
• Current training requirements are listed on the GPC Training Webpage, found at:

• http://acc.army.mil/contractingcenters/acc_ri/GPC/gpc.html
• Must be identified in the contract that you can use the GPC for payment.

• Your name must be listed in the contract giving you permission to use it for purchases.

• **May only use higher GPC limits for transactions from a contract(s).**

• Must be delegated in writing in the contract to be able to make purchases from the contract.
Training Only GPC – If you purchase training and/or training material – you **MUST** have and use a separate “Training Only” card. You cannot use your regular card to purchase any form of Training and you cannot use your Training card to purchase goods/services. An SF 182 form must be used to document any purchase with a training card.

For purchases from $3,501 - $5,000 you must utilize small business and have 3 quotes and go to the lowest bidder. If not, proper justification must be in the file. Does not apply to training card.
True Story #1

During GPC audit of Ordering Officer Card, multiple transactions were found totaling more than $20,000 that were NOT included on the CH’s Delegation Letter.

CONCLUSION: CH EXCEEDING PURCHASE LIMITS

The BO’s GPC audit was rated as High Risk. BO received additional training concerning CH’s error in using higher dollar limits on items that were not included in the Delegation Letter.

CH had already left the position, no adverse action taken.
True Story #2

During GPC audit of BO account, it was learned that the CH was earning “reward points” from GPC spending with merchant and then using those points for personnel gain.

CONCLUSION: CH MISSUSE OF GPC

CH removed from GPC program.

BO counseled on lack of oversight.
True Story #3

Declined transaction review found services secured by individual that was not a BO or CH. Because the CH attempted to pay the bill, the Unauthorized Transaction required a Ratification to be performed.

CONCLUSION: Unauthorized Transaction

Site Commander became involved in the explanation process and a Contracting Officer was requested to approve the transaction. Both CH and BO were counseled in the risks associated with accepting a bill to pay that they had previously not been involved with.
True Story #4

BO believed that multiple buys exceeding single purchase limits of paint did not constitute a split purchase because the paint was different colors.

**CONCLUSION: Split Transaction**

AOPC explained to the BO that the requirement was for paint. Color of the paint was not a determining fact.
True Story #5

During annual GPC audit of OCONUS site, charges were found for Louisville Slugger Bats that were purchased as gifts to be handed out to visitors as they left the remote base.

CONCLUSION: Gold Platting, fails Bona Fide Needs

Audit received a High Risk rating, information passed on to current BO and CH’s that these type of buys were not authorized and exceeded Government Minimum Needs requirements.
GPC TEAM POINTS of CONTACT

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If you have questions please contact your AOPC for clarification or guidance. We’re here to support and advise you.