DEPARTMENT OF DEFENSE GOVERNMENT CHARGE CARD GUIDEBOOK FOR ESTABLISHING AND MANAGING PURCHASE, TRAVEL, AND FUEL CARD PROGRAMS

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Chapter 1
Introduction

1.1 PURPOSE

This guide's purpose is to help Department of Defense (DoD) officials establish and manage charge card programs. It provides an inventory of the pertinent policies and processes, with a goal to streamline and consolidate processes common to the purchase, travel, air, fleet, and fuel card programs.

The business rules identified in this guide address many of the recommendations identified in the DoD Charge Card Task Force Final Report of June 27, 2002 and Management Initiative Decision (MID) No. 904, Department of Defense Charge Card Management, of December 18, 2002. Additionally, these business rules establish a proactive environment to continuously strengthen the charge card programs. As a guide, much of the information herein is presented for the purpose of guidance. Mandatory language, which is linked to the relevant statute, regulation, or policy document, is identified in bold, red typeface and is preceded by a "**Mandatory**" indicator. DoD Components may adopt more stringent internal control requirements than the mandatory requirements cited in this document. However, as these are risk-managed programs, Components should maintain a proper balance between the control environment and ease of use to ensure the card program benefits continue to accrue.

The chapter that follows presents business rules common to all card programs (purchase, travel, air, fleet, and fuel). While these programs generally have much in common, some differences result by nature of each program's liability structure. Purchase cards, travel charge cards with centrally billed accounts (CBAs), and AIR/SEA/fleet cards involve Government liability (i.e., the Government is responsible for payment). Travel charge cards with individually billed accounts (IBAs) involve individual liability (i.e., the Cardholders [CHs] are responsible for payment). The business rules that are unique to each type of program are presented in the appendices.

Chapter 2 and the program-unique appendices A, F, G, and H are comprised of sections that address the following areas:

a) Processes,

b) Program management,

c) Personnel, and

d) Special issues.

Appendices D and E provide a link to the DoD FMR for further information on the travel card programs.

The appendices also offer additional information that will be useful in establishing and managing card programs. Appendices B, C, and K supplement the purchase-card-unique Appendix A by providing information on using the purchase card for contingency and humanitarian aid operations, using the purchase card for overseas shipments, and internal management controls for the purchase card program, respectively. Appendix I identifies the abbreviations and terms used within this guide, and Appendix J offers a list of regulatory/policy resources.

1.2 ACKNOWLEDGMENTS

The Offices of the Under Secretaries of Defense (Comptroller) (OUSD[C]) and (Acquisition, Technology, and Logistics) (OUSD[AT&L]) established the DoD Charge Card Integrated Product Team (IPT) in February 2003. The IPT reports to the Senior Focus Group (SFG), which oversees charge cards for DoD within the aegis of the Acquisition Governance Board of the Business Enterprise Architecture (BEA). The SFG focuses on establishing a common approach toward the card programs across the Military Services and Defense Agencies, as well as a vision for the future. The IPT supports the SFG in its endeavors.

The Charge Card IPT is comprised of representatives from the DoD Purchase Card Policy Office (PCPO); OUSD(C); Defense Travel Management Office (DTMO); Departments of the Army, Navy, and Air Force; Defense Finance and Accounting Service (DFAS); Defense Logistics Agency (DLA); DLA-Energy; DoD Inspector General, and other Defense Agencies. The IPT produced this guide.

This guide neither supersedes nor takes precedence over more restrictive Component procedures. Rather, it is designed to provide additional guidance, and identify mandatory requirements, for the establishment and management of card programs. An electronic version of this guide is available online at the Defense Procurement and Acquisition Policy (DPAP) Web site.

Chapter 2
Common Business Rules for All Card Programs: Purchase, Travel, Air, Fleet, and Fuel

This chapter contains business rules common to purchase, travel (CBAs and IBAs), AIR, fleet, and fuel card programs.

2.1 PROCESSES

The following sections present summary-level overviews of processes common to all of the card programs.

2.1.1 Establishing a Program

The list below depicts the key steps in establishing a card program.

a) **Mandatory: Determine need.**

b) **Mandatory: Request authority to operate program.**

c) **Mandatory: Establish internal controls to minimize card misuse.**

d) **Mandatory: Establish a training program for cognizant officials.**

e) Coordinate with issuing banks; for example:

   1) Establish accounts, and

   2) Establish reporting levels.

The Component Program Manager (CPM) and Agency/Organization Program Coordinator (A/OPC) should be given adequate resources to carry out responsibilities.

Mandatory: The CPM must become familiar with all regulations and policy that govern his/her organization's program. This may include the

a) DoD Financial Management Regulation (FMR),

b) Federal Acquisition Regulation (FAR),

c) Defense Federal Acquisition Regulation Supplement (DFARS),

d) DoD 4140.25-M, Vol. II, Chapter 16, DoD Fleet Card, AIR Card®, and SEA Card®. Note: For fuel cards only, DoD 4140.25-M takes precedence in the event of any conflict with this Guide.

e) DoD Travel Regulations,

f) Service supplements and instructions, and

g) Component supplements and instructions.

See Appendix J and FAR Part 13 for lists of regulatory/policy resources.

2.2 PROGRAM MANAGEMENT

2.2.1 Program Outcomes

At the Department level, the desired outcomes for charge card programs include the following:

a) Card programs should be conducted so as to add value to the business process in terms of lower cost, increased productivity, or both.

b) Authorization controls are appropriate.

c) Card program management shall be integrated into the overall strategic management plans of the Component acquisition communities.

d) **Mandatory: Management controls shall effectively identify, correct, and minimize fraud, waste, and abuse.**

e) Guidance, training, and remedies shall be consistent throughout Service and Agency card programs.

f) Program metrics shall be implemented at the appropriate management level(s) to provide key Component officials with an assessment of the risk environment and feedback as to whether card programs are satisfying overall strategic goals.

2.2.2 Management Controls

Card program management controls are the tools and activities used to identify, correct, and minimize fraud, waste, and abuse. To minimize losses, card program management and internal controls should have:

a) Support from higher levels.

b) An expectation of high integrity and ethical behavior from all participants.

c) **Mandatory**: **Reviews, at a minimum annually, of all managing/billing accounts and associated cards, to identify sources of fraud, waste, and abuse and assess compliance with governing regulations, policies, and procedures.**

d) **Mandatory**: **Specific controls in place to ensure that losses due to fraud, waste, and abuse are minimized. The adequacy of the control environment shall be continuously assessed to ensure that controls are working as intended.**

e) **Mandatory**: **Proper training (initial and refresher) and supporting resources to ensure that program officials have the knowledge and tools to be effective in their card responsibilities.**

f) Adequate management oversight.

2.2.2.1 Other Control Information and Guidelines

2.2.2.1.1 Authorizing and Authenticating Cardholders

Mandatory: **Ensure that cards serve a valid business need, and deactivate or close those that do not. Verify that required training is completed prior to CH authorization.**

2.2.2.1.2 Transaction Data Integrity

Mandatory: **CHs will not be able to alter their statements of accounts once they approve them. Similarly, Certifying Officers will not be able to alter billing statements (invoices) once they approve them.**

2.2.2.1.3 Data Mining (Purchase Card Only)

Given the amount of data involved with charge card programs, DoD has developed and fielded an automated data mining tool to sort through the information and present potentially relevant results to decision makers. An automated data mining tool now serves an essential internal control function. It improves surveillance by highlighting select GPC transactions for A/BO and A/OPC review. In addition, for the GPC, the data mining tool may assist with strategic sourcing efforts. For specific information about the purchase card data mining program, see Section A.2.1.2, Purchase Card Online System (PCOLS).

2.2.2.1.4 Controlling Cards on Departure

Mandatory: Every personnel/base installation departure checklist shall include the requirement to deactivate and turn in all Government charge cards when CHs depart the base, installation, or activity.[1]

2.3 PERSONNEL

The general roles and responsibilities of the participants in the charge card programs are presented here. The card-specific roles and responsibilities are identified in the appendices.

2.3.1 Roles and Responsibilities

2.3.1.1 HEAD OF THE ACTIVITY

The roles and responsibilities of the Head of the Activity (HA) are to:

a) **Mandatory: Determine the need for a card program and make the request to the appropriate functional activity (e.g., contracting, financial/resource management, and information technology).**

b) **Mandatory: Ensure management controls and adequate supporting resources are in place to minimize card misuse.**

c) Ensure proper separation of duties among personnel.

d) **Mandatory: Order investigations when appropriate.**

e) Follow up on investigation results.

f) Review performance measures and reports.

[1] See the memorandum "Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards" dated 06/23/03.

g) Ensure performance standards include charge card responsibilities, if appropriate.

2.3.1.2 Agency Program Management Office (DPAP for Purchase Card, DTMO for Travel Card, DLA-Energy for Fuel Cards)

The roles and responsibilities of the program management office (PMO) are to:

a) Manage, oversee, and support the card program.

b) Develop and maintain functional requirements for the card program.

c) Identify opportunities to use the card to support the streamlining of DoD business processes.

d) Review performance metrics to identify any systemic deficiencies that require corrective action(s).

e) Develop and implement a data mining capability (along with the associated rules) that will enable Services and Agencies to identify and investigate, as necessary, high-risk card transactions.

f) Coordinate the creation and feedback of issuing-bank fraud queries.

g) Run quarterly reports on span of control, inactive cards, and CHs certifying their own purchases.

h) Maintain a DoD-wide blocked Merchant Category Code (MCC) list.

2.3.1.3 Component (Services and Agencies) Program Manager

The roles and responsibilities of the Component Program Manager (CPM) are as follows:

a) Serve as the Service's or Agency's functional representative with the PMO.

b) Develop/maintain hierarchies and select/appoint/monitor (in accordance with card program policies/procedures as identified in greater detail in the related appendices) subordinate CPMs. No purchase card programs shall be established without the existence of clearly delegated procurement authority (see Section A.1.1.1, Delegation of Procurement Authority).

c) Assist/ensure A/OPCs perform their functions/roles.

d) Interface with the applicable DoD-level program office on performance issues relating to card-issuing bank and internal DoD applications supporting the card program. Performance issues could run the gamut from

system availability, timeouts, and/or functional issues, such as the timeliness and completeness of the certification and dispute processes.

2.3.1.4 AGENCY/ORGANIZATION PROGRAM COORDINATOR

The roles and responsibilities of the A/OPC are to:

a) **Mandatory: Manage and ensure the integrity of the card program.**

b) Prepare reports on the program.

c) Ensure the proper oversight/management controls are in place and working.

d) **Mandatory: Complete initial and refresher training in accordance with DoD requirements. Complete the issuing bank's training to ensure A/OPCs are familiar with all GPC-related terminologies and the issuing bank's electronic access system (EAS).**

e) Oversee or perform account maintenance.

f) **Mandatory: Ensure appropriate training (including refresher training) is established, maintained, and tracked, and ensure that the required training has been completed before issuing cards.**

g) Provide policy/procedural advice to CHs and charge card officials.

h) Serve as the issuing bank's point of contact.

i) Conduct compliance reviews.

j) Assist in dispute resolution.

k) Process card applications.

l) Maintain the required span of control in accordance with DoD and Component guidance.

m) Close accounts using the issuing bank (or, where appropriate, the DoD) automated tool.

n) Ensure financial controls are established in account profiles in coordination with applicable Financial/Resource Managers.

o) Assist CHs and A/BOs with account management and reconciliation.

p) Monitor transactions during the cycle in order to take timely action against questionable charges, using available automated tools.

q) Analyze accounts and specific CH activity.

r) Report program activity to appropriate levels of management.

s) Where required, attend training conferences as well as any other relevant meetings pertaining to the program.

t) Perform special processing as required.

u) Ensure respective A/OPC contact information is kept up to date.

v) **Mandatory: Manage delinquent billing and CH accounts to minimize the payment of Prompt Payment Act interest and penalties, and the suspension of accounts.**

w) Administer and record any waiver requests to MCC blocks (not an option for travel card A/OPCs). Note that a CH's account limitations should reflect the normal usage by that CH rather than defaulting to the maximum available.

2.3.1.5 A/BO (THIS INCLUDES THE BILLING OFFICIAL AND CERTIFYING OFFICER)[2]

Where appropriate, the roles and responsibilities of the A/BO are to:

a) **Mandatory: Ensure CHs fulfill their responsibilities.**

b) **Mandatory: Review and approve CH statements, reconciling where the CH fails to do so in a timely manner.**

c) **Mandatory: Ensure all CH transactions are legal, proper, mission essential, and correct in accordance with Government rules and regulations.**

d) **Mandatory: Ensure monthly billing account accuracy. In accordance with applicable regulations for Government charge card transactions, A/BOs who are not serving as Certifying Officers are Departmental Accountable Officials (DAOs) and, as such, may be pecuniarily liable for erroneous payments that result from negligence in the performance of their duties.**

e) **Mandatory: Maintain documentation supporting certification in accordance with the record retention policy in Section A.1.8, Reconciling the Cardholder's Account, and payment of the applicable invoice.**

[2] There is no Approving Official for the IBA; only for the Travel Settlement Voucher.

f) **Mandatory**: When serving as Certifying Officers, **certify the issuing bank's invoices and submit through DFAS to ensure timely payment and to minimize delinquent payments and suspension of accounts. (Within the Air Force, the Financial Services Officer [FSO] performs this function.)**

g) **Mandatory**: **Report questionable card transactions to the A/OPC and/or appropriate authorities for investigation.**

h) **Mandatory**: **Complete initial and refresher training in accordance with DoD requirements.**

i) Conduct informal compliance reviews.

2.3.1.6 CARDHOLDER/CARD USER

The roles and responsibilities of the CH/card user are to:

a) **Mandatory**: **Ensure all purchases are proper, legal, and reasonable, and satisfy a bona fide need.**

b) Maintain files and records (as required).

c) **Mandatory**: **Review and reconcile all transactions in a timely manner and in accordance with governing provisions of the DoD FMR and the General Services Administration (GSA) master contract.**

d) **Mandatory**: **Initiate disputes in a timely manner. (For Fuel Card dispute procedures, see "Government Fuel Card (GFC) Program Dispute Processes" for the AIR Card® and the DoD Fleet Card Program website for the Fleet Card.)**

e) Track disputes to completion.

f) **Mandatory**: **Maintain the physical security of the card. This includes not keeping the card with the account holder at all times unless operationally required by a specific card program, such as the travel card.**

g) **Mandatory**: **If the card is lost or stolen, notify the issuing bank or Fuel Card providing company, A/BO, and A/OPC in a timely manner.**

h) **Mandatory**: **Complete initial and refresher training in accordance with DoD requirements.**

i) Obtain receipts and other documents as required by the individual card programs in their respective appendices.

j) Notify the CPM and/or A/OPC of departure or when the card is no longer needed.

k) **Mandatory: Comply with the provisions of Section 508 of the Rehabilitation Act.**

2.3.1.7 Financial/Resource Managers

The roles and responsibilities of financial/resource managers are to:

a) **Mandatory: Provide appropriate funding for the accounts and enter associated lines of accounting (LOAs) into applicable systems.**

b) **Mandatory: Maintain accurate financial records.**

c) **Mandatory: Fulfill financial management reporting requirements.**

d) **Mandatory: Establish spending limits that are tied directly to funding allocated for each billing and CH account.**

2.3.1.8 Defense Finance and Accounting Service (or Other Component Organizations That Perform Accounting and/or Disbursing Functions)

The current roles and responsibilities of DFAS are to:

a) Disburse payments.

b) Post records to accounting and entitlement systems.

c) Act as the Certifying Officer in support of programs when DFAS retains that responsibility.

d) Monitor and make prompt payments.

e) Control valid appropriation data (e.g., parent rule sets) (excludes travel card).

f) **Mandatory: Establish and maintain electronic interface(s).**

g) Ensure the timely processing of disbursements and disbursement rejects.

h) Fulfill responsibilities for prevalidation of invoices prior to payment.

i) **Mandatory: Ensure adherence to the provisions of the Prompt Payment Act.**

As enterprise resource planning (ERP) is deployed by the Military Departments and Defense Agencies in coming years, some of the functions listed above may be absorbed by these applications.

2.3.1.9 OTHERS

Other parties sharing responsibilities for various aspects of card programs include:

a) Office of the Under Secretary of Defense (Acquisition, Technology and Logistics) [OUSD(AT&L)]

b) OUSD(C)

c) Military Service Control Points at each applicable petroleum office

d) DFAS/DoD Component Payment Office

e) Defense Manpower Data Center (DMDC)

f) Audit/investigative organizations

g) Office of the Under Secretary of Defense (Personnel and Readiness) [OUSD(P&R)]

h) Defense Agencies.

2.3.2 Knowledge, Skills, and Abilities

For a card program to function efficiently and effectively, the program participants must have the following knowledge, skills, and abilities:

a) An understanding of the relevant policies, procedures, and commercial practices

b) The ability to communicate, organize, and manage effectively

c) Basic analytical and computer skills

d) The ability to analyze, research, and provide concise recommendations to the chain of command on required actions to prevent or correct problems.

2.3.3 Training

Ensuring that all card program participants are properly trained is vital to program success. Proper training of card program participants is important to prevent fraud, waste, and abuse. The following sections list available training resources.

2.3.3.1 DEPARTMENT OF DEFENSE

a) Government Purchase Card Tutorial and refresher training, DAU course numbers CLG 001 and CLG 004, respectively.

b) Government Travel Charge Card (GTCC) Mandatory GTCC Cardholder Training on TraX

c) Helpful Hints for Travel Card Use

d) DoD Fuel Card Programs—DLA Energy—Fuels Automated System (FAS) Training, FAS Enterprise System Training, and Accountable Official Training

e) Certifying Officers and Accountable Officials (Certifying Officer Legislation) Training

f) Fuel-Card-specific training

g) DFAS Government-Wide Commercial Purchase Card Training.

2.3.3.2 GENERAL SERVICES ADMINISTRATION

a) GSA-sponsored training

b) GSA Travel and Transportation Training

2.3.4 Investigations of Suspicious Activity

The Department will not tolerate misuse of charge cards. Examples of card misuse include the following:

a) Purchases by non-trained individuals

b) Purchases by individuals other than the authorized CH

c) Purchases by contractors

d) Cash advances[3]

e) Returns for cash or credit vouchers[4]

f) Rental or lease of land or buildings on a long-term basis[5]

[3] This applies to purchase card and travel card CBAs only. IBA CHs can get cash advances via automated teller machine (ATM) withdrawals.

[4] This applies only to the purchase card.

[5] Travel card IBA CHs may use the travel card to rent apartments on a long-term basis.

g) Presentation of a personal travel claim for reimbursement of expenses that were charged to a CBA travel card rather than the CH's IBA travel card.[6]

Mandatory: All card program officials have a shared responsibility to take appropriate action and report to higher authority any potential program-related fraud, waste, and abuse.[7]

Program participants who encounter suspicious activity are responsible for notifying the appropriate authorities (i.e., their A/OPC or supervisor, or the Defense Hotline). See Section A.1.10, Handling Fraudulent Transactions, for information on corrective actions for purchase, misuse, abuse, or fraud.

Mandatory: Investigative agencies must ensure security managers and supervisors are notified when a Government charge card official comes under investigation for charge card use or misuse. In turn, DoD security officials must notify the subject's commander of the ongoing investigation.[8]

Mandatory: The commander/director shall review and adjust the subject's access to classified information accordingly (not as a disciplinary action, but as a prudent safeguard of sensitive information).[9] Prompt action is required in response to allegations of charge card misuse or abuse by Department military or civilian personnel. The commander or head of the organization has the authority (per DoD 5200.2-R, Subparagraph C8.1.3) to suspend the individual's classified access. The commander or head of the organization shall take immediate action upon receipt of information that raises serious questions as to the individual's ability or intent to protect classified information or execute sensitive duties. The commander or head of the organization shall make an immediate determination to either continue the individual's security status unchanged or suspend the individual's access to classified information or assignment to sensitive duties until the appropriate authority designated in DoD 5200.2-R, Appendix 5 makes a final determination regarding the individual's eligibility to retain a security clearance.

Financial responsibility and trustworthiness are key components for determining whether a military member or civilian employee is eligible for the issuance of, or continuance of, a security clearance. These same factors should be carefully considered should instances of abuse or misuse of a charge card be alleged.

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[6] This applies only to the travel card.

[7] See the memorandum "Government Charge Card Disciplinary Guide for Civilian Employees" from the Office of the Under Secretary of Defense (Personnel and Readiness) [OUSD(P&R)], dated 4/21/03; and the Memorandum on "Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel" from OUSD(P&R), dated 6/10/03.

[8] See the memorandum "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards," dated 09/25/02.

[9] See the memorandum "Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards" from the Office of the Assistant Secretary of Defense, dated 11/04/02.

2.4 SPECIAL ISSUES

2.4.1 Creditworthiness

In the Fiscal Year 2005 Treasury, Transportation, and HUD appropriation bill (Public Law [P.L.] 109-115), Congress eliminated the requirement that agencies conduct creditworthiness assessments for purchase card applicants but retained the requirement for travel card applicants.

2.4.2 Policy and Contract Issues

Questions concerning policy or contract provisions should be processed through the chain of command, beginning with the A/OPC.

Appendix A
Unique Business Rules for Purchase Card Programs

This appendix contains business rules unique to Government Purchase Card (GPC) programs. To facilitate use of this appendix, an individual table of contents is provided in Table A-1.

Table A-1. Contents of Appendix A: Unique Business Rules for Purchase Card Programs

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A.1 PROCESSES

The following sections present summary-level overviews of how the GPC is used in a variety of DoD business processes.

During its formative years, the GPC program's initial implementation strategy was to encourage use of the card wherever practical in order to streamline micro-purchases and pass the internal savings on to the warfighter. A legislative mandate in 2000 required use of the GPC for at least 90 percent of micro-purchases. Since then, what was once meant only for micro-purchases has evolved into five different types of uses:

a) **Micro-Purchases (Card/Cardless).** FAR Subpart 2.101 defines the micro-purchase threshold for both routine purchases and those made when special circumstances apply; i.e., in support of contingency operations, or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack. See FAR Subpart 13.3 and DFARS Subpart 213.3 and Section A.1.2, GPC Purchasing.

b) **Micro-Purchases (Convenience Check).** See above and Section A.1.4, Using Convenience Checks and Foreign Drafts.

c) **Ordering Officer Purchases.** See Section A.1.2.1, GPC Purchasing Uses.

d) **Contract Payments.** See Section A.1.6, Using the GPC as a Method of Payment against Contracts.

e) **Payment of Training Requirements on SF 182s.** See Section A.1.3, SF-182 Training Request Payments.

Each of these uses requires unique policies, practices/procedures, purchaser training, and processes, such as different delegations, authorities, and oversight. While the processes in the sections that follow are described in terms of the essential elements for all uses of the GPC, it is important to keep in mind that tailoring might be necessary, depending on how the card is being used.

A.1.1 Establishing a Program

The most important factor in establishing a GPC program is the selection of qualified personnel who are given the time, training, and resources to successfully perform their duties.

Mandatory: The ratio of total accounts—CH and A/BO—per A/OPC should be considered when program guidelines are established. See Section A.2.1.2.1, Ensure Workable Span of Control, for additional guidance.

Mandatory: The GPC program will conform to all Executive Branch initiatives to ensure and promote transparency in Government.

Mandatory: All program officials in PCOLS-deployed organizations will utilize the PCOLS system to issue and maintain GPC accounts. Where PCOLS has not been deployed, the bank EAS shall be used.

A Defense Component seeking to establish a GPC Program must submit the following for review and approval to the GPC Program Level II:

a) **Delegation of Contracting Authority. Mandatory: Only organizations with procurement authority are authorized to establish GPC programs.**

b) **Key Management Officials.** A list of the Key Management Officials (including, at a minimum, the contracting officer, Level III A/OPC, Level III A/OPC Alternate, and Resource Manager) to include names, titles, and contact information. Additionally, documentation demonstrating that each of these individuals has successfully completed required training and re-

ceived all necessary delegation and/or appointment documents to fulfill their appointed role must be provided.

c) **Internal Operating Procedures (IOPs).** Program directive and agency IOPs[10] documenting plans to comply with the requirements set forth in this guidebook, the Department of Defense Charge Card Management Plan, the DoD FMR, and Office of Management and Budget (OMB) Circular A-123, Appendix B, "Improving the Management of Government Charge Card Programs."

d) **Electronic Certification.** An affirmative statement that the prospective Defense activity will comply with the requirement to use the card-issuing bank's online certification systems as set forth in the memorandum "Internal Controls for the Purchase Card Program," dated 11/27/02, or a copy of an approved waiver.[11]

A.1.1.1 Delegation of Procurement Authority

Contracting authority flows from the Head of the Agency to the Head of Contracting Activity (HCA). The HCA may re-delegate contracting authority to local procurement offices in accordance with Component procedures (e.g., Chief of Contracting appoints local [Level 4/5] A/OPCs, who have the authority to re-delegate their contracting authority to CHs and convenience check account holders).

GPC programs require procurement authority to operate and cannot be established or maintained unless procurement authority is granted in accordance with governing laws and regulations and delegated through a contracting activity identified in DFARS PGI Subpart 202.101. Without such authority, the requesting agency must find a DFARS-designated contracting activity that is willing and authorized to act as the servicing agency for provision of GPC services to the requesting organization. In that case, the organizations must execute an inter-Service/Agency support agreement (or similar document) that details the responsibilities of each party. All servicing agency instructions, policies, and guidance are applicable to the requesting agency. In all cases, the servicing agency must perform the required program oversight of all GPC accounts under its cognizance.

Original Procurement Delegation of Authority Letters, executed by both the appointer and the appointee, shall be retained by the appointing authority as specified in Section A.1.13, GPC Record Retention.

[10] Several organizations have a program directive (or equivalent) addressing major program policy elements that is signed by the Agency Head, and a more detailed/working level program instruction/IOP that can be modified as required with a streamlined review process.

[11] This statement may be included in the Program Directive or IOP, or in the formal cover letter submitted to OSD requesting program establishment.

A.1.1.1.1 Joint Basing

The joint basing program, established by a recommendation of the 2005 Base Closure and Realignment Commission, represents DoD's efforts to optimize the delivery of installation support resident in a joint base environment.

Operational guidance to support this initiative is contained in the Procurement Operations Supplemental Guidance (POSG) dated 04/16/08, and the memorandum "Joint Basing Government Purchase Card Policy," dated 10/12/10. This guidance requires the transfer of the supported Component GPCs used for anything other than "procurement of weapon systems, items in support of weapons systems, and contingency contracting." The requirement is based on the Joint Basing Implementation Guidance (JBIG) definition of procurement and use of the phrase "for and in direct support of installations." There are a number of ways to effect this transfer within existing policy:

a) Use the supporting Component's GPCs and direct-cite the LOAs for supported units,

b) Use the supporting Component's GPCs and Military Interdepartmental Purchase Request (MIPR) money to cover expenditures,

c) Construct an "on behalf of" arrangement for mission units, or

d) Use a combination of these options.

This flexibility exists within the *current* policy. Therefore, Commanders have the existing authority to make the most cost-effective and mission-oriented decision on how to transfer this function. There is no need for a "one size fits all" solution at a base; commanders are expected to implement in a way that encourages savings and efficiency.

A.1.1.2 Written Delegations

A.1.1.2.1 Delegation of Authority Letters and GPC Program Appointment Letters

Mandatory: In accordance with FAR Subpart 1.603-3(b), all individuals delegated micro-purchase authority to serve as a GPC CH or convenience check account holder shall be appointed in writing via a Delegation of Authority Letter. Additionally, any A/OPC with authority to delegate procurement authority to GPC CH or convenience check account holders shall be appointed via a Delegation of Authority Letter that clearly states their authority to further delegate procurement authority. GPC program participants not receiving a Procurement Authority Delegation Letter (e.g., A/BOs and A/OPCs who are not authorized to further delegate procurement authority) must receive a GPC Program Appointment Letter.

Component instructions shall identify the procedures required to ensure written appointment of/delegations to all GPC program participants and retention of all GPC Delegation of Authority and GPC Appointment Letters. **Mandatory: All delegates/appointees must countersign their letters to acknowledge they have reviewed, understand, and concur with their GPC program responsibilities.**

Mandatory: GPC Delegation of Authority and appointment letters shall clearly state the duties of the program participant, any dollar limit of the procurement authority (for Delegation of Authority Letters) and any limitations on the scope of authority to be exercised other than those contained in applicable law or regulation.

A/OPCs shall maintain/retain files containing copies of all delegations/appointments in accordance with Section A.1.14, GPC Record Retention. The A/OPC shall provide all delegation recipients with a copy of their appointment letter.

A.1.1.3 DD FORM 577, "APPOINTMENT/TERMINATION RECORD—AUTHORIZED SIGNATURE"

Mandatory: In accordance with DoD FMR Volume 5, Chapter 33, Paragraph 330401, all Certifying Officers and DAOs shall be appointed and terminated using the DD Form 577 process via the chain of command specified in Component procedures. In addition to GPC Certifying Officer DD Form 577 appointments, all CHs and A/BOs not acting as Certifying Officers shall be appointed as DAOs and terminated via the DD Form 577. Appointing authorities keep the signed original DD Form 577 and provide copies to the offices that certify vouchers.

Mandatory: Certifying Officers who certify manual vouchers or submit manual certifications of electronic payments must submit original, manually signed DD Form 577s to the DFAS-Indiana disbursing official (DO)[12] following that office's guidance. Forms sent as attachments to secure emails must be copies of the original DD 577s, not "copies of copies."

Mandatory: In accordance with DoDFMR Volume 5, Chapter 33, Paragraph 330401, Certifying Officers (and associated DAOs) who certify vouchers electronically must submit their DD 577s electronically to DFAS. Certifying Officers (and associated DAOs) who certify manual vouchers or submit manual certifications must submit original manually signed DD 577s to DFAS.

Mandatory: As required in DoDFMR Volume 5, Chapter 33, Paragraph 330401, appointed Certifying Officers must complete an approved Certifying

[12] The DFAS-Indiana DO email address is dfas-incddd577@dfas.mil.

Officer Legislation training course[13] within two weeks of their appointment and before actually performing as Certifying Officers, and provide a printed copy of the course completion certificate to their supervisor.

The DD 577 is to be retained in accordance with Section A.1.14, GPC Record Retention.

A.1.1.3.1 Certifying Officers

For most DoD GPC Components, the A/BO serves as the Certifying Officer. For the U.S. Air Force pay and confirm accounts, the Super Certifier is the Certifying Officer.

In accordance with DoDFMR Volume 5, Chapter 1, paragraph 010303-B, Certifying Officers under Title 31 United States Code (U.S.C.) 3325(a)(1), as disbursing officials, must be officers or employees of the Federal agency concerned, and are "accountable" because unless granted relief they are pecuniarily liable under 31 U.S.C. 3528(a) for any payments they erroneously certified. Appointment as a certifying officer is a precondition to enforcement of pecuniary liability under section 3528(a).

In accordance with DoDFMR Volume 5, Chapter 33 paragraph 330701, certifying officers are pecuniarily liable automatically when there is a fiscal irregularity based on the presumption of negligence (28 U.S.C. 2512 and 31 U.S.C. 3527). A fiscal irregularity is a physical loss of vouchers or supporting documentation or an erroneous (i.e., illegal, improper, or incorrect) payment. To gain relief of liability, certifying officers must prove that they were neither negligent nor the proximate cause of the irregularity.

A.1.1.3.2 Departmental Accountable Officials

DAOs provide information, data, or services to Certifying Officers upon which the latter rely to certify vouchers for payment.

In accordance with the provisions of DoD FMR Volume 5, Chapter 33, Paragraph 330701(C), DAOs may be held pecuniarily liable under 10 U.S.C. 2773a(c) for an illegal, improper, or incorrect payment resulting from information, data, or services they negligently provide to a Certifying Officer and upon which that Certifying Officer relies when certifying a payment voucher. Any pecuniary liability of a DAO for a loss to the United States resulting from an illegal, improper, or incorrect payment may be joint and several with that of any other officer or employee of the United States or member of the uniformed services who is also pecuniarily liable for that loss.

[13] COL training is available at the following secure sites: http://www.dfas.mil/fastrac/coltraining.html, https://fm.csd.disa.mil/kc/login/login.asp?kc_indet=kc0014&bInAccess=TRUE, and https://www.defensetravel.dod.mil/Passport.

A.1.2 GPC Purchasing

A.1.2.1 GPC Purchasing Uses

Mandatory: The GPC shall be used only for mission-essential purchases. The GPC shall not be used to split payments or to split purchases to avoid exceeding the authorized limit. See FAR Subpart 13.003(c)(2) and Section A.2.4, Prohibited Purchases.

GPC purchasing uses are as follows:

a) **Micro-Purchases.** The GPC shall be the preferred method to purchase and pay for micro-purchases.[14]

b) **Simplified Acquisition Method up to $25,000 outside the United States and outside U.S. Jurisdictions.** The GPC may be the procurement instrument for commercial item supply/services purchases exceeding the micro-purchase threshold but not exceeding $25,000, if the purchase is made outside the United States and U.S. jurisdictions for use outside the United States and U.S. jurisdictions. For the complete requirements to use the GPC in this instance, see DFARS Subpart 213.301.

c) **Delivery Orders.** The GPC may be the mechanism for placing delivery orders at or below the micro-purchase threshold against firm fixed price (FFP) indefinite delivery/indefinite quantity (IDIQ), requirements, time and material, and labor hour contracts; and blanket purchase agreements (BPAs).

A.1.2.2 GPC Purchasing Steps

The list below depicts the key steps in making a purchase using a GPC.

a) **Mandatory: Identify the requirement and ensure it fulfills a mission essential need.** To the maximum extent possible, Component personnel requesting acquisition of item(s) with a GPC should provide written requests (email is acceptable) to the CH. If it is not possible for the requester to make the request in writing, the CH should document in their file the requester's name, item description, quantity, estimated cost, and date of request. GPC transactions lacking a written item/service request shall be considered "self-generated purchases." (See OMB Circular A-123, Appendix B, Chapter 4.)

The CH should document availability of funds at the time of each purchase and obtain prior approval before making self-generated purchases. (See OMB Circular A-123, Appendix B, Chapter 4.)

[14] See FAR Subpart 13.2.

b) **Mandatory: Determine whether the requirement can be met within the limits specified in the CH's Delegation of Authority Letter.**

c) **Mandatory: Ensure the GPC is not used to issue a task or delivery order that exceeds the CH's single purchase limit.**

d) **Mandatory: Determine whether the specific funding type is available. FAR Subpart 32.702 states the basic principle of the Anti-Deficiency Act: No Government employee may create or authorize an obligation in excess of funds available or in advance of appropriations.**

e) Obtain any required special approvals (see Component-specific procedures).

f) **Mandatory: As per FAR Subpart 13.202(a)(1), to the extent practicable, micro-purchases shall be distributed equitably among qualified suppliers.**

1) **Mandatory: In accordance with FAR Part 8, screen for and use required sources of supply.**

***Then*, in accordance with FAR Subpart 8.004, consider use of non-mandatory sources such as Federal Supply Schedule (FSS) contracts/BPAs (e.g., GSA Advantage); Governmentwide acquisition contracts; multi-agency contracts (e.g., DoD EMALL contracts), and commercial sources (including educational and nonprofit institutions).**

Additionally, CHs shall refer to DFARS PGI Subpart 208.7006 to ensure Components obtain the assigned supply from the DoD Component responsible to supply the commodity on a MIPR as prescribed in DFARS Subpart 208.7002 and DFARS PGI Subpart 208.7004. Examples of assigned commodities include flags/pennants, badges/insignia, tents, weapons, ammunition, and explosives.

2) **Mandatory: When purchasing against a BPA, ensure the requirements of FAR Subpart 13.303-5 are met.**

3) **Mandatory: When ordering against a FSS contract, at or below the micro-purchase threshold, ensure the requirements of FAR Subpart 8.405 are met. CHs shall attempt to distribute orders among contractors that can meet the agency's need in accordance with FAR Subpart 8.405-1(b).**

g) **Mandatory: Determine whether commercial shipment is available for orders outside the Continental United States (OCONUS). If not, en-**

sure the supplier is provided with the necessary information to allow the purchase to enter the Defense Transportation System (DTS). (See Appendix C for additional guidance.)

h) **Mandatory: Identify state tax-exempt status. State tax exemption letters are available on the GSA SmartPay® website.**

i) **Mandatory: Make the purchase (in person, via telephone, or via email). Purchases can be made via email as long as the GPC number is not included in the email. Only the CH is authorized to make the purchase, no exceptions. CHs cannot re-delegate their authority.**

j) **Mandatory: Record the item in the purchase log in accordance with guidance in Appendix K.**

k) **Mandatory: As per OMB Circular A-123, Appendix B, Chapter 4 and DoDFMR Volume 5, Chapter 2, Section 210102A, document the purchase file.** Some documentation examples include, but are not limited to, requests for purchase from the requiring individuals, special approvals, order confirmations, invoices, cash register receipts, purchase documents, records of return, waivers, receiving reports or other proof of delivery, and property book entries or communications.

l) **Mandatory: Ensure that applicable property book officers have been notified when accountable property (including pilferable property as defined in DoD Instruction [DoDI] 5000.64) has been acquired with the GPC.**

m) **Mandatory: The Certifying Officer is required to retain GPC supporing documents/disbursing office records as specified in Section A.1.14, GPC Record Retention.**

A.1.2.3 GPC Purchasing – Other Considerations

Implementing instructions for the following items and initiatives shall be addressed in Component procedures.

a) **Responsible Vendors.** Components procedures must address the FAR Subpart 9.402 requirement to transact with responsible vendors only.

b) **FPDS-NG Reporting.** Component procedures must ensure compliance with the FPDS-NG reporting requirements of DFARS Subpart 204.6. See Section A.1.6.1, Reporting to the Federal Procurement Data System – Next Generation.

c) **Wide Area Workflow (WAWF).** Component procedures must ensure compliance with the requirement to utilize WAWF in accordance with

DFARS Subparts 232.702, 232.703, and 252.232-7003. See Section A.4.4.1, Wide Area Workflow.

d) **Strategic Sourcing.**

e) **Sustainable/Green Procurement.**

f) **Electronic document Access (EDA) Retention.**

g) **Price Reasonableness Determinations.** See the memorandum "Class Deviation—Determination of Fair and Reasonable Prices When Using Federal Supply Schedule Contracts," dated 3/13/14.

A.1.3 SF-182 Training Request Payments

Mandatory: The GPC shall be the *method of payment* for all commercial training requests using the SF 182, valued at or below $25,000,[15] in lieu of an employee reimbursement by miscellaneous payment in accordance with the procedures to directly pay the provider in **DoD FMR Volume 10, Chapter 12, Section 120327**, and **DoDI 1400.25, Volume 410**.

Title 5 U.S.C., Section 4109 authorizes the head of an agency, under the regulations prescribed in 5 U.S.C. 4118(a)(8), to reimburse employees for necessary training expenses (e.g., tuition and matriculation fees; library and laboratory services; purchase or rental of books, materials, and supplies; and other services or facilities directly related to employee training). Therefore, training, education, and professional development SF-182 actions are not FAR-based transactions. See DoDI 1400.25, Volume 410 for additional information regarding the appropriate use of the SF 182.

The total price of training authorized by the use of a single SF 182 may not exceed $25,000 in accordance with DoD FMR Volume 10, Chapter 12, Paragraph 120327. SF-182 authorized training may be provided by Government or non-Government sources. When training is provided by a non-Government source, in order to be eligible for GPC payment via the SF-182 process it must consist of a regularly scheduled, commercial-off-the-shelf (COTS) course, training conference, or instructional service that is available to the general public and priced the same for everyone in the same category; e.g., price per student, course, program, service, or training space.

Mandatory: If the Government has a need for tailored training or tailored training materials, the requirement shall be placed on Government contract by a warranted contracting officer.

[15] This requirement incorporates and supersedes the USD(P&R) memorandum "Use of Government-Wide Purchase Cards," dated 9/25/98.

A.1.4 Using Convenience Checks and Foreign Drafts

Mandatory: Convenience checks provide a purchasing alternative to GPC transactions and formal contracting, and they are to be used only when the use of the GPC is not possible. These tools give DoD activities the flexibility to issue low-volume, low-dollar payments for allowable products and services at the activity level. However, all GPC and acquisition-related regulations and policies must be complied with when convenience checks are used to acquire products and services. DoD FMR Volume 10, Chapter 23 establishes the financial management policy for convenience check accounts.

A.1.4.1 Convenience-Check-Unique Controls

After a convenience check account is established, controls shall be in place to ensure proper use of the checks. At a minimum, these controls shall include the following:

a) **Mandatory: If a need exists to establish a convenience check account, an appointment letter shall be issued in accordance with Section A.1.1.2.1, Delegation of Authority Letters and GPC Program Appointment Letters, and Section A.1.1.3, DD Form 577, "Appointment/Termination Record—Authorized Signature."**

b) **Mandatory: Before any convenience check is issued, every effort should be made to use the GPC to make the necessary purchase. Maximum effort should be made to find and use merchants that accept the GPC as the primary payment vehicle. Convenience checks shall not be written to vendors who accept the GPC.**

c) **Mandatory: With the exception of contingencies, convenience checks shall not be written over $3,000 for supplies (micro-purchase threshold), $2,500 for services (Service Contract Act), and $2,000 for construction (Davis-Bacon Act).**

d) **Mandatory: Convenience checks shall not be used to split payments or to split purchases to avoid exceeding the authorized limit. See Section A.2.4, Prohibited Purchases.**

e) Convenience checks should not be used for recurring payments against existing contract instruments.

f) **Mandatory: Convenience checks shall not be used as a method of payment against existing contract instruments.**

g) Convenience checks are pre-numbered. Additional control will be maintained by using a separate convenience check or foreign draft purchase log for each account.

h) A discrete account must be set up in order to issue convenience checks. Convenience check and GPC card accounts may be issued under a single managing account but must remain separate accounts. The following elements must be included in all convenience checks written: transaction date, pay to the order of, an original signature, and an amount within the applicable threshold.

i) **Mandatory: Convenience checks shall not be used for employee reimbursements, cash advances, cash awards, travel-related transportation payments, meals, or payroll/salary payments.**

j) Only one convenience check account may be established per installation; however, additional accounts may be established following a written determination by the Commander that another account is necessary to meet mission requirements.

k) Convenience check stock inventories should be treated like cash, for security purposes.

l) Convenience check stop-payment procedures shall be dictated by card-issuing bank policies and procedures. There are no charges assessed with stop-payment transactions.

A.1.5 Paying for Items Not Yet Received

DoD has established a policy of allowing the certification of invoices for payment of micro-purchases prior to the verification that all items submitted for payment have been received. **Mandatory: Each A/BO shall establish a system to flag and track all transactions that have been certified for payment without verification of receipt and acceptance.** This procedure will ensure that all transactions that have been reconciled and approved for payment will have their receipt verified no later than 45 days after the invoice date. **Mandatory: If receipt and acceptance cannot be verified, the CH shall protect the Government's rights by disputing the transaction.** The CH is responsible for notifying the bank of any item in dispute and shall have 90 calendar days from the date the transaction was processed/posted to the account.[16]

[16] The GSA SmartPay® contract states that a dispute must be initiated within 90 days from date of processing.

A.1.6 Using the GPC as a Method of Payments against Contracts

At a minimum, procedures shall be in place to ensure proper separation of duties to safeguard Government resources and to avoid the posting of double obligations associated with the use of the GPC to make payment on existing contract vehicles. Contracts where the GPC is used as the method of payment are required to be fully funded. No progress (finance) payments are authorized.

A.1.6.1 Reporting to the Federal Procurement Data System – Next Generation (FPDS-NG)

Mandatory: Follow the contract reporting procedures in DFARS PGI Subpart 204.602 to report:

a) **Any contract or order where the GPC is used *solely* as the method of payment (e.g., in lieu of payment by DFAS). These actions shall be reported to FPDS-NG using an individual contract action report (CAR) (i.e., not using express reporting procedures) regardless of dollar value.**

b) **Any actions/orders placed under a federally awarded contract (e.g., schedule, Government-wide acquisition contract, IDIQ contract, BPA, and basic ordering agreement) where the GPC is both the method of purchase and payment. These actions shall be reported using express reporting procedures in accordance with the order of preference specified in DFARS PGI Subpart 204.606(5).**

Open-market micro-purchases (i.e., actions less than or equal to the micro-purchase threshold as defined in FAR Subpart 2.101 that are not orders under a federal schedule, agreement or contract) made with the GPC are *not required to be reported to FPDS-NG; however, they may be if the Service or Agency so chooses*. In the case of awards that are awarded and performed, or purchases that are made, outside the United States, the actions must be individually reported if they are valued at $25,000 or more (rather than the micro-purchase threshold of $30,000 as per FAR Part 2) in order to comply with the Federal Funding Accountability and Transparency Act.[17]

FAR Subpart 4.606(a)(2) states the GSA Office of Charge Card Management will provide the Government purchase card data at a minimum annually, and GSA will incorporate that data into FPDS-NG for reports.

[17] See the memorandum "Improving Federal Procurement Data System Reporting," from the OUSD(AT&L), dated 4/18/14.

A.1.7 Using the GPC for Contingency, Military Surge Environment, or Humanitarian Aid Operations

In the event of an emergency need for contingency, military surge environment, 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, DPAP, also may authorize class deviations to allow organizations to deviate from the FAR and DFARS. Such deviations may include raising GPC spending limits.

Emergency procurement authority will allow agencies to provide critical supplies and services in support of contingency and humanitarian aid operations. **Mandatory: In support of this goal, agencies must take affirmative steps to ensure that this flexibility is used solely for the efforts that have a clear and direct relationship with the contingency and humanitarian aid operations and that appropriate management controls are established and maintained to support the new authority. Further, any rescue or relief operation purchases must be clearly identified as support costs, regardless of whether they are reimbursable.**[18]

Additional information regarding use of the GPC in support of contingency, military surge environment, or humanitarian aid operations appears in Appendix B.

A.1.8 Using Third-Party Payment Merchants (e.g., PayPal)

In no instance are CHs authorized to join third-party-payment services (e.g., PayPal) when using the GPC. Where it is identified that a vendor from which the CH is considering acquiring goods or services will be using a third-party payment service to process the GPC, the CH should make every attempt to choose another merchant from which to procure the goods and/or services. If it is still found necessary to procure using a third-party payment merchant, the A/BO must ensure adequate supporting documentation shows there was a detailed review of the purchase and that the use of the third-party-payment merchant was unavoidable. However, transactions made with a third-party payment merchant are considered high-risk transactions for both subsequent audit and data mining screening.[19]

When a third-party payment service is used, the CH automatically forfeits all dispute rights guaranteed under the GPC contract. While certain dispute rights accrue by using the third-party payment service, these rights are not as favorable to the CH/Government as those provided pursuant to the GSA SmartPay® contract.

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[19] See the memorandum "Revised Purchase Card Internal Controls," from the Under Secretary of Defense (Acquisition, Technology and Logistics), dated 10/17/07.

Membership with a third-party payment service is not a prerequisite to acquiring goods and services from merchants that accept payment only via third-party payment merchants.

A.1.9 Reconciling the Cardholder's Account

CHs should reconcile their accounts as often as possible in the appropriate system. The following list depicts key actions in the process of reconciling a CH account.

a) Review the transactions and match them to the purchase log.

b) Reconcile/reallocate/dispute transactions, as appropriate.

c) Approve the statement.

d) Provide supporting documentation to the A/BO or Certifying Officer.

e) Track pay-and-confirm items (if applicable).

CHs should not wait until the end of the cycle to accomplish the reconciliation. CHs whose organizations have Internet access have the capability to reconcile their transactions as they post to their statements via the issuing bank's EAS. CHs' frequent reviews of their transactions should help to eliminate disputes at the end of the cycle, as this will allow merchants time to apply credits for improper charges. In cases where unauthorized use of the GPC has occurred, the CH shall follow the procedures presented in Section A.1.11, Handling Fraudulent Transactions.

The Certifying Officer (usually the A/BO) is responsible for a second-level review and approval prior to certification.

GPC supporting documentation shall be maintained as specified in Section A.1.14, GPC Record Retention.

A.1.10 Disputing a Charge

Mandatory: The CH is responsible for notifying the bank of any item in dispute and shall have 90 calendar days from the date of the transaction as reflected in the bank's system, to initiate a dispute.[20]

Mandatory: When a CH is unable to resolve a disputed charge with a merchant, it is his/her responsibility to initiate a dispute with the issuing bank. The following list depicts key aspects of the process for disputing a charge.

[20] The GSA SmartPay® contract states that a dispute must be initiated within 90 days from date of processing.

a) Initiate the dispute with the issuing bank, either electronically or via hard copy.

b) Notify the A/BO and provide him/her with a copy of the dispute.

c) Notify the purchase requestor for tracking purposes.

d) Respond to the issuing bank's requests for additional information.

While the Federal Government is tax exempt in most cases, sales tax is not a disputable item. Shipping and taxes are not disputable through the issuing bank process, and the CH shall resolve these disputes with the merchant. If sales tax or shipping charges should not have been charged, the CH should obtain a credit.

A CH's failure to protect the Government's interest by promptly initiating disputes can result in administrative or disciplinary action.

A.1.11 Handling Fraudulent Transactions

Mandatory: In all instances, the CH shall attempt to promptly identify, report, and resolve any transactions that require the reporting of disputed or fraudulent transactions to the bank. Frequent (e.g., daily or weekly) review and reconciliation of his/her account transactions increases the CH's ability to identify and resolve any disputed or fraudulent transactions within the monthly billing cycle, thereby minimizing the potential for problematic transaction(s) to involve multiple billing statements.

Known or suspected fraudulent transactions not initiated or authorized by the CH shall be processed promptly in accordance with the governing GSA contract task order of the card-issuing bank. When fraudulent activity is first verified, the bank shall immediately close the account where the fraud occurred and open a new account. If authorized by the specific GSA task order, fraudulent transactions that have been identified following the end of the billing cycle will not be certified for payment. In these instances, the accompanying electronic payment invoice shall be certified and short-paid to remove the dollar amount of the fraudulent transactions.

Mandatory: When a Defense criminal investigative organization or Defense organizational element responsible for investigating potential misconduct involving the GPC initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a GPC, the CH's commander or second-line supervisor, as appropriate, and security manager shall be notified. Whenever possible, this notification shall take place within 72 hours of the initiation.[21]

[21] See OUSD(P&R) memoranda "Government Charge Card Disciplinary Guidelines for Civilian Employees," dated 04/21/03; and "Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel," dated 06/10/03.

A.1.12 Processing the Invoice

Mandatory: The A/BO is responsible for ensuring all transactions are legal, proper, and correct. The Certifying Officer (usually the A/BO) certifies invoices for payment. The key aspects of the process for reconciling and certifying by the Certifying Officer (usually the A/BO) are listed below.

a) Review transactions to ensure they are legal, proper, correct, and mission essential.

b) **Mandatory: For improper charges (e.g., unauthorized charges made by a properly appointed CH or GPC transactions that are intended for Government use but not permitted by law, regulation, or organization policy, such as splitting purchases), the Government is liable to pay; however, action may be taken against the CH.**

c) **Mandatory: If the invoice contains fraudulent charges not authorized by the CH, the instructions detailed in Section A.1.11, Handling Fraudulent Transactions, shall be followed. Supporting documentation regarding improper transactions shall be retained as specified in Section A.1.14, GPC Record Retention.**

Sections A.1.1.3.1, Certifying Officers; and A.1.1.3.2, Departmental Accountable Officials, address Certifying Officer and DAO pecuniary liability resulting from illegal, improper, or incorrect transactions.

A.1.13 Avoiding Invoice Delinquencies

Department policy requires all banking contractors to suspend any billing account that goes 60 days delinquent. If any such account goes 180 days delinquent, the entire activity (Level 4 for US Bank and J.P. Morgan; Level 5 for Citibank) will be suspended. The banks will automatically suspend the accounts when they go delinquent and automatically lift the suspension after they are paid.

A Department or Agency may not have more than 0.75 percent of its total receivables at the bank over 60 days past due. A zero tolerance will be maintained for any percentage of receivables over 180 days past due. Organizations are encouraged to implement more stringent metrics within their respective Department or Agency, as deemed appropriate.

A.1.14 GPC Record Retention

Component procedures must specify GPC record retention requirements, to include identification of the responsible party, the required physical and electronic controls, the media used, and the location for record storage, that comply with the following:

GPC transaction-supporting documentation is considered disbursing office records. DoD disbursing office record retention requirements are specified in DoD FMR Volume 5, Chapter 21, Paragraph 210102. **Mandatory: In accordance with these policies, Disbursing Officers are required to retain GPC transaction supporting documentation/disbursing office records for 6 years 3 months. All documents supporting payment shall be forwarded to the applicable Certifying Officer, who shall be responsible for ensuring the record retention requirements specified in this section are met.**

a) **Mandatory: Components funding GPC transactions with foreign military sales (FMS) funding must follow the retention guidance in DoD FMR Volume 15, Chapter 6, Paragraph 060102 D, and ensure the FMS documents are retained for 10 years from the date of final case closure.**

b) In accordance with FAR Subpart 4.805, "Agencies must prescribe procedures for the handling, storing, and disposing of contract files. These procedures must take into account documents held in all types of media, including microfilm and various electronic media. Agencies may change the original medium to facilitate storage as long as the requirements of Part 4, law and other regulations are satisfied. The process used to create and store records must record and reproduce the original document, including signatures and other written and graphic images completely, accurately, and clearly. Data transfer, storage, and retrieval procedures must protect the original data from alteration. Unless law or other regulations require signed originals to be kept, they may be destroyed after the responsible agency official verifies that record copies on alternate media and copies reproduced from the record copy are accurate, complete and clear representations of the originals. Agency procedures for contract file disposal must include provisions that the documents specified in paragraph (b) of this section may not be destroyed before the times indicated and may be retained longer if the responsible agency official determines that the files have future value to the Government. When original documents have been converted to alternate media for storage, the requirements in paragraph (b) of this section also apply to the record copies in the alternate media."

c) Original disbursing office records (A/BO or Certifying Officer), along with CH supporting documents in electronic format, negate the need for the CH to store duplicate hardcopy documents.[22] Electronic record storage requires adequate controls to ensure the digital images accurately represent the corresponding paper documentation and to detect changes to an original digital image. In addition, electronic storage must be in a centrally managed location that has an established backup process.

[22] See DoD FMR Volume 5, Chapter 21, Paragraph 210102.

d) Some examples of GPC transaction-supporting documentation/disbursing office records include, but are not limited to, requests for purchase from the requiring individual, special approvals, order confirmations, invoices, cash register receipts, purchase documents, records of return, waivers, receiving reports or other proof of delivery, and property book entries or communications. For additional examples of the types of documents classified as disbursing office records, see DoD FMR Volume 5, Chapter 21, Paragraph 210102, Figure 21.1.

e) Departmental Accountable Officials' DD Form 577s are not submitted to DFAS for retention. These forms are to be retained by the A/OPC for 6 years 3 months after the delegation has been terminated through a personnel action such as the separation, retirement, or transfer of the appointee.

f) Original Procurement Delegation of Authority Letters and GPC appointment letters, executed by both the appointer and the appointee, shall be retained by the appointing authority, and copies of these letters shall be retained by the A/OPC, for 6 years 3 months after the delegation has been terminated through personnel action such as the separation, retirement, or transfer of the appointee. Additionally, the A/OPC shall provide all recipients of these letters with a copy of the appointment letter for their records.

g) Any paper-based or e-mail requests relating to new account issuance and maintenance request shall be retained by the A/OPC for 6 years 3 months after the date of account issuance or update.

A.1.15 Closing/Canceling Accounts

Mandatory: When a CH separates from his/her organization, retires, or is otherwise no longer in need of a GPC, his/her account must be closed. In addition, when military or civilian members depart a duty station, their GPCs shall be collected and destroyed prior to their departure.[23]

A/OPCs can close accounts by accessing PCOLS or the card-issuing bank's EAS, or simply by calling their point of contact at the issuing bank.

To ensure compliance with P.L. 112-194, PCOLS automatically cancels CH accounts for PCOLS users who separate from DoD, and also removes all PCOLS roles for separated users. Additionally, if a CH is transferred within DoD, a notification and review process is triggered by PCOLS to ensure verification that the account is still required.

[23] See the memorandum "Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards," dated 06/23/03; and Public Law 112-194, the Government Charge Card Abuse Prevention Act of 2012.

A.1.16 Data Access by Non-Program Officials

Audit and Investigative Organizations: GPC data will be provided to DoD Service audit and investigative organizations on a timely basis to assist them in the performance of their duties. This office has been authorized by the Director, PCPO, to exclusively provide this information to DoD Service audit and investigative organizations. GPC program officials will refrain from providing online access to charge card program data for any purpose, even on a temporary basis.

All Other Stakeholders (e.g., local internal review officials): Local A/OPCs should provide the requested data if deemed appropriate under the circumstances. Again, GPC program officials will refrain from providing online access to charge card program data for any purpose, even on a temporary basis.

A.1.17 Freedom of Information Act (FOIA) Requests

Local GPC A/OPCs are to respond to FOIA requests made at the installation, base, or activity level, from the appropriate FOIA offices, for the organizational addresses and telephone numbers of CHs.

In response to FOIA requests submitted by the public for transaction-related GPC data, only the following specific data are authorized for release:

a) Merchant Category Code

b) Transaction amount

c) Merchant name

d) Merchant city, state, ZIP Code, and phone number

e) Transaction date *(releasable 90 days after date)*.

Mandatory: No data other than those specified in items 1 through 5 above may be released.[24]

A.1.18 Oversight

Surveillance and oversight of the GPC are a shared responsibility. All stakeholders in the program, including Resource and Financial Managers, logistics, contracting, and local audit and oversight organizations, are responsible for ensuring that the GPC is used in the proper manner and only authorized and necessary official purchases are made. Organizations should develop and follow a surveillance plan that establishes frequencies, methods, participation, etc., on how their oversight/surveillance programs will operate.

[24] See the memoranda "Release of Purchase Card Data to the Public Domain," dated 06/01/05; and "FOIA Policy on Release of Credit Card Data," dated 06/29/06.

A.2 PROGRAM MANAGEMENT

A.2.1 Management Controls

This section highlights several specific management controls required of GPC programs, guidelines for disciplining abusers, and other control information. 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) in compliance with applicable laws and regulations. A complete list of the mandatory DoD GPC management controls is included in Appendix K.

A.2.1.1 PURCHASE CARD ONLINE SYSTEM

PCOLS is a DoD-wide suite of electronic systems that GPC officials use to improve 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 Dashboard (RAD). PCOLS is Common Access Card (CAC) enabled to ensure secure authentication and nonrepudiation. In order for DoD organizations to successfully deploy PCOLS, program officials need to be provisioned into their roles. For additional information about PCOLS, see the DAU PCOLS Community of Practice.

The GPC program uses the automated tool EMMA to capture and define organizational purchase card hierarchies, document authority chains, and identify relationships among GPC roles. Because CAC data are used, EMMA can provide more robust information for use in DM. EMMA also enables system access of supervisors, who previously had no or limited electronic access to program data, for GPC program management (e.g., CH and managing account supervisors).

AIM is an electronic application 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.

The PCOLS reporting capability aggregates available data into information for use by program officials and managers.

The DM application programmatically reviews 100 percent of the DoD GPC transactions using sophisticated intelligent/learning software to identify correlations, patterns, and trends in GPC buying actions. This transaction review allows daily, near-real-time mining of the data. The Case Manager, an integral component of DM, interprets the referred transactions and creates specific cases that are assigned to the A/BOs and A/OPCs for review. Through the Case Manager interview process, the appropriate program official demonstrates that due diligence is exercised in the review of the referred transactions.

The RAD application uses internal controls and measures, coupled with results from the DM application, to assess and report on the overall "health" of a DoD organization's GPC program. RAD allows users to monitor risks associated with their GPC program. A major goal of RAD is to provide organizational reports to assist GPC program officials and auditors in determining the appropriate level of targeted oversight.

A.2.2 Systems Controls

Mandatory: All bank and Government systems used in support of GPC accounts (e.g., PCOLS and the card-issuing bank's electronic access systems) will include the following controls:

a) **Systems Access Security. Appropriate safeguards must be in place to control issuance of credentials and access to bank EAS.**

b) **Systems Administration Integrity. Changes to systems must be documented.**

c) **Data Exchange Security. Transmission of all electronic account data will be processed through secure lines of communication.**

d) **Functional Responsibility Controls. Systems will be able to segregate role-based capabilities and limit access to these functions to individuals with appropriate authority.**

The single financial system solution must ensure that payment invoices for GPCs are electronically certified only by the authorized, duly appointed Certifying Officer.

CH Locked out after 15 Days: If the CH does not reconcile and certify his/her statement within a 15-calendar-day period following the close of the billing cycle, the CH is locked out of the file, and the A/BO or Certifying Officer is required to step in and perform the CH reconciliation/certification role.

CH and A/BO Locked out of Files after Certification: After an A/BO or Certifying Officer certifies a statement or invoice in the issuing bank's EAS, the transaction file is locked and no further changes to the invoice are permitted.

A.2.3 Training

Mandatory: GPC A/OPCs are required to track the training (including refresher training) of all program participants (CHs, A/BOs, Certifying Officers, and A/OPCs) in an appropriate system and ensure that the required DAU initial training (Course CLG001), and refresher training (Course CLG004) have been completed. Successful completion of the initial training course is required before issuing GPCs. Successful completion of the refresher training course must be satisfied once every two years by program officials in order to continue in their roles. In addition, A/OPCs will ensure that completion of the refresher training requirement is part of their annual review of all managing accounts under their cognizance.

Services and Agencies may develop their own refresher training course or use the DAU online course. If a tailored refresher course is used, it must include the key elements of the DAU online course. The basic and refresher DAU purchase card courses are online at https://acc.dau.mil/CommunityBrowser.aspx?id=18895&lang=en-US.

A.2.4 Prohibited Purchases

CHs should contact local authorities (e.g., the A/OPC, local Judge Advocate General, and Financial/Resource Manager) prior to purchasing any items that seem questionable or may have the appearance of being inappropriate. All exceptions must be on a per-transaction basis after consultation with legal counsel, the HCA, and the Financial Manager. Multiple requests for the same exception must be approved by the Commanding Officer of the Component responsible for issuing the GPC accounts. A copy of each approved exception must be provided to the DoD GPC Level 1 office at dodpcpo@sterlingheritage.com.

There may be exceptions to the guidance in this section. For example, the armed escort of prisoners may be a legitimate use of the GPC despite the fact that "escort services" qualify as a prohibited transaction. Again, CHs should consult with their general counsel. They should also include the results of their consultations and determination to use the GPC in this manner with their transaction supporting data.

If a valid procurement requirement has resulted in the award of a Government contract, the GPC may be used as a method of payment against the contract, even if the acquisition would otherwise be for a GPC prohibited item.

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) **Aircraft Fuel and Oil.** The AIR Card®—rather than the GPC—is to be used for aircraft-related expenses.

b) **Appliances Acquired for Personal Use in a Work Environment.** The GPC is to be used only for official, mission-related purposes; it cannot be used for personal expenses of any kind. The Government Accountability Office (GAO) allows GPC purchases of kitchen appliances for use in a work environment as follows: "Agencies should develop an agency policy to ensure uniformity in the use of appropriations to acquire this equipment and determine the usefulness of appliances such as these in light of operational benefits, such as employee health and productivity, and the responsibility to provide a safe work environment.[25]

c) **Bail and Bond Payments.** Use of the GPC for bail and bond payments is prohibited because personal expenses cannot be charged to the GPC. The card is to be used only for official, mission-related purposes.

d) **Betting, Casino Gaming Chips, and Off-Track Betting.** Use of the GPC for betting, casino gaming chips, and off-track betting is prohibited because personal expenses cannot be charged to the GPC. The card is to be used only for official, mission-related purposes.

e) **Cash Advances.** Use of the GPC to purchase cash advances, including money orders and travelers' checks, is prohibited because cash and near-cash is easily misappropriated.

f) **Construction Services over $2,000.** FAR Subpart 22.403-1 addresses application of the Davis-Bacon Act to the acquisition of construction services. It states that contracts in excess of $2,000 (Davis-Bacon Act) to which the United States or the District of Columbia is a party for construction, alteration, or repair (including painting and decorating) of public buildings or public works within the United States, shall contain a clause (see FAR Subpart 52.222-6) that no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rates as determined by the Secretary of Labor. Use of the GPC to purchase construction services shall comply with this provision.

- Note: GPC accounts used to pay for construction under $2,000 are usually issued to CHs in the public works office (or other office responsible for the facility/building). If a CH is not a public works office employee, the CH should obtain written (e-mail acceptable)

[25] See GAO Decision B-302993, Use of Appropriated Funds to Purchase Kitchen Appliances, dated 6/25/04.

approval from the public works office to ensure the anticipated construction work does not duplicate, interfere, or directly relate to other ongoing efforts at the same facility.

g) **Contractor Purchases.** Use of the GPC to make purchases from contractors or contractor agents who are military personnel or civilian employees of the Government is prohibited.

h) **Court Costs, Alimony, and Child Support.** Use of the GPC for court costs, alimony, and child support is prohibited because personal expenses cannot be charged to the GPC. The card is to be used only for official, mission-related purposes.

i) **Dating and Escort Services.** Use of the GPC to purchase dating and escort services is prohibited because personal expenses cannot be charged to the GPC. The card is to be used only for official, mission-related purposes.

j) **Equal Employment Opportunity (EEO) Settlements.** Use of the GPC for payment of EEO settlements is prohibited.

k) **Fines.** Use of the GPC to settle commercial and Government fines is prohibited.

l) **Food and Meals.** Generally, use of the GPC to purchase food and meals is prohibited. However, if an agency determines that a reception with "light" refreshments (no meals), as provided in the Office of Personnel Management (OPM) Federal Personnel Manual, would materially enhance the effectiveness of an awards ceremony conducted under authority of the Government Employees' Incentive Awards Act,[26] the cost of those refreshments may be considered a necessary expense for the purposes of the Act. Written coordination with local legal counsel and the Financial/Resource Manager is required prior to purchase of any such refreshments. Additional information regarding acceptable food purchases is available on the GAO website at http://www.gao.gov/special.pubs/appforum2005/approfunds/.

m) **Foreign Currency.** Use of the GPC to purchase foreign currency is prohibited because cash is easily misappropriated.

n) **Gift Certificates and Gift Cards.** Gift certificates and gift cards are considered to be cash advances and shall not be purchased with the GPC, even to obtain items from merchants that do not accept the GPC. As with cash and near-cash, gift certificates and gift cards are prohibited because they are easily misappropriated and the award of gift certificates or gift cards requires the submission of 1099 reports in accordance with IRS regula-

[26] See 5 U.S.C. 4501-5606.

tions. The Department is required to file a form 1099-MISC for payments to individuals totaling more than $600 in a tax year.[27]

o) **Long-Term Lease of Land and Buildings.** GSA prohibits use of the GPC to lease real property (i.e., land or buildings) for a term longer than one month.

p) **Salaries and Wages.** Salaries and wages of Government employees cannot be paid with the GPC. However, use of the card as a method of payment for labor contracts with doctors, dentists, and other service providers is authorized if a Government contract has been negotiated for these services.

q) **Savings Bonds.** Use of the GPC to purchase savings bonds is prohibited because savings bonds, as near-cash, are easily misappropriated.

r) **Services Acquisitions Greater than $2,500.** The GPC cannot be used to acquire services where the underlying contract is in excess of $2,500. The McNamara-O'Hara Service Contract Act (SCA) applies to every contract entered into by the United States or the District of Columbia, the principal purpose of which is to furnish services to the United States through the use of service employees. The SCA requires contractors and subcontractors performing services on covered Federal or District of Columbia contracts in excess of $2,500 to pay service employees in various classes no less than the monetary wage rates and to furnish fringe benefits found prevailing in the locality, or the rates (including prospective increases) contained in a predecessor contractor's collective bargaining agreement. Safety and health standards also apply to such contracts.

s) **Split Purchases.** Making split purchases with the GPC to circumvent purchase limits is prohibited by FAR Subpart 13.003(c)(2). A split purchase occurs when a CH splits a known requirement at the time of the purchase into several transactions in order to circumvent their authorized dollar thresholds in order to use the GPC; or to avoid sending the requirement to contracting for appropriate contract award. When a known requirement exceeds the micro-purchase threshold, it must be procured on a government contract. The following are examples of split purchases:

- A CH processing multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit, when the total requirement was known at the time of the first purchase.
- A CH purchasing the same or similar item(s) from multiple merchants on the same day, the total of which exceeds the single pur-

[27] See Internal Revenue Code, Title 26, Subtitle F, Chapter 61, Subchapter A, Part III, Subpart B, Section 6041A.

chase limit, when the total was known at the time of the first purchase.

- A CH holding known requirements exceeding the micro-purchase threshold to purchase the 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 CH's single purchase limit.
- More than one CH under the same A/BO purchasing the same or similar item(s) the same day or during a timeframe when the total known requirement(s) exceeds the micro-purchase limit.

t) **Taxes.** Use of the GPC for personal tax payments is prohibited because personal expenses cannot be charged to the GPC. The card is to be used only for official, mission-related purposes. In addition, as a Federal Government entity, DoD is exempt from paying taxes to any other Federal, State, or local authority.

u) **Telecommunication Systems.** The purchase of major telecommunication systems, such as Federal Telecommunications System (FTS) or Defense Switched Network (DSN) systems, with the GPC is prohibited. A contract vehicle is required because such purchases include special terms and conditions. DFARS Subpart 239.74 governs the Department's acquisition of telecommunications.

v) **Travel Advances, Claims, or Expenses.** Only the travel card is to be used for individual official travel-related expenses. All travel-related expenses (e.g., metro fares, taxi, bus fares, automated toll tools, and parking fees) are processed in accordance with the Joint Federal Travel Regulations (JFTR), Chapter 2, Part L. The regulations provide examples with formulas (e.g., ordinary travel miles to permanent duty station, miles to other sites, and cost of fares) to determine whether the Government is responsible for the travel expense.

w) **Vehicle-Related Expenses.** Vehicle-related expenses are to be paid with the travel or fleet card (as appropriate). Use of the GPC to purchase repairs on GSA fleet-operated vehicles is prohibited.

x) **Weapons, Ammunition, and Explosives.** Use of the GPC for purchases of these items is prohibited. As controlled DoD commodities, weapons, ammunition, and explosives are assigned to the Army (see DFARS Subpart 208.70), which has contracting responsibility to supply all DoD Components with weapons, ammunition, explosives, and other commodities listed in DFARS PGI Subpart 208.7006. DoD Components are to submit their commodity requirements via MIPR to the assigned Component in accordance with DFARS Subpart 208.7002 and DFARS PGI Subpart 208.7002-1. There are no exceptions.

y) **Wire Transfers.** Use of the GPC to purchase wire transfers is prohibited because wire transfers, as near-cash, are easily misappropriated.

A.3 PERSONNEL

The general roles and responsibilities of the participants in the GPC program are presented below.

A.3.1 Program Management Office

In addition to those identified in Chapter 2, the roles and responsibilities of the PMO (PCPO) are as follows:

a) Disseminate OMB, OPM, Office of the Secretary of Defense (OSD) Comptroller, and DPAP policies that impact the GPC program.

A.3.2 Component (Services and Agencies) Program Manager (Level 2 A/OPC)

In addition to those identified in Chapter 2, the roles and responsibilities of the CPM/Level 2 A/OPC are as follows:

a) Maintain hierarchies and monitor appointment of Level 3 A/OPCs who are appointed by Level 3 Heads of Activities. New hierarchy Level 3s will not be established without the existence of clear delegations of procurement authority.

b) **Mandatory: Ensure Component policies require appointment of Certifying Officers and Approving/Billing Officials (A/BOs), CHs, and Ordering Officers as described in Section A.1.1.2.1, Delegation of Authority Letters and GPC Program Appointment Letters, and Section A.1.1.3, DD Form 577, "Appointment/Termination Record—Authorized Signature," and ensure that the appointments are kept current.**

A.3.3 Agency/Organization Program Coordinator (System Command/Director Level 3 for Army/Air Force/Navy/U.S. Marine Corps (USMC)/Defense Agencies; Level 4 for Navy/USMC)

In addition to complying with the requirements of establishing a program detailed in this appendix, the roles and responsibilities of the Level 3/4 A/OPC are as follows:

a) In the event a new Level 3 must be created, submit documentation to the Component Level 2 A/OPC establishing the need for the new program, providing evidence of delegation of contracting authority and a grant/delegation of authority to operate a GPC program, and listing all key management officials (including, at a minimum, the Commanding Officer or Agency Director, Level 3/4 A/OPC, and cognizant Finance/Resource Managers). In addition, the documentation package must include a certification statement that all key management officials carry the required appointments and delegations to serve as GPC officials.

b) Air Force, and Defense Agency Level 3 A/OPCs will provision and maintain Level 4 A/OPC hierarchies where PCOLS is deployed.

c) Navy Level 4 A/OPCs will provision and maintain Level 5 A/OPC hierarchies where PCOLS is deployed.[28]

d) Ensure GPC procedures and policies comply with applicable statutes, higher-level regulations, policies and procedures.

e) Comply with Component-level GPC training, internal control, policy, procedural, and reporting requirements as required.

A.3.4 Agency/Organization Program Coordinator (Installation or Activity Level) (Level 4 for Army/Air Force/Defense Agencies; Level 5 for Navy/USMC)

The A/OPC will be designated by the appropriate contracting official to be responsible for the management, administration, and day-to-day operation of the GPC program at the activity. In addition to those identified in Chapter 2, the roles and responsibilities of the Level 4/5 A/OPC are as follows:

a) Appoint A/BOs (nominated by supervisors) on a DD Form 577 and within PCOLS or the bank's EAS. The A/BO should be within the CH's chain of command. Provide effective procurement support to all departments and meet the procurement needs of the command (e.g., ensure the GPC is the appropriate vehicle for acquiring the required items or services in lieu of a more formal contract vehicle).

b) **Mandatory: Conduct initial and refresher training in accordance with DoD Component or Agency requirements. Ensure training records are maintained and completion of required refresher training is part of all annual CH evaluations.**

[28] Where PCOLS is not yet deployed, hierarchies are documented in the card-issuing bank's EAS and spreadsheets maintained by the A/OPC.

c) Establish and manage card account profiles to properly reflect transaction limitations, LOA information (as required in accordance with Service/Agency procedures), spending limits, and MCC limitations. Ensure spending limits and funding have been coordinated with the appropriate Financial/Resource Manager.

d) Ensure that a GPC or convenience check account is not issued or maintained unless the Financial/Resource Manager has assigned a valid LOA.

e) Develop local GPC and file management policies and procedures.

f) Monitor management controls and establish and implement a coordinated oversight program.

g) Ensure adequate separation of duties of participants in the GPC program.

h) Document that the completed DD Form 577 (Appointment/Termination Record—Authorized Signature) for the A/BO, Certifying Officer and CH has been executed, and ensure retention in accordance with Section A.1.14, GPC Record Retention.

i) Validate that all CHs and convenience check account holders have written appointment letters and that the letters contain the necessary information and are maintained in the appropriate CH file.

j) Take a proactive approach to monitoring convenience check use. When a potentially inappropriate transaction is identified by the card-issuing bank's convenience check reporting mechanism, take appropriate action to correct the improper use of convenience checks.

k) **Mandatory: Monitor and, as necessary, adjust the number of CH accounts to A/BOs to comply with a 7:1 ratio, to ensure that A/BOs have sufficient time to complete their monthly reviews of CH transactions under their cognizance.**

l) Monitor monthly invoice certification by A/BOs and take necessary steps to ensure all accounts are certified in a timely manner. Coordinate with Financial/Resource Managers and DFAS on any payments that are rejected to ensure all parties take whatever action is necessary to minimize payment of Prompt Payment Act interest and penalties, and the suspension of accounts.

m) **Mandatory: Conduct an annual review of each management account. This action shall include a review of not less than a 6 percent random sample of the total transactions in the management account. This will produce a statistically valid review with a 95 percent confidence level.**

n) Use available misuse reports, review suspect transactions and take action against questionable transactions.

o) Examine the population of transactions for purchases from unauthorized merchants, violation of limits, and other irregular activities.

p) Monitor and, as appropriate, recommend that the Financial/Resource Manager adjust spending limits commensurate with historical usage patterns.

q) Close accounts upon abuse or misuse of card privileges, compromise of account information, card loss, or CH departure.

r) **Mandatory: Ensure compliance with relevant policies, procedures, and regulations, including the FAR and DFARS.**

s) Act as the audit/internal review focal point for GPC-related issues.

t) Respond to Freedom of Information Act Requests submitted by the public. See Section A.1.17, Freedom of Information Act (FOIA) Requests. This data can only be released 90 days after the date of the GPC transaction(s) and must be accomplished in accordance with established Component procedures.

u) **Mandatory: Ensure the CH is familiar with the disputes process of the servicing bank as required by P.L. 112-194, Section 1909 (a)(4).**

v) Establish CH authorization controls. In conjunction with the FM, set reasonable transaction and monthly spend limits based on historical needs. Where possible, limit allowable MCCs to those needed by the CH to perform his/her duties.

A.3.5 Supervisor

The roles and responsibilities of the supervisory chain are as follows:

a) **Mandatory: Ensure purchases made with the GPC support the office mission.**

b) In accordance with DoD FMR Volume 5, Chapter 33, Paragraph 330302, ensure subordinate Certifying Officers and DAOs are trained in their responsibilities (including initial training and annual refresher training). Periodically review their performance to ensure compliance with established regulations, policies, and procedures, including local standard operating procedures. Appointed Certifying Officers must complete an approved

Certifying Officer Legislation training course[29] within two weeks of their appointment and before actually performing as Certifying Officers, and provide a printed copy of the course completion certificate to their supervisor.

c) Nominate A/BOs and CHs for appointment as appropriate.

d) Initiate billing/managing account requests in PCOLS or with the appropriate A/OPC (utilizing the card-issuing bank's EAS) where PCOLS has not yet been deployed.

e) Approve CH account requests (in PCOLS or the card-issuing bank's EAS) if not acting as the primary A/BO pool member.

f) Maintain appropriate internal controls (to include a manageable ratio of CHs to A/BO and proper segregation of duties).

g) Notify the A/OPC of the requirement to close accounts as necessary due to personnel turnover.

h) **Mandatory: Investigate allegations of GPC abuse and take appropriate disciplinary action against CHs under their management when the facts support such action.**

A.3.6 Approving/Billing Official

Mandatory: GPCs can be established only when assigned to an A/BO account. DoD requires a second-level approval that is performed by the A/BO prior to certification. The A/BO is often the Certifying Officer, but if not they are a Departmental Accountable Official and therefore need to be appointed in accordance with Section A.1.1.3, DD Form 577, "Appointment/Termination Record—Authorized Signature," and may be held pecuniarily liable for erroneous payments resulting from the negligent performance of their duties in accordance with 31 U.S.C. Section 3528. In addition to those identified in Chapter 2, the roles and responsibilities of the A/BO are as follows:

a) **Mandatory: Ensure an alternate A/BO has been appointed and trained to act in the absence of the primary A/BO.**

b) **Mandatory: If the A/BO serves as the Certifying Officer (occurs DoD-wide with the exception of the Air Force), the A/BO is required to perform the Certifying Officer responsibilities in accordance with Section A.3.7, Certifying Officer.**

[29] COL training is available at the following secure sites: http://www.dfas.mil/fastrac/coltraining.html, https://fm.csd.disa.mil/kc/login/login.asp?kc_indet=kc0014&bInAccess=TRUE, and https://www.defensetravel.dod.mil/Passport.

c) **Mandatory: If the A/BO is the CH's Supervisor, the A/BO is also required to perform the roles and responsibilities of the Supervisor in accordance with Section A.3.5, Supervisor.**

d) **Mandatory: Complete mandatory DAU initial and refresher training in accordance with DoD policy.**[30]

e) **Mandatory: Complete Service- and Agency-specific training in accordance with DoD Component requirements.**

f) **Mandatory: Items acquired with the GPC with a unit cost of $5,000 or greater are considered accountable property (in accordance with the provisions of DoDI 5000.64). Ensure such items are independently received and accepted as described in Section A.4.5, Required Sources of Supplies and Services and in accordance with Department/Agency procedures (where organizations categorize accountable property below the $5,000 monetary level). Verify that all accountable property acquired with the GPC has been delivered to the organizational Property Book Officer and issued to the CH or end-user under governing hand-receipt procedures in accordance with Section A.4.4, Independent Receipt and Acceptance.**

g) **Mandatory: Verify that CHs have complied with independent receipt and acceptance for all purchases of goods and/or services that were self-initiated by the CH.**

h) If acting as the primary A/BO pool member, approve account authorization, issuance or maintenance actions in PCOLS or the card-issuing bank's EAS.

i) Disposition referred PCOLS DM cases in a timely fashion.

j) Ensure CHs fulfill their responsibilities.

k) **Mandatory: Ensure all purchases were made in accordance with established policies, rules, and regulations, and are in support of organizational mission.**

l) Resolve questionable purchases with CHs.

m) Take appropriate action upon discovery of misuse.

n) **Mandatory: Ensure monthly billing account accuracy.**

o) **Mandatory: Retain copies (electronic or paper) of monthly invoices and supporting documentation.**

[30] See the memorandum "Mandatory Purchase Card Refresher Training," dated 08/22/06.

p) **Mandatory: Notify the A/OPC of organizational changes or personnel changes that may require CH or managing account closure.**

q) Ensure continuity of records when transitioning out of A/BO responsibilities.

r) Ensure CHs notify the card-issuing bank of lost or stolen cards.

s) **Mandatory: Ensure the CH is familiar with the disputes process of the servicing bank as required by P.L. 112-194, Section 1909 (a)(4).**

t) **Mandatory:** Work with CHs and the local procurement office to identify opportunities to put recurring, repetitive purchases made by the GPC on contract to realize better pricing and satisfy Departmental strategic sourcing goals.

A.3.7 Certifying Officer

Mandatory: In accordance with DoD FMR Volume 5, Chapter 33 and Volume 10, Chapter 23, heads of DoD Components (or their designees) shall appoint Certifying Officers for the purpose of certifying payments for GPC invoices. Because of his/her fiduciary obligation to ensure proper use of, and expenditures under, the GPC, the A/BO (when carrying the appropriate written appointment) will also be the Certifying Officer (with the exception of the Air Force, which has a single, super-certifying officer per base). **Mandatory: Certifying Officers are pecuniarily liable for erroneous payments resulting from the negligent performance of their duties in accordance with 28 U.S.C. Section 2512 and 31 U.S.C. Section 3527.** In addition to those identified in Chapter 2, the roles and responsibilities of the Certifying Officer are as follows:

a) **Mandatory: Complete mandatory DAU initial and refresher training in accordance with DoD policy.**[31]

b) **Mandatory: Complete Service- and Agency-specific training in accordance with DoD Component requirements.**

c) **Mandatory: Complete Certifying Officer training in accordance with DoD FMR Volume 5, Chapter 33, Section 330302.**

d) **Mandatory: Timely certify the GPC invoice and submit to DFAS (or other paying office) for payment.**

e) **Mandatory: Retain documentation supporting invoice payment (e.g., request for purchase from the requiring individual, special approvals, order confirmations, invoices, cash register receipts, purchase docu-**

[31] See the memorandum "Mandatory Purchase Card Refresher Training," dated 08/22/06.

ments, records of return, waivers, receiving reports, or other proof of delivery and property book entries or communications; and, for accounts certified in paper, the billing statement in accordance with Section A.1.14, GPC Record Retention and Component procedures. See Annex 2 of DoD FMR Volume 10, Chapter 23, for a GPC Monthly Review Checklist as a reference tool for A/BOs and Certifying Officers.

f) **Mandatory: Ensure the CH is familiar with the disputes process of the servicing bank as required by P.L. 112-194, Section 1909 (a)(4). See Section A.1.10, Disputing a Charge.**

g) **Mandatory: A Certifying Officer certifying a voucher has responsibilities that are identified in DoD FMR Volume 5, Chapter 33.**

A.3.8 Cardholder and Convenience Check Account Holder

Mandatory: In order for a GPC or convenience check account to be established, a specific individual must be designated as the account holder responsible for that account, and specific spending limits must be established for each account. When properly appointed, this individual becomes a Departmental Accountable Official for purchases made against that account. The following list depicts key aspects in the process for setting up a GPC or convenience check account. In addition to those identified in Chapter 2, the roles and responsibilities of the CH and convenience check account holder are as follows:

a) **Mandatory: Complete mandatory DAU initial and refresher training in accordance with DoD policy.[32] See Section A.2.3, Training.**

b) **Mandatory: Complete Service-specific training in accordance with DoD Component requirements.**

c) **Mandatory: Hold valid delegation of purchase authority document. See Section A.1.1.2, Written Delegations.**

d) **Mandatory: Screen and use required sources as required in FAR Subpart 8.002.**

e) **Mandatory: Ensure all purchases are proper, legal, economical, and satisfy a bona fide requirement.**

f) **Mandatory: Confirm funding is available for each GPC account.**

g) **Mandatory: Maintain a purchase log in accordance with the guidance in Appendix K.**

[32] See the memorandum "Mandatory Purchase Card Refresher Training," dated 08/22/06.

h) **Mandatory: Maintain convenience check records to fulfill 1099-Misc tax reporting requirements.**[33] For more information, refer to the DFAS 1099 Tax Reporting Program Convenience Check User's Manual.

i) **Mandatory: Implement independent receipt of the supplies or services for all self-initiated purchases in accordance with Section A.4.4, Independent Receipt and Acceptance.**

j) **Mandatory: Ensure that the applicable property book office is notified when accountable property (including sensitive/pilferable property) is acquired with the GPC.**

k) **Mandatory: Ensure WAWF is used to create and accept the receiving report when the GPC is used as a method of payment (see Section A.4.4.1, Wide Area Workflow).**

l) Track any purchases made but not received.

m) **Mandatory: Review and reconcile all transactions in a timely manner, maximizing rebates and avoiding late payment interest.**

n) **Mandatory: Approve the statement for submission to the A/BO.**

o) **Mandatory: Notify the A/BO of any discrepancies.**

p) **Mandatory: Maintain documents such as cash register receipts and packing slips in a file that documents the purchase and acceptance and receipt of the goods or services acquired until the end of the monthly cycle. After the CH conducts their review, they shall forward all documents to the Certifying Officer for record retention. See Section A.1.14, GPC Record Retention.**

q) **Mandatory: When commercial transportation is not feasible for deliveries from Continental United States (CONUS) to Outside CONUS (OCONUS) locations, ensure that the supplier is provided with the proper information to allow entry of the purchase into the DTS.**

r) **Mandatory: Follow Component procedures for compliance with the FAR Subpart 9.402 requirement to solicit offers with responsible vendors only.**

s) CHs should seek vendors that have the required inventory supply (or labor capacity for services) to effect delivery of the purchase within 30 calendar days. Delivery timeframes in excess of 30 days can cause problems with

[33] See Internal Revenue Code, Title 26, Subtitle F, Chapter 61, Subchapter A, Part III, Subpart B, Section 6041A.

tracking purchases against monthly billing cycle limits or shipping items charged to a closed account.

t) **Mandatory: CHs should consider small businesses and socioeconomic programs to the maximum extent practicable when using the GPC for purchases up to the micro-purchase threshold.**

u) **Mandatory: CHs are required to comply with Federal Government environmental quality ("green") policies when acquiring supplies or services with the GPC.** See OMB Circular A-123, Appendix B, Chapter 10.2, for the steps to be taken when buying green.

v) **Mandatory: GPCs shall not be issued to contractors.** Under certain conditions, GSA can authorize contractors to establish cards directly with the issuing bank, if necessary.

w) **Mandatory: Foreign nationals may be designated as DAOs only if they are direct hires. Therefore, GPCs may be issued to foreign national employees of the Department only if they meet DAO requirements. However, Commanders/Directors should consider the potential consequences of hiring foreign nationals as DAOs in countries where Status of Forces Agreements (SOFAs) or local laws do not subject the foreign national employee to the same pecuniary liability or disciplinary actions for card misuse as U.S. citizens.**

x) Military and DoD civilians serving as CHs may not be assigned more than three CH accounts.

A.3.9 Financial/Resource Managers

The roles and responsibilities of Financial/Resource Managers are to:

a) Provide appropriate funding levels for GPC accounts.

b) Provide for data entry of the valid LOAs for GPC accounts under their cognizance and in accordance with their Service/Agency financial procedures.

c) Maintain unique LOAs that identify funding and reporting required in Appendix B.

d) Maintain accurate financial records.

e) Ensure GPC refunds are properly processed and accounted for, in accordance with DoD FMR Volume 10, Chapter 23, Paragraph 230212.

f) **Mandatory: Fulfill financial management reporting requirements.**

g) **Mandatory: In conjunction with the Supervisor, establish spending limits that are tied directly to funding allocated for each billing and CH account. In addition, in consultation with the base/installation-level A/OPC, ensure spending limits are consistent with historical spending patterns for each account.**

h) Financial management hierarchies will be maintained by the Comptroller/resource management offices that control the obligation and expenditure of funds used by the GPC.

A.4 SPECIAL ISSUES

A.4.1 Use of Electronic Data Interchange Tools to Support Invoice Certification/Payment

For the purposes of this guide, electronic data interchange (EDI) refers to the automated process for receiving electronic transactions, obligations, and invoice records from an issuing bank via the Defense Logistics Agency (DLA) Data Exchange system to the accounting system. Direct EDI translation should be compliant with American National Standards Institute (ANSI) standard X-12 to enable electronic data exchanges with designated trading partners such as an issuing bank, major supplier, or customer.

The use of the issuing bank's EAS or other EDI system is mandatory unless a waiver is granted and an alternate electronic solution is approved. **Mandatory: Components that wish to nominate electronic solutions other than the use of the existing card-issuing bank's EAS must work with the PCPO, Office of the DoD Comptroller, and appropriate Component-level audit community to validate that all of the required internal controls in the proposed alternate capability are resident and operating properly in a limited-production environment, before a full implementation is approved.** If required investments necessitate approval by an investment review board, that process must be fulfilled concurrent with this procedure. Alternate electronic solutions that satisfy this validation process will be authorized by the Director, DPAP, to settle GPC invoices.

EDI occurs in two phases. In the first, the issuing bank transmits EDI transaction sets (810s, 821s, 820s, 824s, and 997s) to the DLA EDI exchanges, where they are processed. All EDI transaction sets will conform to the FA2 accounting data format. In the second phase, the processed files are transmitted to DoD Components. Technical specifications and descriptions are available through the PCPO. See the Concept of Operations for DoD Purchase Card System EDI Process for more information.

A.4.2 Electronic Commerce

Electronic commerce involves the integration of electronic-based systems to support common business processes. For example, the issuing bank will provide invoices electronically to Federal Agency-designated billing offices, accept payments electronically from Federal Government Payment Centers, and provide electronic access to account data and reports.

A.4.3 Accountable Property

All accountable property acquired with the GPC shall be properly recorded in the appropriate accountable property system of record in accordance with DoDI 5000.64. Accountable property includes (1) Government property purchased or otherwise obtained, having a unit acquisition cost of $5,000 or more; (2) property of any value that is controlled or managed; (3) leased items of any value; (4) assets that are sensitive or classified[34]; and (5) other items as specified by Component property instructions. Examples include pilferable property subject to theft, property hazardous to public health, small arms, property designated as heritage assets, information technology property, and government-furnished property.

The CH is responsible for obtaining and retaining a copy of the receiving report and including it in the transaction file. When WAWF is used to create and accept the receiving report, no hard copy is required in the GPC transaction file.

A.4.4 Independent Receipt and Acceptance

Mandatory: Written independent receipt and acceptance is required for (1) purchases of accountable property, (2) transactions where the GPC is used as a method of payment, (3) self-initiated CH purchases (i.e., purchases lacking a documented requisition/request from someone other than the CH), and (4) other specific circumstances for which Components elect to require independent receipt and acceptance.

With respect to self-initiated purchases, a Government employee other than the CH is required to accept the good or service to ensure the Government received what is stated on the invoice. To verify proof of delivery, the employee shall affix a legible signature and date to the invoice, packing slip, or other document listing the items that were ordered, billed, and received. To ensure proper identity, the employee shall print or type his/her name and affix signature. This individual shall forward documentation supporting the purchase and independent receipt and acceptance to the A/BO.

A/BOs shall include a verification of required proof of delivery documentation in their monthly review and certification of billing statements.

[34] See DoD 4100.39-M, Volume 10, Table 61, Controlled Inventory Item Codes.

A.4.4.1 Wide Area Workflow

Contracting Officers awarding contracts authorizing use of the GPC as a method of payment must ensure contractor compliance with the requirement for vendors to use WAWF[35] to create and submit the receiving report to ensure compliance with the Prompt Payment Act requirement for written acceptance. These requirements are addressed in DFARS Subparts 232.7002 (a)(2) and 232.7003(a), and DFARS PGI Subpart 253.213-70).

Mandatory: Use of WAWF to create and accept receiving reports is mandatory when the GPC is used as a method of payment against a contract.[36] In order to ensure proper routing of contract transactions paid with the GPC, use the code "CRCARD" in the Pay Official/DoDAAC field. The contractor is required to generate the receiving report in WAWF, and the Government acceptor is required to accept the receiving report in WAWF. The CH is required to verify acceptance has occurred in WAWF prior to submitting the invoice to the Certifying Officer (usually the A/BO) for certification.

Use of WAWF to create and accept the receiving report for GPC micro-purchases that result in delivery of accountable property is encouraged but not mandatory. Use of WAWF for GPC accountable property micro-purchases is encouraged for the following reasons:

a) Record of receipt is electronically captured and stored.

b) Once the accountable property has been delivered, property systems are electronically updated, ensuring proper accounting and tracking of government assets and increasing transparency and auditability.

c) The Unique Identification (UID) Registry is updated (if required).

d) The risk of improper or fraudulent purchases is reduced.

e) Paperless processing is enabled among geographically dispersed program participants.

A.4.4.2 Other Methods to Execute Independent Receipt and Acceptance

Components may use other methods to complete independent receipt and acceptance, such as the use of organic systems similar to WAWF, but tailored to the individual Component or manual methods, such as the DD 250.

[35] See https://wawf.eb.mil/.

[36] See DFARS Subpart 232.7002(a)(1) and (2).

A.4.5 Required Sources of Supplies and Services

FAR Part 8 establishes priorities for using Government sources for supplies and services. **Mandatory: CHs must make their purchases in accordance with the priorities set forth in FAR Part 8, along with use of mandatory or optional FSS, DoD EMALL, GSA Advantage, and commercial sources (including educational and nonprofit institutions).**

A.4.6 Strategic Sourcing

Components are encouraged to identify recurring, repetitive purchases; e.g., utility service needs, made by the GPC and, where appropriate, put these acquisitions into service contract vehicles where the GPC is used as a method of payment.

CHs shall comply with all DoD-wide and Component-specific strategic sourcing policies and goals designed to optimize their purchasing power. CHs shall comply with DoD and Service strategic sourcing initiatives to take advantage of lower negotiated prices.

A.4.7 Frustrated Freight

A supplier shipment that becomes "frustrated" is, at a minimum, delayed along the transportation chain and will not move until all problems are resolved. Many times, the shipment never reaches the intended recipient.

When using a GPC to purchase items with delivery to an OCONUS destination, two methods of transportation are generally available: commercial door-to-door and the DTS. Although most overseas shipments are delivered by supplier-arranged commercial carriers, an increasing number of overseas GPC shipments, especially when being processed to contingency environments, must move through military aerial ports, ocean terminals, or container consolidation points (these are components of the DTS) for onward movements. If commercial shipping is not used, a purchaser must coordinate with his/her transportation service support office (e.g., Installation Transportation Office [ITO], Transportation Management Office [TMO], or Supply Support Activity [SSA]) before ordering the item. This will ensure the item is properly entered into the DTS and the supplier will get all necessary data to complete the military shipping label (MSL). Shipments entering the DTS require additional funding and shipping, marking, and packaging instructions. If any of the required information is incorrect or lacking, the shipment may become "frustrated" at military transit ports or at an intermediate staging area prior to the final destination.

Mandatory: Military Services and Defense Agencies will ensure that GPC training provided by A/OPCs at the base/installation level includes the importance of providing correct shipping information and transportation requirements (as stated in this Guide) to suppliers when items are to be

shipped utilizing the DoD organic distribution system rather than the preferred door-to-door commercial method of delivery.

Appendix C provides specific instructions on how to process a requirement involving OCONUS shipment.

A.4.8 Miscellaneous Payments

Where the GPC is used to settle the wide variety of miscellaneous DoD payments, the card shall be used in accordance with the Department of Defense Guidebook for Miscellaneous Payments.

A.4.9 Rebate and Credit Treatment

Rebates are based on satisfying certain payment conditions and related criteria identified in the basic GSA contract and agency-specific task orders for purchases made using the GPC. Credits are made as a result of returns, overpayments, settlement of disputed claims, etc.

A.4.9.1 Application of Rebates

Pursuant to permanent authority enacted in the Fiscal Year 2008 DoD Appropriation Act, P.L. 110-116, Section 8067, rebates attributable to the use of the GPC may be credited to operation and maintenance, and research, development, test and evaluation accounts of DoD that are current when the rebates are received. They may be applied at the agency or CH level, depending on the policies of the specific agency and issuing bank task order.

A.4.9.2 Processing Credits

Credit transactions will be posted as credits against billing statements, using the default LOA at the billing statement level, and should be reallocated as appropriate if the default LOA did not incur the original expenditure. In the case where a closed account carries a credit balance, the amount shall be sent via check or using Automated Clearing House (ACH) to an installation account predetermined by the A/OPC. Checks will be addressed to “U.S. Government” or “U.S. Treasury.” The A/OPC shall work with his/her Financial/Resource Manager in identifying an account and in determining how the credit will be distributed across LOAs as warranted. The A/BO will send the check and LOA(s) to the supporting accounting office with a request to deposit.

A.4.10 Purchasing Section 508-Compliant Items

[Reserved.]

Appendix B
Using the Purchase Card for Contingency, Emergency, and Humanitarian Aid Operations

Important: This appendix provides guidance using dollar thresholds that have been used historically for contingency or humanitarian aid operations. Before applying this guidance, it is critical to verify whether these same thresholds have been established for a particular contingency or humanitarian aid operation.

B.1 PROCESSES

B.1.1 Increased Thresholds and Acquisition Flexibilities

A declared contingency is a military operation authorized by the Secretary of Defense. For a full description/definition of contingency operations, see Appendix C. Because contingency contracting and emergency acquisition are frequently performed on short notice and without benefit of an established office structure, certain acquisition and emergency flexibilities are prescribed in FAR Part 18 and DFARS Subpart 218.2. The thresholds cited below will take effect when authorized by offices within the Under Secretary of Defense (Acquisition, Technology, and Logistics) and Under Secretary of Defense (Comptroller). During a declared contingency, the dollar thresholds for procurements increase as follows:

a) The micro-purchase threshold increases from $3,000 to (1) $15,000 for any contract or purchase made inside the United States, and (2) $30,000 for any made outside the United States.[37]

b) The simplified acquisition threshold increases from $150,000 to (1) $300,000 for any contract or purchase made inside the United States, and (2) $1 million for outside the United States.[38]

c) The simplified acquisition procedures authorized by the test program for commercial items increases from $11 million to $12 million.[39]

d) Convenience check thresholds mirror the micro-purchase thresholds cited above.[40]

[37] FAR Subpart 13.201(g)(1).
[38] FAR Subpart 2.101.
[39] FAR Subpart 13.500.
[40] DoD FMR Volume 10, Chapter 23, Paragraph 230505.

In addition to the increase in the thresholds, simplified forms and procedures are authorized due to the urgency of the mission. FAR Part 18 describes the acquisition flexibilities permitted.

B.2 Program Management

B.2.1 Management Responsibilities

This section provides specific management controls required for programs that affect use of the GPC for contingency and humanitarian aid operations.

B.2.1.1 Mandatory: Required Management Controls

a) **There will be no blanket increase of CH authority. The head of each executive agency (with delegation at a level no lower than the head of the contracting activity) must identify in writing those individuals who have permission to use an authorized increased spending threshold. These individuals must be working directly on acquisitions related to a contingency or humanitarian aid operation.**

b) **Each agency must modify Contracting Officer and other warrants, as appropriate, and ensure that CHs have sufficient training appropriate for any increased authority.**

c) **Agencies shall identify CHs who will support contingency, emergency, and humanitarian operations in advance of these operations, work with card-issuing banks to pre-position cards (with initial spending limits of $1 until needed), and raise monthly and single transaction limits accordingly only when the operation is declared.**

d) **Agencies must establish and communicate policies and procedures for determining whether a transaction is in support of a particular contingency or humanitarian aid operation and therefore allowable under the related law.**

e) **All open-market transactions (i.e., those not placed under existing contracts) that exceed the authorized emergency, contingency, humanitarian spending threshold must be preapproved by a warranted Contracting Officer (other than the purchaser or CH) or a senior manager at or above the GS-14 level.**

f) **Agency heads must designate officials to conduct follow-up reviews of transactions in support of each contingency or humanitarian aid operation pursuant to the related law. These follow-up reviews should take place as soon as practicable, but no later than 60 days after any given transaction. The officials shall evaluate whether the transaction:**

1) **Was consistent with the agency's policies and procedures identified above and was otherwise reasonable and appropriate.**

2) **Provided the maximum practicable opportunity for small business participation under the circumstances.**

3) **Was appropriately documented by the CH.**

Based on these reviews, the official shall make recommendations to the agency head on changes to the policies and procedures identified above, and any administrative or disciplinary actions required.

g) **Agencies should increase management controls to mitigate risk under any new GPC authority related to a contingency or humanitarian aid operation. Agencies should review OMB Circular A-123, Appendix B, for guidance on implementing strong internal controls.**

h) **When initiating administrative or disciplinary actions for card misuse, GPC managers should follow the misuse provisions of Appendix A of this Guide.**

i) **The management control responsibilities herein that have been assigned to the head of the executive agency may be delegated to a level no lower than the head of the contracting activity.**

j) **Deviation from normal separation of functions controls is authorized when mission accomplishment requires such deviation and potential conflicts of interest are mitigated. Internal control principles generally require a four-way separation of the contracting, receiving, voucher certification, and disbursing functions. Commanders/directors should be aware of the increased possibility of the risk of errors, theft, and fraud that may result from the merging of functions. Every effort to mitigate these risks should be made, such as post-payment reviews, rotation of duties, and management review of financial data and reports.**

B.2.1.2 MANDATORY: ADDITIONAL ACQUISITION RESPONSIBILITIES

Competition: Competitive procedures should be used to the maximum extent practicable.

Small Business Participation: Contracting activities using emergency procurement authority for contingency or humanitarian aid operations are expected to provide small businesses maximum practicable opportunity under the circumstances, to participate in the acquisitions as prime contractors and subcontractors. Where possible and consistent with effi-

cient acquisition of needed supplies and services, local small businesses should be given priority.

Compliance with Section 307 of the Stafford Act: Section 307 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (P.L. 93-288) establishes a preference, to the extent feasible and practicable, for contracting with local organizations, firms, or individuals for debris clearance, distribution of supplies, reconstruction, and other major disaster or emergency assistance activities. Contracting activities are expected to make every attempt, where practicable, to establish such preferences.

Price Reasonableness: CHs and Ordering Officials are responsible for ensuring that prices are reasonable. The common-sense determinations may take into consideration the extraordinary nature of the contingency or humanitarian aid operation.

Purchasing on Behalf of Another Agency: If making a purchase on behalf of another agency, the agency making the purchase will ensure the requesting agency has the authority to make the purchase and fully document the GPC transaction, including the date and time of the request, the name and contact information of the requesting official, and the funding authorization.

B.3 PERSONNEL

The contingency and humanitarian aid-related roles and responsibilities for GPC officials are as follows.

B.3.1 Agency/Organization Program Coordinator

Mandatory: The roles and responsibilities of the A/OPC are to:

a) **Distribute governing policy and guidance with respect to use of the GPC for each contingency or humanitarian aid operation to all GPC officials throughout the A/OPC's Service or Agency.**

b) **Increase GPC spending limits to A/BOs and CHs only where appropriate (i.e., only for program officials who are actively supporting contingency or humanitarian aid operations).**

c) **Maintain a discrete record of all A/BO and CH accounts with increased purchase and monthly limits, including convenience check accounts.**

d) **Where single purchase limits are increased, ensure CH monthly limits and A/BO limits have been raised appropriately.**

e) **Coordinate GPC account fund availability for declared operations with Financial/Resource Managers.**

f) **Work with Financial/Resource Managers to add alternate LOAs earmarked for a contingency or humanitarian aid operation to appropriate A/BO and CH accounts.**

g) **Contact the servicing card issuing bank to remove velocity limits from appropriate accounts.**

h) **Ensure delegations of procurement authority reflect the new dollar limits.**

i) **Develop and issue instructions to enable the identification and capture of all GPC purchases (transactions and dollars) spent on contingency or humanitarian aid operations, regardless of whether the cost is reimbursable.**

j) **Develop and implement a supplemental oversight program for all accounts with elevated spending limits in support of contingency or humanitarian aid operations.**

B.3.2 Financial/Resource Manager

Mandatory: The roles and responsibilities of the Financial/Resource Manager are to:

a) **Develop unique LOAs (alternate or default) to be used only when GPC purchases are made in support of each contingency or humanitarian aid operation. In addition, make appropriate modifications when detailed budgetary guidance is provided by the DoD Comptroller. Further, establish separate alternate and default LOAs for purchases made using the GPC that constitute reimbursable support funded by and/or provided to other Federal Agencies (e.g., the Federal Emergency Management Agency).**

b) **Assist in the identification and tracking of all GPC dollars associated to transactions spent in support of each contingency or humanitarian aid operation, regardless of whether the cost is reimbursable.**

c) **Notify the A/OPC of fund availability.**

B.3.3 Approving/Billing Official or Certifying Officer

Mandatory: The roles and responsibilities of the A/BO or Certifying Officer are to:

a) **Ensure proper documentation is recorded and maintained for GPC transactions in support of contingency or humanitarian aid operations.**

b) **Ensure CH compliance with all governing statute and regulatory guidance regarding the use of the GPC in support of each contingency or humanitarian aid operation.**

c) **Ensure CHs properly identify and record purchases made using the GPC in support of each contingency or humanitarian aid operation.**

d) **Ensure CHs use the correct LOA for purchases made in support of contingency or humanitarian aid operations.**

e) **Ensure convenience checks written in support of contingency or humanitarian aid operations do not exceed authorized spending limits and that the sources of supply for the goods or services purchased with the convenience check do not accept the GPC.**

f) **Ensure convenience check writers obtain the Tax Identification Number (TIN) or Social Security Number (SSN) for each merchant or supplier being issued a check.**

g) **Ensure that all open-market transactions (those not placed under existing contracts) that exceed the authorized emergency, contingency, and humanitarian spending threshold are preapproved by a warranted Contracting Officer who is not the CH, or a senior manager at or above the GS-14 level.**

h) **For construction contracts in support of a contingency or humanitarian aid operation, ensure the GPC is used only as a method of payment. An existing contract vehicle must be in place prior to the use of this authority.**

B.3.4 Cardholder or Convenience Check Holder

Mandatory: The roles and responsibilities of the CH or convenience check holder are to:

a) **Obtain appropriate requirements documentation to support purchases made in support of a contingency or humanitarian aid operation.**

b) **Comply with all appropriate laws and acquisition regulations when making purchases.**

c) **Identify and record purchases made in support of each contingency or humanitarian aid operation, regardless of whether the cost is reimbursable. At a minimum, this will include details on the specific goods**

or services purchased with the GPC and how it will specifically support the contingency or humanitarian aid operation.

d) **Ensure each GPC transaction is charged to the LOA specifically established for purchases made in support of each contingency or humanitarian aid operation.**

e) **Write convenience checks only when necessary and within authorized dollar thresholds for a contingency or humanitarian aid operation; i.e., confirm that the supplier source does not accept the GPC or a formal contract. With the exception of contingencies, convenience checks shall not be written over $3,000.**

f) **Maintain convenience check records to fulfill 1099-Misc tax reporting requirements.[41] For more information, refer to the DFAS 1099 Tax Reporting Program Convenience Check User's Manual.**

g) **Obtain the supplier's TIN or SSN whenever writing a convenience check.**

h) **Ensure all open-market transactions (those not placed under existing contracts) that exceed the authorized emergency, contingency, and humanitarian spending threshold are preapproved by a warranted Contracting Officer or a senior manager at or above the GS-14 level.**

i) **For construction contracts in support of a contingency or humanitarian aid operation, ensure the GPC is used only as a method of payment. An existing contract vehicle must be in place prior to the use of this authority.**

Note: GPC accounts used to pay for construction under $2,000 (Davis-Bacon Act) are usually issued to CHs in the Public Works Office (or other office responsible for the facility/building). If a CH is not a Public Works Office employee, the CH should obtain written (e-mail acceptable) approval from the Public Works Office to ensure the anticipated construction work does not duplicate, interfere, or directly relate to other ongoing efforts at the same facility.

j) **Establish and maintain a discrete record of the number of transactions and dollars spent in support of each contingency or humanitarian aid operation, regardless of whether the cost is reimbursable.**

[41] See Internal Revenue Code, Title 26, Subtitle F, Chapter 61, Subchapter A, Part III, Subpart B, Section 6041A.

B.4 SPECIAL ISSUES

B.4.1Training

It is strongly recommended that CHs who are not in the 1102 career field and will be making purchases related to a contingency or humanitarian aid operation over an extended period complete DAU's Web-based "Contracting for the Rest of Us" course, CLC 011.

B.4.2 3in1 Tool

The 3in1 Tool will be used in lieu of the SF 44 process to record purchase data, where use of the GPC is appropriate but not feasible or may expose Field Ordering Officers (FOOs) to dangerous conditions. The 3in1 Tool will capture and record purchase, disbursement, and receiving information, including the user's receipt of goods, vendor payment, and vendor acknowledgment of payment; and transfer that data to the FOO purchase log in the Joint Contingency Contracting System (JCCS). More detailed instructions regarding the 3in1 tool may be found on the Contingency Tools page of the DPAP Web site.

B.4.3 Applicable Laws and Requirements

In the instance of contingency or humanitarian aid operations, statutory flexibilities for purchase made with the GPC in accordance with FAR Subpart 13.301(c) may be implemented. **Mandatory: However, there are certain laws and regulations with which the contractor must comply, even in the case of GPC purchases for contingency or humanitarian aid operations. Tables B-1 through B-5 list these requirements.**

Table B-1. ***Mandatory: Laws and Requirements Applicable to All Purchases***

Statute	Requirements	For more information, see:
31 U.S.C. 1352	Anti-lobbying. Do not use appropriated funds to lobby for award of federal contracts.	FAR Subpart 3.8
18 U.S.C. 431	Officials not to benefit.	
41 U.S.C. 51-58	Anti-Kickback Act of 1986. The requirement for the incorporation of the contractor procedures for the prevention and detection of violations, and the contract requirement for contractor cooperation in investigations are not applicable.	FAR Subpart 3.502
41 U.S.C. 265, 10 U.S.C. 2409	Whistle-blower protection.	FAR Subpart 3.9
49 U.S.C. 40118	Fly American.	FAR Subpart 47.4
41 U.S.C. 423	Procurement Integrity.	FAR Subpart 3.104

31 CFR Chapter 5	The contractor shall not provide products from Cuba, Iran, Libya, Sudan, or North Korea, or any entity or individual listed by the Office of Foreign Assets Control as Specially Designated Nationals or Blocked Persons.	FAR Subpart 25.7
10 U.S.C. 2631	Applies to ocean transportation of cargo owned by, or destined for use by, DoD.	FAR Part 47 and DFARS Subpart 247.5

Table B-2. **Mandatory**: ***Laws and Requirements Applicable to Purchases Greater Than the Micro-Purchase Threshold***

Statute	Requirement	For more information, see:
41 U.S.C. 351 et seq.	The contractor agrees to comply with the Service Contract Act of 1965, as amended. If this is a service contract, each service employee shall be paid not less than the minimum monetary wages and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor, or authorized representative, as specified in any wage determination attached to this contract.	FAR Subpart 22.1006

Table B-3. **Mandatory**: ***Laws and Requirements Applicable to Purchases Greater Than $10,000***

Statute or Executive Order (EO)	Requirement	For more information, see:
E.O. 11246	The contractor represents that the contractor complies with Equal Employment Opportunity (EEO) and does not maintain or provide segregated facilities for its employees. There may be limited exemptions and waivers from some of the requirements under the authorizations issued related to particular contingency or humanitarian aid operations.	FAR Subpart 22.8
29 U.S.C. 793	The contractor agrees to comply with Affirmative Action for Workers with Disabilities. There may be limited exemptions and waivers from some of the requirements under the authorizations issued related to particular contingency or humanitarian aid operations.	FAR Subpart 22.14
42 U.S.C. 6962	Use of recovered material. If this contract is for an Environmental Protection Agency designated product, the contractor certifies that the percentage of recovered materials used in the performance of the contract will be at least the amount required by the applicable contract specifications.	FAR Subpart 11.3

Table B-4. **Mandatory**: ***Laws and Requirements Applicable to Purchases Greater Than $100,000***

Statute	Requirement	For more information, see:
31 U.S.C. 1352	The offeror certifies that no Federal appropriated funds have been paid to any person to influence or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress, on his or her behalf in connection with the award of this contract. Disclosure using OMB Form LLL is required if the contractor makes payments with nonappropriated funds that would be prohibited if paid with appropriated funds.	FAR Subpart 3.8
38 U.S.C. 4212	Application of labor laws. The contractor agrees to comply with Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans. There may be limited exemptions and waivers from some of the requirements under the authorizations issued related to particular contingency or humanitarian aid operations.	FAR Subpart 22.13
40 U.S.C. 3701 et seq.	Contract Work Hours and Safety Standards Act.	FAR Subpart 22.3

Table B-5. **Mandatory**: ***Laws and Requirements Applicable to Purchases of $175,000 or More***

Statute	Requirement	For more information, see:
19 U.S.C. 2501 et seq.	World Trade Organization, Agreement on Government Procurement. If buying items listed at DFARS Subpart 225.401-70, obtain oral certification that the supplies are U.S. made, or the products of a designated or qualifying country, unless domestic end products are not available.	FAR Subpart 25.4, DFARS Subparts 225.4, 252.225-7020

Mandatory: In addition to the laws and regulations listed in the tables above, the Deputy Chief Financial Officer has determined that existing internal controls requiring a four-way separation of the contracting, receiving, voucher certification, and disbursing functions may be waived. Such a separation is not always practical or possible with contingency operations. In executing any deviation from the normal contracting, certification, and disbursing procedures, commanders/directors should be aware of the increased possibility of the risk of errors, theft, and fraud that may result from the merging of payment certification responsibilities with other functions. Because internal controls may be compromised as a result of such a merger, every effort to

mitigate these risks should be made, such as post-payment reviews, rotation of duties, and management review of financial data and reports.[42]

B.5 QUESTIONS AND ANSWERS

The following questions and answers relate to using the GPC under emergency procurement authority granted to support contingency or humanitarian aid operations.

Who can be granted an increased purchase card limit, and how can it be implemented? After careful consideration of a Supervisor's request to increase a CH's GPC limit to support contingency or humanitarian aid operations, the A/OPC may direct the bank to increase a non-Contracting-Officer GPC limit to the authorized micro-purchase threshold. A/OPCs may approve and implement Supervisor requests for an increased GPC limit of up to the authorized simplified acquisition threshold to support contingency or humanitarian aid operations for CHs who are also warranted Contracting Officers.

How much can a CH spend on contingency or humanitarian aid operations? A CH can spend up to his or her delegated amount on a single purchase. As always, the bank will not approve any transaction with a dollar value that exceeds the single purchase limit onthe individual CH's account or aggregate transactions that exceed the CH's 30-day limit or billing office limit.

Must the CH be a warranted Contracting Officer to spend up to the authorized simplified acquisition threshold? Mandatory: Yes, only CHs who are warranted Contracting Officers, are supporting contingency or humanitarian aid operations, and hold delegations from the A/OPC are authorized to have their GPC limit raised to the authorized simplified acquisition threshold.

Are there other spending amounts for CHs? Yes, CHs who have received the necessary delegation from their A/OPC may spend up to the authorized micro-purchase threshold on a single purchase related to contingency or humanitarian aid operations. As always, the bank will not approve any transaction with a dollar value that exceeds the single purchase limit on the individual CH's account or aggregate transactions that exceed the CH's 30-day limit or billing office limit.

Are special funds to be used? Yes. A related law may provide funds to support particular contingency or humanitarian aid operations. However, you must communicate with your Resource Management/Budget Office to ensure that funds are available for your GPC and the necessary alternate LOAs are established in the bank system so that GPC charges attributable to particular contingency or humanitarian aid operations can be reallocated (instead of default line) to the appropriate

[42] See the memorandum "Appointment of Certifying Officers in Overseas Contingency Operations for Micro-purchases," dated 06/23/10.

special funding. If charges occur prior to availability of special funding, CHs must work with their Resource Management/Budget Office to properly identify those charges so they can be reclassified to ensure all costs associated with each contingency or humanitarian aid operation are appropriately captured.

Should I keep track of what I buy? Yes, this is very important. **Mandatory**: **Because automated systems can be slow to catch up with real-world situations, it is imperative that the CH maintain thorough logs and records of each individual purchase (and how it supports the rescue and relief effort) made to support contingency or humanitarian aid operations.**

Are there additional laws and regulations to comply with? Yes, Tables B-1 through B-5 above list the laws and regulations for compliance. Additionally, the Contracting Officer must place a note to file that the urgency of need for the item or service required GPC use (versus other, more time-consuming contracting methods), and the purchase had a clear and direct relationship to contingency or humanitarian aid operations. Prices must always be reasonable.

Are there any special requirements for CHs spending up to the micro-purchase threshold for contingency or humanitarian aid operations? Regular operating rules apply to purchases up to the micro-purchase threshold for contingency or humanitarian aid operations. However, during GPC reconciliation, the CH must ensure that all purchases made under a related emergency authority are paid with the appropriate supplemental funding.

Is there a preference for small business and local firms? Although there is no absolute requirement to purchase from small businesses, you should provide small businesses maximum practicable opportunity to participate in procurements related to contingency or humanitarian aid operations. Section 307 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act establishes a preference, to the extent feasible and practicable, for contracting with local organizations, firms, etc., to clear debris, distribute supplies, undertake reconstruction, and conduct other major disaster or emergency assistance activities.

Is there a new dollar limitation for convenience checks? In the instance of a declared contingency or humanitarian aid operations, the OUSD (AT&L) will publish (as authorized in DoD FMR Volume 10, Chapter 23, Paragraph 230505) the temporary increase in the maximum micro-purchase threshold[43] cited previously in this appendix for those convenience check accountholders who have been identified and authorized to support the particular contingency or humanitarian aid operation. Appointment letters must include the increased authorities.

[43] See definition at FAR Subpart 2.101.

Appendix C
Government Purchase Card Guide to Overseas (OCONUS) Shipments

C.1 OCONUS Shipment Responsibilities

Mandatory: **As a GPC CH, you have the final responsibility to ensure the items you buy reach the warfighter they are intended to support.** This appendix specifies the procedures you must follow and provides some simple tools to assist you when the item you buy requires overseas delivery.

Mandatory: **When you receive a requirement for a GPC purchase that specifies overseas delivery, determine whether supplier-arranged commercial transportation will be used to ship the item to the final destination.** The supplier will usually be able to tell you if they can commercially ship the item to the OCONUS destination. If commercial transportation will be used, execute the purchase.

Mandatory: **If supplier-arranged commercial transportation cannot be used, you must provide the supplier with additional shipping instructions to allow for entry into the DoD organic distribution system. If these instructions have been provided to you with the requirement or are otherwise available, proceed with the purchase. If you need assistance with these instructions, contact your supporting transportation office to obtain these special shipping instructions.**

In order for your supporting transportation office to be able to assist you, you will need to provide certain CH, transportation/delivery, and supplier information. Table C-1 is a worksheet that you should complete prior to visiting your supporting transportation office. Although not all of the information requested on the worksheet may be applicable to your purchase, having the required information will facilitate the movement process and ensure that the item reaches its intended destination.

For a shipment to be accepted into the DoD organic distribution system, the supplier will be required to prepare and apply a military shipping label (MSL). A barcode-readable label is preferred, but some suppliers may not have that capability—in which case a manual label should be prepared. You will need to contact your supporting transportation office to obtain the required information your supplier will need to complete the shipping label.

The sections that follow Table C-1 provide the information that is required to properly prepare MSLs—both bar-code-readable and manual. The cardholder is responsible for (1) providing this information to the supplier, (2) ensuring official files are documented with this information, and (3) using this information to support possible disputed payments. This documentation is necessary in order to support possible disputed payments.

Table C-1. GPC OCONUS Shipping Information

GPC Cardholder Information	
Cardholder's Name	
Cardholder's Unit	
Building Number	
Base, Country, ZIP Code	
DSN Phone	
Commercial Phone	
DSN Fax	
Commercial Fax	
E-Mail Address	
Transportation Delivery Information	
In-the-Clear Delivery Address	
DoD Address Activity Code (DoDAAC) (if known)	
Nomenclature	
Stock Number(s) or Part Number(s) (if assigned)	
Special Handling Characteristics	
Estimated Number of Pieces	
Estimated Weight	
Estimated Dimensions (if any are over 6 feet)	
Required Delivery Date	
Transportation Account Code (if known)	
Transportation Control Number (TCN) or Document Number (if assigned)	
Project Code (if known)	
Supplier Information	
Supplier's Name	
Supplier's Street and Building Address	
Supplier's City, State, and ZIP Code	
Supplier's Phone Number	
Supplier's Fax Number	
Supplier's E-Mail Address (if known)	

C.2 Transportation Information (Bar-Code-Readable Military Shipping Label)

Figure C-1 is an example of an MSL with bar codes, showing the data elements that must be completed. The commercial supplier you are buying from will not know many of these, so you will have to seek assistance from your supporting transportation office. (Also, consult with the supplier and your supporting ITO/TMO/SSA to determine if there are any special handling requirements for the material you are buying.) Each data element is described following Figure C-1.

Figure C-1. Sample MSL

This 2D symbol contains data for the MSL, TCMD, and 10 supply line items.

C.2.1 Military Shipping Label Required Data

Mandatory: **DD Form 1387, Military Shipment Label, requires the following data.**

Transportation Control Number (TCN): The TCN identifies the shipment within the DTS and is *the* most important data element. Without it, the DTS cannot recognize the shipment. The TCN is a 17-character alphanumeric with a distinct structure. For supplier shipments, you will need to work with the ITO/TMO/SSA to create a unique TCN(s) for your GPC purchase shipment.

From: This is the return shipping address of the supplier, suitable for return mail or return of the shipment if it cannot be delivered. (This information is supplier provided.)

Transportation Account Code (TAC)/Type Service/Postage: If you are using the DTS to move the shipment overseas, the only data element you are concerned with is the TAC. This is a four-digit alphanumeric code that indicates the account to be charged for the DTS transportation (airlift or sealift). The ITO/TMO/SSA will help identify the TAC to be used.

Piece _ of _: Your shipment may have multiple boxes. The label will state "1 of 3," "2 of 3," etc., so the DTS will know when the shipment is complete. (This information is supplier provided.)

Weight: This is the weight of the package to which the label is affixed. (This information is supplier provided.)

Date Shipped: This may be left blank or provided by the supplier.

RDD (Required Delivery Date): This is the date (using our standard, Julian calendar) on which the user needs the item.

Cube: This is the actual size (volume) of the package. It is calculated using the length, width, and height or girth of the package. (This information is supplier provided.)

Project: Project codes are used to identify special programs and for tracking associated costs. Your organization or the TMO/ITO will determine if a project code applies to your requirement.

Ship-to POE (Point of Embarkation)/In-the-Clear Address: This is the address of the point where the item will enter the DTS—or aerial port—from which cargo will depart. The ITO/TMO/SSA will provide the applicable POE information and codes to be used to initiate the shipment in the DTS. The code for the POE (Dover) and its physical address (Bldg XXX, Dover AFB, DE) where the shipment should be delivered for processing are entered here.

Priority: Transportation priority (TP) determines whether routine or expedited transportation service is authorized, and is defined by several factors. TP is reflected in the choice of mode—air or surface.

POD (Port of Debarkation): This is the OCONUS water or aerial node at which cargo will be discharged. It may or may not coincide with the destination. *Note: Onward movement may be required from the POD to the consignee, making address and delivery information critical.*

FMS (Foreign Military Sales) Case: Your shipment should not be associated with an FMS case. Leave this blank.

DLA Data: Because this is a supplier purchase, this block will not apply and should be left blank.

Ultimate Consignee: This is the organization to receive the shipment. It is identified by a DoD Activity Address Code (DoDAAC), the large bolt print with bar code to the left), and a clear text name and shipping address. DoDAACs can be found in the DoD Activity Address Directory (DoDAAD), available on the Internet. There are hundreds of thousands of DoDAACs, and they frequently change for units on the move or deployed during a contingency.

C.2.2 Advanced Transportation Control Movement Document Required Data

The DTS nodes need to know that your shipment is coming to them. The Advanced Transportation Control Movement Document (ATCMD) is the method of transmitting this information. During the process of creating the label, the information from you, the ITO/TMO/SSA, and the supplier combine to create the ATCMD—no further information is needed. The supporting transportation service office will complete the ATCMD and transmit it accordingly. The paragraphs below describe the elements of the ATCMD.

Mode: The various modes used for movement are inland surface transportation, sea transport, and air transportation. Mode selection is driven by the RDD and the transportation priority. The ITO/TMO/SSA, in coordination with the GPC CH, will select the mode.

National Stock Number (NSN): The NSN uniquely identifies thousands of items bought and used by DoD. For GPC purchases from suppliers, you most likely will not have a NSN. However, for GPC purchases, the part number and/or nomenclature can be entered instead. The ITO/TMO/SSA will assist you in determining what to use, based on information you receive from the supplier.

Commodity Codes: These codes are used in military transportation circles to identify contents of shipments by category. There are numerous codes, depending on the mode and method, whether the shipment is hazardous or requires special

handling, etc. The ITO/TMO/SSA will assist you in determining which codes apply to your purchase.

Special Handling Requirements: Consult with your ITO/TMO/SSA to determine if your purchase has any special handling requirements, including any foreign country entry requirements. *Note:* If the item is hazardous material, ensure the supplier is instructed to include material safety data sheets (MSDS) documentation with the shipment.

Dimensions: Dimensions are required to be identified only if any one dimension is more than 60 inches.

C.3 Transportation Information (Manual MSL)

The data elements listed below are required to create a manual MSL and ATCMD documentation. Obtaining all of these data requires close coordination between the GPC CH, supplier, and supporting transportation office. This is the means of successfully integrating your GPC shipment with the DTS. Consult with the supplier and your supporting ITO/TMO/SSA to determine if there are any special handling requirements.

C.3.1 MSL-Required Data

Except as otherwise indicated, the elements below are the same as those described above as required data for bar-code-readable MSLs.

Block 1, TCN

Block 2, Postage Data/TAC

Block 3, From

Block 4, Type Service: For shipments entering DTS, leave blank.

Block 5, Ship-to Address/POE

Block 6, TP

Block 7, POD

Block 8, Project Code

Block 9, Consignee

Block 10, Weight: For your shipment, the supplier will have to provide this information. Weight (whole pounds) and volume (whole cubic feet) of the shipment are important for load-planning purposes.

Block 11, RDD Cargo

Block 12, Cube

Block 13, Charges: Not applicable.

Block 14, Date Shipped: For your shipment, the supplier will have to provide this information.

Block 15, FMS Case Number: Your shipment should not be associated with an FMS case. Leave this blank.

Block 16, Pieces: For your shipment, the supplier will have to provide this information. A single shipment (TCN) can have multiple pieces. The piece number field on the labels for each should show “1 of 3,” “2 of 3,” etc.

Block 17, Total Pieces: See above. The piece number field on the labels for each should show “1 of 3,” “2 of 3,” etc.

C.3.2 ATCMD Required Data

Except as otherwise indicated, the ATCMD required data (i.e., mode, NSN, commodity codes, special handling requirements, and dimensions) for manual labels are the same as those described above for bar-code-readable MSLs.

C.4 Frequently Asked Questions

Who pays for DTS shipments? The supplier will charge your GPC account for moving the shipment to the first System interface point, but a separate source of funds is required to move it beyond that point to the final destination. You must have a funding source for the overseas movement of the shipment. This is accomplished through use of a funded TAC.

Will my shipment go by air? The DTS moves only highest-priority shipments via air. This is due to the higher cost and limited availability of air, especially in contingency theaters. Just because you “want it fast” does not mean it is authorized to go by air. Your organization’s priority determines whether the shipment will go by air or surface.

Where should the supplier ship my purchase? Your ITO/TMO/SSA will tell you where the supplier should send your purchase for entry into the DTS. This may be to a consolidation point, where many shipments are combined into ocean containers or airlift pallets; or directly to an Air Mobility Command aerial port.

The ITO/TMO/SSA will determine the proper entry point for your supplier shipment, based on System service to your destination.

What is the ATCMD? The ATCMD is an electronic record that is passed to the aerial port or seaport by the ITO/TMO/SSA, so the shipment can be processed without delay.

When is advanced notification required for my shipment to enter the DTS? Advance notification is required when the shipment is coming from the supplier into an aerial or water port for entry into the System. The ATCMD is the tool that supports this process.

Are there special labeling and documentation requirements for a shipment to enter the DTS? Yes. **Mandatory**: **Your shipment must be labeled and documented to military standards.** These are far different than those of the business world, particularly for military air shipments. Your ITO/TMO/SSA will provide you with labeling and documentation guidance to pass to the supplier.

What are the primary causes of GPC cargo becoming frustrated or delayed?

a) Lack of a standard MSL

b) An incomplete MSL

c) Lack of MSDS

d) Improper packaging and marking for hazardous material

e) Lack of a TAC

f) Lack of advance notification.

Where can I find more information on shipping GPC purchases? See the transportation links in the section below.

C.5 Transportation Links

The Defense Transportation Regulations address GPC shipments in Chapter 101, Chapter 108, Chapter 202, Chapter 210, and Chapter 512.

United States Transportation Command (US TRANSCOM): http://www.transcom.mil/.

Surface Deployment and Distribution Command (SDDC): www.sddc.army.mil.

Air Force Material Command, Logistics Management Office: http://www.afmc.af.mil/index.asp.

Defense Supply Center Columbus (DSCC) (Packing Specifications, Standards, and Manuals): http://www.dscc.dla.mil/Offices/packaging/specstdslist.asp.

Appendix D
Unique Business Rules for Travel Card Individually Billed Accounts

For unique business rules for travel card individually billed accounts, refer to the DoDFMR, Volume 9, Chapter 3.

Appendix E
Unique Business Rules for Travel Card Centrally Billed Accounts (Other Than Defense Travel System)

For unique business rules for travel card centrally billed accounts, refer to the DoDFMR, Volume 9, Chapter 3.

Appendix F
Unique Business Rules for AIR Card® Programs

F.1 BACKGROUND INFORMATION

This chapter contains business rules unique to the Aviation Into-Plane Reimbursement (AIR) Card® program. *Please note: AIR Card® is a trademarked acronym reference, owned by DLA Energy and therefore should always be capitalized, with the trademark ® symbol.* For additional detailed, mandatory information, see DoDM 4140.25-M, Volume 3, formally published as DoDM 4140.25, Volume II, Chapter 16. **All DoDM 4140.25-M, Volume 3, policy is Mandatory.** In the event of a conflict between this document and the latter, the DoDM 4140.25-M, Volume 3, takes precedence.

F.2 PROCESSES

The following sections present summary-level overviews of key processes unique to the AIR Card® program. All documentation, such as policies, procedures, training, or enrollment regarding the AIR Card ® program, is now posted on the DoD Enterprise Portal Service (DEPS) website, http://www.disa.mil/Services/Enterprise-Services/Applications/DoD-Enterprise-Portal. DEPS currently supports DoD-Issued CAC access. Users without a DoD-issued CAC should contact the DLA Energy Help Desk[44] to request a copy of DEPS content.

F.2.1 Establishing an Account

Accounts are established through the Service or Agency CPM. See Section F.4.1.1, Service Points of Contact (Component Program Manager), for CPMs. For non-DoD customers, contact DLA Energy for the applicable points of contact. To establish an account, you will need to provide the following information:

a) Unit/wing/squadron name

b) Home station information

c) Mailing address for unit/wing/squadron

[44] Contact information for the DLA Energy Help Desk is energy.helpdesk@dla.mil and (800) 446-4950.

d) Mailing address for invoices

e) Unit/wing/squadron point of contact

f) Commercial phone and fax numbers, and e-mail address

g) Billable DoDAAC

h) Aircraft tail number/bureau number (BUNO)

i) Type/model/series for each aircraft

j) Fund code

k) Signal code

l) Accounting data required for Service legacy system obligations.

Additional information on establishing an account can be found at:

a) DLA Energy Web page

b) Government Fuel Card PMO Web page

c) AIR Card® Web page.

F.2.2 Establishing a User Account

AOs must complete the enrollment package, which consists of the AO Nomination/Enrollment form and DD Form 577. The forms are to be faxed to 703-767-8746 or e-mailed to AIRCard@dla.mil. Training requirements must be completed before a request can be processed.

DLA Energy Account Manager will forward your information to the card contractor to setup an AIR Card® online account. The online system is where all card requests shall be completed.

F.2.3 Canceling an AIR Card®

To cancel an AIR Card®, contact your respective Component CPM and provide the following information:

a) DoDAAC

b) Aircraft tail number/bureau number

c) Unit/wing/squadron

d) AIR Card® account number.

After contacting your Component CPM, cut up and discard the canceled card.

F.2.4 Aircraft Transfers

The AIR Card® is assigned to specific aircraft (except for special "any aircraft" cards). Therefore, the card must stay with the aircraft. The transferring unit Approving Official, as delegated by the CPM, is responsible for notifying the AIR Card® contractor to provide the gaining DoDAAC's information (see "Establishing an Account" above). Invoices and subsequent Military Standard Billing System (MILSBILS) will continue to be sent to the transferring unit until the AIR Card® contractor is notified otherwise.

F.2.5 Split Billing Process

Split billing is utilized as a means of centrally billing the "fuel" portion of your invoice. Both DLA Energy contract and non-contract fuel purchases are separated from non-fuel ancillary ground services by the AIR Card® provider. Fuel invoices are then electronically forwarded to DFAS Columbus for payment out of the Defense Working Capital Fund. The remaining non-fuel purchases are "split" off and billed directly to the home station payment office by the card processor. The invoice is forwarded to the AO assigned to each unit to be certified and then forwarded to the appropriate DFAS Payment Office (e.g., Operating Location—or OPLOC) for payment in accordance with the Prompt Payment Act.

F.2.6 Fuels Automated System and the FAS Enterprise System

The Fuels Automated System (FAS), a component of Business Systems Modernization – Energy, is a vertically integrated, automated information system consisting of base-level components and enterprise-level systems providing visibility of bulk fuel assets and fuel transactions to the Services and DLA Energy. The FAS Enterprise Server (FES) is a closed-loop reporting system providing a Web-based environment that collects, routes, and reports fuel transactions among bases, contractors, DLA Energy, DFAS, and other entities. These systems facilitate standard unit pricing and requirements analysis.

In the near future, BSM-E will be replaced by DLA Enterprise Business System (EBS) under the Energy Convergence (EC) Program. The current cut-over timeframe for all fuel card programs is FY 2014. EBS will replace the functionality currently provided FES.

F.2.7 Challenge and Review Process

a) **Discrepancy between Receipt and Invoice:** See Aviation Into-Plane Reimbursement (AIR) Card® Dispute Procedures, DLA Energy Policy, P-13 or http://www.dtic.mil/whs/directives/corres/pdf/414025-m-vol2-chapter16.pdf.

b) **No Invoice Received:** If an Activity receives a past-due notice but did not receive the original invoice in question, a copy of the invoice in question should be requested from the AIR Card® contractor for resolution.

c) **Fraudulent Invoices:** See DoDM 4140.25-M, Volume 3 or http://www.dtic.mil/whs/directives/corres/pdf/414025-m-vol2-chapter16.pdf. Suspected fraudulent activity also may be reported to DLA Energy by calling your Account Manager or 1-800-2-TOPOFF, menu #3 or 1-877-DLA-CALL (877-352-2255), menu "Credit Cards."

F.3 Program Management

See DoDM 4140.25-M, Volume 3 or http://www.dtic.mil/whs/directives/corres/pdf/414025-m-vol2-chapter16.pdf.

F.3.1 Management Controls

See DoDM 4140.25-M, Volume 3 or http://www.dtic.mil/whs/directives/corres/pdf/414025-m-vol2-chapter16.pdf.

F.4 Personnel

F.4.1 Roles and Responsibilities

Mandatory: Specific roles and responsibilities for all program levels (i.e., from DLA Energy to the CH) specific to AIR Card® programs may be found in DoDM 4140.25-M, Volume 3 or http://www.dtic.mil/whs/directives/corres/pdf/414025-m-vol2-chapter16.pdf.

F.4.1.1 Service Points of Contact (Component Program Manager)

a) **Navy:** Department of Navy (DON) Consolidated Card Program Management Division

b) **Marines:** DON Consolidated Card Program Management Division

c) **Army:** Army G-4

d) **Air Force:** AIR FORCE – AF/A3O/AOR.

F.4.1.2 ACCOUNTABLE OFFICIAL

Mandatory: All AIR Card® Accountable Officials must complete required training prior to assuming this responsibility.

F.4.2 Training

AIR Card® A/OPCs should track the training (including refresher training) of all program participants in an appropriate system and ensure that the training has been completed before issuing cards. Air Card® training is available as follows:
AIR Card® User training:
https://east.esps.disa.mil/dod/dla/dlaenergy/card/SitePages/AIR%20Card%20Program%20Page.aspx.

AIR Card® Accountable Official training:
https://headquarters.dla.mil/EnergyCTB/AIRCardAOTraining/player.html.

The AIR Card® User training also resides on the JKO website, https://jkodirect.jten.mil. Log into JKO and select the Course Catalog tab to search for the course. To find the course, enter either the course number (US1185) or title (AIR Card® Card User Training) in the user input fields.

F.5 SPECIAL ISSUES

Use of AIR Cards®; Contract Purchases and Supplier Discounts; Misuse and Gratuities; Standard Pricing; Taxes (Exemptions, Refunds, and Filing); Alternatives to AIR Cards®: See DoDM 4140.25-M, Volume 3 or http://www.dtic.mil/whs/directives/corres/pdf/414025-m-vol2-chapter16.pdf.

F.6 AIR CARD® MANAGEMENT TIPS

1. Ensure correct billing information (e.g., DoDAAC and LOA) is presented when establishing an account.

2. Ensure aircrews are aware of correct AIR Card® use procedures (e.g., see Section F.5, Special Issues).

3. Utilize DLA Energy contract locations wherever available. These refueling contractors accept the AIR Card® worldwide and offer favorable negotiated prices and military-standard-quality fuel.

4. Upon learning that an aircraft will be transferred to another unit, ensure the AIR Card® contractor is notified immediately to avoid incorrect billing.

5. Check the “authorized products” list and train aircrew members on proper use of the AIR Card®. Inappropriate charges, such as hotel accommodations, car rentals, and catering, are not authorized AIR Card® purchases and should be paid for with a personal Government travel card.

Appendix G
Unique Business Rules for DoD Fleet Card Programs

G.1 Background Information

This chapter contains business rules unique to the DoD Fleet Card program. For additional detailed, mandatory information, see DoDM 4140.25-M, Volume 3, formally published as DoDM 4140.25, Volume II, Chapter 16. **All DoDM 4140.25-M, Volume 3, policy is Mandatory.** In the event of a conflict between this document and the latter, the DoDM 4140.25-M, Volume 3, takes precedence.

G.2 Processes

The following sections present summary-level overviews of key processes unique to the DoD Fleet Card program. All documentation, such as policies, procedures, training, or enrollment regarding the Fleet Card program, is now posted on the DoD Enterprise Portal Service (DEPS) website, http://www.disa.mil/Services/Enterprise-Services/Applications/DoD-Enterprise-Portal. DEPS currently supports DoD-Issued CAC access. Users without a DoD-issued CAC should contact the DLA Energy Help Desk[45] to request a copy of DEPS content.

G.2.1 Establishing an Account

Accounts are established through the DLA Energy Government Fuel Card Program Management Office by completing the Account Set Up forms located at https://www.us.army.mil/suite/page/655703 and e-mailing them to DoDFleetCard@dla.mil or faxing them to 703-767-8746. Account setups will be coordinated with the applicable Service CPM. See Section G.4.1.1, Service Points of Contact (Component Program Managers), for CPMs.

Accountable Officials must complete enrollment forms, which consist of Account Setup, Nomination of Accountable Official, DD Form 577 forms, and training certificate. The forms are to be e-mailed to DoDFleetCard@dla.mil or faxed to 703-767-8746. Training requirements must be completed before processing will occur.

[45] Contact information for the DLA Energy Help Desk is energy.helpdesk@dla.mil and (800) 446-4950.

The Account Set Up form consists of three parts: Account Set Up, Vehicle/Card Set Up, and Driver Identification (DID) or Personal Identification Number (PIN) forms. All information is required in order for an account to be established.

a) The Account Set Up form requests the account, embossing, card shipping, billing, and hierarchy information. It includes a customer agreement portion to be signed by the AO.

b) The Vehicle/Card Set Up form requests card and card shipping information and gives the opportunity to establish the card profiles.

c) The DID and PIN forms require the card information and provide the ability to create a six-character PIN.

To establish an account, you will need to provide the following information:

a) Name of Service

b) AO Point of Contact Name, commercial phone and fax numbers, and e-mail address

c) Billable DoDAAC

d) Accounting data required for Service legacy system obligations (ORG/UIC/APC)

e) Signal code

f) Fund code

g) Certifying Officer name, commercial phone and fax number, and email address

h) Agency/Activity hierarchy information

1) HL2: Branch of Service/Agency Name

2) HL3: Point of Contact for Major Command, Region/District, Reserve Component, Agency

3) HL4: Intermediate Command/Base/Agency

4) HL5: Installation/Org Level

5) HL6: AO Unit. Accountable Officials must complete enrollment forms, which consist of Account Setup, Nomination of Accountable Official, DD Form 577 forms, and training certificate. The forms are to be e-mailed to DoDFleetCard@dla.mil or faxed to 703-767-8746.

Training requirements must be completed before processing will occur.

Additional information on establishing an account can be found at:

a) DLA Energy Web page

b) Government Fuel Card PMO Web page

c) DoD Fleet Card Web page.

G.2.2 Replacement DoD Fleet Cards

To obtain a replacement DoD Fleet Card due to a card being damaged, lost, or stolen, contact your respective Service CPM and provide the following information:

a) POC

b) DoDAAC

c) DoD Fleet Card account/card number.

G.2.3 Cancelling a DoD Fleet Card

To cancel a DoD Fleet Card, contact your respective Component CPM and provide the following information:

a) POC

b) DoDAAC

c) DoD Fleet Card account/card number.

After contacting your Component CPM, write a memorandum of destruction and cut up and discard the cancelled card.

G.2.4 Split Billing Process

Split billing is a means of centrally billing the “fuel” portion of your invoice. For the fuel portion, DLA Energy, San Antonio, is the certifying office, and DFAS Columbus is the paying office. For the non-fuel portion, each incurring unit is the certifying office, and the appropriate DFAS office for the unit is the paying office. Individual units should continue processing the non-fuel portion of their invoice

from the DoD Fleet Card contractor through their established channels. All units are encouraged to enroll in the WAWF or GFEBS systems for promptly paying non-fuel invoices.

G.2.5 Fuels Enterprise System (FES)/Business Systems Modernization – Energy (BSM-E)

The Fuels Enterprise System (FES), a component of Business Systems Modernization – Energy, is a verification system consisting of base-level components and enterprise-level systems providing visibility of bulk fuel assets and fuel transactions to the Services and DLA Energy. FES is a closed-loop reporting system, providing a Web-based environment that collects, routes, and reports fuel transactions among bases, contractors, DLA Energy, DFAS, and other entities. It acts as the DLA Energy data warehouse that stores fuel transactions purchased by the DoD Fleet Card. This system facilitates standard unit pricing, requirements analysis, and inter-fund billing. DoD Fleet Card fuel purchases are passed to FES by the DoD Fleet Card contractor. Transactions are rolled up by DoDAAC/sub-account, and a document number is assigned and standard price applied for inter-fund billing. The transaction information is passed to DFAS for payment and subsequently billed to the customer.

In the near future, BSM-E will be replaced by DLA Enterprise Business System (EBS) under the Energy Convergence (EC) Program. The current cut-over timeframe for all fuel card programs is FY 2014. EBS will replace the functionality currently provided FES.

G.2.6 Challenge and Review Process

a) **Discrepancy between Receipt and Invoice:** If a transaction is being disputed, the Activity should contact the DoD Fleet Card provider within 60 days of the billing/invoice date of the transaction. Copy of the receipt or affidavit of the disputed transaction should be provided to the DoD Fleet Card provider. The Activity is responsible to pay the amount not in dispute. If the issue is not resolved between the Activity and the DoD Fleet Card provider, it should be raised to the Service CPM.

b) **No Invoice Received**: If an Activity receives a past-due notice but did not receive the original invoice in question, a copy of the invoice in question should be requested from the DoD Fleet Card contractor for resolution. Note: All non-fuel invoices are electronic and obtainable from the DoD Fleet Card contractor's Web site at https://go.wexonline.com/online/. Invoices are posted to the DoD Fleet Card account on the first business day of each month.

c) **Fraudulent Invoices:** If an Activity receives a bill for services not received, the DoD Fleet Card contractor should be contacted for confirmation of the invoice, and then the Unit's Service CPM should be contacted regarding potential fraudulent activity. Suspected fraudulent activity also may be directly reported to DLA Energy-K, the Government Fuel Card Program Management Office (e-mail: DoDFleetCard@dla.mil).

d) **Lost/Stolen Cards:** Lost/stolen cards should be reported to DoD Fleet Card contractor's customer service desk immediately at 1-877-939-4872 or 1-800-492-0669, to the Unit's Service CPM, or to DLA Energy-K, the Government Fuel Card Program Management Office.

G.3 PROGRAM MANAGEMENT

DLA Energy is the DoD-level Program Manager for DoD Fuel Card programs. See DoDM 4140.25-M, Volume 3, or DoDM 4140.25, Volume II, Chapter 16, for DLA Energy program implementation and flow-down of required roles and responsibilities or for additional information.

G.3.1 Management Controls

a) Purchase limits shall be reflective of mission need (e.g., anticipated driving requirements and size of equipment to be fueled).

b) MCCs shall be limited to authorized merchants. Restriction codes apply to the card. A card may be issued as fuel only.

c) AOs shall be appointed in writing and must complete AO training as identified below. AOs shall not be card users.

d) Component CPMs (or delegates) must approve all new card requests.

e) Delinquency management controls shall be implemented. For DLA Energy, MILSBILS arrearages shall be monitored/managed.

f) Accounts will be managed for inactive cards. AOs will be notified when cards are inactive at 181 days, will receive suspension notification at 300 days, and automatic termination of inactive cards at 365 days, in order to mitigate potential contingent liabilities.

G.4 PERSONNEL

G.4.1 Roles and Responsibilities

Specific roles and responsibilities for all program levels (i.e., from DLA Energy to the CH) specific to DoD Fleet Card programs may be found at the DoD Fleet Card Web page.

G.4.1.1 SERVICE POINTS OF CONTACT (COMPONENT PROGRAM MANGERS)

a) Navy: Department of the Navy (DON) Consolidated Card Program Management Division

b) Marines: DON Consolidated Card Program Management Division

c) Army: Headquarters, Department of the Army, G4

d) Air Force: Vehicle, Equipment, and Maintenance Support Office (VEMSO).

G.4.1.2 ACCOUNTABLE OFFICIAL

All DoD Fleet Card Accountable Officials must complete required training prior to assuming this responsibility. This training can be found at https://headquarters.dla.mil/EnergyCTB/DoDFleetCardAOTraining/player.html.

The Fleet Card AO training also resides on the JKO website, https://jkodirect.jten.mil. Log into JKO and select the Course Catalog tab to search for the course. To find the course, enter either the course number (US1186) or title (Fleet Card Accountable Official Training) in the user input fields.

G.4.2 Training

DoD Fleet Card A/OPCs should track the training (including refresher training, at a minimum, every three years) of all program participants in an appropriate system and ensure the required training has been completed before issuing cards. Monthly webinar training sessions are provided by the DoD Fleet Card contractor on the third Thursday of each month for training on their Web-based system. Information on the training schedule may be found at the DoD Fleet Card Web page.

G.5 SPECIAL ISSUES

G.5.1 Use of DoD Fleet Cards

See DoDM 4140.25-M, Volume 3.

G.5.2 Contract Purchases and Supplier Discounts

DLA Energy does not have contracts with commercial service stations. However, DLA Energy has agreements with merchants to offer price discounts when the DoD Fleet Card is used with the applicable merchant. A list of these merchants will be posted and periodically updated at https://www.us.army.mil/suite/page/655703.Note that these discounts apply to fuel charges only. DLA Energy will continue to engage merchants to expand the list of those that offer price and/or quantity discounts when a Government DoD Fleet Card is used.

G.5.3 Misuse and Gratuities

Executive Order 12731 of 17 October 1990, "Principles of Ethical Conduct for Government Officers and Employees," clearly identifies the standards of conduct expected of DoD Fleet Card users. Card users are considered Government procurement officials in that they order the fuel and other supplies and commit the Government to purchase those items. As such, they shall not misuse the card nor accept gratuities, and they must use the card as authorized for official use only. To report any suspected fraud, waste, or improprieties, call 1-877-DLA-CALL (352-2255). Further information may be obtained from DoDM 4140.25-M, Volume 3.

G.5.4 Standard Pricing

See DoDM 4140.25-M, Volume 3.

G.5.5 Taxes (Exemptions, Refunds, and Filing)

See DoDM 4140.25-M, Volume 3.

G.5.6 Alternatives to DoD Fleet Cards

See DoDM 4140.25-M, Volume 3.

G.6 DoD Fleet Card MANAGEMENT TIPS

1. Ensure correct billing information (e.g., DoDAAC and LOA) is presented when establishing an account.

2. Ensure DoD Fleet Card users understand proper procedures (e.g., see the "Misuse and Gratuities" section above).

3. Ensure the DoD Fleet Card contractor is notified immediately upon learning that a card is lost or no longer required.

4. Do not share the DID or PIN number associated with each individual DoD Fleet Card.

5. Monitor accounts for inactive cards. Cancel inactive accounts.

6. Monitor delinquencies to avoid account suspension.

Appendix H
Unique Business Rules for Swipe SEA Card® Programs

H.1 BACKGROUND INFORMATION

This chapter contains business rules unique to the DoD Swipe SEA Card® program. *Please note: SEA Card® is a trademarked acronym reference, owned by DLA Energy and therefore should always be capitalized, with the trademark ® symbol.* For additional detailed, mandatory information, see DoDM 4140.25-M, Volume 3, formally published as DoDM 4140.25, Volume II, Chapter 16. **All DoDM 4140.25-M, Volume 3, policy is Mandatory.** In the event of a conflict between this document and the latter, the DoDM 4140.25-M, Volume 3, takes precedence.

The SEA Card® program, referred to as Swipe SEA Card® is a task order under the GSA SmartPay®2 charge card program which enables small vessels to 'gas and go' at smaller ports and marinas in accordance with DFARS Subpart 213.306. The Swipe SEA Card® is a "FUEL ONLY" charge card and is NOT authorized for maintenance, supplies or services. DLA Energy has concluded the pilot phase of the Swipe SEA Card® and enrollment is now open to all authorized users.

H.2 PROCESSES

The following sections present summary-level overviews of key processes unique to the Swipe SEA Card® program. All documentation, such as policies, procedures, training, or enrollment regarding the Swipe SEA Card® program is posted on the DoD Enterprise Portal Service (DEPS) website, http://www.disa.mil/Services/Enterprise-Services/Applications/DoD-Enterprise-Portal. DEPS currently supports DoD-Issued CAC access. Users without a DoD-issued CAC should contact the DLA Energy Help Desk[46] to request a copy of DEPS content.

H.2.1 Establishing an Account

Accounts are established through the Service or Agency CPM. See DoDM 4140.25-M, Volume 3, or DoDM 4140.25, Volume II, Chapter 16.

[46] Contact information for the DLA Energy Help Desk is energy.helpdesk@dla.mil and (800) 446-4950.

H.2.2 Canceling a Swipe SEA Card®

To cancel a Swipe SEA Card®, contact your Component CPM and provide the following information:

a) POC information

b) DoDAAC

c) Card number.

After contacting your CPM, cut up and discard the canceled card.

H.2.3 Billing Process

All invoices are processed by DFAS Columbus as the paying office. The Swipe SEA Card® is authorized for FUEL ONLY; non-fuel purchases are prohibited. If a non-fuel purchase occurs, cardholders and respective units will be reprimanded. Repeat occurrences will result in card/account suspension. Also see DoDM 4140.25-M, Volume 3.

H.2.4 Fuels Automated System and the FAS Enterprise System

The Fuels Automated System (FAS), a component of Business Systems Modernization—Energy (BSM-E), is a vertically integrated automated information system consisting of base-level components and enterprise-level systems providing visibility of bulk fuel assets and fuel transactions to the Services and DLA Energy. The FAS Enterprise Server (FES) is a Web-based environment that collects, routes, and reports fuel transactions among bases, contractors, DLA Energy, DFAS, and other entities. It acts as the DLA Energy data warehouse that stores fuel transactions purchased with the Swipe SEA Card®. These systems facilitate standard unit pricing, requirements analysis, and inter-fund billing. Swipe SEA Card® fuel purchases are passed to FES by the card contractor. Transactions are then processed individually, a document number is assigned, and standard price applied for inter-fund billing. This information is passed to DFAS for invoice payment and billing.

In the near future BSM-E will be replaced by DLA Enterprise Business System (EBS) under the Energy Convergence (EC) Program. The current cut over time frame for all fuel card programs is July 2014. EBS will replace the functionality currently provided FES.

H.2.5 Challenge and Review Process

a) Disputes shall be initiated by contacting the card contractor Customer Service desk by email or by phone number on the back of the charge card which is designated for account questions.

b) Disputes include: suspected duplicate transactions, suspected fraud or questionable transaction activity (not including incorrect product code or billing diversion). Disputes are NOT allowed based on a signature for transactions with MCC 5542, as this represents an automated fuel dispenser where no signature is taken.

c) The individual initiating the dispute must be able to identify themselves correctly or shall be directed by the Customer Service department to contact their CPM or DLA Energy Account Manager. The Accountable Official (AO) must supply all pertinent information in regards to the disputed transaction (DoDAAC, vessel name, hull number, unit, location, card number).

d) **Common Dispute Types:**

   1) **Duplicate Charge:** The Contractor reviews both charges to verify a duplicate transaction has occurred. The Contractor shall request Card Merchant to provide ticket receipts whenever a duplicate charge is not obvious.

   2) **Suspected Fraud:** The AO shall immediately notify the Contractor, DLA Energy, and the CPM to cancel a Swipe SEA Card® whenever a loss, theft and /or unauthorized card use is detected.

   3) **Questionable or Unknown Charge:** The Contractor shall examine the challenged transaction to determine if the purchase record is either manual or electronic. Electronic purchases at the island card reader mounted on the fuel dispenser pedestal are not disputable unless the card has been reported lost, stolen or fraudulent activity occurring prior to the sale.

e) The AO shall notify the Contractor, DLA Energy and the CPM when a valid purchase is incorrectly coded for non-fuel. For the Swipe SEA Card® this applies to all transactions containing level III data. A Transaction Dispute Report shall be initiated only for the purposes of correcting product code assignments associated with the transaction to facilitate correct billing.

f) **Fraudulent Invoices:** If an activity receives a bill for services not received, the card contractor should be contacted for confirmation of the invoice, and then the unit's CPM should be contacted regarding potential

fraudulent activity. Suspected fraudulent activity also may be reported to DLA Energy by calling: 1-800-2-TOPOFF, menu #3, or 1-877-DLA-CALL (877-352-2255), menu item "Credit Card Purchases."

g) **Lost/Stolen Cards:** Lost/stolen cards should be reported to the banks Client Services help desk.

H.3 PROGRAM MANAGEMENT

DLA Energy is the DoD-level Program Manager for DoD fuel card programs. The applicable CPM offices assign the hierarchy levels down to the card user. See DoDM 4140.25-M, Volume 3, or DoDM 4140.25, Volume II, Chapter 16.

H.3.1 Management Controls

a) Annual Program Review with CPMs to ensure program compliance.

b) MCC's shall be managed to ensure restriction of card use to a defined and finite group of merchants for fuel only.

c) Random Sampling to identify questionable transactions and or patterns of suspicious activities.

d) Convenience checks and Automated Teller Machine (ATM) withdraws prohibited

e) Certification of training compliance for AO's and card users: understand the applicable regulations, procedures and the consequences for inappropriate actions.

f) Annual Policy Review with CPMs for possible program or system change recommendations.

H.4 PERSONNEL

H.4.1 Roles and Responsibilities

Specific roles and responsibilities for all program levels can be found at DoDM 4140.25-M, Volume 3, or DoDM 4140.25, Volume II, Chapter 16.

H.4.2 Service Points of Contact (Component Program Managers)

a) **Navy:** Department of the Navy (DON) Consolidated Card Program Management Division

b) **US Coast Guard:** USCG Finance Center

c) **Army:** Army G-4

H.4.3 Accountable Official

Mandatory: All Accountable Officials must complete required training prior to assuming this responsibility.

H.4.4 Training

Swipe SEA Card® A/OPCs should track the training (including refresher training) of all program participants in an appropriate system and ensure that the required training has been completed before issuing cards. Citibank is responsible for training the units on its Web system.

SEA Card® training is available as follows:

a) Coast Guard SEA Card® Non-Warranted Ordering Officer Policy Training: https://headquarters.dla.mil/EnergyCTB/CGOMPolicyTrainingNonWarrantedOrderingOfficer/player.html.

b) Coast Guard SEA Card® Non-Warranted Ordering Officer Systems Training: https://headquarters.dla.mil/EnergyCTB/NonWarranted00SystemsTraining/player.html.

c) Coast Guard SEA Card® Warranted Ordering Officer Policy Training: https://headquarters.dla.mil/EnergyCTB/CGOMPolicyTrainingWarrantedOrderingOfficer/player.html.

d) Coast Guard SEA Card® Warranted Ordering Officer Systems Training: https://headquarters.dla.mil/EnergyCTB/Warranted00SystemsTraining/player.html.

e) Swipe SEA Card® U.S. Coast Guard Accountable Official Training: https://headquarters.dla.mil/EnergyCTB/SwipeSEACardUSCGAccountableOfficial/player.html.

f) Swipe SEA Card® Card User Roles and Responsibilities Training: https://headquarters.dla.mil/EnergyCTB/SwipeSEACardUserRolesandResponsibilities/player.html.

The SEA Card training also resides on the JKO website, https://jkodirect.jten.mil. Log into JKO and select the Course Catalog tab to search for the course. To find the course, enter either the course number or title in the user input fields as follows.

a) Swipe SEA Card® Accountable Official Roles and Responsibilities Training, Course # US1179

b) Swipe SEA Card® U.S. Coast Guard Accountable Official Course Training, Course # US1184

c) Swipe SEA Card® Agency Program Coordinator Roles and Responsibilities Training, Course # US1182

d) Swipe SEA Card® DON Agency Program Coordinator Roles and Responsibilities Training, Course # US1181

e) Swipe SEA Card® Certifying Officer Roles and Responsibilities Training, Course # US1183

f) Swipe SEA Card® User Roles and Responsibilities Training, Course # US1180.

H.5 SPECIAL ISSUES

H.5.1 Use of Swipe SEA Card®

The Swipe SEA Card® may only be used to purchase fuel. Purchases of non-fuel items are prohibited and card users will be reprimanded if this policy is not followed. The Swipe SEA Card® can be used worldwide; however the card shall NOT be used at a bunker contract port, unless the quantity lifted is less than the minimum quantity on the contract or if there is insufficient lead time available to order fuel.

H.5.2 Misuse and Gratuities; Taxes (Exemptions, Refunds, and Filing)

See DoDM 4140.25-M, Volume 3, or DoDM 4140.25, Volume II, Chapter 16.

H.5.3 Standard Pricing

Standard prices will be assigned by type of transaction. Transactions containing Level I and II data will be billed a standard price which will differ from transactions citing Level III data. Transactions containing Level III data will be priced by type of fuel purchased.

H.6 SWIPE SEA CARD® MANAGEMENT TIPS

1. Ensure correct billing information (e.g., DoDAAC and LOA) is presented when establishing an account.

2. Ensure Swipe SEA Card® users understand proper procedures (e.g., see the “Misuse and Gratuities” section above).

3. Ensure the card contractor is notified immediately upon learning that a card is lost, stolen or no longer required.

4. Monitor accounts for inactive cards. Cancel inactive accounts.

5. AOs will perform annual program reviews in accordance with standard operating procedures posted on the DLA Energy Web site.

Appendix I
Definitions and Abbreviations

Abuse: Use of a Government charge card to buy authorized items, but at terms (e.g., price, quantity) that are excessive, is for a questionable Government need, or both. Examples of such transaction would include purchase of items such as a day planner costing $300 rather than one costing $45; allowable refreshments at an excessive cost; and, year-end or other bulk purchases of computer and electronic equipment for a questionable Government need.

Accountable Property: Property recorded in a formal property management or accounting system. Accountable property is defined by a dollar threshold and/or the type of item (e.g., sensitive or pilferable). 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); government-furnished property; and items that are sensitive, including but not limited to pilferable items. *Sensitive items* require a high degree of protection and control. They may include items that are governed by statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items that are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition or classified material (See DoD 4100.39-M, Volume 10, Table 61, 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. *Pilferable items* have a ready resale value or application to personal possession and are therefore especially subject to theft.

Anti-Deficiency Act: See Title 31, Chapter 13, Section 1341 of the U.S.C.

Agency/Organization Program Coordinator (A/OPC): The A/OPC is an individual who has responsibility for implementing, maintaining, monitoring, and overseeing GPC and GTCC programs under their cognizance in accordance with governing statute, regulations, policies, and procedures.

Appointment: Certifying Officers and DAOs are appointed to review, approve, and certify charge card payment vouchers. These appointments are completed and terminated using the DD Form 577. For more information, see DoD FMR Volume 5, Chapter 33.

Approving/Billing Official: An individual who has responsibility for one or more GPC CHs. The A/BO should be the CH's immediate supervisor. In the case where the A/BO is not the CH's supervisor, the A/BO has the ability to influence the CH's performance appraisal and/or make recommendations to the CH's su-

pervisor when disciplinary action is warranted. For DoD, the A/BO often acts as the Certifying Officer.

Availability of Funds: See DoD FMR Volume 3.

Billing Cycle Purchase Limit: An authorization control that limits an account's cumulative spending for purchases in a given billing cycle. This limit, or the billing office limit, shall be used to ensure CHs do not exceed reserved funding (positive funds control). Any purchase limit may be assigned, in increments of $100 up to $9,999,900. This limit may be adjusted as ordering DoD activities deem appropriate and shall be established for each managing account. It should reflect normal usage by the particular CHs under the managing account and must not default to the maximum available limit.

Billing Date: The billing date is the date on which the invoice is received by the agency/organization DBO in accordance with the Prompt Payment Act. Also in accordance with Prompt Payment Act procedures, in the absence of a date annotated by the A/BO on receipt, the payment office shall use the statement date (paper or EAS version) to determine the applicability of Prompt Payment interest penalties. For EDI-enabled accounts, the available date (one business day after the close of the statement cycle) shall be used for purposes of Prompt Payment Act calculations.

Billing Invoice: The official monthly invoice for payment purposes that is provided to the A/BO by the issuing bank. The billing invoice identifies all of the purchase card transactions of the A/BO's CHs during a billing cycle. The invoice can be paper based or presented through the EAS of the issuing bank.

A purchase card billing statement shall contain the details of a purchase card transaction, and it shall be received directly from the issuing bank. Invoice information should be unalterable. (See the memorandum "Internal Controls for the Purchase Card Program," dated 11/27/02.)

Blanket Purchase Agreement (BPA): A simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply. BPAs can be used if there is a wide variety of items in a broad class of supplies or services (e.g., hardware) that are generally purchased but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably. BPAs are designed to accomplish simplified acquisitions by eliminating the need for numerous individual purchase orders. (FAR Subpart 13.303).

Cardholder (CH): The legal agent using the charge card to buy goods and services in support of official Government business. The CH holds the primary responsibility for the card's proper use.

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

Centrally Billed Account (CBA): A travel charge card account established for an agency and paid by the agency.

Certifying Officer: The Certifying Officer is the individual responsible for the accuracy of payments, including designation of the proper appropriation(s) or other funds, certified to the disbursing office and Disbursing Officer. The Certifying Officer is liable for any illegal, improper, or incorrect payment processed by DoD as a result of an inaccurate or misleading certification, unless granted relief. The Certifying Officer's appointment must meet minimum qualifications and eligibility requirements as discussed in DoD FMR Volume 5, Chapter 33. Because of his/her fiduciary obligation to ensure proper use of, and expenditures under, the GPC, the A/BO will also be the Certifying Officer (with the exception of the Air Force). For detailed responsibilities and legal requirements of the Certifying Officer role, see Section A.3.7, Certifying Officer.

Component Program Manager: The Service's or Agency's functional representative with the PMO.

Contingency Operation: A military operation that:

a) Is designated by the Secretary of Defense as an operation in which members of the armed forces are or may become involved in military actions, operations, or hostilities against an enemy of the United States or against an opposing military force; or

b) Results in the call or order to, or retention on, active duty of members of the uniformed services under Section 688, 12301(a), 12302, 12304, 12305, or 12406 of this title, Chapter 15 of this title, or any other provision of law during a war or during a national emergency declared by the President or Congress.

(10 U.S.C. 101(a)(13).)

Customer: An individual or organization that requires supplies or services.

Davis Bacon Act: Applies to contractors/subcontractors performing construction work on federally funded contracts greater than $2,000 for alteration or repair, replacement, remodeling, installation (including painting and decorating) of public buildings or public works. For more information, see FAR Subpart 22.4.

Declined Transactions: Transactions where authorization has been refused by the issuing bank's transaction authorization system.

Defense Finance and Accounting Service (DFAS): The DoD Component responsible for the payment of charge card invoices and some travel vouchers.

Defense Transportation System: That portion of the Nation's transportation infrastructure that supports Department of Defense common-user transportation needs across the range of military operations.

Defense Travel System: The Defense Travel System is a fully integrated, automated, end-to-end travel management system that enables DoD travelers to create authorizations (TDY travel orders), prepare reservations, receive approvals, generate travel vouchers, and receive a split reimbursement between their bank accounts and the Government Travel Charge Card vendor.

Delegation of Procurement Authority: A document, issued by authorized agency personnel, that establishes an individual as an authorized CH. This delegation of procurement authority shall specify spending and usage limitations unique to the CH. Each DoD activity, in its internal procedures, must designate who shall be responsible for the issuance of these delegations. This delegation must come from the HA or as further delegated in accordance with agency procedures.

Departmental Accountable Official (DAO): A Departmental Accountable Official is a U.S. military member or DoD civilian employee to whom public funds are entrusted, or who participates in the process of reviewing and approving charge card vouchers for payment, in connection with the performance of government business. This individual may also be referred to as an "Accountable Individual" or "Accountable Officer." Section 3527, Title 31 of the U.S. Code uses the term "Accountable Official." Examples are "Agent (of a disbursing officer)," "Cashier," "Certifying Officer," "Change Fund Custodian," "Departmental Accountable Official (DAO)," "Deputy Disbursing Officer (DDO)," "Disbursing Officer (DO), "Imprest Fund Cashier," and "Paying Agent," defined elsewhere in this Glossary.

Designated Payment Office (DPO): The office that is responsible to effect payment of purchase card invoices to the issuing bank.

Dispute: A disagreement between a CH and a merchant regarding items appearing on the CH's monthly statement of account, which is presented to the issuing bank for resolution.

DoD Component: Includes the OSD; the Chairman, Joint Chiefs of Staff and the Joint Staff; the Inspector General of the Department of Defense; the Military Departments, including the Coast Guard when assigned to the Department of the Navy; the Defense Agencies; the DoD Field Activities; the Combatant Commands; the Uniformed Services University of the Health Sciences; and all non-appropriated fund instrumentalities.

DoD Fleet: The term "DoD Fleet," as used herein, refers to vehicles that are owned or are under individual "dry" lease by the Component Services and the DoD Agencies.

Electronic Access System (EAS): 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. U.S. Bank's EAS is Access Online; Citibank's is CitiDirect.

Electronic Commerce (EC): Electronic techniques for accomplishing business transactions, including electronic mail or messaging, World Wide Web technology, electronic bulletin boards, purchase cards, electronic funds transfer, and electronic data interchange. (FAR Subpart 2.101)

Electronic Data Interchange (EDI): The automated process for receiving electronic obligation and invoice records directly from an issuing bank into a DoD accounting system.

Electronic Funds Transfer (EFT): Any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, that is initiated through an electronic terminal, telephone, computer, or magnetic tape, for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account. The term includes Automated Clearing House (ACH) transfers, Fedwire transfers, and transfers made at ATMs and point-of-sale terminals. For purposes of compliance with 31 U.S.C., Section 3332 and implementing regulations at 31 CFR, Part 208, *electronic funds transfer* includes a purchase card transaction. (FAR Subpart 2.101)

File Turn: The sum of daily balances divided by the sum of daily sales.

Fleet Card: Part of the fuel card program. The fleet card is used to buy fuel and emergency roadside assistance in support of official Government business under the GSA SmartPay® contract. The Defense Logistics Agency (DLA) Energy manages the DoD Fleet Card Program for DoD-owned vehicles, as the Executive Agency for Bulk Petroleum. The GSA Fleet Office manages the GSA Fleet Card Program.

Fraud: Any felonious act of corruption or attempt to cheat the Government or corrupt the Government's agents. For the purposes of this Guide, use of Government charge cards to transact business that is not sanctioned, not authorized, not in one's official Government capacity, not for the purpose for which the card was issued, not as a part of official Government business, are instances of fraud. This list is not intended to be all inclusive. The use of the GPC to acquire supplies or services that are unauthorized and intended for personal use or gain constitutes a fraud against the Government. Examples include a CH's unauthorized purchase of power tools for his home, a supplier's intentional charges for services not provided, and the unauthorized use by a third party of a CH's compromised or stolen account for personal gain.

Government Travel Card: The GSA SmartPay® contractor-issued charge card used for the purpose of procuring transportation and other authorized travel-related services.

Government Purchase Card (GPC): The charge card account established with the issuing bank that enables properly authorized Government personnel to buy and pay for supplies and services in support of official Government business.

Head of the Activity (HA): The military officer in command or the civilian executive in charge of the mission of a command or activity. The HA has overall responsibility for managing the delegation and use of the purchase card program. This individual has disciplinary authority over CHs and AOs.

Hierarchy: The way in which charge card accounts are structured and organized within the organization responsible for issuing the charge card account.

Humanitarian or Peacekeeping Operation: A military operation in support of the provision of humanitarian or foreign disaster assistance or in support of a peacekeeping operation under chapter VI or VII of the Charter of the United Nations. The term does not include routine training, force rotation, or stationing (10 U.S.C. 2302(8)).

Improper Purchases: An improper purchase is any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include overcharges and undercharges. An improper purchase can be one of two types: (1) unauthorized or (2) incorrect.

Unauthorized purchases consist of items that are intentionally purchased and are outside of the CH's purchasing authority. For instance, using a Government charge card to purchase a tennis racket is an unauthorized purchase.

Incorrect purchases are mistakes that are the result of an unintentional error during the purchase process. For example, when a CH is asked to buy one filing cabinet but purchases three cabinets, this is an incorrect purchase. A series of seemingly incorrect purchases may require investigation to determine whether these purchases are actually unauthorized purchases.

Individually Billed Account (IBA): A travel charge card account issued to an individual and used to make individual travel mission charges. The individual receives reimbursement for authorized purchases made using the IBA, including hotel room, airline tickets, meals, etc., and is responsible for making payments to the card-issuing bank.

International Merchant Purchase Authorization Card (IMPAC): A registered trademark provided by U.S. Bank, a Government charge card contractor, to identify its Government VISA charge card. Formerly, IMPAC was a generic term for GPCs.

Issuing Bank: A financial institution responsible for issuing DoD's charge card as a result of a task order against the GSA SmartPay® Master Contract.

Level 1 Data: Standard commercial transaction data that include the total purchase amount, the date of purchase, the merchant's name and city/state, the debit/credit indicator, the date on which the charge/credit was processed by the contractor, the contractor processing/transaction reference number for each charge/credit, and other data elements as defined by the card associations or similar entities.

Level 2 Data: Adds additional data to Level 1 data about each purchase, including MCC, sales tax amount, accounting code, merchant Taxpayer Identification Number, minority/women-owned business codes, 1099 status, merchant ZIP Code, and other data elements as defined by the card associations or similar entities.

Level 3 Data: Full, line-item detail in addition to the data in Level 2, including unit cost, quantities, unit of measure, product codes, product descriptions, ship to/from ZIP Codes, freight amount, duty amount, order date, discount amount, order number, and other data elements as defined by the card associations or similar entities.

Manual Bank Invoice: A FAR-compliant invoice presented in paper format.

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 supplies or services provided. These codes are used as authorized transaction codes on a card/account to identify the types of businesses that provide authorized supplies or services. The DoD PCPMO maintains the list of DoD-wide blocked MCC codes.

Micro-Purchase: (FAR Subpart 2.101) An acquisition of supplies or services, the aggregate amount of which does not exceed $3,000, except—

(1) For acquisitions of construction subject to the Davis-Bacon Act, which is limited to $2,000;

(2) For acquisitions of services subject to the Service Contract Act, $2,500; and

(3) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack as described in FAR Subpart 13.201(g)(1), except for construction subject to the Davis-Bacon Act (41 U.S.C. 428a)—

a. $15,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

b. $30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

Misuse: Use of a Government charge card that is not for Government use or its use is not permitted by law, regulation, or Departmental policy, or does not conform to the organizational mission.

Ordering Official: A CH or operator granted the authority to place orders against existing Government contracts or an open-market local purchase. Personnel making fuel purchases for aircraft, vessels, or DoD-owned vehicles are considered Ordering Officials, although the fuel card is assigned to a specific apparatus.

Positive Funds Control: A method to preclude CHs from exceeding reserved funds. Typically, maintaining positive funds control is accomplished by setting CH or AO limits at the reserved amount. (DoD FMR Volume 3, Chapter 8)

Pre-Purchase Approval: When required and identified by local procedures, documentation showing approvals for special-use items (hazardous material, information technology, etc.) before they are purchased.

Profile: A record containing all information relative to a particular account. It includes demographic information, accounting information, authorization controls, billing information, etc.

Prompt Payment Act: P.L. 97-177 (96 Stat 85, U.S.C. Title 31, Section 1801) requires prompt payment of invoices (billing statements) within 30 days of receipt (FAR Subpart 52.232-25). An automatic interest penalty is required if payment is not timely.

Purchase Card Log: A manual or automated record to document purchase information for each GPC transaction. It is used to support strategic sourcing; spend/track demand; and trace property accountability, logistic allocations, and entitlement.

Reactivation: The activation of purchase/travel card privileges after suspension.

Reconciliation: The process by which the CH and the AO review the monthly statements, reconcile against available supplier receipts and purchase card logs, and authorize payment of those charges provided on the monthly invoice. Reconciliation applies to purchase card accounts and CBAs only.

Required or Mandatory Sources of Supply: Sources of supply for specific categories of supply/service that are mandated by federal law and regulation. The priority of sources is dictated by FAR Part 8 and FAR Subpart 8.002; and DFARS Part 208. Mandatory sources must be considered before an open-market purchase can be made.

Requirement: The description of the Government's needs that leads to an acquisition.

Reservation of Funds: A commitment or obligation of funds within the appropriate financial system based upon the CH's or AO's projected needs during a specified time period (usually monthly or quarterly). (DoD FMR Volume 3, Chapter 8)

Reviewing Official (RO): ROs are local officials who perform pre- and/or post-payment reviews of charge card payment vouchers to ensure that the transactions selected for review are legal, proper, and correct. Payment ROs are not subject to any form of pecuniary liability in the performance of their duties.

Salary Offset: The collection of a debt from the current salary of a debtor under the authority of 5 U.S.C. Section 5514.

Self-Initiated Purchase: A GPC purchase by the CH for which there is an absence of documentation that the acquisition was approved by a higher authority than the CH.

Service Contract Act - The McNamara-O'Hara Service Contract Act (SCA) applies to every contract entered into by the U.S. Federal Government or the District of Columbia, the principal purpose of which is to furnish services to the United States through the use of service employees. The SCA requires contractors and subcontractors performing services on covered contracts in excess of $2,500 (Service Contract Act) to pay service employees in various classes no less than the monetary wage rates and to furnish fringe benefits found prevailing in the locality, or the rates (including prospective increases) contained in a predecessor contractor's collective bargaining agreement. Safety and health standards also apply to such contracts.

For additional information, see: (1) FAR Subpart 22.10, Service Contract Act of 1965, as Amended; (2) Department of Labor (DOL) SCA Compliance Assistance Resource; and (3) DOL 29 CFR Part 541. Services not listed in the DOL 29 CFR Part 541 are not covered by the SCA and therefore, the $3,000 micro-purchase threshold for these services applies.

Ships' Easy Acquisition (SEA) Card®: Part of the fuel card program. This charge card is authorized to buy ships' bunker fuel in support of official Government business under a Defense Energy Support Center support contract, as the Executive Agency for Bulk Petroleum.

Single Purchase Limit: The dollar limit imposed on each purchase assigned to each CH account by the issuing DoD activity. A CH's account limitations should reflect the normal usage by that CH and must not default to the maximum available.

SmartPay®: A GSA program that provides users with card-based tools to simplify procuring needs in three operational areas. The fleet card allows users to efficiently fuel and maintain vehicles, boats, planes, or equipment. The travel card allows users to purchase common carrier transportation, car rentals, lodging, and

meals for official travel and travel-related expenses. The purchase card enables users to make day-to-day purchases of supplies and services to satisfy official business needs.

Split Disbursement: A payment option whereby the traveler can designate that a specified amount of his/her travel entitlement be sent directly to the GSA SmartPay® travel card contractor to pay down his/her account, with the remainder of the entitlement sent to his/her direct-deposit account.

Split Purchase: Separating a 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 purchase CH may fragment/split purchases 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.

Suspension: Temporarily disabling an account to prevent purchases from being made with the account.

Tax Exemption: The elimination of state and local taxes from federal purchases in accordance with state and federal law. The phrase "U.S. Government Tax Exempt" is printed on the front of each purchase card. Note that tax exemption does not apply at the point of sale for any fuel purchases.

Travel Orders: A written or electronic instrument issued or approved by person(s) to whom authority has been delegated, that directs an individual or group of individuals to travel.

Appendix J
Regulatory/Policy Resources

J.1 General Resources

J.1.1 Common

a) Management Initiative Decision No. 904, Department of Defense Charge Card Management, December 18, 2002.

b) OMB Circular A-123, Appendix B, "Improving the Management of Government Charge Card Programs."

c) Policy Memorandum: "Use of Charge Card Rebates to Fund Government-Wide Initiatives—Revised DoD Contribution," 4/11/00.

d) Policy Memorandum: "Use of Charge Card Rebates to Fund Government-Wide Initiatives—Revised DoD Contribution," 2/22/00.

J.1.2 Travel Card

a) DoD FMR Volume 9, Chapter 3.

b) DoD Joint Travel Regulations.

J.1.3 Purchase Card

a) DFARS Part 213.

b) Defense Transportation Regulations.

c) FAR Parts 8 and 13.

d) U.S. Department of the Treasury Financial Manual.

e) DoD FMR Volume 10, Chapter 23.

J.2 OSD Resources

J.2.1 Common

a) DD Form 1387, Military Shipment Label.

b) DoD Charge Card Task Force Final Report of June 27, 2002.

c) Policy Memorandum: "Appointment of Certifying Officers in Overseas Contingency Operations for Micro-purchases," dated 6/23/10.

d) Policy Memorandum: "Department of Defense (DoD) Charge Card Programs," dated 06/21/02.

e) Policy Memorandum: "Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel" dated 06/10/03.

f) Policy Memorandum: "Enhancements to Defense Civilian Personnel Data System (DCPDS) for Actions Related to Government Charge Cards," dated 07/18/03.

g) Policy Memorandum: "Government Charge Card Disciplinary Guide for Civilian Employees," dated 12/29/03.

h) Policy Memorandum: "Government Purchase Card (GPC) Certifying Officer and Departmental Accountable Official Responsibilities," dated 11/07/08.

i) Policy Memorandum: "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards," dated 09/25/02. (Included as attachment to disciplinary guidance memos.)

j) Policy Memorandum: "Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards," dated 06/23/03.

k) Policy Memorandum: "Linking Financial Data to Contract Documents," dated 3/18/09.

l) Policy Memorandum: "Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards," dated 11/04/02. (Also included as attachment to disciplinary guidance memos.)

m) Policy Memorandum: "Track Four Efficiency Initiatives Decisions," dated 3/14/11.

n) Policy Memorandum: "Withholding of Information That Personally Identifies DoD Personnel," dated 9/1/05.

J.2.2 Purchase Card

a) Department of Defense Purchase Card Data Management Plan, dated October 2010, Version 1.1.

b) Policy Memorandum: "Acquisition of Gift Certificates through Use of the DoD Purchase Card," dated 3/31/03.

c) Policy Memorandum: "Acquisition Policy on Facilitating Vendor Shipments in the DoD Organic Distribution System," dated 07/23/03.

d) Policy Memorandum: "Appointing Certifying Officers," dated 8/31/00.

e) Policy Memorandum: "Blocking of Merchant Category Codes," dated 10/05/01.

f) Policy Memorandum: "Cash Management of Commercial Bank Program Billings," dated 5/8/01.

g) Policy Memorandum: "Certification of Purchase Card Payment Invoices," dated 8/1/00.

h) Policy Memorandum: "Continuous Learning Points for General Services Administration (GSA) SmartPay Conference," 8/10/00.

i) Policy Memorandum: "Convenience Check Screening," 3/17/06.

j) Policy Memorandum: "Convenience Checks," dated 09/21/04.

k) Policy Memorandum: "Department of Defense (DoD) Charge Card Management," dated 3/9/98.

l) Policy Memorandum: "Department of Defense (DoD) Deployment of Purchase Card On-Line System (PCOLS) Capability," dated 11/19/08.

m) Policy Memorandum: "Department of Defense Purchase Card Data Strategy," dated 09/03/09.

n) Policy Memorandum: "Department of Defense (DoD) Deployment of Purchase Card On-Line System (PCOLS) Capability," dated 3/3/10.

o) Policy Memorandum: "Internal Controls for the Purchase Card Program," dated 11/27/02.

p) Policy Memorandum: "FOIA Policy on Release of Credit Card Data," dated 6/29/06.

q) Policy Memorandum: "Government Purchase Card Internal Controls," dated 8/13/01.

r) Policy Memorandum: "Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards," dated 06/23/03.

s) Policy Memorandum: "Increasing Contracting Opportunities with the AbilityOne Program," dated 07/12/12.

t) Policy Memorandum: "Increasing Opportunities for Small Business through Small Business Set-Asides under the Simplified Acquisition Threshold," dated 07/11/12.

u) Policy Memorandum: "Internal and Management Controls—DoD Purchase Card Program," dated 07/05/01.

v) Policy Memorandum: "Internal Controls for the Purchase Card Program," dated 12/8/05.

w) Policy Memorandum: "Internal Controls for the Purchase Card Program," dated 12/19/05.

x) Policy Memorandum: "Internal Controls for the Purchase Card Program," dated 11/27/02.

y) Policy Memorandum: "Mandatory Purchase Card Refresher Training," dated 08/22/06.

z) Policy Memorandum: "Maximizing Small Business Utilization on Multiple Award Contracts," dated 07/26/12.

aa) Policy Memorandum: "Micro-Purchase Approval Authority," dated 9/26/97.

bb) Policy Memorandum: "Micro-Purchase and Section 508 Disability Accessibility Requirement," dated 09/27/04.

cc) Policy Memorandum, "Micro-Purchases," dated 3/20/97.

dd) Policy Memorandum: "Operation Mongoose Fraud Protection Program," dated 10/05/01.

ee) Policy Memorandum: "PC-PMO Memo # 03-01, Government Purchase Card Training Records," dated 4/10/03.

ff) Policy Memorandum: "Property Accountability Threshold," dated 5/28/96.

gg) Policy Memorandum: "Purchase Card Delinquencies," dated 2/5/99.

hh) Policy Memorandum: "Purchase Card Delinquency Policies," dated 9/17/99.

ii) Policy Memorandum: "Purchase Card Program—Cross Disbursements," dated 3/1/99.

jj) Policy Memorandum: "Purchase Card Program Electronic Data Interchange Response Call," dated 07/13/01.

kk) Policy Memorandum: "Purchase Card Reengineering Implementation Memorandum #1, Certifying Officer Guidance, Change 1," dated 11/20/98.

ll) Policy Memorandum: "Purchase Card Reengineering Implementation Memorandum #2: Conversion of DoD Purchase Cards to New Contractor-Offered Platform," dated 11/12/96.

mm) Policy Memorandum: "Purchase Card Reengineering Implementation Memorandum #3: Streamlined Financial Management Procedures—Change 1," dated 6/30/98.

nn) Policy Memorandum: "Purchase Card Reengineering Implementation Memorandum #4: Use of the I.M.P.A.C. Card for Transactions with the Defense Automated Printing Service," dated 5/5/97.

oo) Policy Memorandum: "Purchase Card Program Reengineering Implementation Memorandum #6: Streamlined Payment Practices," dated 7/20/98.

pp) Policy Memorandum: "Purchase Card Task Order Transition and Payment Delinquencies," dated 09/24/98.

qq) Policy Memorandum: "Release of Purchase Card Data to the Public Domain," dated 6/15/05.

rr) Policy Memorandum: " Purchase Card Internal Controls Revision," dated 10/17/07.

ss) Policy Memorandum: "Streamlined Payment Practices for Awards/Orders Valued at or below the Micro-Purchase Threshold," dated 10/02/98.

tt) Policy Memorandum: "Use of Charge Card Rebates to Fund Government-Wide Initiatives," dated 2/22/00.

uu) Policy Memorandum: "Use of Charge Card Rebates to Fund Government-Wide Initiatives—Revised Department of Defense Contribution," dated 8/11/00.

vv) Policy Memorandum: "Use of the Government Purchase Card (GPC) in Support of Hurricane Katrina Rescue and Relief Operations," dated 09/21/05.

ww) Policy Memorandum: "Use of Government-Wide Purchase Cards," dated 9/25/98.

xx) Policy Memorandum: "Use of Third Party Payments – Policy Change," dated 09/07/07.

yy) Policy Memorandum: "Using the Purchase Card for Micro-Purchases," dated 3/20/97.

J.2.3 Travel Card

a) DoD-tailored task order with CitiBank.

b) Letter to GSA Administration from DoD Comptroller regarding exemption from mandatory use of Government travel card for employees en route to deployment, dated 04/14/03.

c) Policy Memorandum: "Definition of Frequent Traveler Subject to Mandatory Use of the Government Travel Charge Card," dated 06/20/03.

d) Policy Memorandum: "Exemption from Mandatory Use of Government Travel Charge Card Program for Travel En Route to Deployments," dated 04/14/03.

e) Policy Memorandum: "Implementation of Changes to the Department of Defense (DoD) Travel Card Policies to Reduce Delinquency Rates," dated 06/14/01.

f) Policy Memorandum: "Implementation of Changes to Policy in the Department of Defense Financial Management Regulation (DoD FMR) Related to Mission Critical Travelers," dated 05/07/02.

g) Policy Memorandum: "Implementation of Legislative Changes to the Department of Defense (DoD) Travel Charge Card Program," dated 04/23/03.

J.3 SERVICE/DEFENSE AGENCIES RESOURCES

J.3.1 Fuel Card

a) AIR Card® (Aviation Into-Plane Reimbursement Card) Desk Guide, dated March 2003 and its appendices.

b) "Government Fuel Card (GFC) Program Dispute Processes," DESC-P-13, May 27, 2010.

c) DoD Directive 7400.aa.

d) DoD Fleet Card Program Web page.

e) DLA Energy-1-5.

f) Fuel-Card-specific training.

J.3.2 Purchase Card

a) Air Force Instruction 64-117, Air Force Government-Wide Purchase Card (GPC) Program.

b) "Applicability of the Javits-Wagner-O'Day Program for Micropurchases," OFPP Memorandum dated 2/16/99.

c) "Appointing Certifying Officers," Memorandum for Commanders and Activity Directors, Department of the Army Office of the Assistant Secretary, Financial Management and Comptroller, dated 08/31/00.

d) Army Standard Operating Procedures.

e) "Cash Management of Commercial Bank Program Billings," Memorandum for Directors, DFAS Field Organizations, dated 5/8/01.

f) "Changes to the FPDS Reporting Manual on Purchase Card Transactions," OFPP Memorandum dated 5/18/99.

g) Defense Contracting Command–Washington FY04 User's Guide for CHs and Billing Officials.

h) Dept. of Navy eBusiness Operations Office Instruction 4200.1A, Department of Navy Policies and Procedures for the Operation and Management of the Government Commercial Purchase Card Program.

i) Dept. of Navy Consolidated Card Program Management Desk Guide 5.02, Government Purchase Card Program.

j) Dept. of Navy Government Purchase Card Program: Agency Program Coordinator (A/OPC) CitiDirect Desk Guide.

k) Dept. of Navy Government Purchase Card Program: Citi® Government Purchase Card Cardholder Guide.

l) GSA SmartPay® Purchase Card Program.

m) Self-Assessment Tool: "eBusiness Monthly APC Review Tool (MART) (Formerly Semi-Annual Review) for Purchase Card Program, Release 1.0, Application Definition Document."

n) "Use of Commercial Purchase Card for Electronic Catalog (ECAT) Contracts," Defense Supply Center Philadelphia (DSCP) Memorandum for DoD Medical Treatment Facilities (MTFs), 3/23/99.

J.3.3 Travel Card

a) Dept. of Army Policy Memorandum: "Policies, Procedures, and Responsibilities for the Army Travel Charge Card Program, Individually Billed Accounts" dated 04/29/11.

b) Dept. of Navy eBusiness Operations Office Instruction 4650.1A, Policies and Procedures for the Administration and Use of the Government Travel Charge Card.

J.4 Issuing Bank Resources

[Reserved]

J.5 GSA Resources

J.5.1 Travel Card

a) GSA Travel Card Master Contract.

J.5.2 Purchase Card

a) GSA Purchase Card Master Contracts.

b) "Conference Planning," OFPP Memorandum dated 5/15/00.

Appendix K
Internal Management Controls for the GPC Program

As referenced in Section A.2.1 Management Controls, the following are mandatory GPC internal management controls unless indicated as a best practice to further minimize risk.

#	Name and Description	Guidance	Governing Language
1	**Training:** All GPC program participants shall receive appropriate role-based training.	a) CHs, A/BOs and A/OPCs are required to complete the GPC training appropriate to their intended position prior to appointment. b) No A/BOs may be assigned to a Managing Account, and no CH accounts may be issued, until the required GPC training has been successfully completed. c) GPC training is not limited to proper use and oversight of the GPC accounts, but also should include information about use of the automated systems and tools used in the processing of transactions and oversight of the program. d) A/OPCs are responsible for the proper documentation of all required GPC training within their purview. e) Training should be tracked in an automated system that provides management information indicating if initial and refresher training is occurring, and supports upward reporting of requirements. f) Certifying Officers and A/BOs are required to complete initial Certifying Officer Legislation training and annual refresher training thereafter. [47] g) Refresher GPC training for each GPC role (other than Certifying Officers) shall be accomplished at a minimum every two years and may be required by individual Components more frequently. h) Supervisors shall ensure required annual training has occurred and periodically review their employees' performance to ensure compliance with established regulations, policies, and procedures—including local standard operating procedures. Supervisors shall also provide the A/OPC with a statement confirming that the initial Certifying Officer training has been successfully completed, and on an annual basis, affirmations that annual refresher Certifying Officer training has been successfully completed.	• Treasury Financial Manual (TFM) Section 4535.20 • DoD Government Charge Card Guidebook • OMB Circular A-123, Appendix B, Chapter 3 • GAO Standards for Internal Controls in the Federal Government • DoD FMR Volume 5, Chapter 33, Paragraph 330304

[47] COL training is available at the following secure sites: http://www.dfas.mil/fastrac/coltraining.html, https://fm.csd.disa.mil/kc/login/login.asp?kc_indet=kc0014&bInAccess=TRUE, and https://www.defensetravel.dod.mil/Passport.

#	Name and Description	Guidance	Governing Language
2	**Delegation of Authority:** GPC programs shall clearly document Delegations of Procurement Authority beginning with a DFARS-designated Contracting Activity (DFARS PGI Subpart 202.101) down to each CH. Each program participant shall receive and sign the delegation and appointment documents (e.g., Delegation of Procurement Authority Letters, Appointment Letters, and DD Form 577) required for their role.	a) Procurement authority is formally delegated down the chain of command as authorized by DFARS Subpart 202.101. b) It is desired, but not required, that A/OPCs be trained as Acquisition Professionals. c) A/OPCs shall be appointed in writing. d) All Appointment / Delegation of Authority letters must clearly state the procurement program official's specific duties, address any limitations on the scope of their authority, and include the appointee's signature acknowledging such. e) No Appointment / Delegation of Authority Letter may be signed until all required training is successfully completed. f) A/OPCs not granted authority to sign CH Delegation of Authority Letters must be issued an Appointment Letter. This letter must clearly identify the Acquisition Office authorized to sign CH Delegation of Authority Letters. g) A/OPCs with authority to sign CH Delegation of Authority Letters must hold a position in an Acquisition Professional series and be issued a Delegation of Authority Letter that clearly states their authority to further delegate procurement authority on behalf of their Service or Agency. This letter must be signed by a designated appointing procurement official who is within a designated contracting activity (i.e., U.S. Army Contracting Command, Naval Air Systems Command, Air Force Materiel Command, and DLA Acquisition (J-7)). h) "DAOs and Certifying Officers" (including A/BOs, CHs, and Certifying Officers) are to be appointed using a DD Form 577 in accordance with DoD FMR Volume 5, Chapter 33 and the DoD Government Charge Card Guidebook. i) A/OPCs are required to maintain hard copy files that support all the above delegations and appointments until such time as the Agency/Organization develops an automated capability to do so. j) A/BOs are required to maintain a copy of their A/BO Appointment Letter and a copy of their DD Form 577 appointment. (Note: These are two separate documents.) A/BOs who are not Certifying Officers are appointed as DAOs; those who certify the invoice for payment are appointed as Certifying Officers. Additionally they shall maintain copies of the Delegation of Authority Letters for each CH under their cognizance. k) CHs are required to maintain a copy of their CH Delegation of Authority Letter and a copy of their DD Form 577 appointment as a DAO.	• TFM Section 4535 • DoD Government Charge Card Guidebook • FAR Subpart 1.603(b) • DFARS Subpart 201.603-3(b)

#	Name and Description	Guidance	Governing Language
3	**System Functional Responsibility Controls:** Electronic systems used to support the DoD GPC program shall segregate role-based capabilities and limit access to functions to only individuals with appropriate authority. The system shall be able to identify who made any data/file content changes in the end-to-end GPC process.	a) Management oversight reports shall be available to report on individual personnel roles and responsibilities. b) System security access authorization roles shall be defined to include specific transactions required to support unique business functions (e.g., A/BOs should be precluded from making purchases with a GPC issued under their own Managing Account, and A/OPCs should be precluded from certifying transactions for payment). c) System Security Access Authorization roles should be used to manage special classifications of items such as hazardous material, information technology, audio-visual, etc. d) All DoD systems shall utilize Common Access Card (CAC) log-on for user authentication. Use of the CAC log-on, coupled with role-based permissions, provides auditable event records within the GPC processing cycle, including approvals and certifications.	• DoD FMR Volume 5, Chapter 1, Section 0105 • DoD Government Charge Card Guidebook • GAO Standards for Internal Controls in the Federal Government
4	**System Access Security:** Appropriate safeguards shall be in place to control issuance of user IDs / access credentials to the EASs.	a) Currently, bank EASs authorize system access via user ID and password. It is therefore DoD policy that all Components will utilize a DoD CAC-enabled system to manage issuance of access to bank-mated systems. DoD has established a policy that all DoD systems are to be CAC enabled. Until a Component implements PCOLS, the bank's EAS allows A/OPCs to perform CH account set-up online and perform maintenance and reporting on all accounts. Access to this system is controlled by the bank's defined procedures. b) Components not using PCOLS shall include, in their standard operating procedures (SOP), a description of how A/OPCs are to control CH account set-up.	• GAO Standards for Internal Controls in the Federal Government • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
5	**CH Account Initiation:** Only the CH's supervisor is authorized to request the opening of a new CH account. This request must identify appropriate card parameters.	a) At a minimum, appropriate CH account parameters shall include single transaction limit, monthly spend limit, and a description of types of purchases to be made (e.g., MCCs). b) GPC policy requires that CH accounts reflect the parameters authorized in the CH's Delegation of Authority Letter. c) For Components that have not yet fielded PCOLS, A/OPCs shall maintain a complete file of Supervisors' requests to initiate new or adjust existing CH accounts. Retention of this hard-copy file will be 6 years 3 months. For Components that have fielded PCOLS, supervisors may initiate or request changes to existing CH accounts via PCOLS. If PCOLS is not used, then A/OPCs shall maintain hard copies as required. d) A/OPCs shall not issue a GPC account in the bank's EAS until all required GPC account parameters, including budgetary limits, are approved and the A/OPC has verified that all required training is completed. e) If PCOLS is not used to manage GPC account issuance, the Component shall develop a detailed SOP detailing how their A/OPCs are to manage, document, and control the CH account initiation process. This SOP shall also address necessary controls for making changes to existing CH accounts and ensuring that authorized and approved CH parameters are not exceeded. The SOP shall also address CH account cancellation procedures for employees/members who are transferred or terminated, or whose position no longer requires a CH account to meet the Component's mission.	• DoD Government Charge Card Guidebook • Public Law 112-194

#	Name and Description	Guidance	Governing Language
6	**Authorization Controls:** Appropriate spending limits, budget (i.e. credit) limits, and MCC access shall be established and tailored to each CH account. Spending limits and MCC access should reflect historical buying patterns/ trends.	a) A/OPCs and Financial/Resource Managers must jointly establish appropriate spending limits, budget (i.e. credit) limits, and MCC access that are tailored to each GPC Account (includes CH or Billing/Managing Accounts) based on historical buying patterns/trends with consideration given to future mission needs. b) MCC controls may be established to designate a category of merchants where purchase cards may be used or to block a category (e.g., escort services). c) As required by the SmartPay® 2 contract, the banks' EASs maintain single-purchase and monthly/quarterly spending limits and can restrict purchases to particular MCCs. Each of these limits shall be initially established based on the CH's delegated authority. d) The A/OPC shall review individual CH spending limits each year and coordinate with the CH's Supervisor, A/BO and Financial/Resource Manager in the event adjustment of spending limits as projected for the upcoming period is required (e.g. based upon the previous year's level of activity). If recommended adjustments exceed the CH's current delegated authority, a new Delegation of Authority letter must be requested by the CH's Supervisor and accepted by the CH prior to raising the spending limits to the new higher authority. e) The procurement authority in the letter of delegation may never exceed what is authorized by the FAR/DFARS (e.g., while the current micro-purchase threshold is $3,000, it is $2,000 (Davis-Bacon Act) for construction and $2,500 for services under the Service Contract Act.) f) The A/OPC is responsible for ensuring that aggressive oversight on spend limits and MCCs occurs, as it is critical in mitigating the Department's risk, specifically in cases of lost, stolen, or compromised cards.	• TFM Section 4535.20 • GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Fiscal Guidance • GSA SmartPay® 2 Master Contract • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
7	**Positive Fund Control:** Spending limits (i.e. monthly, quarterly, and office limits) shall be tied directly to funding allocated for each managing and card account and shall be the primary controls to avoid Anti-Deficiency Act violations. These spending limits and associated funding allocations shall be established by the nancial/Resource Manager in consultation with the A/OPC. They shall be reviewed annually to determine if adjustments are necessary based on historical buying patterns.	a) The authorization controls discussed above generally deal with maximum limits placed upon a CH and are noted in their Delegation of Authority letter. In many instances, funds available will be less than what is authorized in the Delegation of Authority letter, especially when the Department is operating under Continuing Resolution Authority. In all cases, A/OPCs, Certifying Officers, and RMs shall ensure controls are in place to prevent Anti-Deficiency Act violations. b) Spending or budgetary limits (i.e. monthly, quarterly, and office limits) shall be limited to funding allocated for each Managing and CH Account. c) Initial spending limits shall be established by the responsible Financial/Resource Manager in conjunction with the A/OPC, and then periodically reviewed to ensure they are consistent with historical spending patterns and future mission requirements; this ensures adequate funds availability and minimizes the Department's liability and risk. These limits are generally governed in two ways: (i) In the bank's EAS, the CH has single-purchase and monthly/quarterly spending limit(s) imposed by the Component and consistent with the governing Delegation of Authority letter. (ii) The Financial/Resource Manager is required to approve the initial and all future adjustments of spending/budgetary limits. d) The A/OPC has the authority to reduce spending limits at any time; this is enabled in the PCOLS account maintenance workflow. e) It is the responsibility of the A/OPC to maintain and review these limits. This process provides basic funds control while supporting bulk funding of GPC accounts, resulting in the greatest level of efficiency. f) For Components whose mission requirements do not allow for bulk funding of GPC accounts, lower level of funds control shall be established (i.e., transaction level). g) Funds availability controls must be in place to prevent users from committing or obligating in excess of the funds available for any budgetary limitation. h) If a Component chooses to control funds at the transaction level, CH purchases cannot be made without a properly funded purchase order. i) Component-level GPC SOPs shall address the funds control process, specifically the commitment and obligation processes, and the monthly/fiscal year-end closeout and start-up procedures.	• GAO Policy and Procedures Manual for Guidance of Federal Agencies, Title 7, Fiscal Guidance • TFM Section 4525 • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
8	**Span of Control:** To ensure GPC program participants have sufficient time to complete required reviews, GPC programs shall abide by established span of control limits.	a) The number of CH accounts assigned to a Managing Account (assigned to AO/BO) shall not be more than seven. b) An individual may not be assigned more than three CH Accounts. c) An A/OPC shall not be responsible for more than 300 GPC Accounts (CH and Managing Accounts combined). d) A recognized best practice is the issuance of separate CH accounts that are designated for special uses (e.g., payment of training against approved SF-182 or contract payment); this allows for enhanced risk management through more precise customization of spending limits and MCC limitations. e) While the banks' EASs report on span of control based upon user ID, the banks' EASs cannot be used as an irrefutable source to support span of control limits since one individual may have more than one bank user ID. A/OPCs need to track all roles an individual has been provisioned/assigned to using their unique CAC public-key infrastructure or other unique identifier that may be implemented by the Under Secretary of Defense for Personnel and Readiness. f) A/OPCs may use PCOLS (preferred) or the bank EAS to provide appropriate management notification and reports on various spans of control. g) All CAC-enabled systems supporting or using GPC data should utilize functions to define and manage all hierarchies assigned within that system, not just the GPC organizational hierarchy. h) Assignment of roles includes effective from/to dates. This includes personnel assignment to an A/OPC, A/BO, or CH and also the relationships of an A/BO to an A/OPC and that of CHs to an A/BO. i) Specific transaction sets and authorization roles shall be defined to support individuals maintaining the hierarchy structure. j) Management oversight reports should be defined to report personnel, position, and relationship assignments. k) Adherence to specific organizational requirements should be procedurally controlled.	• GAO Standards for Internal Controls in the Federal Government • DoD Government Charge Card Guidebook • TFM Section 4525

#	Name and Description	Guidance	Governing Language
9	**Separation of Duties:** Key duties such as making purchases (CHs); verifying purchases are proper (A/BOs); certifying invoices for payment (A/BOs, Certifying Officers and Financial Service Officers); certifying availability of funds (Financial/Resource Managers); independent receipt and acceptance for accountable property and self-initiated purchases by the CH (Acceptor); and policy, reviewing, and auditing functions (A/OPCs and Property Book Officers) shall be assigned to different individuals within the GPC hierarchal structure to minimize the risk of misuse to the greatest extent possible.	For example: a) A/BOs shall not be CHs within the same Managing Account. b) RMs shall not be CHs or A/BOs with responsibility for executing their own funds. c) Property Book Officers or equivalents are not CHs with authority to purchase accountable items. d) All purchases of accountable or pilferable property shall have acceptance performed by someone other than the CH or A/BO or Certifying Officer. e) Self-initiated CH purchases (i.e., purchases lacking a documented requisition/request from someone other than the CH shall have acceptance performed by someone other than the CH or A/BO or Certifying Officer). f) CAC-enabled systems shall generate a Conflict of Interest Report to depict instances where assigned roles do not conform to DoD policy. g) Authorization roles shall be assigned to a user's profile, and each profile is specific to a user log-on that only allows the individual the ability to perform specific items in the system.	• DoD FMR Volume 5, Chapter 1 • GAO Standards for Internal Controls in the Federal Government • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
10	**Purchase Log:** CHs shall document purchase information for each GPC transaction in an electronic log (or a manual log if a waiver from use of an electronic log is approved by OSD).	a) The purpose of the purchase log is to support: strategic sourcing, spend/track demand, trace property accountability, logistics allocations, and entitlement. b) Use of the purchase log on the bank's Electronic Access Systems (EAS) is mandated unless a waiver is granted by OSD. c) The purchase log shall be maintained in the automated system where the individual card transactions and billing statement are approved and certified for payment. d) At a minimum, entries to this log will include: date on which the item/service was ordered, name of the requestor and/or requesting organization, description of the item/service or general commodity code (e.g., office supplies if amount is less than $75.00), merchant's name, number of items purchased, unit price, total dollar value of the transaction, name of the recipient/acceptor of the item/service, and date received, as well as any additional data required by Component-specific instructions. e) Purchases valued at less than $75 may be entered in the purchase log at the summary level. f) In an approved alternate system, the purchase log requirement may be met by a report if the data is already captured throughout the workflow process within the system. g) To enhance the validation of purchase log data against what was ordered and delivered, any Component hosting a system performing a "mall function" where DoD funds expended shall require all vendors with contracts hosted on that "mall" to provide level-3 data (line-item detail) to the merchant acquiring bank; this data will pass to the Departments data mining capability. h) Any DoD system performing the entitlement function must provide the purchase log data to the Department's PCOLS data mining capability unless a PCOLS waiver has been granted by OSD.	• DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
11	**Management Controls:** Considering the expected benefits and related costs of internal control activities, management officials shall establish a process of internal controls that is designed to provide reasonable assurance (A) that the GPC program is used efficiently, economically, and effectively to achieve the purposes for which the program was established; and (B) of compliance with applicable laws and regulations.	a) Benefits are not only monetary benefits, but should show that management officials have established appropriate systemic oversight. For example, management should avail themselves of the Program Management Report, along with any other reports, to ensure internal controls covered in specified reports are being followed and that GPC officials are performing responsibly. b) Management shall periodically review their GPC program to ensure the internal controls for GPCs continue to be used efficiently, economically, and effectively to help manage the program and help reduce fraud, misuse, and abuse.	• GAO Auditing Standards (Yellow Book)

#	Name and Description	Guidance	Governing Language
12	**Transaction Review by CH:** During each billing cycle, CHs shall review the Statement of Account (invoice) from the issuing bank and reconcile it against the purchase log and other supporting documentation-required to be maintained for each transaction.	a) During this process, for each transaction posted to their Statement of Account, the CH shall reallocate, if appropriate, from the default to an alternate LOA, and approve or dispute each charge as appropriate. b) In all instances, the CH shall attempt to promptly identify, report, and resolve any transactions that require the reporting of "dispute" or "fraud" to the bank. (See Appendix I for definitions of these terms.) The CH should become familiar with the bank's processes related to disputes and fraud. c) Whenever possible, the CH should review and reconcile their transactions daily, as this will increase the CH's ability to identify and resolve any disputed or fraudulent transactions within the same billing cycle, thus minimizing the potential for the dispute/fraud to involve multiple statements. d) Transaction review and invoice certification shall be completed in only one system, (i.e., either the bank EAS or another approved automated system, never both). e) Component SOPs shall designate the automated system in which CHs will perform review and certification.	• TFM Section 4535 • GAO Standards for Internal Controls in the Federal Government • DoD Government Charge Card Guidebook
13	**Review by A/BO:** Prior to certifying the billing statement, the A/BO shall review each transaction made by the CHs under their managing account(s).	a) Mandatory Review Elements: (1) ensure all supporting documentation is obtained and correct, (iii) ensure CH reviews have been completed properly, (iv) ensure receipt of all accountable property has been properly documented, (v) verify all transactions were necessary government purchases, and (vi) perform any other administrative functions required by the GPC program. b) Transaction review and invoice certification shall be completed in only one system, (i.e., either the bank EAS or another approved automated system—never both). c) The Components shall publish SOPs that designate the automated system in which A/BOs will perform this review.	• TFM Section 4535 • GAO Standards for Internal Control in the Federal Government • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
14	**Review by Certifying Officer:** The individual formally appointed as Certifying Officer shall certify that the items listed are correct and proper for payment from the funds designated and the proposed payment is legal, proper, and correct.	a) Transaction review and invoice certification shall be completed in one system (i.e., either the bank EAS or another approved automated system—never both). b) SOPs shall designate the automated system in which Certifying Officers shall perform certification. c) Components requesting a waiver from using the bank EAS for entitlement **shall** make the request in writing to DPAP, who will coordinate this review with the Office of the Under Secretary of Defense (Comptroller) [OUSD(C)]. The request must designate the site that will pilot the alternate system, and provide a schedule when that site will be audited to ensure all required internal controls are inherent in the system. Note: Within a given Component, the bank EAS and another approved system(s) may be designated; however, at the managing or billing account and lower level, only one system may be authorized. d) Each Component shall ensure that the Certifying Officer, A/BO, and CH work together to maintain continuity of the overall certification process and to address special condition processing (e.g., fraud). e) The Certifying Officer and A/BO must be appropriately designated using the DD Form 577. The DoD FMR Volume 5, Chapter 33 governs certification, pecuniary liability, and DD Form 577 (Appointment and Termination Record) responsibilities and processes. f) While it is desirable to maintain the greatest separation of duties possible, the A/BO and Certifying Officer may be dual-hatted for efficiency. g) 10 U.S.C. § 2784 (b)(B)(3) states, "That any disputed purchase card charge, and any discrepancies between a receipt and other supporting documentation and the purchase card statement of account, is resolved in the manner prescribed in the applicable Governmentwide purchase card contract entered into by the Administrator of General Services." Additional guidance for certification of payments may be found in 10 U.S.C. § 2784. h) When approved by OUSD(C) and DPAP, payment entitlement may occur within a DoD system. This further reduces risk to the Department, as access to approved systems in the Department requires a CAC identity verification.	• GAO Standards for Internal Control in the Federal Government • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
15	**Available Funding Integrity:** Certified lines of accounting shall be traceable through disbursement. All changes to original (account defaults) lines of accounting shall be documented and appropriately certified by the A/BO or Certifying Officer.	a) Commitments shall be established in advance in amounts no less than the periodic purchase limits authorized. Commitments are used by a Component to ensure positive funds control and limit expenditures to funds available for the GPC program. b) Separate commitments shall be established when the LOA is different. c) Advance reservations of funds are used in conjunction with purchases made using GPC accounts. Advance reservations of funds are established by the Financial/Resource Manager (or equivalent), in conjunction with the assigned A/OPC and must be considered when setting office and CH purchase limits. The use of advance reservations of funds will ensure positive funds control, thereby precluding expenditures from exceeding obligations. d) Record obligations for GPCs in the amounts placed for goods or services. e) Financial/Resource Managers or authorized funds managers are responsible for maintaining lines of accounting in the bank EAS or other approved system (i.e., the system where entitlement occurs), and certifying fund availability. f) Activities may bulk-fund their GPC accounts or require funded purchase requests for all transactions. g) Reallocation by either the CH A/BO or Certifying Officer from a default LOA may occur in the bank EAS or in an approved alternate system.	• DoD FMR Volume 3, Chapter 8, Paragraph 080202.G.
16	**Dispute Authority:** CHs shall formally dispute transactions with the card associations (i.e., Master Card, Visa) through the card-issuing bank within 90 days from the date of the billing statement (invoice).	a) CHs should reconcile their transactions daily and immediately dispute transactions as appropriate. b) When a CH is unable to resolve a disputable charge with a merchant, it is his/her responsibility to initiate a dispute according to the issuing bank's dispute procedures. c) When not using the bank EAS for transaction/billing statement certification, the approved alternate system must support the dispute process of the card issuing bank. d) Component SOPs shall require that disputes are exercised timely and that an environment is maintained with the bank that brings disputes to closure in an efficient manner.	• TFM Section 4535 • Credit Card Association Business Rules • DoD Government Charge Card Guidebook

#	Name and Description	Guidance	Governing Language
17	**System Administration Integrity/Data Exchange/Transaction Security:** Changes to the operating system environment shall be documented in accordance with the DoD Information Assurance Certification and Accreditation (DIACAP) process.	a) To ensure system integrity and an appropriate return on investment, the DIACAP process is used to govern system administration for all DoD systems supporting the GPC program. b) The bank EAS will comply with the Payment Card Industry (PCI) data security standard. c) Transmission of all electronic account data will be processed through secure lines of communication. d) GPC entitlement transactions will comply with ANSI X 12 standards; e.g., EDI 821 and 810. e) When entitlement occurs inside the DoD system, it will receive standard EDI 821 and 810 data files from the bank via the Defense Automated Addressing System (DAAS). The entitlement system does not have direct access to the bank automated system and does not provide any data feed directly to the bank's system.	• None stated.

#	Name and Description	Guidance	Governing Language
18	**Transaction Data Integrity:** The original transaction/invoice shall be maintained and cannot be altered.	a) In the review, reconciliation, and certification process, CHs, A/BOs and Certifying Officers have the ability to append additional information to the transaction or invoice as supporting documentation. This additional documentation ensures that the transaction is charged to the correct LOA instead of posting to an initial default LOA and then having to process another transaction as a cost transfer. b) The bulk-funding process was established to maximize efficiencies. Re-allocation from the bulk-funding LOA to the correct LOA is considered proper and does not constitute an alteration of the original invoice for the GPC program. c) CHs shall not be able to alter transaction reviews after they approve their Statement of Account unless the A/BO returns the Statement of Account to them for corrections. d) A/BOs / Certifying Officers will not be able to alter invoice data after electronic certification. e) SOPs of Components that authorize pay-and-confirm shall include procedures and follow-up processes to confirm and record receipt and acceptance of items ordered within the 90 days allowed for disputes. Further, they shall link acceptance to the transactions.	• GAO Standards for Internal Control in the Federal Government
19	**Invoice Integrity:** An electronic certification process shall be used to ensure that the official (i.e., original, unaltered) electronic invoice is traceable from the vendor (e.g., bank) through the certification and entitlement processes and retained in a government record.	a) After the A/BO/Certifying Officer has determined information on original invoice (paper or electronic, in accordance with (IAW) Agency/ Organization policy) is proper for payment, they will affix their signature (pen & ink or electronic signature, IAW Agency/Organization policy) with the standard certification statement. b) Where appropriate, the A/BO / Certifying Officer will ensure that corrections or additions to the original invoice (i.e., reallocations to different funding lines) are proper and that, except in the case of fraudulent/unauthorized transactions (described below), the payment totals have not changed. c) If appropriate, the Certifying Officer will make any required "pen and ink" addendums/corrections or enclose additional information on the original invoice to reallocate the payment to different funding lines from those reflected on the original invoice. They will determine whether these addendums/corrections are proper and affix their signature with the standard certification language on the original paper invoice. d) Altering a voucher that is already certified invalidates the original certification. e) It is possible for the electronic or paper invoice to contain fraudulent (i.e., use of a lost or stolen card by a third-party individual or merchant) transaction(s) not authorized by the CH.	• DoD FMR Volume 5, Chapters 2 and 33; and Volume 10, Chapter 10

		Known or suspected fraudulent transaction(s) not initiated by the authorized CH shall be reported as fraud directly to the card-issuing bank. Certification or short-pay procedures shall be followed as required by the specific task order for the card-issuing bank under the GSA SmartPay® contract.. When third-party fraud is properly reported to the card-issuing bank, the current card account will be closed and a new account issued. The A/BO and A/OPC must be notified immediately, and the CH shall comply with the bank's fraud reporting procedures. If the A/BO suspects CH or government fraud, they also shall follow the terms of the specific task order for the issuing bank under the SmartPay® contract. They will notify the A/OPC and the appropriate investigative activity as required by their agency. f) In all instances, the CH shall attempt to address/reconcile all transactions during the billing cycle within which they occur so that the fraudulent transactions are never included in the corresponding billing statement. g) Supporting documentation regarding improper transactions and documentation supporting certification for payment shall be retained for 6 years 3 months.	
20	**Data Mining:** All Components shall implement a data mining capability that reviews all GPC transactions.	a) The Data Mining capability identifies high-risk transactions for fraud, waste, and abuse. This includes split purchases and other inappropriate transactions identified in the DoD Government Charge Card Guidebook. b) The Data Mining capability will screen bank transactions and compare them with other automated files, such as data from purchase logs and WAWF.	• 10 U.S.C. § 2784