



Governmentwide Purchase Card Guidelines

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Introduction

Governmentwide purchase cards (GPC) enable authorized government employees to make small general purchases for services and supplies on behalf of the government to support their agency or organization's mission. In many cases, traditional paper-based processing techniques cost the government more to process the transaction than the transaction itself. Purchase cards:

- Streamline transaction processing;
- Increase accountability;
- Provide agencies with a more efficient and effective means to monitor large numbers of transactions and identify fraud, waste, and abuse.

Prior to using purchase cards, the government used traditional paper-based payment processes such as purchase orders for small purchases. The inefficiency, costs, and/or risks associated with these processes were a key factor in the dramatic increase in the use of purchase cards.

There are a number of benefits associated with the use of purchase cards by the government:

- Administrative cost savings: The estimated administrative savings for the purchase card alone is \$1.7 billion per year (\$70 per transaction) when used in place of a written purchase order;
- Agency refunds: Purchase cards generate performance-based refunds for agencies; and
- Others: Purchase cards provide other less tangible benefits, including detailed transaction data, improved ability to monitor transactions, and elimination of the need for imprest funds or petty cash at the agency.

Purpose

The purpose of these guidelines is to provide policy and guidance regarding the use of the GPC to Defense Human Resources Activity (DHRA) personnel participating in the program.

Chapter 1, "Key Roles and Responsibilities," delineates the duties of each of the key personnel participating in the GPC Program. Chapter 2, "Processes for the Purchase Card Program," presents an overview of the procedures for setting up accounts and the day-to-day operations of the program and Chapter 3, "Operating Rules for the Purchase Card Program," specifies DoD-mandated regulations and disciplinary consequences for GPC fraud or misuse. "DoD Management Controls" are discussed in Chapter 4 and Chapter 5 lists and defines "Prohibited Purchases."

Appendices are also provided, which include:

- Appendix A Definitions and Acronyms
- Appendix B Ethics and Conflicts of Interest
- Appendix C Resources
- Appendix D DHRA GPA Documents

Chapter 1

Key Roles and Responsibilities

This chapter contains detailed descriptions of key roles and responsibilities for each of the DHRA GPC program participants.

Executive Director, DHRA

The responsibilities of the Executive Director of DHRA are to exercise authority, direction, and control over the Director, Procurement Support Office.

Director, Procurement Support Office, DHRA

The responsibilities of the Director, Procurement Support Office are to:

- Develop the overall GPC Program policy;
- Appoint in writing qualified and trained personnel, including an Agency Program Coordinator (APC), an Alternate APC, Billing Officials (BO) and Cardholders (CH). Letters to BOs and CHs describe types of purchases to be made, card limits and use (purchase or method of payment);
- Rescind appointments of APC, BOs and CHs;
- Ensure effective management controls and adequate supporting resources are in place to minimize card misuse;
- Ensure the number of CH accounts assigned to each BO does not exceed a ratio of seven to one. Written justification must be maintained on file for BOs who have more than seven assigned CH accounts;
- Order investigations when appropriate;
- Follow-up on investigation results;
- Ensure performance standards include charge card responsibilities; and
- Review performance measures and reports.

Acquisition Business Manager, Procurement Support Office (DHRA)

The key role and responsibility of the Acquisition Business Manager is to serve as the advisor to the Director, Procurement Support Office, on all matters relating to the GPC Program.

Agency Program Coordinator, Procurement Support Office (DHRA)

The key roles and responsibilities of the APC include the following:

GPC Oversight

- Maintain oversight and management of the DHRA GPC Program to include working as a liaison between the purchase card provider, DoD Purchase Card Program Office, DHRA Headquarters Resource Management, and the DHRA Headquarters and component BOs and CHs to ensure program consistency;
- Ensure compliance with relevant policies, procedures and regulations, to include adequate separation of duties, required span of control;
- Identify, correct, minimize and report GPC fraud, waste, and abuse;
- Provide training and policy/procedural advice to CHs, BOs, and other program members;
- Develop and distribute the DHRA Administrative Instruction, GPC Guidelines, newsletters and training materials and update as needed;
- Review and analyze purchase card spending patterns and levels to identify opportunities for strategic sourcing;
- Prepare GPC program reports, including but not limited to, quarterly Office of Management and Budget (OMB) reports, monthly performance metrics reports, and an annual review of the GPC program;
- Attend the GPC yearly conference and other related meetings and conferences; and
- Include GPC duties in a performance objective.

Account Management

- Utilize the DoD-mandated Purchase Card Online System (PCOLS) to provision BO supervisors; provide coordination between PCOLS and the bank; approve all account requests prior to bank submittal ensuring the proper transaction limitations, lines of accounting, cycle spending, and Merchant Category Code (MCC) limitations; and monitor risk management and GPC transactions;
- Implement the Bank's Access Online System for GPC transactions ensuring implementation is coordinated with the U.S. Bank and Resource Management personnel;

- Process card applications and ensure BOs and CHs have completed mandated training and are appointed in writing;
- Maintain files for each BO and CH with copies of appointment letters, training certificates and management reviews and ensure all appointments remain current;
- Maintain current lists of all DoD-wide blocked Merchant Category Codes;
- Review and adjust spending limits commensurate with usage patterns;
- Work with RM and DFAS to correct and process rejected billing invoices;
- Assist in dispute resolution;
- Manage delinquent BO and CH accounts to minimize the payment of Prompt Payment Interest and penalties, and the suspension of accounts; and
- Ensure accounts are updated or closed when BOs and CHs separate from DHRA and cards are collected in accordance with personnel departure checklists.

Surveillance

- Review performance metrics during the billing cycle, including but not limited to, unusual spending activity, declined authorizations, delinquent accounts, account suspensions, account transaction summaries, and underutilized credit limits;
- Review high risk transactions flagged through data mining on a monthly basis and take timely action against questionable charges;
- Conduct an audit of each BO account at a minimum annually, which includes statistically significant random sampling of associated card transactions to ensure conformance to established GPC policy, guidance, and procedures; Maintain a master list of all audits performed and submit a report of the audit findings to the Director, Procurement Support Office, DHRA, within ten working days of the completion of the audit;
- Meet with BO and CH to discuss noncompliance and take appropriate corrective actions in cases of abuse or misuse; and
- Initiate the revocation and suspension of purchase card account privileges when appropriate.

DHRA Contracting Officers

The key roles and responsibilities of the DHRA Contracting Officers include the following:

- Specify the GPC as a method of payment and comply with the provisions of the Prompt Payment Act; and
- Ensure sufficient funds have been reserved, committed, and obligated to support the contract action.

Billing Official (BO) Supervisor

The key roles and responsibilities of the DHRA BO Supervisor include the following:

- Nominate the BO through PCOLS;
- Utilize the Authorization, Issuance and Maintenance (AIM) application to initiate requests to establish managing accounts, approve the nomination of Resource Managers (RM), maintain managing accounts, and approve CH requests; and
- Ensure the BO includes GPC duties in a performance objective and fulfills his/her responsibilities.

Billing Official (BO)

The key roles and responsibilities of the BO include the following:

Opening and Closing GPC Accounts

- Complete DHRA GPC Document 1, Application for Billing Official or Cardholder Account;
- Complete all required training and activities listed in DHRA GPC Document 2; GPC New Account Checklist;
- Maintain a copy of the GPC appointment letter specifying purchase limitations and copies of training certificates and other signed GPC documents;
- Nominate the CH through PCOLS;
- Utilize AIM to accept managing account nominations, initiate CH account requests, and maintain managing accounts;
- Notify APC of organizational or personnel changes that may require CH or BO account closure; and

- Include GPC duties in a performance objective.

Overseeing CHs and Approving CH Purchases

- Approve all CH purchases prior to purchase, ensuring all transactions are legal, proper, and correct in accordance with government rules and regulations and are in support of organizational mission;
- Ensure the CH safeguards the GPC and account number and the CH with check-writing privileges safeguards the convenience checks; and
- Ensure all accountable property (any property with a unit cost of \$5,000 or greater) acquired with the GPC is independently received and accepted by separate DoD officials and that these items are properly recorded in appropriate property book systems. This includes pilferable property, regardless of unit acquisition cost.

Reconciling Statements

- Review and approve all CH purchases using U.S. Bank's electronic access system (Access Online), resolving questionable purchases with the CH;
- Ensure monthly billing account accuracy, including proper funding and accounting citations. In accordance with applicable regulations for government charge card transactions, BOs are financially liable for erroneous payments resulting from negligence in the performance of their duties. Ensure no duplicate payments are made;
- Ensure establishment of a system to flag and track all transactions that have been certified for payment without verification of receipt and acceptance;
- Approve and certify payments as legal, proper and correct within 5 days of close of billing cycle in Access Online to maximize rebates and minimize delinquent payments and suspension of accounts;
- Maintain documentation supporting certification and payment of the applicable statement and signed copies of the monthly statements for six years and three months;
- Review and approve CH statements in Access Online on behalf of the CH, reconciling when the CH fails to do so in a timely manner; and
- Identify and report fraud, waste, and abuse of the GPC to the APC and appropriate authorities for investigation.

Cardholder Supervisor (CH) Supervisor

The key roles and responsibilities of the DHRA Cardholder supervisor include the following:

- Utilize AIM to approve CH account requests, maintain CH accounts, and ensure CH has completed training; and
- Ensure that the GPC duties of the CH are included in the performance objective and that the CH fulfills his/her responsibilities.

Cardholder (CH)

The key roles and responsibilities of the CH include the following:

Opening and Closing CH Accounts

- Complete DHRA GPC Document 1, Application for Billing Official or Cardholder Account;
- Complete all required training and activities listed in DHRA GPC Document 2; GPC New Account Checklist;
- Utilize AIM to accept the CH nomination;
- Maintain a copy of the GPC appointment letter specifying purchase limitations and copies of training certificates;
- Sign the GPC in the signature panel on the back side of the card and secure the card in a locked container when it is not being used;
- Safeguard the account number to prevent unauthorized charges against the account and do not allow anyone to use the account number. Notify the U.S. Bank, the BO, and the APC immediately if the card is lost or stolen;
- Enter and update data in the Access Online “My Personal Information” area and notify the APC of any name, telephone, address or other account changes;
- Notify the BO and APC of separation from the organization or when the card is no longer needed;
- Give all GPC transaction documents and statements to the BO when separating, retiring, or closing the account for any other reason; and
- Include GPC duties in a performance objective.

Purchasing Supplies and Services

- Ensure all purchases are proper, legal, economical, and satisfy a *Bona Fide* Needs requirement;
- Ensure that a reasonable price is obtained and document the file to that effect. Comparing prices offered by other merchants for the same or similar item or service is the preferred method to determine prices as being fair and reasonable. If merchants furnish standing price quotations or catalog prices on a recurring basis, obtaining competition on individual purchases is not necessary, but the prices should be periodically confirmed as current. When determining the number of sources to solicit, consider the following: the nature of the item or service to be purchased and whether it is highly competitive; information from recent purchases of the same or similar items or services; the urgency of the purchase; the dollar value of the purchase; and past experience concerning dealer prices;
- For overseas Cardholders purchasing supplies and services, ensure competition is sought if the purchase is expected to exceed \$3,000 and document the three prices on the DHRA GPC Document 4 (not applicable to CONUS purchases);
- Ensure the required or mandatory sources of supply as per Part 8 of the FAR and Chapter 2 of these Guidelines are considered before an open-market purchase is made;
- Comply with the provisions of the Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. § 794d) and with Green Procurement Program requirements;
- Ensure the item being purchased is in stock and available for immediate shipment;
- Confirm the merchant will charge the GPC when shipment is made *in lieu* of the date the order is placed;
- Enter all GPC transactions in the electronic transaction management log provided by U.S. Bank's Access Online system and ensure all appropriate blanks are completed (e.g., screening of mandatory sources, Green Procurement);
- Take advantage of any discounts or rebates offered and ensure the manufacturer/retailer rebates are made payable to DHRA. All rebates in the form of checks or cash shall be forwarded to DHRA HQ RM. Rebates will be processed as an appropriation refund to the BO's organization and should be credited to the applicable funding document;

- Enter each transaction on DHRA Monthly Balance Sheet (DHRA GPC Document 5), indicating the transaction number, the date purchased, the merchant, total amount, and current total balance remaining in account after the transaction;
- Maintain receipts (cash register tickets, invoices, shipping/packing documents or receiving reports, or electronic purchase confirmation) for each purchase and other supporting documents such as emails to/from requesters or merchants, notes from telephone calls, coordination documents regarding the purchase, and memos explaining why mandatory sources were not used. These receipts and other supporting documents shall be maintained for three years and be available for review by the BO and APC upon request. (Note: Payment Cardholder records shall be maintained for 6 years, 3 months);
- Ensure accountable property (items with a unit cost of \$5,000 or greater and sensitive and/or pilferable property) is independently received and accepted by separate DoD officials and that these items are properly recorded in DoD property book systems. This includes pilferable property regardless of unit acquisition cost; and
- Use, if authorized, the GPC as a payment instrument for payments/orders made against Blanket Purchase Agreements or contracts that contain a provision authorizing payment by purchase card (payment CHs only).

Reconciling Monthly Statements

- Review, reconcile, and approve all valid transactions using Access Online within three working days of the end of the billing cycle, maximizing rebates, avoiding late-payment interest according to the Prompt Payment Act, and avoiding suspension of the GPC card. CHs are encouraged to reconcile transactions periodically during the billing cycle to expedite this process. If the CH will not be available to promptly approve the statement because of travel or leave, the transaction documentation should be forwarded to the BO before departure;
- Cardholders shall take note of any purchases billed that have not yet been received and any items that have been received but not yet billed. If either of these conditions exists, the CH shall take appropriate follow-up action in a timely manner;
- Notify the BO of any discrepancies and attempt to resolve the disputed charge directly with the merchant;
- Notify the Bank of any item in dispute within 60 days from the cycle end date if unable to resolve the disputed charge with the merchant. Sales tax charges and convenience check purchases must be resolved directly with the merchant and not through the dispute process. The Bank requires all email and telephone exchanges regarding the dispute. Some reasons why a dispute might occur are:

- Merchandise/service not received: purchase card account has been charged for a transaction(s) but the merchandise or service has not been received;
 - Merchandise returned: purchase card account has been charged for a transaction(s), but the merchandise has been returned;
 - Duplicate processing: a charge on the purchase card account that represents a multiple billing to the account. Only one charge from the merchant has been authorized; and
 - Unrecognized: a charge on the purchase card account that cannot be identified. Request a copy of the sales draft from the merchant upon questioning of the charge.
- Reimburse the government for any unauthorized or erroneous payment card transactions that were not disputed (e.g., items billed but not received); and
 - Identify and report fraud, waste, and abuse of the purchase card.

Purchase Cardholder for Training

In addition to the general Cardholder roles and responsibilities identified above, a Purchase CH for training must:

- Ensure all training requests are submitted on a SF 182 and appropriately signed; and
- Ensure that any training purchased at the end of the fiscal year meets the Bona Fide Needs Rule; determination of Bona Fide Need will be made on an individual basis upon review of the facts.

Purchase Cardholder with Check-writing Privileges –Convenience Checks

The key roles and responsibilities of the DHRA Checkwriter include the following:

- Conform to all regulations that govern purchase CHs;
- Be responsible for safeguarding convenience checks in a locked storage cabinet;
- Before issuing a check, maximum efforts shall be made to find and use merchants that accept the GPC;
- Ensure all convenience checks include the transaction date, pay to the order of, an original signature, and an amount within the applicable threshold;

- Ensure convenience checks are not used for employee reimbursements, cash advances, cash awards, travel-related transportation payments, meals or to pay for recurring payments;
- Be aware there is an administrative cost associated with the issuance of each check. The total purchase amount plus this administrative fee (1.7% of the face value of the check) must be accounted for on the check-writer's check register and deducted from the Monthly Balance Sheet;
- Be aware there is a U.S. Bank \$25.00 Stop Payment fee associated with stop payment action and this fee must be annotated and deducted from the Monthly Balance Sheet;
- Obtain the supplier's Tax Identification Number or Social Security Number;
- Register in the DFAS 1099 Tax Reporting Program. Submit TD Form 1099 information electronically and maintain information on the checks issued for services to meet the statutory reporting requirements for the Internal Revenue Service Form 1099, Miscellaneous, and Statement for Recipients of Miscellaneous Income. The information shall be reported to DFAS in accordance with instructions issued by DFAS (see <https://dfas-4dod.dfas.mil/systems/1099>). The required information consists of the following:
 1. Payee's full name
 2. Complete mailing address
 3. Phone number (including area code)
 4. Social Security Number or Tax Identification Number
 5. Check number(s) and amount(s) paid
 6. Date(s) of check(s)
 7. Total paid to Payee in the reporting period; and
- Ensure internal controls are in place to avoid duplicate payment checks being issued.

Resource Managers

The roles and responsibilities of Resource Managers include the following:

- Use AIM to accept RM nominations in approving account issuance processes, assist in assigning and reducing funding limits and default/alternate lines of accounting (LOAs), establish electronic data interchange capabilities, and determine correct payment office, and authorize CHs to reallocate LOAs;
- Provide appropriate funding for the accounts;
- Maintain accurate financial records;

- Fulfill resource manager reporting requirements, to include reporting on the American Recovery and Reinvestment Act of 2009; and
- Establish spending limits that are tied directly to funding allocated for each BO and CH account. In addition, all purchase card account spending limits shall be consistent with historical spending patterns for each account.

DHRA Personnel

DHRA personnel shall ensure that a valid mission requirement exists for all requests for GPC purchases and accept the rules and regulations of the GPC program.

U.S. Bank

The roles and responsibilities of U.S. Bank include the following:

- Process DHRA GPC transactions;
- Perform in accordance with the GSA GPC contract and task order; and
- Make a good faith effort to—
 - Assist in fraud detection;
 - Ensure service provision without undue disruption;
 - Resolve identified problems and issues; and
 - Provide advice and assistance on improved performance.

Chapter 2

Processes for the Purchase Card Program

The following sections present overviews of key processes unique to the GPC program.

ESTABLISHING AND CANCELING ACCOUNTS

Setting Up a Billing Official Account

Purchase cardholder accounts can be established only when assigned to a billing official account. Billing official accounts are also known as Managing Accounts in the Bank's system. The term BO includes Approving Officials, Accountable Officials, and Certifying Officers. Each BO account shall have a primary BO and it is highly recommended each BO account has an alternate BO. The alternate BO shall perform the duties of the primary BO in the absence of the primary BO. The following list highlights key processes for setting up a BO account:

- Supervisor nominates BO through PCOLS;
- BO completes DHRA GPC Document 1, Application for Billing Official or Cardholder Account;
- Agency Program Coordinator (APC) approves the BO nomination;
- BO completes tasks and training listed in DHRA GPC Document 2, GPC New Account Checklist, and submits DHRA GPC Document 2, DHRA GPC Document 3, and training certificates;
- Director, Procurement Support Office, issues BO Letter of Appointment as a Billing Official and Certifying Official; and
- BO Managing Account is opened.

If a BO is to replace an existing billing official, a new account does not have to be opened. The APC will update the account with the new BO's information.

Setting up a Cardholder Account

In order for a purchase card account to be established, a specific individual must be designated as the account holder responsible for that account. That Cardholder (CH) becomes an accountable official for purchases made against that card. The following list depicts key processes for setting up a CH account. The same procedures apply when establishing training, payment accounts, and check-writing accounts and can be authorized only by the APC.

- Supervisor nominates CH through the PCOLS;
- CH completes DHRA GPC Document 1, Application for Billing Official or Cardholder Account;
- APC approves the CH nomination;
- CH completes tasks and training listed in DHRA GPC Document 2, GPC New Account Checklist, and submits DHRA GPC Document 2, DHRA GPC Document 3, and training certificates to the APC;
- Director, Procurement Support Office, issues CH Letter of Appointment; and
- CH account is opened.

Setting up a Training Cardholder Account

The training cardholder account has the authority, if designated in writing by the Director, Procurement Support Office, to make payments to a merchant for government and nongovernment education and off-the-shelf training up to \$25,000 for an individual(s) or a planned series of the same training event, activity, or course material. The same procedures as outlined above under Setting up a Cardholder Account apply to setting up a training Cardholder account.

Setting up a Payment Cardholder Account

The PCH has the authority, if designated in writing by the Director, Procurement Support Office, to make payments against a contract that has been signed by a Contracting Officer. Only personnel in the 1102, 1105 or 1106 series may be appointed as PCHs. Exceptions to this are made on a case-by-case basis; however, those exceptions must be approved by the DHRA PSO Director. The payment Cardholder account is a cardless account. The same procedures as outlined above under "Setting up a Cardholder Account" apply to setting up a payment Cardholder account.

Setting up a Check-writing (CW) Account

The Check-writer has the authority, if designated in writing by the Director, Procurement Support Office, to make payments to a merchant by issuing a check to a merchant who does not accept a credit card. Only personnel in the DHRA Procurement Support Office may be appointed as CWs. This is a cardless account; the check-writer receives a book of checks from U.S. Bank in lieu of a credit card. The same procedures as outlined above under Setting up a Cardholder Account apply to setting up a check-writing Cardholder account.

Closing/Canceling Accounts

When a Cardholder departs, retires, or otherwise no longer needs a card, his or her account must be closed. The BO must notify the APC 60 days prior to the departure of a CH, if possible. The CH must stop using the card upon notification in order to allow all transactions to post to his account prior to his departure. If the BO does not receive a 60-day notice of departure from the CH, he/she will document when the notification was received. The BO will ensure cards of exiting personnel are collected in accordance with personnel departure checklists. The BO will ensure the CH turns over all GPC transactions documents and monthly statements to the BO prior to departure.

A BO account is not closed upon departure of the BO unless there is no replacement BO. Should this occur, all CH accounts under that departing BO would be terminated. When a BO departs, retires or otherwise leaves the agency, his/her replacement should be nominated and appointed to replace the BO on the existing BO account prior to departure to ensure continuity of the CH accounts. All CH accounts must have an active BO overseeing the account and if the nomination and appointment process is not completed in a timely manner, the CH accounts will be temporarily suspended until the new BO is in place. In addition, the BO will ensure transfer of records before transitioning out of his/her BO responsibilities.

PURCHASING AND RECONCILING

The use of the GPC constitutes expenditure of appropriated funds and is limited to official authorized transactions only. The GPC may be used to purchase authorized supplies, equipment, and nonpersonal services up to the micro-purchase threshold (currently \$3,000 for supplies and equipment; \$2,500 for services; and \$2,000 for construction). Training may be purchased up to \$25,000. Overseas CHs may purchase authorized supplies, equipment, and nonpersonal services up to \$25,000 and construction up to \$2,000.

Cardholder Purchases

After the BO has determined that a mission-essential requirement exists and the item is appropriate for purchase, the CH can make the purchase using his or her purchase card. The list below depicts the key steps in making a purchase using the GPC.

- Identify the need;
- Determine if the **total known requirement** is within the CH's limits;
- Determine if funds are available (see "Availability of Funds" and "Anti-Deficiency Act" in definitions);
- Verify the requirement is a *Bona Fide* Need within the fiscal year the funds will be expended;

- Check for availability each of the mandatory sources of supply from the Federal Acquisition Regulation (FAR) Part 8 in the following sequence:
 - Supplies:
 1. Agency inventories;
 2. Excess from other agencies;
 3. Supplies which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne);
 4. Wholesale supply sources, such as stock programs of the General Services Administration, the Defense Logistics Agency, the Department of Veterans Affairs, and other military inventory control points; and
 5. Commercial sources, including educational and nonprofit institutions;
 - Services:
 1. Services which are on the Procurement List maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (AbilityOne); and
 2. Commercial sources, including educational and nonprofit institutions;
- Ensure compliance with the Federal Government's Green Procurement Program. Green Procurement is the purchase of environmentally preferable products and services in accordance with one or more of the established Federal "green" procurement preference programs;
 - The mandatory Green Procurement Program elements are:
 1. Recycled content products on the Environmental Protection Agency (EPA) Comprehensive Procurement List;
 2. Energy Star products and energy efficient standby power devices;
 3. Alternative fuel vehicles, alternative fuels, and fuel-efficient vehicles;
 4. Biobased products as defined by USDA;
 5. Non-ozone depleting substances; and
 6. EPA Priority Chemicals.
 - Items listed in the EPA's Comprehensive Procurement must contain the recommended recycled or recovered material content unless one of the exceptions is applicable. Exceptions include: 1) compliant item was cost prohibitive; 2) compliant item was not available; and 3) compliant item did not meet the required performance requirements;
 - See Resources, Appendix C, for links to access Green Procurement Program web sites;
- Overseas CHs purchasing supplies and services must seek competition of pricing from a minimum of three merchants if the purchase is expected to exceed \$3,000. (Does not apply to CONUS CHs.);

- Submit a completed Government Purchase Card Request Document (DHRA Document 4) to the BO for signature prior to purchase;
- Verify that the merchant accepts a credit card;
- Verify the required item is in stock and available for immediate shipment, to arrive within the next 30 days;
- Place the order (in person, via telephone, or via Internet);
- Inform the merchant of the Government's tax exempt status;
- Confirm the merchant agrees to charge the GPC when shipment is made (merchant shall not charge prior to shipment);
- Provide merchant with complete shipping information, to include CH name; building and room number, street address, city, state; and CH telephone number;
- Ensure the merchant is responsible for delivery to the location the Cardholder identifies (referred to as "free on board" (f.o.b.) destination - meaning no additional shipping cost to the Government). The merchant may separately identify shipping charges on an invoice but these costs will be included in the single transaction amount when the purchase is made;
- When commercial transportation is not feasible for deliveries from CONUS to OCONUS locations, ensure the supplier is provided with the proper information to allow entry of the purchase into the Defense Transportation System (DTS);
- For "over-the-counter purchases," sign the sales draft and retain a copy for your records. If through the internet, print out all transaction documents. If by telephone, document the name of the individual you spoke with, the day and time, and company phone number;
- Whenever practical, rotate sources. Solicit suppliers for purchases, in addition to the last merchant used, before placing repeat orders. However, if competition has been sought and the last merchant has the lowest price, rotation of sources is not required;
- Ensure that a fair and reasonable price is obtained. Comparing prices offered by other merchants for the same or similar items or services is the preferred method to determine prices as being fair and reasonable;
- Log purchase in the U.S. Bank's Access Online System and the DHRA Monthly Balance Sheet (DHRA GPC Document 7);

- Record the date of receipt on both logs and have requestor sign for receipt of the item(s) purchased at the bottom of the DHRA GPC Document 4; and
- If the purchase is an accountable item, ensure a property book entry is made.

When making purchases, the CH shall adhere to all laws and regulations pertaining to prohibited items. (See Chapter 5 for a partial list of prohibited purchases, and consult with DHRA General Counsel through the DHRA PSO if there is any question as to whether a particular item may be prohibited.) Additionally, the following rules regarding restricted purchases shall be adhered to:

- Purchases may not be made for supplies or services originating from, transported from, or through Cuba, Iran, Iraq, Libya, North Korea or Sudan (Defense Federal Acquisition Regulations System (DFARS) 213.301(2) (i) (d));
- Purchases may not be made for ball or roller bearings as end items (DFARS 213.301(2) (i) (e));
- Purchases cannot require access to classified or Privacy Act Information (DFARS 213.301(2) (i) (f)); and
- Purchases cannot exceed the single purchase limit authority granted in the appointment letter (DFARS 201.603-3(b)).

Training Accounts

The training card must be used to pay for government and nongovernment education and off-the-shelf training up to \$25,000. A Standard Form (SF) 182 must be submitted to the training officer and approval obtained before training occurs. The CH must have an approved SF 182 prior to purchasing training.

Convenience Check Accounts

Convenience checks can only be used when merchants will not accept the GPC. Before a check is issued, the requiring component must use maximum efforts to find and use merchants that accept the GPC. The use of the convenience checks shall be evaluated and determined to be advantageous to the activity, after evaluating all alternatives to accomplish the same purpose.

The convenience checks will be pre-numbered and additional controls will be maintained by the check-writer using a separate convenience check register for each account. Convenience checks must not be written to merchants who accept the purchase card. Convenience checks will be used in accordance with DoD Financial Management Regulation (DoD FMR), Volume 5, Chapter 2, Paragraph 0210. Convenience checks cannot be issued for more than \$3,000 for supplies, \$2,500 for services, and \$2,000 for construction.

A bank assessment fee is charged for using convenience checks. This charge will appear on the CH statement directly below the check amount and is a percentage of the face value of the check. The assessment fee amount must be included when providing the cost of the item to the BO for approval prior to purchase. The convenience checks shall be safeguarded by the CH in a locked container. The CH shall maintain separate convenience checking account records and obtain approval from the BO before issuing each convenience check.

The CH is responsible for maintaining information on the checks issued for services to meet the statutory reporting requirements for the IRS Form 1099, MISC, and Statement for Recipients of Miscellaneous Income. The required information shall include: payee's full name; complete mailing address; phone number (including country/area code; Social Security Number or Tax Identification Number; amount paid; date of amount paid; and cumulative total amount paid for each payee in a calendar year. This information is electronically provided to the IRS from the Defense Finance and Accounting Service (DFAS) website. Information concerning how to submit the IRS Form 1099 is located at: <https://dfas4dod.dfas.mil/systems/1099>.

In addition, CWs must conform to all regulations that govern purchase CHs.

Foreign Drafts

Only the APC may authorize the establishment of a foreign draft account to OCONUS personnel. The use of foreign drafts shall be evaluated and determined to be advantageous to the activity, after evaluating all alternatives to accomplish the same purpose. Before a draft is issued, the requiring organization must use maximum efforts to find and use merchants who accept the credit card. Foreign drafts cannot be issued for more than \$3,000 for supplies and services and \$2,000 for construction.

A bank assessment fee is charged for using foreign drafts. This charge will appear on the CH statement directly below the draft amount and is a percentage of the face value of the draft. The assessment fee must be included when providing the cost of the item to the BO for approval prior to purchase. The foreign drafts shall be safeguarded by the CH in a locked container. The CH is responsible for safeguarding the foreign drafts. The CH shall maintain separate foreign draft account records and obtain approval from the BO before issuing each foreign draft.

Reconciling the Cardholder's Account

Cardholders should reconcile account activity as often as possible in U.S. Bank Access Online. The following list represents processes for reconciling a CH/PCH/TCH account:

- Review Transactions and match to Record/Balance Sheet;

- Approve/Reconcile/Dispute Transactions;
- Provide supporting documentation to BO; and
- Track items paid for but not yet received.

Cardholders should not wait until the end of the cycle to accomplish the reconciliation. Cardholders have the capability to approve their transactions as they post to their statements via the bank's Access Online system. Frequent review of the transactions by the CH should help to eliminate disputes at the end of the cycle, as it will allow merchants time to apply credits for improper charges.

Approving Transactions and Reconciling and Certifying Statements

The BO is responsible for approving all supplies and services prior to purchase by the CH and signifying approval by signing the DHRA GPC Document 4.

The BO is also responsible for a second-level review in U.S. Bank Access Online and for maintaining all BO supporting documentation. Once the review is completed and all transactions are found to legal, proper, and correct, the BO, as the Certifying Officer (CO), must certify the statement for payment. The key processes for reconciliation and certification by the BO are listed below.

- Review all transactions to ensure that they are legal, proper and correct;
- If they are legal, proper and correct, the statement can be certified following the U.S. Bank Access Online Billing Official Guide; and
- If any transactions are not legal, proper and correct, return to the CH for corrective action.

The BO/CO has pecuniary liability for any illegal, improper or incorrect transactions.

OTHER CONSIDERATIONS

Split Purchases

Separating a requirement that exceeds a CH's single purchase limit or threshold into two or more buys as a means of bypassing the CH's purchase limit is not authorized. The CH may not 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.

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

Where it is identified that the purchase will be processed *via* a third-party merchant, 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 BO must ensure there is adequate supporting documentation showing that there was a detailed review of the purchase and that the use of the third-party-payment merchant was unavoidable. Transactions made with a third-party-payment merchant are considered high-risk transactions for both subsequent audit and data mining screening.

Paying for Items Not Yet Received

DoD has established a policy for allowing the certification of invoices for payment prior to the verification that all items submitted for payment have been received. Each BO ensures the establishment of a system to flag and track all transactions that have been certified for payment without verification of receipt and acceptance. This procedure will ensure all transactions that have been reconciled and approved for payment will have their receipt verified no later than 45 days after the invoice date. 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 60 days from the date of the billing statement to initiate a dispute. This process completed by the CH is highlighted in the key steps below:

- Receive the statement from the issuing bank;
- Log actual costs for supplies or services charged but not yet received;
- Update the log when the supplies or service are received; and
- Initiate the dispute process of the supplies or services not received by the timeframe cited above.

Disputing a Charge

The CH is responsible for notifying the Bank of any item in dispute and shall have 60 days from the date of the billing statement to initiate a dispute. The CH must first try to resolve the problem with the merchant before disputing a charge.

When a CH is unable to resolve a disputed charge with a merchant, it is his or her responsibility to initiate a dispute with U.S. Bank. The following list provides the steps for disputing a charge:

- Initiate the dispute with the issuing bank, either electronically or via the Cardholder Statement of Questioned Item form, available in the U.S. Bank Transaction Dispute Guide;

- Notify the BO and provide a copy of the dispute and all available information and documentation of attempts made to correct the dispute; and
- Respond to any bank requests for additional information.

The failure to protect the Government's interest by not promptly initiating disputes can result in administrative or disciplinary action.

In cases where a CH fails to resolve and/or timely dispute (if necessary) an erroneous charge, the CH shall reimburse the government for the cost of that transaction.

While the Federal Government is tax exempt, sales tax is not a disputable item. If sales tax should not have been charged, the CH should obtain a credit from the merchant. The following website has each state's tax exempt letter:
<http://apps.fss.gsa.gov/services/gsa-smartpay/taxletter>.

Handling Fraudulent Transactions

All government employees have a duty to report all suspected instances of fraud to the appropriate authorities. The CH must dispute any purchases believed to be fraudulent during monthly statement reconciliation. The CH also must report cases of fraud to the U.S. Bank, the APC, and General Counsel. See "Government Charge Card Disciplinary Guide for Civilian Employees" from OUSD (P&R), dated 04/21/03; and "Disciplinary Guide for Misuse of Government Charge Cards by Military Personnel" from the Office of the Under Secretary of Defense, dated 06/10/03.

Delinquent Accounts

The APC is responsible for monitoring delinquent accounts on a monthly basis.

When an account is 45 days past due, the bank will request immediate payment. The APC and the billing office will be notified by the bank of the past due amount either in writing or by documented telephone call.

The bank will also provide a pre-suspension/pre-cancellation report that identifies the undisputed amount that is overdue.

If payment for the undisputed amount has not been received 55 days past due, the bank will notify the APC and designated billing office that account suspension will take place at the 60th day past due. Prior to account suspension, the bank is required to notify the APC and designated billing office. The suspension will automatically be lifted once the undisputed principal amount has been paid. Any account that exceeds 180 days past due will cause the entire DHRA's GPC Program to be suspended.

Frustrated Freight

Material entering the DoD organic distribution system is often insufficiently marked and labeled, and becomes “frustrated” as a result. When using your GPC to purchase items with delivery to an OCONUS destination, two methods of transportation are generally available: commercial door-to-door and DTS. Although most overseas shipments are delivered by supplier-arranged commercial carriers, a number of overseas GPC shipments 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, you must coordinate with your transportation service support office (e.g., Installation Transportation Office, Transportation Management Office, or Supply Support Activity) before you order 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. 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. A set of business rules covering the labeling and packaging of such items can be obtained from the APC.

Strategic Sourcing

The APC analyzes purchase card spending and supplier patterns at least annually to ensure DHRA optimizes its purchasing power as mandated by the Department of Defense “Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs,” April 30, 2009. Suppliers appearing frequently in the data have the potential to become DHRA strategic partners, and DHRA is required to pursue strategic agreements (such as contracts) with those suppliers, as appropriate. Such agreements may involve automatic point-of-sale reductions through DHRA purchase card recognition or establishing central ordering vehicles with appropriate discounts and terms and conditions.

Top Ten Purchase Card Management Tips

1. Ensure management visibility into the GPC program. Managers and supervisors must recognize the importance of the program and properly resource it. Personnel involved in the GPC program must support the mission and critical responsibilities of the program.
2. Appoint an APC of appropriate grade/rank, motivation, and people skills.
3. Ensure the number of purchase cards and approving accounts are sufficient to support mission needs. Review specific credit limits and spending histories of accounts to ensure consistency with mission requirements.
4. Take appropriate administrative and disciplinary action when fraudulent,

5. Ensure an appropriate span of control for each BO to CH account (no more than seven CH accounts under each BO account) and an appropriate span of control for number of accounts to APC (no more than 300 CH and BO accounts for each APC).
6. Expeditiously review and resolve disputes.
7. Ensure all APCs, BOs and CHs have received the required training in accordance with policy and procedures and ensure this training is properly documented and training certificates are maintained on file.
8. Enforce the requirement for proper separation of the purchasing, receipt, and acceptance functions and maintain documented evidence. Documented evidence includes the DHRA GPC Document 4, purchase card receipts, certified billing statements, purchase logs, and DD250s or similar acceptance documents.
9. Maintain documented evidence of proper certification of monthly purchase card statements by BOs and CHs.
10. Establish and maintain a surveillance program to ensure the requested management controls are achieved.

Chapter 3

Operating Rules for the Purchase Card Program

This chapter contains operating rules for the Governmentwide Purchase Card (GPC) Program.

Program Controls

GPC program controls are the tools and activities used to identify, correct, and prevent fraud, waste, and abuse. The APC is charged to provide oversight, training, administration, and surveillance to all BOs and CHs. To minimize losses, the program should have:

- An expectation of high integrity and ethical behavior from all participants;
- Periodic risk assessments to identify sources of fraud, waste, and abuse;
- Specific controls in place to reasonably ensure that losses due to fraud, waste, and abuse are minimized (to include data mining); and
- Proper training and reporting resources to ensure personnel have skills and information to be effective in their jobs.

Training

Ensuring 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. Mandatory training sessions must be completed prior to issuing a Letter of Appointment and enrolling a new member into the GPC program. They are:

DoD GPC Tutorial Initial Training
Defense Acquisition University Course CLG001
This course is required for all new Billing Officials and Cardholders. It can be accessed at: http://www.dau.mil .
DoD GPC Tutorial Refresher Training
Defense Acquisition University Course CLG004
This course is required annually for Billing Officials and Cardholders beginning the year following Initial Training. It can be accessed at: http://www.dau.mil .

<p>DoD Purchase Card Online System Tutorial Defense Acquisition University Course CLG005</p> <p>This course is required one time for Billing Officials and Cardholders. It can be accessed at: http://www.dau.mil.</p>
<p>Section 508 Micro-Purchase Training</p> <p>Complete the Section 508 Micro-Purchase Training at http://www.section508.gov. Register/login and choose Section 508 Training and "Micro Purchases and Section 508." Print the certificate and fill in your name and the date. This course is required once for Billing Officials and Cardholders.</p>
<p>Access Online Web-Based Training (WBT)</p> <p>Complete the US Bank Access Online WBT at https://wbt.access.usbank.com/. Contact the DHRA GPC Coordinator for current WBT passwords. These passwords change every 3 months; and the password you enter automatically selects the required training modules. This course is required one time for Billing Officials and Cardholders.</p>
<p>Certifying Officer Training (applies only to Billing Officials)</p> <p>Complete the Air Force Certifying Officer Training at https://www.my.af.mil/gcss-af/USAF/AFP40/SAF_FM/FMWorkSp/ProfDev/ProfDevRsrc/coaotut/index.htm#. Refresher training is required every two years.</p>
<p>DHRA APC Training</p> <p>The DHRA APC's training includes DHRA-wide policies and procedures and is conducted face-to-face. If, due to an emergency, an account must be established prior to the BO and/or CH being able to attend this training, individuals must sign a written statement indicating they will attend an APC training session offered in the next 90 days.</p>

All program members will complete annual refresher GPC training. This training will be either the DAU Online Course (CLG 004) or face-to-face training provided by the APC. Preferably, refresher training will alternate between DAU Online training one year and face-to-face training the next year. Individuals who fail to complete refresher training within the time limits set forth by the APC shall have their cards suspended by the APC until the required refresher training is completed.

The APC shall track the training of all program participants and ensure the required training has been completed before issuing cards.

Security

When a CH becomes the subject of an investigation related to the GPC program, the APC must notify the Director of the Procurement Support Office, the CH's Billing Official, the CH's supervisor and the appropriate security manager within 72 hours of initiating the investigation.

The APC shall establish internal procedures in conjunction with the Human Resource Offices to review out-processing sheets of all employees who terminate with DHRA or

transfer within DHRA. The BOs and CHs are responsible for notifying the APC when they PCS, terminate employment, or are no longer assigned as BOs or CHs.

Improper or Fraudulent Use of the GPC

Improper or fraudulent use of the GPC, including convenience checks, is forbidden and may result in disciplinary action. The Deputy Secretary of Defense has clearly stated that the Department will not tolerate misuse of cards. Improper authorization/use of the GPC may result in violations of the Anti-deficiency Act and its implementing regulations. According to the Anti-Deficiency Act (31 U.S.C. §§ 1301, 1341, and 1517), Cardholders are **not** authorized to use the GPC to:

- Place any orders which may result in the CH obligating or expending any funds in excess of their GPC funding limitations or in advance of funding made available to the CH; and
- Obtain personal benefit or for any purpose not authorized by statute or regulation.

Additional examples of card misuse include the following:

- Cash advances;
- Returns for cash or credit vouchers;
- Repetitive buys to the same merchant;
- Payments made for items not received;
- Split purchases to avoid credit card limitations;
- Cardholders returning merchandise to merchants for store credit vouchers instead of having card credit issued back to the GPC account; and
- Intentional use of the GPC for other than official Government business.

DHRA employees are responsible for identifying and stopping fraud, waste, and abuse of the purchase card. All employees must report instances of suspected fraud, waste and abuse to the BO, the employee's supervisor, and the APC, and when appropriate, to a procurement official, Legal Counsel, or the Inspector General's office. DHRA requires supervisors who receive information indicating that an employee has engaged in improper or fraudulent use or misuse of the GPC to take appropriate action as described in the next section, Disciplinary Actions and Criminal Prosecution.

Disciplinary Actions and Criminal Prosecution

Violations of the Anti-Deficiency Act (31 USC §§ 1341 and 1517) may result in fines up to \$5,000, imprisonment up to two years, and termination of employment according to Department of Defense Directive 5500.7.

In addition to the above, purchase card misuse or fraud may have the following potential consequences:

- Counseling
- Notation in employee performance evaluation
- Cancellation of the purchase card
- Reprimand
- Suspension of employment
- Termination of employment
- Criminal prosecution
- Payment to the government in the amount of the purchase, either by the BO (if BO approved the transaction) or by the CH (if the transaction was made without the approval of the BO).

Chapter 4

Management Controls

This chapter contains the specific management controls required of all card programs.

Required Management Controls

Maintain Purchase Logs - All Cardholders are required to maintain an electronic log in Access Online and a GPC Monthly Balance Sheet listing each transaction made using the card or convenience check. The GPC Monthly Balance Sheet shall include a transaction number, the merchant, the date purchased, the total amount of the purchase, and the remaining balance in the account).

Maintain Positive System of Funds Control - Spending limits (such as monthly and office limits) are tied directly to funding allocated for each card account (monthly, quarterly, semi-annually). Fund limits should be consistent with historical spending patterns to minimize government exposure and ensure adequate funds availability. This provides an over-all control to ensure that funding is available prior to purchases being made with the card. For example, if the total purchases for the month exceed the monthly limit for a specific card account, all subsequent attempts to make purchases will be declined by the card issuing bank until additional funding is made available for that account.

Ensure Separation of Duties – Key duties such as making purchases (CH), authorizing payments (BO), certifying funding (COs) and reviewing and auditing functions (APC and Accountable Property Officers) will be assigned to different individuals to minimize the risk of loss to the government to the greatest extent possible. For example, BOs will not be CHs within the same billing account. Accountable Property Officers, or equivalents, will not be CHs with authority to purchase accountable items. Resource or Budget Managers will not be BOs or CHs with responsibility for executing their own funds.

Reconciliation/Approval by CH - During each billing cycle, Cardholders are required to reconcile their statement from U.S. Bank against the record of transactions made within that month. This reconciliation requires the CH to approve, reconcile and start the dispute process if necessary, for each card transaction that is posted to the CH statement. This must be done in the Access Online system. The CH must approve the statement in its entirety once all individual transactions have been reconciled. Cardholders are required to perform these functions within three calendar days after the close of the billing cycle.

Approval by the BO - Once each CH has approved their statement they will notify the BO the statement is ready for approval; and the CH will forward the hard copy files to the BO. The BO is required to approve or reject each purchase made by the CHs

under their hierarchy. When the BO has completed their review of each invoice submitted for their card accounts, they can certify the entire invoice as legal, proper, and correct in accordance with their certifying officer responsibilities.

CH is Locked Out after 15 Days - If the CH does not reconcile and certify their Access Online statement within a 15 calendar days from the cycle end date, the CH is locked out of their account in Access Online. The BO is required to step-in and perform the CH reconciliation/certification role.

Exercise Dispute Authority - The CH has 60 days from the date of the billing statement to initiate a dispute.

CH and BO Locked Out of Files after Certification - Once a BO certifies a statement or invoice in the bank's electronic system (e.g., Access Online), the transaction file is locked and cannot be altered.

Controlling Cards on Departure - Ensure cards of exiting personnel are collected in accordance with personnel department checklists.

Exercise/Maintain Authorization Controls - Appropriate spending limits and MCC access is tailored to each Cardholder account. Spending limits and MCC access should reflect historical buying patterns/trends.

Ensure Data Integrity and Ability to Identify/Restrict Unauthorized Changes to Data and Files - If a file or the data in a file is altered, the unauthorized changes (and associated user id) will be identified and captured.

Investigation, Disciplining, and Reporting Card Misuse, Fraud, and Abuse

The following resources provide information for investigating, disciplining, and reporting misuse or abuse of charge cards:

- Policy Memorandum: "Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel" (David Chu, June 10, 2003) (<https://www.desc.dla.mil/DCM/Files/Disciplinary%20Guidelines%20for%20Misuse%20of%20Govt%20Charge%20Cards.pdf>)
- Policy Memorandum: "Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards" (Joseph Schmitz, September 25, 2002) (http://www.acq.osd.mil/dpap/Docs/pcard/04-21-03_Discipline_Guide_Civilians.pdf)
- Under Secretary of Defense for Personnel and Readiness Memorandum, "Government Charge Card Disciplinary Guide for Civilian Employees," December 29, 2003 (www.acq.osd.mil/dpap/pcard/pcardguidebook.pdf)

Workable Span of Control

Ensure there are no more than seven CH accounts per BO account, and no more than 300 accounts (BO and CH) per APC.

Authorizing and Authenticating Cardholders

Ensure cards serve a valid business need and deactivate those that do not. Verify required training is completed prior to Cardholder authorization. Contractor employees shall not be CHs or BOs.

Foreign nationals may be designated as Departmental Accountable Officials (DAO), provided they are direct hires. Therefore, purchase cards may be issued to foreign national employees of the DHRA if they meet DAO requirements. However, management should consider the potential consequences of hiring foreign nationals as DAOs in countries where Status of Forces Agreements 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.

Reporting Requirements

The APC shall use the Bank's EAS for preparing standard and customized reports for monitoring the purchase card program.

The APC shall also utilize the data mining and risk assessment features of PCOLS to gauge the health of the program.

Inspection Rating System

Department of Defense requires a review of each management (Billing Official) account at a minimum annually, to include a statistically significant random sampling of associated card transactions. DHRA shall use a four-scale rating system to gauge the effectiveness, viability and success of its GPC program. The rating is assigned after a thorough review of the entire GPC program that includes: BO and CH checklists, purchase request/authorizations, statements of account, reconciliation processes, files, purchase logs, and billing statements by the activity being inspected. The inspection is normally performed by the APC. However, other knowledgeable and trained individuals as designated by the Chief, Procurement Support Office, may perform the audit/inspection. After an audit is completed, the inspector rates the program as follows: Excellent, Satisfactory, Unsatisfactory, or Not Rated. The audit results are sent to the Director, PSO; BO with copies to the BO's Supervisor; and to the CH with copies to the CH Supervisor.

If the program receives a rating of Excellent or Satisfactory it will be inspected again within one year. A rating of Unsatisfactory will result in a follow-up inspection in three months and may result in suspension of the program.

The ratings are defined as follows:

Excellent:

- Indicates the BO's and CH's performance reflects accurate, timely reconciliation of account statements and complete, accurate files, records, and purchase logs.
- Indicates the GPC program adhered to established rules and procedures and had no violations or discrepancies.

Satisfactory:

- Indicates the BO's and CH's performance reflects accurate and timely reconciliation of account statements and complete, accurate files, records, and purchase logs.
- Indicates the GPC program adhered to established rules and procedures and had only minor violations or discrepancies.

Unsatisfactory:

- Indicates the BO's and CH's performance does not reflect accurate and timely reconciliation of account statements and/or complete, accurate files, records, and purchase logs.
- Indicates the GPC program is below established rules and procedures and has a violation that requires immediate attention and correction.
- Requires a three-month follow-up inspection to ensure audit findings are corrected and that the office is performing in a satisfactory or higher performance level.

Not Rated: Indicates the CH has not used the card within the reporting period. This rating requires a follow-up inspection within one year.

Note: A discrepancy is defined as an administrative or procedural problem and does not violate laws, regulations or policies that govern the GPC Program. A violation constitutes a serious problem within the GPC program. Examples include unauthorized purchases and a violation of law, regulation or policy (*i.e.*, splitting requirements, exceeding the purchase card limits, and purchases for personal use or benefit.)

If the APC discovers a BO or CH has violated established rules and/or procedures, he/she will notify the appropriate supervisor(s) and will take action to resolve the noncompliance to include, if necessary, remedial training and/or suspending or terminating GPC privileges. Any determination to terminate a BO or CH account shall be made by the Director, PSO Office, and the findings forwarded, in writing, to the supervisor of the BO and/or CH to be included in performance assessments. Additionally, possible further disciplinary action may be taken, up to and including criminal prosecution. (See Disciplinary Actions and Criminal Prosecution, Chapter 3).

Chapter 5

List of Prohibited Purchases

Billing officials or Cardholders should contact the DHRA APC prior to purchasing any item that seems questionable or may have the appearance of being inappropriate. 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):

Type	Description
Advance Payments	Purchases requiring advance payment in advance of acceptance of supply or services, except for subscriptions and training purchased on a SF 182, Authorization, Agreement, Certification of Training.
Cash Advances	Money orders, traveler checks, gift cards, and gift certificates are considered to be cash advances and are not authorized for purchase even to obtain items from merchants who do not accept the GPC.
Entertainment	Purchase of party supplies, serving material, food and drink are considered entertainment and are prohibited except under certain limited circumstances. It is recommended that the DHRA APC be consulted prior to the purchase of food or drink for official functions, training and conferences.
Fuel	Fuel and oil for aircraft and vehicles are prohibited. Vehicle-related expenses are to be paid with the travel or fleet cards (as appropriate). Exception: If fuel is unavailable through Fleet Services (e.g., overseas), fuel or fuel coupons may be purchased with the GPC.
Gifts/Mementos	These include food/beverages for office functions (e.g., picnics, parties, awards programs, retirements, conferences), promotional items for conferences, meetings, symposia (e.g., coins, mugs, coasters) and cash awards. This does not preclude the purchase of awards purchased in accordance with an established awards program.
Government Employees	Purchases made from Government employees.
Hazardous/ Dangerous Materials	Purchase of items such as explosives, munitions, toxins, and firearms. This specifically includes weapons, small arms, and ammunition.

Personal Memberships	Appropriated funds should not be used to pay for individual membership fees in non-Federal entities. Appropriated funds may, however, be used to purchase agency memberships in such groups (memberships purchased in the name of the agency), if the head of the agency or his/her designee makes an administrative determination that expenditure would further the authorized activities of the agency and is not being procured for the benefits accruing to individual employees.
Personal Services	Those services in which the contractor personnel appear, in effect, to be Government employees (e.g. consultants directly under Government supervision, temp office help).
Personal Use Items	Purchase of any item which may be questionable as to the proper use of taxpayer's dollars, such as business cards, clothing, microwaves, and refrigerators. Certain of these items may be purchased under special circumstances. Consult the DHRA Office of General Counsel prior to making such purchases.
Pesticides	Pesticides may not be purchased unless prior approvals are obtained from cognizant pest management local authorities.
Printing	When services are requested outside the Defense Automated Printing Service (DAPS) at any dollar level, a waiver must be obtained from DAPS as prescribed in DoD Instruction 5330.03.
Recurring Services over \$2,500 per Year	The GPC may not be used for regularly scheduled payments if the amount exceeds \$2,500 per year. Examples are custodial services, parking spaces and copier maintenance.
Repair of Leased Vehicles	Repairs on leased vehicles.
Rental or Lease of Land and Buildings	Long-term rental or lease of land or buildings (more than 30 days).
Split Purchase	Separating a requirement that exceeds a Cardholder's single purchase limit or threshold into two or more buys as a means of getting around the Cardholder's purchase limit.
Telecommunication	Purchase of major communication systems using the GPC. However, the GPC may be used for telephone equipment if the required official approvals are obtained and the annual amount does not exceed the single purchase limit (\$3,000 in the U.S. and \$25,000 overseas).

Third Party Payments	Use of any third party payment merchants is discouraged as is prescribed in Under Secretary of Defense for Acquisition, Technology and Logistics Memorandum "Use of Third Party Payments – Policy Change," dated October 17, 2007. Where it is identified that the purchase will be processed via a third party merchant, the Cardholder should make every attempt to choose another merchant with whom to procure the goods and/or services. If it is still found necessary to procure using a third party payment merchant, the BO must ensure that there is adequate supporting documentation showing that there was a detailed review of the purchase and that the use of the third party payment merchant as unavoidable.
Travel Related Purchases	This includes rental/lease of motor vehicles; purchase of airline, bus, and train tickets, purchase of meals, drinks, lodging, or other travel; or subsistence costs associated with official Government travel that will be reimbursed on a travel voucher. Exception: The GPC may be used to purchase subway tokens (fare cards, SmartTrip card reloads, etc.) taxi fares, rental shuttles, and buses for use by employees to accomplish local travel on official business.
Utilities	Utilities include electric, gas, water, waste removal, and cable/dish TV. These expenses are typically consolidated and purchased through contracts that generally exceed \$3,000 per year. In locations where there is no consolidated contract, agencies may pay their cell phone bills using the GPC if the annual bill does not exceed \$3,000. Cardholders shall not enter into agreements with cell phone companies that obligate the government to pay cancellation fees if the service is discontinued.
Water	Appropriated funds may not be used to pay for bottled water unless the local drinking water has been determined and documented to be unhealthy or not potable as determined by local authorities.

Appendix A

Definitions and Acronyms

Definitions

Abusive/Excessive Purchases: Purchases of authorized supplies or services at terms (e.g., price, quantity) that are excessive, are for a questionable government need, or both. Examples of such transactions include purchases of items such as a day planner costing \$300 rather than one costing \$45; allowable refreshments at excessive cost; and year-end and other bulk purchases of computer and electronic equipment for a questionable government need.

Access Online: The U.S. Bank's electronic access system, which allows entering and reviewing of transactions and electronic payment.

Account Setup Information: Specific information required by the APC for each BO and CH so that an active account can be established.

Accountable Official: DoD personnel who are designated in writing and are not otherwise accountable under applicable law who provide source information, data or service (such as a receiving official, a Cardholder, and an automated information system administrator) to a certifying or disbursing officer in support of the payment process. They have pecuniary liability for erroneous payments resulting from their negligent actions.

Accountable Property: A term used to identify property recorded in a formal property management or accounting system. Accountable property includes all property purchased, leased (capital leases), or otherwise obtained, having a unit acquisition cost of \$5,000 or more (land, regardless of cost), and items that are sensitive. Sensitive items require a high degree of protection and control due to statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items which are of a high value, highly technical, or a hazardous nature; and small arms, ammunition, explosives, and demolition material or classified. Additional and/or separate records or other record keeping instruments shall be established for management purposes, or when otherwise required by law, policy, regulation, or agency direction, including, but not limited to pilferable items. Pilferable items have a ready resale value or application to personal possession and are, therefore, especially subject to theft.

Agency Program Coordinator: An individual designated in writing by the DHRA to oversee the local purchase card program. The APC serves as liaison between the Cardholders and the Bank, and shall have overall responsibility for the card program. This responsibility includes being the focal point for purchase card applications and terminations, cancellation/destruction of purchase cards, and determination of required Bank reports and changes thereto. In addition, he/she will be responsible for ensuring that all CHs and BOs complete required training.

Alternate Billing Official: The individual authorized to assume the responsibilities of a billing official when the billing official is not available to approve purchases, review Cardholders' monthly statements, and verify all transactions. It is highly recommended that each managing account have an Alternate Billing Official.

Anti-Deficiency Act: Legislation enacted by U.S. Congress to prevent obligations or expenditures in excess of amounts available in appropriations or funds.

Authorization: The process of verifying a purchase being made is within the established spending limits and other authorization controls (*i.e.*, Merchant Category Code blocking) at the point of sale. Controls are established on the account by the APC. Authorization is done by the merchant at the point of sale and is typically accomplished via the merchant swiping the card at the terminal.

Billing Cycle: The billing cycle consists of approximately a 30-day billing period. Each monthly bill will be comprised of transactions (debits and credits) that post to the bank's system during this period. DHRA's billing cycle begins on the 20th of the month and ends on the 19th of the subsequent month. Cycle ends only occur on a business day (*i.e.*, Monday through Friday) and as a result may adjust accordingly. The cycle end date will occur on the last business day of the normal cycle.

Billing Cycle Office Limit: An authorization control assigned to each BO, as determined by the ordering DoD activity, which limits the cumulative spending amount of all Cardholders assigned to that BO during a given billing cycle. Any office limit may be assigned in increments of \$100 up to \$9,999,900. The office limit primarily is used for budgetary control purposes and may be adjusted up or down at any time. It encompasses all outstanding charges within a billing period.

Billing Cycle Purchase Limit: An authorization control assigned to each CH, as determined by the ordering DoD activity, which 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 Cardholders 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 Cardholder account. It should reflect normal usage by that Cardholder and must not default to the maximum available limit.

Billing Date: The billing date is the date the invoice is received by the agency/organization designated billing office in accordance with the Prompt Payment Act. In the absence of a date annotated by the BO on receipt, the payment office shall use the statement date to determine applicability of prompt payment interest penalties.

Billing Invoice: The monthly billing invoice is the official invoice for payment purposes, which is provided to the Certifying Officer by the issuing bank. The billing invoice identifies all of the purchase card transactions of his/her CHs during a billing cycle. The invoice is available through U.S. Bank's Access Online.

Billing Office Dollar Limit Per Month: Maximum dollar amount that can be spent by all accounts/Cardholders under a specific Billing official for a specific month/cycle.

Billing Official (This includes the Approving Official, Accountable Official, and Certifying Officer): An individual who has under his/her purview a number of Cardholders. No more than seven CHs will be assigned to a BO unless proper justification showing that the individual has the resources to conduct a sufficient review of CH transactions is in the APC's files. The BO is responsible for, at a minimum, reviewing his/her CH's monthly statements and verifying that all transactions made were necessary government purchases and in accordance with FAR and all other governing agency policy and procedures. Unless otherwise waived by USD(C), the BO must also be the Certifying Officer for his/her CH(s) and in that capacity must certify transactions in the monthly invoice as legal, proper and correct for payment to be made to U.S. Bank. It is recommended that the BO be the CH's supervisor.

Blanket Purchase Agreement: 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 are 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 13.303)

Bona Fide Needs Rule: A rule of appropriations law. It mandates that a fiscal year's appropriations only be obligated to meet a legitimate – or *bona fide* – need arising in the fiscal year for which the appropriation was made. It restricts this year's appropriated funds from being used to fund next fiscal year's requirements; e.g., annual funds appropriated for Fiscal Year 2010 (FY2010) are to be used to fund a legitimate or genuine FY2010 need, and are not to be used to fund a need the agency will not genuinely have until FY2011.

Cardholder: An individual designated by an agency to be issued a card. The card bears the individual's name and can be used by that individual to pay for official purchases in compliance with agency procedures. Also applies to convenience check account holders.

Cardholder Single Purchase Limit: Maximum dollar amount authorized for any one transaction or purchase for a CH.

Cardholder 30-Day Limit: Maximum dollar amount that can be spent per month or cycle by a CH.

Cardholder Statement: The statement of charges provided to a CH via Access Online detailing all of the transactions posted to their account during a billing cycle.

Convenience Checks: Third party drafts issued using Governmentwide purchase card account. Third party drafts may be used to acquire and to pay for supplies or services. Policies and regulations concerning the establishment of and accounting for third party drafts are contained in Part IV of the Treasury Financial Manual for Guidance of Departments and Agencies, Title 7 of the General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies, and the agency implementing regulations. FAR 13.305, applies and the Department of Defense guidance is contained in the DoD FMR, Volume 5, Chapter 2, paragraph 0210.

Customer: An individual or organization that requires goods or services.

Declined Transactions: Those transactions where authorization has been refused by the issuing bank's transaction authorization system.

Defense Finance and Accounting Service: DFAS is the DoD component responsible for the payment of charge card invoices.

Delegation of Procurement Authority: The document issued by authorized agency personnel, which extends the contracting officer's authority to obligate the Government with a credit card or convenience check. This delegation of procurement authority, or Letter of Appointment, shall specify spending and usage limitations unique to the Cardholder. The DHRA Chief of Procurement is responsible for issuance of internal procedures.

Department of Defense Financial Management Regulation: The DoD FMR applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Unified and Specified Commands, the Inspector General of the DoD, the Defense Agencies, and the DoD Field Activities. It directs statutory and regulatory financial management requirements, systems, and functions for all appropriated and non-appropriated, working capital, revolving, and trust fund activities.

Designated Payment Office: 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 which is presented to the issuing bank for resolution regarding items appearing on the CH monthly statement of account.

Electronic Funds Transfer: Any transfer of funds, other than a transaction originated by cash, check, or similar paper instrument, which 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 transfers, Fedwire transfers, and transfers made at automatic teller machines and point-of-sale terminals. For purposes of compliance with 31 U.S.C. § 3332 and implementing regulations at 31 CFR Part 208, the term

“electronic funds transfer” includes a Governmentwide commercial purchase card transaction. (FAR 2.101)

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

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

Governmentwide Purchase Card: The purchase card is 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: The executive in charge of the activity. The HA has overall responsibility for managing the delegation and use of the purchase card program. This individual has disciplinary authority over the BOs and CHs.

Improper Purchase: 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.

Issuing Bank: A financial institution responsible for issuing DOD’s Governmentwide Purchase Card as a result of a task order against the GSA Smart Pay Master Contract. U.S. Bank is the issuing bank for DHRA GPC accounts.

Merchant Category Code: A code used by the issuing bank to categorize each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. These codes are used as an authorized transaction type code on a card/account to identify those types of businesses who provide goods and/or services that are authorized. The DoD Purchase Card Program Management Office will maintain the list of DoD-wide blocked codes. The APC is responsible for administering and recording any waiver requests to these blocks.

Method of Payment: Use of the card as a payment-only instrument as applied to a contractual instrument, i.e. BPA, IDIQ, etc.

Micro-purchase: An acquisition of supplies, services or construction that does not exceed the micro-purchase threshold. The micro-purchase threshold for supplies is \$3,000; for services it is \$2,500; and for construction it is \$2,000. A micro-purchase is not governed by small business participation or requirements of the Buy American Act and does not require full and open competition. It does, however, require distribution of purchases among qualified merchants. Price must be considered to be reasonable in accordance with FAR.

Nonpersonal services: Services in which the personnel rendering the services are not subject to the supervision and control usually prevailing in relationships between the Government and its employees.

Nonrecurring services: Services which involve one-time, unpredictable, or occasional requirements.

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

Pecuniary Liability: Personal financial liability for fiscal irregularities of certifying officers and accountable officials as an incentive to guard against errors and theft by others and also to protect the government against errors and dishonesty by the officers themselves.

Personal services: Services in which the personnel rendering the services are subject to the supervision and control usually prevailing in relationships between the Government and its employees.

Pilferable items: Items having a ready resale value or application to personal possession and which are, therefore, especially subject to theft. Pilferable items are sensitive items.

Positive Funds Control: A method by which Cardholders will be precluded from exceeding reserved funds. Typically, maintaining positive funds control is accomplished by setting Cardholder or billing official limits at the reserved amount. (DoD FMR–Volume 3, Chapter 8)

Pre-Purchase Approval: When required and identified by local procedures, documentation showing pre-purchase approvals for special use items (hazardous material, information technology, etc.).

Prompt Payment Act: Public Law 97-177 (96 Stat 85, 31 USC § 1801) requires prompt payment of invoices (billing statements) within 30 days of receipt (FAR 52.232-25, Prompt Payment). An automatic interest penalty is required if payment is not timely.

Purchase Card Certifying Officer: Heads of DoD Components (or their designees) are responsible for the appointment of Certifying Officers. Certifying Officers should be in the supervisory chain and have knowledge of the office requirements, appropriations and accounting classifications and the payment process. Certifying officers are responsible for: a) the accuracy of information stated in a voucher, supporting documents and records; b) computation of a certified voucher under §§ 3528 and 3325 of Title 31, United States Code; c) legality of proposed payment under the appropriation or fund involved; d) providing advice to accountable officials; e) seeking advance fiscal decisions from legal counsel; and f) repaying a payment that is determined (1) illegal, improper, or incorrect because of an inaccurate or misleading certificate; (2) to be prohibited by law; or (3) does not represent a legal obligation under the appropriation or fund involved.

Purchase Card Log: An automated log in which the Cardholder documents individual transactions and screening for mandatory sources when using the purchase card and/or convenience checks. Entries in the purchase log may be supported by internal agency documentation (*i.e.*, request for procurement document, email request, etc.). The purchase card documentation must provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. At a minimum, the log will contain the date the item(s) or service was ordered, a justification for the item or service being purchased, the merchant name, the dollar amount of the transaction, a description of the item(s) or service ordered and the date the item(s) was received and the name of the receiver of the purchase.

Purchase Card On-line System (PCOLS): A DoD-mandated system designed to provide enhanced internal management controls to managers and supervisors within the GPC program. It is a set of processes that automates a number of GPC management functions. Among these are identification and electronic capture of the GPC management hierarchy; automation of specific GPC management work flows; data mining (provides review of all GPC purchases) and risk assessment (provides reports indicating health of organizations).

Reactivation: The activation of purchase card privileges after suspension.

Reconciliation: The process by which the BO and the CH review the monthly statements, reconcile against available merchant receipts and purchase card logs and authorize payment of those charges provided on the monthly invoice.

Recurring Services: Those services performed at regular intervals and that have a demand that can be accurately predicted on an annual basis. Recurring services

requirements estimated to exceed \$2,500 per fiscal year shall be acquired through the DHRA Procurement Support Office.

Required or Mandatory Sources of Supply: The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services, Subpart 8.001, Priorities for Use of Government Supply Sources, and DFARS Part 208. Mandatory sources must be utilized unless the item or service is not available. Only then can an open-market purchase be made.

Requirement: A description of the Government's needs.

Reservation of Funds: A commitment or obligation of funds within the appropriated financial system based upon the BO's projected needs during a specified time period (usually monthly or quarterly), DoD FMR–Volume 3, Chapter 8.

Sensitive property: All property, regardless of value, that requires special control and accountability due to unusual rates of loss, theft or misuse, or due to national security or export control considerations. Such property includes: weapons, ammunition, explosives, information technology equipment with memory capability, cameras, and communications equipment.

Services: An identifiable task performed by a merchant that directly engages the time and effort of the merchant rather than the furnishing of an end item of supply. A service may be either a nonpersonal or personal service. It can also cover services performed by either professional or nonprofessional personnel whether on an individual or organizational basis. Examples of services are: (1) maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment; (2) routine recurring maintenance of real property; (3) housekeeping and base services; (4) advisory and assistance services; (5) operation of Government-owned equipment, real property, and systems; (6) communications services; (7) architect-engineering; (8) transportation and related services; and (9) research and development.

Services can be either recurring or nonrecurring. Recurring services are those services performed at regular intervals and that have a demand that can be accurately predicted on an annual basis. Recurring services requirements estimated to exceed \$2,500 per fiscal year shall be acquired through the DHRA Procurement Support Office. Nonrecurring services involve one-time, unpredictable, or occasional requirements.

Single Purchase Limit: The dollar limit imposed on each purchase assigned to each CH account by the issuing DoD activity.

Split Purchase: Separating a requirement that exceeds a CH's single purchase limit or threshold into two or more buys as a means of exceeding the Cardholder's purchase limit. No CH may fragment/split purchases that exceed the CH's limit or

threshold, to use the purchase card. To do so is a violation of federal procurement law.

Suspension: The process in which an individual is prohibited from making purchases with the account/card due to delinquency, excessive span of control, or accounts in pre-suspension status multiple times.

Tax Exemption: The exemption 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.

Total Known Requirement: The items or services needed at the time of purchasing. For example, an individual office asks the CH in the morning to purchase six desks; in the afternoon, before the CH can make the purchase, another office asks the same CH to purchase 5 desks. The total known requirement is 11 desks. In this case a requirement for a total of 11 desks should be submitted to the BO for approval. If the total exceeds the single purchase limit of the cardholder, the purchase request should be submitted to the DHRA Procurement Support Office. Should these two purchases be made separately when the total known requirement is known, it is a split purchase and violates federal procurement law.

Acronyms

APC	Agency Program Coordinator
AIM	Authorization, Issuance and Maintenance
BO	Billing Official
CH	Cardholder
CO	Certifying Officer
DAPS	Defense Automated Printing Service
DAO	Departmental Accountable Official
DFARS	Defense Federal Acquisition Regulations System
DoD	Department of Defense
DFAS	Defense Finance and Accounting Service
DHRA	Defense Human Resources Activity
FAR	Federal Acquisition Regulation
FMR	Financial Management Regulation
GPC	Governmentwide Purchase Card
LOA	Line of Accounting
MCC	Merchant Category Code
OMB	Office of Management and Budget
PCOLS	Purchase Card Online System
RM	Resource Manager
WBT	Web Based Training

Appendix B

Ethics and Conflicts of Interest

DHRA employees hold their positions as a public trust and are expected to place loyalty to the Constitution, laws, regulations and ethical principles above private gain. (“Private gain” means *anyone’s* gain, not just the employee’s.) Employees fulfill that trust by adhering to general principles of ethical conduct, as well as specific ethical standards. Underlying these principals are two core concepts –

- employees shall not use public office for private gain, and
- employees shall act impartially and not give preferential treatment to any non-Federal organization or individual.

In addition, employees must strive to avoid any action that would create the appearance that they are violating the law or ethical standards.

The following three areas of ethical behavior specifically relate to GPC BOs and CHs in their use of the GPC for purchasing supplies and services.

Conflicting Financial Interests

By Federal statute, an executive branch employee is prohibited from, and may be subject to imprisonment and fines for, participating personally and substantially in a particular Government matter that will affect his own financial interests, as well as the financial interests of –

- his spouse or minor child
- his general partner
- an organization in which he serves as an officer, director, trustee, general partner or employee, and
- a person with whom he is negotiating for or has an arrangement concerning prospective employment.

Other regulations promulgated by the Office of Government Ethics, as well as the DoD Joint Ethics Regulation (JER) include even more persons whose financial interests may not be affected (*i.e.*, more than just spouse, minor children, general partners, etc.). Violation of these regulations can subject a Government employee to disciplinary action as well. See discussion immediately below *re* “covered relationships”.

Impartiality in Performing Official Duties

Executive branch employees are required to consider whether their impartiality may be questioned whenever their involvement in a particular matter involving specific parties might affect certain personal and business relationships. A pending case, contract,

grant, permit, license or loan are some examples of particular matters involving specific parties.

If a particular matter involving specific parties would have an effect on the financial interests of a person or entity with whom the employee has a "covered relationship", or if the employee or any person or entity with whom the employee has a "covered relationship" represents a party to the matter, then the employee must consider whether a reasonable person would question his impartiality in the matter. If the employee concludes there may be an appearance problem, the employee should not participate in the matter unless authorized by the DHRA Ethics Counselor (*i.e.*, the DHRA Office of General Counsel).

An employee has a "covered relationship" with the following persons –

- a person with whom the employee has or seeks a business, contractual or other financial relationship;
- a person who is a member of the employee's household or is a relative with whom the employee has a close personal relationship;
- a person for whom the employee's spouse, parent or dependent child serves or seeks to serve as an officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee;
- any person for whom the employee has within the last year served as officer, director, trustee, general partner, agent, attorney, consultant, contractor or employee; or
- any organization (other than a political party) in which the employee is an active participant. An employee may have a concern that circumstances other than those expressly described in the regulations may raise a question regarding the employee's impartiality. In such a situation, the employee should follow certain procedures to determine whether or not participation in the particular matter would be appropriate. Specifically, if an employee has any questions with regard to whether a particular matter may raise questions as to impartiality or may create an appearance of violating the strict Federal laws and regulations governing ethics, contact the DHRA Office of General Counsel through supervisory channels for ethics guidance.

Gifts From Outside Sources

Executive branch employees are subject to restrictions on the gifts that they may accept from sources outside the Government. Generally they may not accept gifts given because of the employee's official positions or that come from certain interested sources ("prohibited sources"). Prohibited sources include persons or entities who –

- are seeking official action by, are doing business or seeking to do business with, or are regulated by the employee's agency, or
- have interests that may be substantially affected by performance or nonperformance of the employee's official duties.

In addition, an employee may never solicit or coerce the offering of a gift, or accept a gift in return for being influenced in the performance of an official act. (This is known as a “bribe” in legal terms, and is punishable by imprisonment, fines or both.) Nor may an employee accept gifts so frequently that a reasonable person might think the employee is using public office for private gain.

A gift is any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item or matter having monetary value. It includes services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.

There are some exceptions to the ban on gifts from outside sources. These allow an employee to accept –

- a gift valued at \$20 or less, provided the total value of gifts from the same person or entity is not more than \$50 in a calendar year;
- a gift motivated solely by a family relationship or personal friendship;
- a gift based on an employee's or his spouse's outside business or employment relationships, including a gift customarily provided by a prospective employer as part of *bona fide* employment discussions;
- a gift provided in connection with certain political activities;
- gifts of free attendance at certain widely attended gatherings, provided the agency has determined that attendance is in the interest of the agency;
- modest refreshments (such as coffee and donuts), greeting cards, plaques and other items of little intrinsic value;
- discounts available to the public or to all Government employees; and
- rewards and prizes connected to competitions open to the general public.

There are other exceptions, including exceptions for awards and honorary degrees, certain discounts and other benefits, attendance at certain social events, and meals, refreshments and entertainment in foreign countries.

If an employee has received a gift that cannot be accepted, the employee may return the gift or pay its market value. If the gift is perishable (e.g. a fruit basket or flowers) and it is not practical to return it, the gift may, with approval, be given to charity or shared in the office.

When in Doubt, Ask!

Employees should consult their ethics counselor (*i.e.*, the DHRA General Counsel's office) whenever they are unsure if they have a conflict of interest, their involvement in a matter may have an appearance of partiality, or have a question about a gift from a vendor. The Office of Government Ethics has additional information at <http://www.usoge.gov/>.

Appendix C

Resources

General Regulatory/Policy Resources

- Defense Federal Acquisition Regulations Supplement (DFARS), Parts 08 and 213 (<http://www.acq.osd.mil/dpap/>)
- Defense Human Resources Activity Administrative Instruction Number 5010.01, Use of the Governmentwide Purchase Card
- Department of Defense Financial Management Regulation (DoDFMR) 7000.14, Volume 10, Chapter 12 (<http://www.defenselink.mil/comptroller/fmr/10/index.html>)
- Department of Defense “Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs,” April 30, 2009 (http://www.acq.osd.mil/dpap/pdi/pc/docs/dod_charge_card_guide_20090622.doc)
- Federal Acquisition Regulation (FAR), Parts 2, 8, 13, 32 and 52 (<http://www.acq.osd.mil/dpap/>)
- General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies (www.gao.gov/special.pubs/ppm.html)
- GSA SmartPay Purchase Card Program (http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentType=GSA_OVERVIEW&contentId=10141)
- GSA State Tax Letters <http://apps.fss.gsa.gov/services/gsa-smartpay/taxletter/>
- Management Initiative Decision No. 904, Department of Defense Charge Card Management, December 18, 2002 (http://comptroller.defense.gov/MID_904_Report.pdf)
- Office of Management and Budget “Circular No. A-123, Appendix A” January 2009 (http://www.whitehouse.gov/omb/circulars/a123/a123_rev.html)
- Policy Memorandum: “Acquisition Policy on Facilitating Merchant Shipments in the DoD Organic Distribution System,” dated July 23, 2003
- Policy Memorandum: “Department of Defense (DoD) Charge Card Programs” (Paul Wolfowitz, June 21, 2002)
- Policy Memorandum: “Government Purchase Card (GPC) Certifying Officer and Departmental Accountable Official Responsibilities” dated November 7, 2008 (<http://www.acq.osd.mil/dpap/pdi/pc/docs/pc-gpc-20081118.pdf>)

- Policy Memorandum: “Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards” (David Chu, June 23, 2003) (www.dodea.edu/offices/fiscal/docs/DepartureChecklists_Memo.pdf)
- Policy memorandum: “Internal Controls for the Purchase Card Program” dated December 8, 2005 (www.acq.osd.mil/dpap/policy/policyvault/2005-1332-DPAP.pdf)
- Policy Memorandum: “Purchase Card Reengineering Implementation Memorandum#1, Certifying Officer Guidance, Change 1” dated November 20, 1998 (<http://dodgpc.us.army.mil/memos/memo1.htm>)

GPC Misuse and Disciplinary Regulatory Resources

- Policy Memorandum: “Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel” (David Chu, June 10, 2003) (<https://www.desc.dla.mil/DCM/Files/Disciplinary%20Guidelines%20for%20Misuse%20of%20Govt%20Charge%20Cards.pdf>)
- Policy Memorandum: “Enhancements to Defense Civilian Personnel Data System (DCPDS) for Actions Related to Government Charge Cards” dated June 18, 2003 (<https://www.desc.dla.mil/DCM/Files/Enhancemens%20to%20DCPDS%20for%20Actions%20Related%20to%20Govt%20Charge%20Cards.pdf>)
- Policy Memorandum: “General Services Administration (GSA) SmartPay Conference – Mandatory for DoD A/OPCs” dated May 19, 2006 (<https://www.navsup.navy.mil/.../SmartPay%20conference%20training-PCOLS.pdf>)
- Policy Memorandum: “Guidance for the Investigation of Fraud, Waste, and Abuse Involving the Use of Purchase Cards and Travel Cards” (Joseph Schmitz, September 25, 2002) (http://www.acq.osd.mil/dpap/Docs/pcard/04-21-03_Discipline_Guide_Civilians.pdf)
- Policy Memorandum: “Suspension of Access to Classified Information Due to Abuse or Misuse of Government Charge Cards” dated November 4, 2002 (<http://www.desc.dla.mil/DCM/Files/Suspension%20of%20Access%20to%20Classified%20Material.pdf>)
- Under Secretary of Defense for Personnel and Readiness Memorandum, “Government Charge Card Disciplinary Guide for Civilian Employees,” December 29, 2003 (www.acq.osd.mil/dpap/pcard/pcardguidebook.pdf)

Purchasing Regulatory Resources

- DoD Office of General Counsel, “Use of Appropriated Funds to Purchase Food at Conferences, Meetings, and Events,” September 1, 2005 (<http://www.tricare.mil/tps/AppropriatedFundsToPurchaseFood7Sep06.pdf>)
- Policy Memorandum: “Micro-Purchase and Section 508 Disability Accessibility Requirement” dated September 27, 2004
- “Use of Third Party Payments – Policy Change,” October 17, 2007 (<http://www.whs.mil/APO/PurchaseCard/Policy/documents/RevisedThirdPartyPmtPolicyOct07.pdf>)

Issuing Bank Resources

- U.S. Bank Access <https://access.usbank.com>

Training Resources

- Access Online Web-Based Training (WBT) <https://wbt.access.usbank.com/>
- Certifying Officer Training https://www.my.af.mil/gcss-af/USAF/AFP40/SAF_FM/FMWorkSpC/ProfDev/ProfDevRsrc/coaotut/index.htm#.
- DoD GPC Tutorial Initial Training (Defense Acquisition University Course CLG001) <http://www.dau.mil>
- DoD GPC Tutorial Refresher Training (Defense Acquisition University Course CLG004) <http://www.dau.mil>
- DoD Purchase Card Online System Tutorial (Defense Acquisition University Course CLG005) <http://www.dau.mil>
- Section 508 Micro-Purchase Training <http://www.section508.gov>

Purchasing Sources

- AbilityOne <http://www.abilityone.com>
- Committee for Purchase from People Who Are Blind or Severely Disabled <http://www.abilityone.gov>
- DOD EMALL <https://dod-emall.dla.mil/>
- Energy Star Products <http://www.energystar.gov/products>

- Federal Prison Industries <http://www.unicor.gov>
- GSA Advantage <http://www.gsaadvantage.gov>
- U.S. Department of Energy – Federal Energy Management Program
http://www1.eere.energy.gov/femp/technologies/eep_purchasingspecs.html
- U.S. Environmental Protection Agency – Wastes, Resource Conservation,
Comprehensive Procurement Guidelines <http://www.epa.gov/cpg/products.htm>

Appendix D
DHRA GPC Documents

Documents related to the DHRA program include:

Document Name	Title
DHRA GPC Document 1:	Application for GPC Billing Official or Cardholder Account
DHRA GPC Document 2:	Governmentwide Purchase Card (GPC) New Account Checklist
DHRA GPC Document 3:	Statement of Understanding: Pecuniary Responsibilities in the Governmentwide Purchase Card (GPC) Program
DHRA GPC Document 4:	Government Purchase Card Request Document
DHRA GPC Document 5:	GPC Cardholder Purchase Checklist
DHRA GPC Document 6:	Billing Official Monthly Review Checklist
DHRA GPC Document 7:	DHRA GPC Monthly Balance Sheet
DHRA GPC Document 8:	APC GPC Checklist
DHRA GPC Document 9:	Billing Official GPC Checklist
DHRA GPC Document 10:	Cardholder GPC Checklist

Note: These documents are samples for your perusal. Fillable PDFs are available on the DHRA website.



**APPLICATION
FOR
GPC BILLING OFFICIAL OR CARDHOLDER ACCOUNT**

Name:		Title:			
Component:		Email:		Phone:	
Mailing Address:			City:		State: Zip:

Type of Account (Check one)

Replacement of Existing Account:	Billing Official:	Cardholder:
New Requirement:	Billing Official:	Cardholder:

Suggested Purchase Limits

Single Purchase Limit (\$3,000 maximum):	\$
Monthly Purchase Limit (based upon historical spending):	\$

Billing Official Data: (fill in if Application is for Cardholder account)

Name:	Phone:	Email:
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Supervisor Certification

Name of Billing Official or Cardholder:		
<p>is hereby nominated to participate in the Governmentwide Purchase Card Program. This individual is under my supervision and, to the best of my knowledge, all of the following statements are true:</p> <ul style="list-style-type: none"> • The nominated individual has a continuing need to purchase items to perform the mission of the agency. • Adequate monthly funding is available and will be reserved in accordance with organizational procedures for financial management. • The individual is trustworthy and responsible. • The issuance of a card to this individual will not create a conflict of interest nor establish more than seven (7) Cardholders for the Billing Official. <p>I will advise the Agency Program Coordinator (APC) when the card is no longer needed to fulfill mission requirements on a continuing basis or if the Billing Official or Cardholder leaves his/her current position.</p>		
Supervisor's Name:		Supervisor's Signature:
Date:	Email:	Phone:

Procurement Use Only:

Date:	New Account No:	Account Established by:
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Governmentwide Purchase Card (GPC)

New Account Checklist

Name:	Component:	Phone:
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Type of Account (Check one):	Billing Official:		Cardholder:	
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Listed below are the steps required for establishing a new cardholder account or a new managing (billing official) account. As you complete each step, initial the requirement in the corresponding box.

PLEASE NOTE: If you have previously taken the training listed below within the required timeframe, you may send a copy of your training certificate to the DHRA GPC Agency Program Coordinator (APC). You are not required to repeat the training.

Initial here:

	1. Application for GPC Billing Official or Cardholder Account (DHRA GPC Form 1)
	Complete this application and send to the DHRA GPC Agency Program Coordinator (APC) at DHRAGPC@osd.pentagon.mil . Once the application is approved and a response from the APC is received, complete the training and reading requirements below.

	2. DoD GPC Tutorial Initial Training
	Defense Acquisition University Course CLG001
	This course is required for all <u>new</u> Billing Officials and Cardholders. It can be accessed at: http://www.dau.mil . See instructions for accessing this course on page three.

	3. DoD GPC Tutorial Refresher Training
	Defense Acquisition University Course CLG004
	This course is required <u>annually</u> for Billing Officials and Cardholders beginning the year following Initial Training. It can be accessed at: http://www.dau.mil . See instructions for accessing this course on page three. (Note: If you are submitting your certificate of completion in lieu of taking this course, it must have been completed in the last 9 months.)

	4. DoD Purchase Card Online System (PCOLS) Tutorial
	Defense Acquisition University Course CLG005
	This course is required one time for Billing Officials and Cardholders. It can be accessed at: http://www.dau.mil . See instructions for accessing this course on page three.

	<p>5. Section 508 Micro-Purchase Training</p> <p>Complete the Section 508 Micro-Purchase Training at http://www.section508.gov. Register/login and choose Section 508 Training and “Micro Purchases and Section 508.” Print the certificate and fill in your name and the date. This course is required one time for Billing Officials and Cardholders.</p>
	<p>6. Access Online Web-Based Training (WBT)</p> <p>Complete the US Bank Access Online WBT at https://wbt.access.usbank.com/. Contact the DHRA GPC Coordinator for current WBT passwords. These passwords change every 3 months; and the password you enter automatically selects the required training modules. This course is required one time for Billing Officials and Cardholders.</p>
	<p>7. Certifying Officer Training (applies only to Billing Officials)</p> <p>Complete the Air Force Certifying Officer Training at https://www.my.af.mil/gcss-af/USAF/AFP40/SAF_FM/FMWorkSpc/ProfDev/ProfDevRsrc/coaotut/index.htm#. See instructions for accessing this course on page three. Refresher training is required every two years.</p>
	<p>8. DHRA Administrative Instruction 5010.01, Use of the Governmentwide Purchase Card</p> <p>The Administrative Instruction details the policy and regulations for the GPC Program mandated by DoD. This document is required reading for all Billing Officials and Cardholders.</p>
	<p>9. DHRA GPC Guidelines</p> <p>The GPC Guidelines detail the day-to-operations for the GPC Program. This document is required reading for all Billing Officials and Cardholders.</p>
	<p>10. Statement of Understanding: Pecuniary Responsibilities in the Governmentwide Purchase Card (GPC) Program (DHRA GPC Form 3)</p> <p>The Pecuniary Statement of Understanding requires Cardholders and Billing Officials to acknowledge that they have read the GPC Administrative Instruction and the GPC Guidelines and understand the consequences of GPC abuse. Read and sign this document and return to the DHRA APC.</p>
	<p>11. Return Checklist</p> <p>Email completed checklist and the corresponding training certificates to the DHRA APC at DHRAGPC@osd.pentagon.mil. Be sure all steps appropriate to your requirements are initialed.</p>

Should you have any questions please contact:

Susan Yarborough
DHRA GPC Agency Program Coordinator
Phone: 703-696-8785
Email: susan.yarborough@osd.pentagon.mil

Instructions for Accessing DAU Training

1. Access the DAU Training website at <http://www.dau.mil/>.
2. From the menu on the left side of the screen, select "Continuous Learning." Next choose "Register for Continuous Learning Modules."
3. At the DAU virtual campus screen, choose the appropriate category, i.e., "DoD Civilian Employee of a Non-military Agency."
4. At the ACQTAS screen, from the "Select your Defense Agency" dropdown list, choose the appropriate agency name; ie, "Defense Human Resources Activity" or "Civilian Personnel Management Service." Either fill in your SSN and date of birth and click "Login" or choose the option to log in using your CAC.
5. If this is your first visit to the DAU site, you will next have to complete a Student Profile, which automatically appears after Login. You must completely fill in the Student Profile page, being very careful to enter your email address correctly. Then click the "Update Profile." If you are a returning user, choose the "Continue" button.
6. From the left column, entitled "ACQTAS Student Functions," select "Apply for Training."
7. On the "Search for a Course" page:
 - a. Step One: Training Category, select "Continuous Learning Modules."
 - b. Step Two: Choose one of the following:

CLG001	DoD Government Purchase Card (initial training)
CLG004	Government Purchase Card Refresher Training (Annual refresher training)
CLG005	Purchase Card Online System (PCOLS) Tutorial
 - c. Step Three: Click on "Select Course."
8. Review your profile and select the "Submit Application" button. DAU will email your Username and Password and information on how to access the course.
9. Upon completion of the course and course survey, log out, log back in and print out the course certificate.

Instructions for Accessing Air Force Portal Certifying Officer Training

Instructions for Accessing Air Force Portal Certifying Officer Training

1. Access the Air Force Portal website at https://www.my.af.mil/gcss-af/USAF/AFP40/SAF_FM/FMWorkSpc/ProfDev/ProfDevRsrc/coaotut/index.htm. If you are a new user to the Air Force Portal, you will be prompted to register your CAC by clicking on Register for a new AF Portal Account with your CAC/ECA under Membership & Support Information. If you are a returning user, click on LogIn. From the menu on the left side of the screen, click on the Purchase Card icon.
2. Go through all modules listed.
3. Click on the Self Test link.
4. You must answer 11 of the 15 questions correctly before you will be able to print a certificate.

Note: If any of the instructions for accessing online training do not work, please contact the APC for clarification.



Government Purchase Card Request Document

**THIS DOCUMENT MUST BE COMPLETED AND SIGNED PRIOR TO
CARDHOLDER MAKING A PURCHASE
(Not required for training purchased on a SF182.)**

1. REQUEST NUMBER	2. DATE REQUESTED	3. DATE REQUIRED	4. REQUESTOR
5. REQUIRING ORGANIZATION		6. REQUIRING ORGANIZATION'S SHIPPING ADDRESS	
7. SUPERVISORY APPROVAL By my signature, I certify that this requirement fulfills a valid government requirement. (Print Name, Sign and Date or Electronically Sign.)			
<b style="color: red;">If you have emails, screen shots, or copies of catalog pages to attach, click the paperclip on the left.			
8. ITEM(S) REQUESTED			
ITEM DESCRIPTION			QTY
			UNIT PRICE
			TOTAL
(CONTINUED ON PAGE 2)			9. TOTAL FROM PAGE 2
			10. SHIPPING, HANDLING, ETC.
			11. DISCOUNT OFFERED
			12. ESTIMATED TOTAL PRICE
13. VENDOR (Include name, address, POC, and phone number.)			
14. JUSTIFICATION OF PURCHASE (CONTINUED ON PAGE 2) Briefly describe why this is needed.			
15. CARDHOLDER SIGNATURE By my signature I certify that the item(s) requested on this document will be purchased in accordance with the rules and regulations governing the GPC program (Print Name, Sign and Date or Electronically Sign.)			
16. BILLING OFFICIAL SIGNATURE By my signature I certify that the items requested on this document to be purchased by the GPC Cardholder are legal and proper for purchase and that funds are available for this purchase. (Print Name, Sign and Date or Electronically Sign.)			
17. RECEIVER (MAY NOT be cardholder) By my signature I certify the item(s) requested on this document has been received by me. (Print Name, Sign and Date or Electronically Sign.)			



GPC Cardholder Purchase Checklist

	<u>Prior to the purchase:</u>
	Does this agency have a <i>bona fide</i> need for this purchase?
	Is it for official Government use?
	Is the purchase authorized under the DHRA GPC program?
	Is the DHRA GPC Document 4 completely filled out and signed by the requestor, the requestor's supervisor and the billing official?
	Is the transaction amount within the established single purchase limit of \$3,000 for supplies, \$2,500 for services, or \$2,000 for construction? (If overseas, the single purchase limit for supplies and services is \$25,000, and for construction it is \$2,000.)
	Are funds available?
	Is this a split purchase?
	Are needed prior-to-purchase special approvals obtained?
	Is this a prohibited or excessive purchase?
	Were priority sources for supplies and services checked?
	Did you purchase "green" items?
	Have you rotated sources?
	Is this a fair and reasonable price?
	<u>During the purchase:</u>
	Does the merchant accept a credit card? (If not, find a different merchant.)
	Does the merchant understand there will be no state or federal sales tax?
	Does the merchant use a third party for payment (e.g., PayPal)? If PayPal is used, attempt to find another merchant who does not use PayPal; if no other merchant is available, be sure to document the file that there was no other available source.
	Are the items available for immediate delivery and can be delivered within 30 days of purchase?
	Does the merchant understand he cannot charge a fee for use of a credit card?

	Does the total purchase price include transportation, shipping and any handling charges?
	Does the merchant agree to charge the purchase card only when the item is shipped, not prior to shipment?
	Do you have the name and other contact information for the person providing the price quote?
	Will the merchant cite the requisition number on the itemized receipt/invoice?
	Did you maintain a log of telephone conversations?
	<u>Does my transaction paperwork include?</u>
	Completed and signed DHRA GPC Document 4, signed prior to the purchase?
	Transaction log with information related to the purchase completed at the time of purchase and updated when the item is received?
	All paperwork relative to the transaction, such as internet printouts, invoices, receipts, emails, notes of telephone conversations, packing slips?
	Memoranda for record relative to repeated purchases that might appear to be split purchases, nonrotation of merchants, or otherwise questionable purchases?
	Transaction file for each transaction in the order listed on the transaction log?

Billing Official Monthly Review Checklist



This checklist is for Billing Official/Certifying Officer use in completing cardholder (CH) billing statement reconciliation, receipt, and acceptance, and dispute procedures prior to certification. The checklist is intended as a reference tool for use in examining the cardholder purchase card statement from the U.S. Bank.

	Completed
1. Obtain the CH statement, supporting documentation, and certification from the CH.	
2. Review purchases for each CH to determine whether all transactions were authorized government purchases in accordance with FAR, DFAS, and other government agency policy and procedure, as applicable.	
3. Reconcile supporting documentation with details on the billing statement. Also, review for adequacy the purchase log entries for those transactions.	
4. Review past transactions that were certified for payment without proof of receipt and acceptance to confirm acceptance and receipt with the CH. If receipt cannot be confirmed, direct the CH to dispute the transaction. Items must be disputed within 60 days from the cycle end date.	
5. Annotate appropriately suspected cases of improper, abusive or questionable purchases. If the questionable transaction is disputable, the Bank dispute process should be followed along with notification of all required individuals as directed by agency procedures. If the transaction is not disputable, the Certifying Officer should notify the Cardholder Supervisor and the Agency Program Coordinator (APC) for investigation.	
6. In the case of suspected fraud by government personnel (e.g., CH/receiver), document the suspected fraud and notify the Cardholder Supervisor and the APC so the transaction(s) can be investigated.	
7. Retain a copy of the billing statement and originals of supporting documentation (e.g., approvals, receipts, logs, invoices, delivery Orders) for 6 years and 3 months.	
8. Execute electronically the Billing Official/Certifying Officer Certification statements within 5 days of the billing statement date.	

APC GPC CHECKLIST



Name:
Office:
Date:

	Yes	No	N/A
1. Has mandatory training been completed for Cardholders and Billing officials?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Do procedures exist governing property accountability for nonexpendable items?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Do the Billing Officials' non-GPC workload and GPC span of control allow them to satisfactorily fulfill their GPC responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Do billing official and cardholder letters of delegation exist advising of purchase limits and responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Is there adequate separation of duties?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Do records allow easy tracking of billing statements with transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Is there documentation explaining any unusual situations, such as a buy which appears to have been a "split" purchase, but in fact wasn't, or other purchases that may seem questionable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Is the utilization of required/mandatory sources consistent with Part 8 of the FAR?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

COMMENTS:

BILLING OFFICIAL GPC CHECKLIST



Name:
Supervisor Name:
Date:

	Yes	No	N/A
1. Does the BO have an Appointment Letter delegating specified approval authority, a Statement of Understanding and training certificates required for appointment (initial DAU GPC, PCOLS, Section 508, WBT, CO training)?			
2. Has the BO completed annual refresher training?			
3. If the BO is a Cardholder, is his/her Cardholder account assigned to another BO?			
4. Does the BO coordinate with the Property Book Officer to verify that all accountable property purchased has been properly documented?			
5. Does the BO review each of their Cardholder's statements each month?			
6. Does the BO approve and certify the monthly statement within 5 business days after receipt?			
7. Does the BO maintain copies of the monthly invoice?			
8. Does the BO promptly notify the APC when a Cardholder departs, retires, or otherwise no longer needs a card?			
9. Has an adequate Cardholder to Billing Official ratio been maintained?			
10. Has the BO notified the APC of any lost/stolen cards?			
11. Have any Convenience Check accounts under the BO exceeded more than \$3,000?			
12. Has the BO notified the APC of any Cardholder/check writer account procedure violations?			
13. Does the BO maintain original supporting documentation for closed Cardholder/check writer accounts?			
14. Has the Billing Official been designated, in writing, as a Certifying Officer on the DD Form DD 577?			
15. What is the percent of randomly selected transactions that were reviewed of the total number of transactions for the review period?			
16. How many Cardholder accounts were reviewed by the APC as part of this annual review?			

COMMENTS:

CARDHOLDER GPC CHECKLIST



Name:
Billing Official:
Date:

	Yes	No	N/A
1. Does the Cardholder (CH) have an Appointment Letter delegating specified procurement authority, a Statement of Understanding and training certificates required for appointment (initial DAU GPC, PCOLS, Section 508, WBT)?			
2. Has the CH completed annual refresher training?			
3. Does the CH obtain all required pre-purchase approvals and signatures on the DHRA GPC Document 4?			
4. Does the CH's individual transaction file contain pre-approval authorizations required for purchases requiring additional authorization or coordination (hazardous, etc.)?			
5. Is the CHs monthly spending limit justified by the amount of purchasing?			
6. Does the CH comply with established monthly limits?			
7. Does the CH split requirements to stay under the purchase limit?			
8. Does the CH notify the Property Book Officer of the purchase of all accountable property?			
9. Are all purchases documented in the Access Online transaction log and in the CH's Monthly Balance Sheet?			
10. Are construction purchases \$2,000 or below?			
11. Are any unauthorized purchases made by the CH? (If answer is "Yes", describe in "Comments" at the end of this review.)			
12. Does the CH maintain his card in a secure location (ie, locked cabinet/drawer/safe)?			
13. Does the CH pay sales tax on any purchase and not obtain credit for the tax?			
14. Does the CH comply with requirements to purchase items in accordance with FAR Part 8?			
15. Does the CH rotate sources when placing repeat orders?			
16. Does the CH maintain supporting documentation for each transaction?			

17. Does the CH approve and reconcile the monthly billing statement and notify the BO within three days of the end of the billing cycle?			
18. Does the CH follow the procedures for submitting Cardholder Statement of Questioned Items?			
19. If the CH is on temporary duty assignment or on leave, does he/she forward the Monthly Balance Sheet and supporting documentation to the Billing Official prior to departure?			
COMMENTS:			