

Department of Defense Education Activity

Government Purchase Card Users Manual

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Introduction

Purpose

The purpose of this Users Guide is to provide guidance and policy regarding the use of the Government Purchase Card (GPC), and applies to Department of Defense Education Activity (DoDEA) personnel participating in the program. It provides guidance, policies and processes, with an eye toward streamlining and consolidating processes relevant and common to the Purchase Card Program.

The chapters that follow present day-to-day operational practices common to the purchase card program, subsequently addressing rules that are unique to our program. The appendices contain additional information and forms that are used in managing the program. Appendix A identifies the abbreviations and terms used within this Training Guide. Appendix B contains resources and GPC web sites. Appendix C contains CARE guide and instruction for use by all GPC program personnel. Appendix D contains GPC forms to be used throughout the DoDEA GPC program.

Chapter 1

Operating Rules for the Program:

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

Processes

The following processes apply to the day-to-day operations and use of the purchase card.

Program Goal

The desired outcome for the GPC program is:

- ◆ Business should be conducted efficiently and effectively.
- ◆ Authorization controls should be appropriate.
- ◆ Management controls should effectively identify report and address fraud, waste, and abuse.
- ◆ Guidance, training, and remedies should be consistent across card programs.

Management Controls

GPC program controls are the tools and activities used to identify, correct, and prevent fraud, waste, and abuse. The Agency/Organization Program Coordinators (A/OPCs) are charged to provide oversight, training, administration, and surveillance to all Billing Officials (BOs), Approving Officials (AOs) and Cardholders (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);
- ◆ Proper training and reporting resources to ensure personnel have skills and information to be effective in their jobs; and

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- ◆ Adequate management oversight.

Training

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

- The on-line DAU course titled “Government Purchase Card Tutorial” (<https://www.atrrs.army.mil/channels/acqtas/logon.asp>)
- The on-line Section 508 compliance training titled “Micro-purchases and section 508” (<http://www.section508.gov/index.cfm>)
- The DoDEA A/OPC’s training which includes DoDEA wide policies and procedures and any unique requirements for that region.

A/OPCs shall track the training of all program participants in a database and ensure that 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 A/OPCs must notify the subject’s office chief or second-line supervisor and his or her security manager within 72 hours of initiating the investigation.

Level III and IV A/OPCs shall establish internal procedures in conjunction with the Human Resource Offices and BOs to review out-processing sheets of all employees who terminate with, transfer, or transfer within DoDEA. The BOs and CHs are responsible for notifying the appropriate A/OPC when they PCS, terminate employment, or are no longer assigned as BOs or CHs.

Purchase Card Fraud or Abuse

DoDEA employees are responsible for identifying and stopping fraud, waste, and abuse of the purchase card. All employees must report instances of suspected fraud or abuse to the BO, supervisor, A/OPCs, procurement official, Legal Council, or the Inspector General’s office. The following maybe indicators of possible fraud, waste, or abuse:

- ◆ Repetitive buys to the same vendor;
- ◆ Purchase cards and account numbers are not safeguarded;

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- ◆ The BO or CH authorizes someone else to use the card;
 - ◆ Inadequate oversight by management and/or BOs;
 - ◆ Improper purchases;
 - ◆ Payments made for items not received;
 - ◆ Split purchases to avoid credit card limitations;
 - ◆ Someone other than the BO approving a CH's account;
 - ◆ Cardholders returning merchandise to vendors 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;
 - ◆ Third party transactions.

Disciplinary Action for Improper or Fraudulent Use

Improper, fraudulent, or abuse of the GPC (including convenience checks and foreign drafts) is forbidden and may result in disciplinary action. DoDEA requires supervisors, who receive information indicating that an employee has engaged in misuse of the GPC, to take appropriate action. The circumstances of each individual case will determine the appropriate type of corrective or disciplinary/adverse actions. See DoDEA Regulation 8000.1, current edition for possible disciplinary actions that may be taken in response to GPC offenses.

Misuse

The Deputy Secretary of Defense clearly stated that the Department would not tolerate misuse of cards. Improper authorization/use of the GPC may result in violations of the Anti-deficiency Act and its implementing regulations. GPC purchases must be approved by the appointed BO/AO designated on the GPC account and GPC appointment letters.

According to the Anti-Deficiency Act (31 Sections 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.
- ◆ Obtain personal benefit or for any purpose not authorized by statute or regulation.

Violations of 31 USC Sections 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.

Policy and Contract Issues

Individuals should use their A/OPC as the first step in raising policy or contract concerns through their chain of command.

Chapter 2

Processes for the Purchase Card Program

The following sections present summary-level overviews of key processes unique to government purchase card program.

Setting up a Billing Official Account

Charge cards can be established only when assigned to a BO account. DoD requires a second-level approval that is performed by the BO. The following list highlights key aspects in the process for setting up a BO account.

- ◆ Nominate the potential BO to A/OPC (DoDEA GPC Form 1)
- ◆ Approve the BO nomination
- ◆ Obtain DAU course and Section 508 course certificates
- ◆ Train BO and obtain a completed DoDEA GPC Form 2
- ◆ Issue BO Letter of Appointment
- ◆ Open BO Bank Account

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

If the BO will also be the Certifying Officer for the cardholder's accounts, the BO must be appointed by the issuance of a Letter of Appointment as a Certifying Officer and complete a DD Form 577, Signature Card. These documents must specifically describe the types of payments, such as purchase card invoices, that can be certified. See DoDFMR, Vol. 5, Chapter 33 and USD(C) Memorandum titled "Purchase Card Reengineering Implementation Memorandum #1, Certifying Officer Guidance, Change 1."

Setting up a Payment Cardholder (PCH) Account

The PCH has the authority, if designated in writing, 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

DoDEA Procurement Chief. The following list depicts key aspects in the process for setting up a PCH account.

- ◆ Nominate potential PCH to A/OPC (DoDEA GPC Form 1)
- ◆ Approve the PCH nomination
- ◆ Obtain DAU course and Section 508 course certificates
- ◆ Train the PCH and obtain a completed DoDEA GPC Form 2
- ◆ Issue PCH Letter of Appointment
- ◆ Open PCH Account (this is a cardless account)

Setting up a Cardholder Account

In order for a charge card account to be established, a specific individual must be designated as the account holder responsible for that account. That CH becomes an accountable official for purchases made against that card. The following list depicts key aspects in the process for setting up a CH account. The same procedure applies when establishing a convenience check or foreign draft account.

- ◆ Nominate potential CH to A/OPC (DoDEA GPC Form 1)
- ◆ Approve CH nomination
- ◆ Obtain DAU course and Section 508 course certificates
- ◆ Train the CH and obtain a completed DoDEA GPC Form 2
- ◆ Issue CH Letter of Appointment
- ◆ Open CH Account

Purchasing

After it has been determined that a mission requirement exists, and if 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

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- ◆ Screen the mandatory sources of supply from FAR Part 8 and obtain any required special approvals
 - ◆ Submit a completed Request for Approval Prior to GPC Purchase (DoDEA GPC Form 3) to the BO for signature.
 - ◆ Verify that the merchant accepts a Government credit card.
 - ◆ Place the order (in person, via telephone, via Internet)
 - Inform the vendor of the Government's tax exempt status
 - ◆ Log purchase in the Customer Automated Reporting Environment (CARE) system and the Monthly Purchase Log (DoDEA GPC Form 4).
 - ◆ Record the date of receipt on both logs and have requestor sign for receipt of the item(s) purchased at the bottom of the DoDEA GPC form 3.
 - ◆ Make a property book entry, if it is an inventory item

When making purchases, the cardholder shall adhere to all laws and regulations pertaining to prohibited items and items requiring special approval.

Paying for Items Not Yet Received—“Pay and Confirm Process”

The pay-and-confirm process allows the issuing bank to be paid for items that have been shipped by the merchant but not received by the organization. An example would be an OCONUS shipment to a container consolidation point (the DTS) before the customer receives it. The key aspects of the process are provided in the list below.

- ◆ Log actual costs for goods/services charged but not yet received
- ◆ Update log when good/service received
- ◆ Initiate dispute process if good/service not received by the time next statement received

Making Payments on a Contract

Only Warranted Contracting Officers may specify the purchase card as a method of payment on a contract; up to the Contracting Officer's warrant limit (see FAR 13.301). However, if the contract specifies the GPC is to be used as a method of payment, the following clause needs to be added to the contract vehicle:

- ◆ FAR 52.232-36 Payment by Third Party (MAY 1999)

Only PCH through special training are authorized to use the GPC as a method of payment.

Reconciling the Cardholder's Account

The following list depicts key aspects in the process for reconciling a PCH/CH account.

- ◆ Review Transactions - Match to Record/Log
- ◆ Approve/Reconcile/Dispute Transactions, as appropriate (follow the C.A.R.E. How to Guide, attachment 1)
- ◆ Approve Statement
- ◆ Provide Supporting Documentation to BO

PCHs/CHs need 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 CARE system. Frequent review of the transactions by the PCH/CHs should help to eliminate disputes at the end of the cycle, as it will allow merchants time to apply credits for improper charges.

The BO is responsible for a second-level review, maintaining all supporting documentation and invoice approval.

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 USbank. The following list depicts key aspects of the process for disputing a charge.

- ◆ Provide the BO and the A/OPC with all available information and attempts made to correct the dispute.
- ◆ When directed by the BO, initiate the dispute with USbank.
- ◆ Respond to any bank requests for additional information.

While the Federal Government is tax exempt in most cases, 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 states tax exempt letter. <http://apps.fss.gsa.gov/services/gsa-smartpay/taxletter>

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

Reconciling and Certifying by the Billing Official

The BO is responsible for ensuring that all transactions are legal, proper, and correct. When the BO is also the certifying official, he or she must certify invoices for payment. The key aspects of the process for reconciling and certifying 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 it can be certified
- ◆ If any are not, return to the cardholder for corrective action

When the BO is also the certifying official, he or she has pecuniary liability for any illegal, improper or incorrect transactions.

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 A/OPC 60 days prior to the departure of a CH. If the BO does not receive a 60 day notice, they will document when the notification was received.

Department of Defense Federal Acquisition Regulation Supplement (DFARS) Restrictions on Purchases

Purchases may not be used for work performed by employees recruited within the United States (DFARS 213-301(2) (i) (c)).

Purchases may not be made for supplies or services originating from, transported from, or through Cuba, Iran, Iraq, Libya, North Korea or Sudan (DFARS 213.301(2) (i) (d)).

Purchases may not be made for ball or roller bearings (DFARS 213.301(2) (i) (e)).

Purchases cannot require access to classified or Privacy Act Information (DFARS 213.301(2) (i) (f)).

Purchase cannot exceed the single purchase limit authority granted in the appointment letter (DFARS 201.603-3(b)).

See Chapter five for an additional list of prohibited purchases.

Convenience Checks

Only the A/OPC Level III and Level IV may authorize the establishment of a convenience check account. Convenience checks can only be used when vendors will not 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. Before a check is issued, the requiring organization must use maximum efforts to find and use vendors that accept the GPC. Convenience checks will be used in accordance with DoD Financial Management Regulation (DoDFMR), Volume 5, Chapter 2, Paragraph 0210. Convenience checks cannot be issued for more than \$2,500.

There is a bank assessment fee of 1.7% of the value for using convenience checks. This charge will appear on the CH statement directly below the check amount. The 1.7% must be included when providing the cost of the item to the BO. The convenience checks shall be maintained 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 safeguarding the convenience checks and 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(s) paid; Date(s) of amount(s) paid; Cumulative total amount paid for a calendar year for each payee. This information is electronically provided to DFAS from the IRS website. Information concerning how to submit the IRS Form 1099 can be located at: <https://dfas4dod.dfas.mil/systems/1099>.

Foreign Drafts

Only the Level III and Level IV A/OPC may authorize the establishment of a foreign draft account. The use of the 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 vendors that accept the GPC. Foreign drafts cannot be issued for more than \$2,500.

There is a bank assessment fee of 2% of the value for using foreign drafts. This charge will appear on the CH statement directly below the check amount. The 2.0% must be included when providing the cost of the item to the BO. The foreign

drafts shall be maintained 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.

Delinquent Accounts

Level III and Level IV A/OPCs are responsible for monitoring delinquent accounts on a monthly basis.

When an account is 45 days past due, the bank will request immediate payment. The Level III, Level IV A/OPCs, 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. The Level III A/OPC will notify the Level IV A/OPCs in writing of the delinquent account.

If payment for the undisputed amount has not been received 55 days past due, the bank will notify the A/OPC 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 A/OPC 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 agency's GPC Program to be suspended.

Strategic Sourcing

In all buys, including those made through the purchase card, DoDEA needs to optimize its purchasing power. A/OPCs should analyze purchase card spending and supplier patterns, at least on an annual basis. Suppliers appearing frequently in the data have the potential to become DoDEA strategic partners, and DoDEA should pursue strategic agreements (such as contracts) with those suppliers, as appropriate. Such agreements could involve automatic point-of-sale reductions through DoDEA purchase card recognition or establishing central ordering vehicles with appropriate discounts and terms and conditions. In order to achieve DoDEA-wide strategic supplier agreements, component acquisition organizations should forward the results of their strategic sourcing analysis to, and coordinate their actions with, the HQ DoDEA Level III A/OPC for potential implementation on a DoDEA-wide basis.

Frustrated Freight

Materiel entering the DoD organic distribution system is often insufficiently marked and labeled, and becomes "frustrated" as a result. Frustrated materiel has

hindered consolidation and containerization point and aerial port operations in all recent contingency operations. To address the problem, a set of business rules was developed that covers the labeling and packaging of such items. See the DoD policy Government Purchase Card (GPC) Guide to Overseas (OCONUS) Shipments (<http://purchasecard.saalt.army.mil/GPC-FF1.doc>).

Electronic Certification

In coordination with the Services, Components, Inspector General, and General Accounting Office, the DoD Purchase Card Program Management Office is drafting internal control requirements to accelerate electronic certification and bill-paying systems for purchase cards. This is the CARE system managed by US Bank.

Top Ten Purchase Card Management Tips

The top 10 purchase card management tips are provided below.

1. Appoint an A/OPC of appropriate grade/rank, motivation, and people skills.
2. Ensure that the number of purchase cards and billing accounts are sufficient to support mission needs.
3. Review specific credit limits and spending history of accounts to ensure consistency with mission requirements.
4. Take appropriate administrative and disciplinary action when fraudulent, improper, and/or abusive purchase card transactions are found.
5. Ensure an appropriate span of control for each BO/AO to CH accounts (no more than seven CH accounts under each BO/AO account).
6. Review and resolve issues regarding delinquencies expeditiously.
7. Ensure that all A/OPCs, BOs, AOs and CHs have received the required training in accordance with policy and procedures;
8. Ensure that the training is properly documented and the training certificates are maintained on file;
9. Enforce the requirement for proper separation of the purchasing, receipt, and acceptance functions and maintain documented evidence.
10. Maintain documented evidence of proper certification of monthly purchase card statements by BOs and CHs.

Chapter 3

DoDEA Key Roles and Responsibilities

This chapter contains more detail on key roles and responsibilities for each of the various participants involved in the DoDEA GPC program.

Chief of the DoDEA Procurement Division

The responsibilities of Chief of the DoDEA Procurement Division are to:

- ◆ Determine need for card program and make request to appropriate functional activity (e.g., contracting, financial, resource management);
- ◆ Appoint qualified personnel, including Reviewing Officials, certifying officers, A/OPCs, AOs, BOs, PCHs and CHs;
- ◆ Ensure proper separation of duties among personnel;
- ◆ Order investigations when appropriate;
- ◆ Follow-up on investigation results;
- ◆ Ensure effective management controls are in place;
- ◆ Ensure performance standards include charge card responsibilities, if appropriate; and
- ◆ Review performance measures and reports.

Agency/Organization Program Coordinator Level III (DoDEA Headquarters)

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

- ◆ Manage, oversee, and support the DoDEA GPC program;
- ◆ Review performance metrics;
- ◆ Review high risk transactions flagged through data mining;
- ◆ Manage and ensure the integrity of the card program;

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- ◆ Prepare and develop reports on the program;
 - ◆ Ensure the proper oversight/management controls are in place and working;
 - ◆ Provide business and GPC program advice to level IV A/OPCs;
 - ◆ Serve as the bank's point of contact;
 - ◆ Oversee and establish DoDEA policy guidance;
 - ◆ Participate in data-mining efforts;
 - ◆ Coordinate creation and feedback of bank fraud queues;
 - ◆ Run data mining reports on span of control, inactive cards, and cardholders certifying their own purchases;
 - ◆ Maintain DoD-wide blocked Merchant Category Code list;
 - ◆ Prepare and analyze metrics; and
 - ◆ Interface with the bank on contract requirements, performance issues, and special needs.

Agency/Organization Program Coordinator Level IV (DDESS/DoDEA HQ/Europe/Pacific)

The key roles and responsibilities of the level IV A/OPC may include some or all of the following:

- ◆ Manage and ensure the integrity of the card program;
- ◆ Process card applications;
- ◆ Ensure delegations of purchase authority are issued;
- ◆ Prepare reports and submit to the level III A/OPC;
- ◆ Ensure that the on-line DAU GPC tutorial, Section 508 and DoDEA trainings are complete before entering a new BO/AO or CH into the program;
- ◆ Provide annual refresher training to all GPC personnel;
- ◆ Ensure proper disposition of BO/AO and CH accounts when positions turnover;
- ◆ Maintain training files;

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- ◆ Maintain required span of control in accordance with DoD and component guidance;
 - ◆ Provide business advice to charge card users;
 - ◆ Serve as USbank POC for all members in the level IV program;
 - ◆ Ensure implementation is coordinated with the servicing Financial Management official;
 - ◆ Ensure a certified funding document exists before establishing a new BO/AO account;
 - ◆ Initiate the revocation and suspension of purchase card account privileges when appropriate;
 - ◆ Maintain a current list of all cardholders and approving officials under their jurisdiction;
 - ◆ Conduct a review of all BOs/AOs every 12 months to including a minimum of three months of purchase records for at least 25 percent of all cardholders;
 - ◆ Examine population of transactions for purchases from unauthorized merchants, violation of limits, and other irregular activities. Conduct a hard copy document review immediately for a suspected violation;
 - ◆ Maintain review results on file;
 - ◆ Provide results of reviews to the BO/AO's supervisor, and if applicable the CH;
 - ◆ Provide results of all reviews with a rating of marginal and unsatisfactory to the DoDEA level III A/OPC to include a corrective action plan;
 - ◆ Meet with BO/AO to discuss noncompliance;
 - ◆ Take appropriate corrective actions in cases of abuse or misuse;
 - ◆ Ensure adequate separation of duties;
 - ◆ Manage the BO/AO and CH profiles and close accounts using the CARE system;
 - ◆ Monitor transactions during the cycle in order to take more timely action against questionable purchases and possible split purchases using available automated tools;

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- ◆ Ensure that each individual purchase card file has adequate documentation when conducting reviews;
 - ◆ Ensure financial controls are established in account profiles;
 - ◆ Monitor and facilitate resolution of installation delinquency problems;
 - ◆ Ensure compliance with relevant policies, procedures, and regulations, including the FAR;
 - ◆ Assist BO/AO and CH with account management and reconciliation;
 - ◆ Provide effective procurement support to all departments and meet the procurement needs of the command;
 - ◆ Analyze accounts and specific cardholder activity;
 - ◆ Act as Audit/Internal Review focal point for purchase card related issues;
 - ◆ Develop local purchase card and file management policies and procedures;
 - ◆ Report program activity to appropriate levels of management;
 - ◆ Perform team leader functions;
 - ◆ Ensure that cards of exiting personnel are collected in accordance with personnel department checklists;
 - ◆ Attend yearly conferences as well as any other meetings and conferences pertaining to program; and
 - ◆ Perform special processing as required.

Approving Official (AO)

The key roles and responsibilities of the AO may include some or all of the following:

- ◆ Complete DAU, Section 508, DoDEA initial and refresher trainings;
- ◆ Ensure cardholder fulfills responsibilities;
- ◆ Review and approve cardholder statements;
- ◆ Ensure all transactions for cardholders are legal, proper, and correct in accordance with government rules and regulations;
- ◆ Recommend dollar limits for cardholders;

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- ◆ Ensure monthly billing account accuracy;
 - ◆ Retain copies of monthly invoices;
 - ◆ Maintain all original documentation when responsible personnel turnover;
 - ◆ Notify A/OPC of requirement to close accounts as necessary due to personnel turnover;
 - ◆ Ensure continuity of records when transitioning out of AO responsibilities;
 - ◆ Ensure cardholder notifies bank of lost or stolen cards;
 - ◆ Resolve questionable purchases with cardholder;
 - ◆ Take corrective action upon discovery of improprieties, to include involving the A/OPC, General Council, and IG as appropriate; and
 - ◆ Maintain official invoice documentation.

Reviewing or Billing Official (BO)

The key roles and responsibilities of the BO may include some or all of the following:

- ◆ Complete DAU, Section 508, DoDEA initial and refresher trainings;
- ◆ Certify and pay bank invoices timely;
- ◆ Certify payments to be legal, proper, and correct;
- ◆ Ensure no duplicate payments are made;
- ◆ Ensure accurate payments including proper fund and accounting citation;
- ◆ Report suspected improper payments;
- ◆ Take appropriate corrective, administrative, and disciplinary actions to address improper, fraudulent, or abusive use of cards;
- ◆ Address questionable purchases with program officials;
- ◆ Ensure the cardholders fulfill their responsibilities;
- ◆ Review and reconcile cardholder statements;
- ◆ Ensure all transactions for cardholders are legal, proper, and correct in accordance with government rules and regulations;

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- ◆ Ensure monthly billing account accuracy.
 - ◆ Certify and pay bank invoices in a timely manner;
 - ◆ Certify payments to be legal, proper, and correct; and
 - ◆ Maintain original documentation.

Cardholder (CH)

The key roles and responsibilities of the CH may include some or all of the following:

- ◆ Complete DAU, Section 508, DoDEA initial and refresher trainings;
- ◆ Ensure all purchases are proper, legal, and economical, and satisfy a bona-fide requirement;
- ◆ Maintain hard copy and electronic records in accordance with DoDEA policies;
- ◆ Review and reconcile all transactions in a timely manner, maximizing rebates and avoiding late-payment interest;
- ◆ Resolve questionable transactions;
- ◆ Review and reconcile all transactions timely, maximizing rebates and avoiding late payment interest;
- ◆ Approve statement for input to BO/AO;
- ◆ Notify BO/AO of any discrepancies;
- ◆ Resolve questionable transactions;
- ◆ Track disputes to completion;
- ◆ Use issuing bank's Electronic Access System to monitor activity;
- ◆ Maintain audit trail to include receipts and other supporting documentation;
- ◆ Retain records in accordance with government standards in accordance with applicable regulations;
- ◆ Maintain physical security of card;
- ◆ Notify bank timely if card is lost or stolen; and

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- ◆ Notify BO/AO and A/OPC of departure or when card is no longer needed.

Payment Cardholders (PCH)

In addition to the general cardholder roles and responsibilities identified above, a PCH must—

- ◆ Hold valid PCH Appointment Letter; and
- ◆ Ensure all payments are in accordance with the terms and conditions of the contract, a receiving report and a complete and proper invoice

USbank

The roles and responsibilities of USbank are to:

- ◆ Perform in accordance with the contract and task order
- ◆ 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.

Management Controls

This chapter contains the specific management controls required of all card programs, guidelines for disciplining abusers, and additional control information and guidelines.

Required Management Controls

Maintain Purchase Logs—All cardholders are required to maintain an electronic log in C.A.R.E. and a manual log (DoDEA GPC Form 4) for each transaction made using the card. The DoDEA GPC Form 4 will be retained with the hard copy documents.

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—maintain appropriate separation of duties between charge card officials (e.g., BO/AOs will not be CHs within the same billing account; property book officers, or equivalents, will not be cardholders 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 USbank against the purchase card log that they are required to maintain for card purchases. This reconciliation requires the CH to approve, reconcile and start the dispute process if necessary, for each card transaction that is posted to the cardholder statement. This must be done in the C.A.R.E. system and with the hard copy documents. The CH must approve the statement in its entirety once all individual transactions have been reconciled. CHs are required to perform these functions within five calendar days after the close of the billing cycle. Print your statement from the USbank C.A.R.E. system the first work day after the cycle ends.

Reconciliation/Approval by the BO—once each CH has approved their statement they forward the electronic and 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 one of 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 C.A.R.E. statement within a 15 calendar days from the cycle end date the CH is locked out of their account. The BO is required to step in and perform the CH reconciliation/certification role.

Exercise Dispute Authority—the CH has 60 days from the cycle end date to dispute the transaction.

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., C.A.R.E), the transaction file is locked and cannot be altered.

Exercise/Maintain Authorization Controls—appropriate spending limits and Merchant Category Code (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

See the following resources for guidelines on investigating, disciplining, and reporting misuse or abuse of charge cards:

- ◆ Memorandum on “Guidance for the Investigating of Fraud, Waste, and Abuse involving the Use of Purchase Cards and Travel Cards” dated 9/25/2002
- ◆ Memorandum on “Government Charge Card Disciplinary Guidelines for Civilian Employees” from the Office of the Under Secretary of Defense, dated 4/21/2003
- ◆ DoDEA Regulation 8000.1, Enclosure 3, Schedule of Potential GPC Offenses and Remedies

Ensure Workable Span of Control

Ensure that there are no more than seven CH accounts per AO/BO account, and no more than 300 accounts (AO, BO and CH) per A/OPC.

Authorizing and Authenticating Cardholders

Ensure that cards serve a valid business need, and deactivate those that do not. Verify that required training is completed prior to cardholder authorization.

Data Mining

Data mining provides improved surveillance by highlighting select transactions for A/OPC review. Level IV A/OPCs shall perform monthly data mining in an effort to deter fraud and ensure program compliance. The following C.A.R.E. Reports shall be run monthly:

1. Unusual Spending Activity
2. Declined Authorizations
3. Delinquent Accounts
4. Pre-Suspension, Pre-Cancellation
5. Transaction Summary
6. Underutilized Credit Limit

Reporting Requirements

Level IV A/OPCs shall submit a quarterly report on program compliance using the report in Appendix C, and the data collected from the monthly data mining reports within 15 days from the end of the reporting quarter. The Quarterly Office Management and Budget Report data will be extracted from these reports by the Level III A/OPC and a consolidated report shall be submitted to the DoD Purchase Card Joint Program Management Office (DoD PC Joint PMO).

Level III A/OPC will evaluate quarterly data and provide a semi-annual DoDEA Program Compliance report to the DoD PC Joint PMO.

Inspection Rating System

DoDEA shall use a six scale rating system to gauge the effectiveness, viability and success of its GPC program worldwide. The rating is assigned after a thor-

ough 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 Level III A/OPC (Headquarters) or a Level IV A/OPC (DDESS, DoDDS-E and DoDDS-P) for their respective GPC programs. However, other knowledgeable and trained individuals as designated by the Chief, Procurement Division may perform the audit/inspection. After an audit is completed, the inspector rates the program as follows: Excellent, Good, Satisfactory, Marginal, Unsatisfactory, or Not Rated.

If the program receives a rating of Excellent, Good or Satisfactory it will be inspected within one year. A rating of Marginal will result in a follow-up inspection in six months. A rating of Unsatisfactory will result in a follow-up inspection in three months and may result in suspension of the program. Inspection reports of all programs that receive a rating of Marginal or Unsatisfactory must contain a written Corrective Action Plan signed by the A/OPC and the BO. The ratings are defined below:

- **Excellent** – Indicates that the reconciliation of statement of account, files, records, purchase log, and the GPC program exceeds program requirements and are clearly superior to established rules, guidelines and procedures. An Excellent rating will not have any violations or discrepancies.
- **Good** – Indicates that the BO and CH's performance in the areas of reconciliation of statement of account, files, records, purchase log, and the program exceeds program requirements and deserves recognition for the achievement. A Good rating will have no more than two minor discrepancies.
- **Satisfactory** - Indicates that the BO and CH's performance in the areas of reconciliation of statement of account, files, records, purchase log, and the GPC program meets established rules, guidelines and procedures and does not require a follow-up inspection for one year. A Satisfactory rating will have more than two minor discrepancies that require correction.
- **Marginal** – Indicates that the BO and CH's performance in the areas of reconciliation of statement of account, files, records, purchase log, and the GPC program is below established standards, rules, guidelines and procedures. This rating requires a six month follow-up inspection to ensure that audit findings are corrected and that the office is performing in a satisfactory or higher performance level. A Marginal rating will have a violation or major discrepancies that require immediate attention and correction.

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- **Unsatisfactory** - Indicates the BO and CH's performance in the GPC program is unacceptable and cause grave concern to the Agency. This rating requires A/OPC oversight for a determined period of time as well as administrative actions to remedy shortcomings of the program. This rating entails a follow-up surveillance every three months for one year after the inspection or until the office program reaches a satisfactory level of performance. An Unsatisfactory rating is an indication of a willful violation, misappropriation of Government funds, splitting requirements, and intentionally not following the rules of the GPC Program.
 - **Not Rated** - Indicates that the BO and CH's are knowledgeable in the areas of reconciliation of statement of account, files, records, purchase log, and the GPC program meets established rules, guidelines and procedures. However, the cardholder has not used the card within the reporting period. This rating does not require a follow-up inspection for one year.

Discrepancy: A discrepancy is defined as an administration or procedure problem. A discrepancy does not violate laws, regulations or policies that govern the Government Purchase Card program.

Violation: A violation constitutes a serious problem within that GPC program. Examples would be an unauthorized purchase, a violation of law, regulation or policy that the BO and CH were not made aware of before the purchase was made.

Willful Violation: A willful violation is an unacceptable situation that in most cases will result in the removal of the BO, CH or both. Examples of a willful violation are intentionally splitting requirements, exceeding the purchase card limits, purchases for personal use or benefit and violations of laws, regulations, or policies which the CH was made aware of through trainings or other guidance.

If the A/OPC discovers a BO or CH has violated procedures, they shall take action to resolve the noncompliance to include, if necessary, remedial training of the BO and CH and/or suspending GPC privileges. Any determination to cancel a BO or CH account shall be made by the Chief of the Procurement Office, in writing, and their findings forwarded to the supervisor of the BO and/or CH. Continual violation of GPC procedures by a BO, or repeat violations of CHs under a BO, shall result in termination of GPC privileges and potentially further disciplinary personnel action will be taken.

Chapter 5

LIST OF PROHIBITED PURCHASES

<u>Type</u>	<u>Description</u>
Advance Payments	Purchases requiring advance payments, except for subscriptions and training purchased on a DD Form 1556, Request, Authorization, Agreement, Certification of Training, and Reimbursement.
Cash Advances	Money orders, traveler checks, and gift certificates are also considered to be cash advances and shall not be purchased by CHs to obtain items from merchants who do not accept the GPC.
Entertainment	Purchase of party supplies, serving material, food, drink, and water are considered entertainment and are prohibited unless specifically authorized by regulation. Exceptions: Home Away From Home Program, School Curriculum Program (e.g. Special Education, cooking class), Sure Start Program, School Nurse Requirements, and light refreshments for conferences when the conditions in the Financial Management Regulation are met.
Fuel	Aviation, diesel, gasoline fuel or oil for aircraft. Exception: If fuel is unavailable through Fleet Services (such as overseas), fuel or fuel coupons may be purchased with the GPC.
Gifts/Mementos	These include food/beverages for office functions (i.e. picnics, parties, awards programs, retirements, conferences, and school functions), promotional items for conferences, meetings, symposia (coins, mugs, coasters) and cash awards. <u>Note:</u> Awards for established recognition programs such as Teacher of the Year are NOT gifts or mementos.
Government Employees	Purchases made from Government employees.
Hazardous/Dangerous	Purchase of items such as explosives, munitions, toxins, and firearms. This specifically includes weapons, small arms, and ammunition.
Personal Services	Personal service contracts make the contractor personnel appear, in effect, to be Government employees (e.g. consultants directly under Government supervision, temp office help).

<u>Type</u>	<u>Description</u>
Printing	When services are requested outside the Defense Automated Printing Service (DAPS) at any dollar level, a waiver must be obtained from DAPS
GSA Vehicle Repairs	Repairs on leased GSA vehicles
Land and Buildings	Long-term rental or lease of land or buildings (more than 30 days)
Telecommunication	Purchase of major communication systems using the GPC is prohibited. However, the GPC may be used for cell phones and telephone equipment if the required approvals are obtained and the annual amount (\$2,500 in the US and \$25,000 overseas) does not exceed the single purchase limit.
Third Party Services	Use of any third party service is prohibited including services such as eBay, PayPal, etc.
Official Travel Related Purchases	This includes rental/lease of motor vehicles associated with travel or purchases associated with travel orders (purchase of airline, bus, and train tickets), purchase of meals, drinks, lodging, or other travel or subsistence costs associated with <u>official</u> Government travel that is allowable and can be reimbursed on a travel voucher. Exception: If the travel IS NOT reimbursable to the government traveler by travel voucher (i.e. student travel), the purchase may be made with the GPC. Note: Travel may be authorized for <u>Unofficial Travel Only</u> – this is travel by students, sponsors and coaches in relation to school activity sponsored events. Vendor price competition must be obtained for purchasing transportation tickets above \$2,500. Vendor price competition must be obtained and documented using not less than three sources.
Utility Services	This includes electric, gas, water, phone, waste removal, and cable TV services. These services are typically consolidated and purchased through contracts that generally exceed \$2,500 per year
Bottled Water	Purchase of bottle water is prohibited unless an environmental study has been conducted and the local drinking water is considered unfit to drink.

Chapter 6

Unique Rules for the DoDEA GPC Program

This chapter contains business rules that are unique to the DoDEA GPC Program. For additional information, see DoDEA Regulation 8000.1 Feb 2005, and the DoD GPC Concept of Operations for additional information governing the GPC program.

Unofficial Travel

- ◆ This is travel by students, school activity sponsors and coaches to participate in or supervise activities as required by school-related curricular, co-curricular and dormitory transportation.
- ◆ When purchasing transportation tickets up to \$2,500 for unofficial travel, use the lowest priced contractor that meets destination, time, and other school requirements.
- ◆ When purchasing transportation tickets overseas for unofficial travel between \$2,500.01 and \$25,000, vendor price competition must be obtained and documented using not less than three sources.

Food Purchases

Sure Start Program: DoDEA Regulation 2990.2, DoDDS Sure Start Program, requires schools to provide nutritious meals and snacks for students. While Non-Appropriated Funds are used for meals, the GPC may be used to purchase the appropriate snack items listed in paragraph 7 of the DoDDS Sure Start Regulation. However, the CH must document that these purchases were made for the Sure Start Program.

School Nurse Requirements: The school nurses have a medical requirement to use certain foods in treating students for illnesses such as diabetic emergencies, insulin reactions and abdominal pain.

The following food items are approved for purchase to treat students in the schools for these cases:

- Orange Juice
- Fruit Cup
- Energy Bar
- Candy Bar
- Glucose Tablets
- Soft Drink
- Honey
- Sugar Mints
- Cake Frosting
- Cheese
- Crackers

Light Refreshments: Light refreshments are authorized when using the GPC if the conditions in the FMR are met. For further guidance on light refreshments see Appendix D, Ethics and Conflicts of Interest on the Purchase Card.

Home Away from Home Program (HAHP)

The HAHP is unique to the DoDDS-E London Central Dorm for students residing in the London Central High School Residence Halls/Dormitories (LCHS dormitories). DoDEA Regulation 7100.4, March 25, 2004 describes what type of programs, services, and after school and/or weekend activities that have been designed specifically for residents of the LCHS dormitories. The use of the GPC is authorized for the approved activities contained in DoDEA Regulation 7100.4 for London Dorm residents only.

Appendix A

Definitions and Abbreviations

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 (See Volume 10, Table 61 of DoD 4100.39-M reference (k)). Additional and/or separate records or other record keeping instruments shall be established for management purposes, or when otherwise required by law, policy, regulation, or agency direction, including, but not limited to pilferable items. Pilferable items have a ready resale value or application to personal possession and are, therefore, especially subject to theft.

Account Setup Information: Specific information required by the A/OPC for each BO, AO and CH so that an active account can be established.

Agency/Organization Program Coordinator: An individual designated in writing by the ordering agency/organization to perform task order contract administration within the limits of delegated authority and to manage the card program for the agency/organization. This individual shall have overall responsibility for the card program(s) within their agency/organization. Multiple levels of program coordinators exist within different hierarchies or at different hierarchical levels within the program for each agency/organization.

Authorization: The process of verifying that 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 A/OPC. Authorization is done by the merchant at the point of sale and is typically accomplished via the merchant swiping the card at the terminal.

Availability of Funds: See DoD FMR.

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 banks' system during this period. Billing cycles for the various Defense Components are identified below: Defense Agencies—the billing cycle begins on the 6th of the month and ends on the 5th 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 AO, as determined by the ordering DoD activity, which limits the cumulative spending amount of all cardholders assigned to that AO 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 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 can be paper based or presented through the Electronic Access System of the issuing bank.

Billing Official: An individual who has under his/her purview a number of cardholders. The BO will not be given more CHs than [s]he has the capability to review. 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 A/OPC'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 Federal Acquisition Regulation (FAR) and all other governing agency policy and

procedures. Other duties may be delegated as agencies see fit. The Government uses the BO concept in the purchase card program for internal control purposes to ensure that transactions are necessary and for official government purposes only.

The BO is usually the CH's supervisor or in the CH's chain of command. If not in the chain of command, the BO must have the capability to influence the CH's performance rating. Unless otherwise waived by USD(C), the BO must also be the Billing Official/Certifying Officer for his/her CH(s) and in that capacity must certify transactions in the monthly invoice as legal, proper and correct. The BO then submits the certified invoice to the supporting payment office for payment to the bank. This individual can also be known as the BO.

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)

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

Convenience Checks: Third party drafts (including foreign drafts) issued using Government-wide 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, including the responsibilities of designated cashiers and alternates, 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 Financial Management Regulation, Volume 5, Chapter 2, paragraph 0210.

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

Customer Automated Reporting Environment: The U.S. Bank's electronic access system, which allows review of transactions and electronic payment.

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, convenience check and/or foreign draft. This delegation of procurement authority, or Letter of Appointment, shall specify spending and usage limitations unique to the cardholder. The DoDEA Chief of Procurement is responsible for issuance of internal procedures.

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 Government-wide 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.

Government-wide 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, AOs, and CHs.

Issuing Bank: A financial institution responsible for issuing DOD's government purchase card as a result of a task order against the GSA Smart Pay Master Contract.

Level 1 Data: Standard commercial transaction data which includes the total purchase amount, the date of purchase, the merchant's name, city/state, debit/credit indicator, date charge/credit was processed by the contractor, contractor processing/transaction reference number for each charge/credit, and other data elements as defined by the card associations or similar entity.

Level 2 Data: Adds additional data to Level 1 data about each purchase which includes merchant category code, sales tax amount, accounting code, merchant Taxpayer Identification Number, minority/women owned business codes, 1099 status and merchant zip code, and other data elements as defined by the card associations or similar entity.

Level 3 Data: Full line-item detail in addition to the data in Level 2 which includes unit cost, quantities, unit of measure, product codes, product descriptions, ship to/from zip codes, freight amount, duty amount, order date, discount amount, and order number, and other data elements as defined by the card associations or similar entity.

Master File: An electronic file maintained by the issuing bank. It contains all essential cardholder and approving official information. Elements of this file include cardholder name, account number, a minimum four-line work address, cardholder's spending control limitations, cardholder's finance office, and other elements.

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. It will be the responsibility of the Component Level A/OPCs to administer and record any waiver requests to these blocks.

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

Micro-purchase: An acquisition of supplies or services, the aggregate amount of which does not exceed \$2,500, except construction which is limited to \$2,000. (FAR Part 2.101)

Pecuniary Liability: Personal financial liability for fiscal irregularities of disbursing and 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.

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 approving 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.).

Profile: A record containing all information relative to a particular account. It will contain demographic information, accounting information, authorization controls, billing information, 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 officials. Certifying officials 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 sections 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; (3) does not represent a legal obligation under the appropriation or fund involved.

Purchase Card Log: A manual or 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 should 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, 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.

Reactivation: The activation of purchase card privileges after suspension.

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

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 considered before an open-market purchase can be made.

Requirement: Acquisitions begin with a description of the Government's needs.

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

Reviewing Official: An individual, appointed by the Head of DoD Components (or their designees), who is responsible for pre and post payment reviews of payments certified by the certifying officer. The reviewing official shall not concurrently serve as an accountable, certifying or disbursing official.

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 getting around 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 elimination of state and local taxes from federal purchases in accordance with state and federal law. The phrase "U.S. Government Tax Exempt" is printed on the front of each purchase card.

Third Party Payment Sources: These are services developed for the purpose of collecting a fee from a merchant, for processing the credit card charge and then issuing a check to the merchant for payment. Services from a third party source are prohibited purchases. Examples of such services are Pay Pal and E-bay Bill Point.

Appendix B

Resources

REFERENCES

- (a) DoDEA Regulation 8000.1, Use of The Government-wide Commercial Purchase Card (http://www.dodea.edu/regs/regs_num.htm)
- (b) Department of Defense Government Purchase Card Concept of Operations, current edition (<http://purchasecard.saalt.army.mil/Concept%20of%20Operations%20R1%20March%2003.pdf>)
- (c) Federal Acquisition Regulation (FAR), Parts 8 and 13 (<http://farsite.hill.af.mil/>)
- (d) Defense Federal Acquisition Regulations Supplement, Parts 208 and 213 (<http://farsite.hill.af.mil/VFDFARA.HTM>)
- (e) Department of Defense Financial Management Regulation (DoDFMR), Volume 5, Chapter 2 (<http://www.defenselink.mil/comptroller/fmr/05/index.html>)
- (f) GSA Smart Pay Contract GS-23F-98006
- (g) DoDEA Regulation 2990.2, DoDDS Sure Start Program (http://www.dodea.edu/regs/regs_num.htm)
- (h) DoDEA Regulation 7100.4, Home Away From Home Program (http://www.dodea.edu/regs/regs_num.htm)

GENERAL RESOURCES

Common

- ◆ Management Initiative Decision No. 904, Department of Defense Charge Card Management, December 18, 2002
- ◆ General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies

Purchase Card

- ◆ DoD Financial Management Regulation, Volume 10, Chapter 10
- ◆ Federal Acquisition Regulation (FAR), Parts 8 and 13
- ◆ Defense Federal Acquisition Regulation Supplement (DFARS), Parts 8 and 13

OFFICE OF THE SECRETARY OF DEFENSE RESOURCES

Common

- ◆ Policy Memorandum: “Department of Defense (DoD) Charge Card Programs” (Paul Wolfowitz, June 21, 2002)
- ◆ Policy Memorandum: “Government Charge Card Disciplinary Guide for Civilian Employees” (Ginger Groeber, April 21, 2003)
- ◆ Policy Memorandum: “Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel” (David Chu, June 10, 2003)
- ◆ 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)
- ◆ Policy Memorandum: “Inclusion on Personnel Departure Checklists of the Requirement to Turn in Government Charge Cards” (David Chu, June 23, 2003)

Purchase Card

- ◆ USD(C) Memorandum: “Purchase Card Reengineering Implementation Memorandum #1, Certifying Officer Guidance, Change 1”
- ◆ Memorandum on “Acquisition Policy on Facilitating Vendor Shipments in the DoD Organic Distribution System,” 7/23/2003, from the Under Secretary of Defense

SERVICE/DEFENSE AGENCIES RESOURCES

Common

- ◆ Dept. of Army Policy Memorandum: “Army Charge Card Programs” (Thomas White, January 28, 2003)

Purchase Card

- ◆ Army Standard Operating Procedures: General Services Administration (GSA) Smart Pay Purchase Card Program
- ◆ For Self-Assessment Tool: “ebusiness Monthly A/OPC Review Tool (MART) (Formerly Semi-Annual Review) for Purchase Card Program, Release 1.0, Application Definition Document”

Additional Web site Sources

- ◆ <http://www.gsaadvantage.gov>
- ◆ <http://www.unicor.gov>
- ◆ <http://www.jwod.gov>
- ◆ <http://www.jwod.com>
- ◆ <http://purchasecard.saalt.army.mil>
- ◆ <http://apps.fss.gsa.gov/services/gsa-smartpay/taxletter/>

Appendix C

A/OPC Level IV Quarterly Report

PURCHASE CARDS	
<p>2. Span of control:</p> <p>a) ratio of approving officials to cardholders</p> <p>b) average number of transactions per approving official</p> <p>5. Spending limits:</p> <p>a) number of cardholders with spending limits greater than \$2,500 with contracting officer warrants, in accordance with FAR 1.603</p>	<p>a) 1: _</p> <p>b)</p> <p>a)</p>
PAYMENT CARDS	
<p>number of procurement payment cardholders</p>	<p>___ cardholders in DoDDS-E</p> <p>___ cardholders in DoDDS-P</p> <p>___ HQ cardholders</p>

DATA MINING REPORTS

UNUSUAL SPENDING ACTIVITY

Number of purchases researched:

Number of violations:

Corrective actions taken:

DECLINED AUTHORIZATIONS

Number of attempts researched:

Number of attempts that were improper:

Corrective actions taken:

DELINQUENT ACCOUNTS

Number of accounts that exceeded 90 days:

Reason:

UNDERUTILIZED CREDIT LIMIT

Number of accounts in the 75 to 100%:

Number of accounts in the 50 to 74%:

Number of accounts the limits were decreased:

Number of accounts below 50%:

Number of accounts the limits were decreased:

INSPECTIONS

Number of inspections scheduled:

Number of inspections conducted:

Reason for missed inspections:

RATINGS

Number of programs receiving Not Rated:

Number of programs receiving a rating of Excellent:

Number of programs receiving a rating of Good:

Number of programs receiving a rating of Satisfactory:

Number of programs receiving a rating of Marginal (requires submission of inspection report):

Number of programs receiving a rating of Unsatisfactory (requires submission of inspection report):

		GPC Quarterly Report			For The Period Of:			
* Insert A/OPC location (DDESS, DoDDS-E, DoDDS-P or HQ)	Number of Inspections	# of newly trained Bos/AOs	# of new BO/AO accounts	# of newly trained CHs	# of new CH accounts	Cancelled BO/AO Accounts	Cancelled CH Accounts	
			#REF!		#REF!	#REF!	#REF!	
INSPECTION LOCATION:								
Totals			0		0	0	0	
Insert inspection report and corrective action plan for programs rated Marginal or Unsatisfactory								

Appendix D

Ethics and Conflicts of Interest on the Purchase Card

Conflicts of Interest

An employee is prohibited by criminal statute 18 U.S.C. § 208 from participating personally and substantially in an official capacity in a matter in which he/she has a financial interest.

Includes interest of employee's spouse, minor child, general partner, organization in which the employee serves as a director, officer, employee, trustee or general partner, and a person with whom the employee is negotiating for or has an arrangement concerning prospective employment.

- ⇒ Example: You are a GPC holder and your spouse works for a small business that sells commercial products. You want to purchase a few products from this small business with your GPC. Do you have a conflict?
- ⇒ Example Response: Yes! You have a financial interest in your spouse's business. You not only would violate 18 U.S.C. § 208, but would also be using a public office for private gain in violation of Executive Order 12674.

Impartiality Rule

You may not work for the Government on a particular matter if a reasonable person with knowledge of the relevant facts could question your impartiality in two sets of circumstances.

Those two sets of circumstances are where certain "persons" with whom you have a relationship either: (1) Have a financial interest that is affected by the particular matter or (2) are parties, or represents parties, to the particular matter. [5 C.F.R. 2635.502 and 2635.702 (d)]

Who are these "persons"? Anyone and everyone, including: Personal relationships, including relatives and friends; businesses/organizations, including prior relationships; employers, including those of your spouse, parents, and dependent children.

- ⇒ Example: You placed a GPC order with your friend's business. You did not inform anyone in DoDEA of the friendship. Do you have conflict?

-
- ⇒ Example – Analysis: Yes. You were obviously aware that your friend had a financial interest in the matter and that the matter could affect the interest. A reasonable person would question your impartiality.

What happens if you have a conflict? See your ethics counselor! There may be a regulatory exemption that would allow you to work on the matter. If not, work with your supervisor and ethics counselor to determine the appropriate remedial action.

- ⇒ Example: You want to purchase some supplies from XYZ Company. At the time you want to place the order, you own publicly traded stock in XYZ Company valued at less than \$15,000. May you place the order?
- ⇒ Example Analysis: Yes. You may perform your duties with respect to XYZ Company because of a regulatory de minimus exemption for publicly traded securities that have an aggregate market value not exceeding \$15,000.
- ⇒ Example: Suppose your spouse buys \$5,000 worth of XYZ Company stock and yours is worth \$12,000 so the “de minimus” exemption no longer applies?
- ⇒ Example Analysis: You must disqualify yourself from working on matters related to XYZ Company unless you are able to take remedial action such as selling enough of your XYZ Company stock to drop below the \$15,000 threshold.
- ⇒ Other remedial actions include: Waiver from the basic rule (if your interest is not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from you). With respect to an impartiality issue, the agency designee (GS-12 or above supervisor) may authorize the employee to participate in the matter based on a determination that the interest of the Government in the employee’s participation outweighs the concern that a reasonable person may question the integrity of the agency’s programs and operations. Reassignment or transfer. Resignation from outside position (where applicable).

Gifts

An employee shall not, directly or indirectly, solicit or accept a gift from a prohibited source, or given because of the employee’s official position. [5 C.F.R. 2635.202 (a)]

A gift is any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, or other item 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.

Gifts do not include:

1. Modest items of food and refreshments, such as coffee and donuts, offered other than as part of a meal;

-
2. Greeting cards and items with little intrinsic value, such as plaques, certificates, and trophies, which are intended solely for presentation;
 3. Loans from banks and other financial institutions on terms generally available to the public;
 4. Opportunities and benefits, including favorable rates and commercial discounts, available to the public or to a class consisting of all Government employees, whether or not restricted on the basis of geographic considerations;
 5. Rewards and prizes given to competitors in contests or events, including random drawings, open to the public unless the employee's entry into the contest or event is required as part of his official duties;
 6. Pension and other benefits resulting from continued participation in an employee welfare and benefits plan maintained by a former employer;
 7. Anything which is paid for by the Government or secured by the Government under Government contract;
 8. Any gift accepted by the Government under specific statutory authority.

Prohibited source means any person who: Is seeking official action by the employee's agency; does business or seeks to do business with the employee's agency; conducts activities regulated by the employee's agency.

Exceptions to the General Gift Acceptance Rule:

1. Gifts valued up to \$20 (up to a maximum of \$50 from the same source in one calendar year);
2. Gifts based on a personal relationship;
3. Discounts and similar benefits;
4. Gifts associated with public service awards and honorary degrees;
5. Gifts based on outside business/employment relations;
6. Gifts from political organizations;
7. Widely attended gatherings and other events;
8. Social invitations (from other than prohibited sources);
9. Meals and entertainment in foreign areas;
10. Gifts to President or Vice President;

11. Gifts permitted under Agency regulations;

12. Gifts accepted under statutory authority.

- ⇒ Example: A DoD contractor employee offers a DoDEA employee four complimentary box seat tickets (worth \$25 each) to a basketball game. May the DoDEA employee accept the tickets?
- ⇒ Example Analysis: The DoD employee must refuse this offer because it is a gift offered by a prohibited source if no gift exception applies. Although one exception allows acceptance of gift valued at \$20 or less, the employee may not pay the difference between \$20 and the value of the gift.
- ⇒ Example: At holiday time, a DoDEA hotel contractor wants to give gifts worth about \$10 each to certain DoDEA employees. The contractor does not presently have business with DoDEA, but there are always upcoming conferences. A hotel representative calls one of the DoDEA employees and asks if he can bring them over to HQ. What should the DoDEA employee do?
- ⇒ Example Analysis: The DoDEA employee should contact his/her ethics counselor! While DoD and the military departments may accept gifts from outside sources, gifts should not be accepted when they will raise a question of impropriety in light of the donor's present or prospective business relationship with the Agency. Therefore, in this case, the gifts should be declined.

Even if a gift exception applies, an employee **shall not**:

1. Accept a gift in return for being influenced in the performance of an official act;
2. Solicit or coerce the offering of a gift; or
3. Accept gifts from the same or different sources on a basis so frequent that a reasonable person would be lead to believe the employee is using his public office for private gain.

Bribery

You may not seek or accept anything of value, other than your government pay, for being influenced in your official duties. (18 USC 201)

Major Fiscal Limitations – Purpose

Appropriations shall be applied only to the objects for which the appropriations were made except as otherwise provided by law. (31 USC § 1301)

The Purpose Statute does not require Congress to specify every item of expenditure in an appropriation act. Agencies have reasonable discretion to determine how to accomplish the purposes of appropriations.

Necessary Expense: “[A]n expenditure is permissible if it is reasonably necessary in carrying out an authorized function or will contribute materially to the effective accomplishment of that function...” Internal Revenue Service Federal Credit Unit – Provision of Automatic Teller Machine, B-226065, 66 Comp. Gen 356, 359 (1987).

When a given expenditure is neither specifically provided for nor prohibited the question is whether it bears a reasonable relationship to fulfilling an authorized purpose or function of the agency. Implementation of Army Safety Program, B-223608, Dec 19, 1988 (unpub.).

- ⇒ Food – generally considered a personal expense. Use of Appropriated Funds to Purchase Light Refreshments at Conferences, B-288266, Jan. 27, 2003 (unpub.).
- ⇒ Entertainment – generally considered to be a personal expense. Navy Fireworks Display, B-205292, Jun. 2, 1982, 82-2 CPD ¶ 1.

Major Fiscal Limitations – Time

An appropriation is available for obligation for a definite period of time. An agency must obligate an appropriation during its period of availability, or the authority to obligate expires. [31 USC § 1502 (a)]

- ⇒ One – Year Appropriation (e.g., Operations and Maintenance) – an appropriation which is available for obligation only during a specific fiscal year. Also known as a “fiscal year” or “annual” appropriation.

Bona Fide Needs Rule: A fiscal appropriation may be obligated only to meet a legitimate, or bona fide, need arising in the fiscal year for which the appropriation was made. [31 USC § 1502 (a), Defense Technical Information Center – Availability of Two-Year Appropriations, B-232024, 68 Comp. Gen. 170, 171 (1989)]

- ⇒ Supply Contracts (General Rule): Supplies are the bona fide need of the fiscal year in which the agency needs or consumes them.
- ⇒ Service Contracts (General Rule): Services are generally the bona fide need of the fiscal year in which they are performed.

Anti-Deficiency Act: The Act prohibits any government officer or employee from:

1. Making or authorizing an expenditure or obligation in excess of the amount available in an appropriation. [31 USC § (a) (1) (A)]
2. Making or authorizing expenditures or incurring obligations in excess of formal subdivisions of funds, or amounts permitted by regulations prescribed under 31 USC § 1514 (a). [31 USC § 1517 (a) (2)]
3. Incurring an obligation in advance of an appropriation, unless authorized by law. [31 USC § 1341 (a) (1) (B)]

4. Accepting voluntary services unless otherwise authorized by law. [31 USC § 1342]

Violators of the Anti-deficiency Act are subject to appropriate administrative discipline, including suspension of duty without pay or removal from office. [31 USC §§ 1349 (a), 1518] Knowing and willful violators are subject to a \$5,000 fine and imprisonment for two years. [31 USC §§ 1350, 1519]

Light Refreshments

The Comptroller General held that an agency may **not** use appropriated funds to pay for light refreshments for business meetings conducted by government agencies at an employee's duty station. Use of Appropriated Funds to Purchase Light Refreshments at Conferences, B-288,266 (January 2003).

The General Services Administration's (GSA's) Conference Planning Regulations (41 CFR Part 301-74) authorize agencies sponsoring a conference to provide light refreshments to employees (41 CFR § 301-74.11). The General Accountability Office (GAO) held that GSA's authority only extends to employees who are in a travel status. Therefore, not only must all employees be in a travel status, DoDEA must be sponsoring a conference for them to use appropriated funds to purchase light refreshments.

- ☐ GSA's Travel Advisory #7 defines "conference" as a "meeting retreat, seminary, symposium, or event that involves attendee travel." We confirmed with GSA that this definition does not include internal business meetings even where they are held at a location other than the permanent duty station.

Award Ceremonies: Agencies have the authority to "pay a cash award to, and incur necessary expense for the honorary recognition of, an employee who: By his suggestion, invention, superior accomplishment, or other personal effort contributes to the efficiency, economy, or other improvement of Government operations or achieves a special act or service in the public interest in connection with or related to his official employment." (5 USC § 4503)

If an agency determines that refreshments would materially enhance the effectiveness of an awards ceremony conducted in accordance with pertinent personnel regulations under the authority of the Government Employees' Incentive Awards Act, 5 USC § 4503, the cost of those refreshments may be considered a "necessary expense" for purposes of the Act. "Refreshments at Awards Ceremony," 65 Comp. Gen. 733, B-223319 (July 21, 1986).

Multicultural Celebrations: You may use appropriated funds to purchase samples of ethnic foods to include as an integral part of a multicultural celebration as long as the food is offered within the educational context of the program and not offered to employees as part of a meal. See, "US Army Corps of Engineers, North Atlantic Division – Food for a Cultural Awareness Program," B-301184 (January 15, 2004).

Vendor Sponsored Customer Rebate Programs When Using GPC

If you receive a rebate on your GPC, where do those funds go?

In accordance with the Department of Defense Appropriations Act, 2005, section 8082: During the current fiscal year, refunds attributable to the use of the Government Purchase Card and refunds attributable to official Government travel arranged by Government Contracted Travel Management Centers may be credited to operation and maintenance, and research, development and evaluation accounts of the Department of Defense which are current when the refunds are received.

In other words, such rebates are credited back to DoD accounts and are **Government property**. This may occur automatically in some instances without the cardholder's knowledge and show up as a credit to your GPC account. However, **an individual should not apply for such rebates in his/her own name** because the rebate is not attributable to an individual.

Appendix E

DoDEA GPC Forms

APPLICATION FOR APPROVING OFFICIAL, BILLING OFFICIAL OR CARDHOLDER ACCOUNT
To: Agency/Organization Program Coordinator for DoDEA: HQ DoDDS-E DoDDS-P DDESS (circle one)

Name:		Title/Grade:	
Email:		Phone:	Fax:
Agency/Office:			
Mailing Address:		APO Address:	
City:	State:	Zip:	
Replacement of existing: ? Approving Official ? Billing Official ? Cardholder ? New Requirement			

SUGGESTED SPENDING LIMITS: Base the amounts below on historical spending from the previous fiscal year.

Single Purchase Limit:	Monthly Purchase Limit:

BILLING OFFICIAL DATA:

Name:	Email:
Phone:	Fax:

SUPERVISOR CERTIFICATION:

_____ is hereby nominated to participate in the Government Purchase Card Program. This individual is under my supervision and, to the best of my knowledge, all are true statements:

- 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
- The Billing Official is in the Cardholder's chain of command
- Internal controls have been implemented

I will advise the Agency/Organization Program Coordinator (A/OPC) when the card is no longer needed to fulfill mission requirements on a continuing basis or if the Approving Official, Billing Official or Cardholder leaves his/her current position.

Supervisor's signature: _____ Agency: _____ Phone: _____

PROCUREMENT USE ONLY:

LEVELS: 47163 00097 _____	Funding Source: Billing Acct:	LIMITS: Single: Monthly:
---------------------------	----------------------------------	--------------------------------

ACCOUNT ESTABLISHED BY: _____ DATE: _____

NEW ACCOUNT NUMBER: _____ EXPIRATION DATE: _____

**STATEMENT OF UNDERSTANDING: PECUNIARY RESPONSIBILITIES UNDER
THE DEPARTMENT OF DEFENSE EDUCATIONAL ACTIVITY (DoDEA)
GOVERNMENT-WIDE PURCHASE CARD (GPC) PROGRAM**

1. I, _____, acknowledge that I have read and have online access to DoDEA Regulation 8000.1 and the DoDEA GPC Training Guide. I am responsible for thoroughly reading this guidance and I understand that I may be subject to administrative and/or disciplinary action for any improper use of the GPC issued to:

Initial the appropriate blank ONLY

____ Me as a DoDEA GPC **Cardholder**.

____ Any Cardholder's GPC account for which I have, as an **Approving Official** or a **Billing Official**, purchase approval authority.

____ Any Approving Official's GPC account for which I have, as a **Billing Official**, payment approval authority **(for Europe use only)**.

2. Specifically, I understand that:

____ a. Improper authorization/use of the GPC may result in violations of the Anti-deficiency Act and its implementing regulations. Only the Cardholder may use the GPC upon which his/her name is embossed. GPC purchases must be approved by the appointed Billing/Approving Official(s) designated for the GPC account(s).

____ b. Pursuant to the statutes incorporated in the Anti-deficiency Act (31 USC Sections 1301, 1341, and 1517), I may not authorize/use the GPC to:

(1) Place any orders which may result in my obligating or expending any funds in excess of my GPC funding limitations or in advance of funding being made available to me.

(2) Obtain personal benefit or for any purpose not authorized by statute or regulation.

____ c. Violations of 31 USC Sections 1341 and 1517 may result in my being fined up to \$5,000 and/or my imprisonment for up to two years.

____ d. Improper authorization/use of the GPC may result in violations of the standards of conduct prescribed by the Department of Defense Directive 5500.7 and other similar service regulations to which I may be subject. I also understand that I may be required to complete a semi-annual review of these regulations.

3. I hereby consent and agree to perform the functions of a GPC Cardholder or Billing Official in accordance with the GPC guidance, issued by DoDEA-HQ Procurement Division, and all applicable laws and regulations, including the Procurement Integrity Act, the Federal Acquisition Regulation (FAR), and its supplements.

Authorized to Certify Funds ____ YES ____ NO

Signature: _____
Billing Official/Cardholder (circle one)

Date

School/Office Name

Comm. Telephone No.

DSN #

School/Office Address

PSC/Unit/Box #

APO/FPO

DoDEA GPC Form 2

**REQUEST FOR APPROVAL PROIR TO GPC PURCHASE
DoDEA TAX EXEMPT #53-0207336**

REQUISITION NUMBER	REQUESTOR	JOB ORDER NUMBER	DATE ORDERED

REQUIRED GOVERNMENT SOURCES REVIEWED

UNICOR/FPI	NIB/NISH
<input type="checkbox"/> Not offered/available	<input type="checkbox"/> Not offered/available
<input type="checkbox"/> Waiver attached	<input type="checkbox"/> Waiver attached

*** ALL ORDERS MUST BE FOB DESTINATION ***

SOURCE ROTATION: THE LAST VENDOR USED FOR THIS PURCHASE WAS:

PURCHASE DOCUMENTATION YOU MAY SOLICIT A PRICE QUOTATION FROM ONLY ONE VENDOR, UNLESS: * THE PURCHASE AMOUNT IS MORE THAN \$2,500 (where authorized overseas) OR * YOU SUSPECT OR HAVE INFORMATION TO INDICATE THAT THE PRICE MAY NOT BE REASONABLE (E.G., COMPARISON TO THE PREVIOUS PRICE PAID OR YOUR OWN PERSONAL KNOWLEDGE OF THE ITEM).	USE IF MULTIPLE VENDORS ARE SOLICITED (E.G. OVER \$2,500)		
	VENDOR #1	VENDOR #2	VENDOR #3
	VENDOR NAME	VENDOR NAME	VENDOR NAME
	VENDOR POC	VENDOR POC	VENDOR POC
	TELEPHONE NUMBER	TELEPHONE NUMBER	TELEPHONE NUMBER
	METHOD	METHOD	METHOD
	DATE OF QUOTE	DATE OF QUOTE	DATE OF QUOTE
	DELIVERY TERMS	DELIVERY TERMS	DELIVERY TERMS

ITEM DESCRIPTION	QTY	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
1			\$ -		\$ -		\$ -
2			\$ -		\$ -		\$ -
3			\$ -		\$ -		\$ -
4			\$ -		\$ -		\$ -
5			\$ -		\$ -		\$ -
6			\$ -		\$ -		\$ -
7			\$ -		\$ -		\$ -
8			\$ -		\$ -		\$ -
9			\$ -		\$ -		\$ -
SHIPPING, HANDLING, ETC.		\$ -		\$ -		\$ -	
DISCOUNT OFFERED (E.G. AAFES 10% DISCOUNT)		\$ -		\$ -		\$ -	
TOTAL (LOCAL CURRENCY AMOUNT)		\$ -		\$ -		\$ -	
TOTAL (US DOLLAR AMOUNT)		\$ -		\$ -		\$ -	

THE PRICE QUOTE BY VENDOR #1 IS CONSIDERED REASONABLE BASED ON:
 ? ADEQUATE VENDOR PRICE COMPETITION. SUMMARIZED ABOVE (REQUIRED IF OVER \$2,500).
 ? COMPARISON TO PRICES PREVIOUSLY FOUND REASONABLE (ONLY IF \$2,500 OR LESS).
 ? PERSONAL EXPERIENCE WITH THE ITEM BEING PURCHASED (ONLY IF \$2,500 OR LESS).

Except as noted, approval is granted to purchase the item(s) listed above using the Governmentwide Commercial Purchase card. I certify that the supplies and services listed below and in the list are properly chargeable to the following allotments, the available balances of which are sufficient to cover the cost thereof, and funds have been committed.

ACCOUNTING CLASSIFICATION:	AMOUNT:
	\$ -
CARD HOLDER:	SIGNATURE: FUNDS AVAILBLE: <input type="checkbox"/> Yes <input type="checkbox"/> No
APPROVING/BILLING OFFICIAL:	SIGNATURE: DATE:
REQUESTOR RECEIVING SIGNATURE:	DATE:

**REQUEST FOR APPROVAL PRIOR TO GPC PURCHASE
CONTINUATION SHEET**

REQUISITION NUMBER	REQUESTOR		JOB ORDER NUMBER			DATE ORDERED	
ITEM DESCRIPTION	QTY	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT	UNIT PRICE	TOTAL AMOUNT
			\$ -		\$ -		\$ -
			\$ -		\$ -		\$ -
			\$ -		\$ -		\$ -
			\$ -		\$ -		\$ -
SHIPPING, HANDLING, ETC.			\$ -		\$ -		\$ -
DISCOUNT OFFERED (E.G. AAFES 10% DISCOUNT)			\$ -		\$ -		\$ -
TOTAL (LOCAL CURRENCY AMOUNT)			\$ -		\$ -		\$ -
TOTAL (US DOLLAR AMOUNT)			\$ -		\$ -		\$ -

A/OPC GPC CHECKLIST

A/OPC	Name:			
	Office:			
	Date:			
		Yes	No	N/A
1. Has mandatory training has been completed for Cardholders, Billing Officials, and Approving Officials?				
2. Do procedures exist governing such areas as property accountability for nonexpendable items and pre-purchase approval requirements, where applicable (i.e. coordination with the agency I.T. Officer when buying I.T. items)?				
3. Does the Billing/Approving Officials non-GPC workload and GPC span of control allows them to satisfactorily fulfill their GPC responsibilities?				
4. Do letters of delegation exist to cardholders advising of office limits and when and how funding will be managed for each purchase card account?				
5 Is there adequate separation of duties?				
6. Are records maintained in a manner that allows easy tracking of billings with transactions?				
7. Is there consistent files documentation explaining any unusual situations, such as a buy which appears to have been a "split" purchase but in fact wasn't, or pre-purchase justification on an item that may seem questionable?				
8. Is the utilization of required/mandatory sources consistent with Part 8 of the FAR?				
COMMENTS:				

BILLING OFFICIAL GPC CHECKLIST

BILLING OFFICIAL (BO)	Name:			
	Supervisor Name:			
	Date:			
		Yes	No	N/A
1. Does the BO have an Appointment Letter delegating specified procurement authority, a statement of Pecuniary Liability and Certificates of Completion of the DAU GPC On-Line Tutorial and Section 508 training on file?				
2. Has the BO received a minimum of four hours training to include ethics training from A/OPC?				
3. If the BO is a cardholder, is his/her cardholder account assigned to another BO?				
4. Does the Billing/Approving Official 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. Has the BO accomplished surveillance of each of their cardholder's accounts within the past twelve months?				
7. Does the BO sign the monthly Statement of Account and forward to the Financial and Business Operations Division within 5 business days after receipt.				
8. Does the BO maintain copies of the monthly invoice?				
9. Does the BO promptly notify the A/OPC when a cardholder departs, retires, or otherwise no longer needs a card?				
10. Has an adequate Cardholder to Billing/Approving Official ratio been maintained?				
11. What is the percent of randomly selected transactions that were reviewed of the total number of transactions for the review period?				
12. Has the BO notified the A/OPC of any lost/stolen cards within five workdays of the loss/theft?				
13. If the BO has Convenience Check accounts within his/her account, are quarterly surveillance reviews conducted?				
14. Have any Convenience Check accounts under the BO written checks for more than \$2,500?				
15. Has the BO notified the A/OPC of any cardholder/check writer account procedure violations discovered?				
16. Does the BO maintain original supporting documentation for closed cardholder/check writer accounts?				

17. Does the BO coordinate with the Financial and Business Operations Division to determine when all prior year purchases have been billed and paid?			
18. Does the BO coordinate with the Financial and Business Operations Division to establish funding document for the new fiscal year?			
19. Has the Billing/Approving Official been designated, in writing, as an Accountable Official by the agency director, office chief, or their equivalent on form DD 577?			
20. Did the BO participate in annual refresher training sessions or receive updated refresher training information?			
21. How many cardholder accounts under this BO were reviewed by the A/OPC a part of this annual review?			
22. Do the cardholder accounts reviewed represent at least 25% of the BO's total cardholder/check writer accounts?			
23. Are all IT purchases made through appropriate channels and procedures?			
Comments:			

CARDHOLDER GPC CHECKLIST

CARDHOLDER	Name:			
	Billing Official:			
	Date:			
		Yes	No	N/A
1. Does the Cardholder (CH) have an Appointment Letter delegating specified procurement authority, a statement of Pecuniary Liability and a Certificates of Completion of the DAU GPC On-Line Tutorial and Section 508 training on file?				
2. Has the CH received a minimum of four hours training from the A/OPC on procedures for using the purchase card?				
3. Has the CH participated in annual refresher training sessions or received refresher training material?				
4. Does the CH have an open-market purchase limit which does not exceed \$2,500 (Contracting Personnel, \$25,000/Overseas cardholders \$25,000 when applicable)?				
5. Does the CH obtain all required pre-purchase approvals and authorizations?				
6. Are the CHs monthly spending limits justified by their buying activity?				
7. Does the CH comply with established monthly limits?				
8. Did the CH split requirements to stay under their purchase limits?				
9. Did the CH notify the Property Book Officer of the purchase of all accountable property?				
10. Are all purchases documented in the CH's purchase log?				
11. Does the CH's log reflect documented authorizations required for purchases requiring additional authorization or coordination (HAZMAT, I.T., etc),				
12. Does the CH have all required DoDEA GPC forms and signatures?				
13. Were construction services approved and under \$2,000 (not applicable overseas)?				
14. Did the CH coordinate with the proper internal department before acquiring outside repair services (for example IT, building maintenance, etc.)?				
15. Were any unauthorized purchases made by the CH? (If answer is "Yes", describe in "Comments" at the end of this review.) .				
16. Has the Billing/Approving Official acted on behalf of the CH during the review period?				
17. Does the CH have a signed statement of training on file with the A/OPC?				

18. Did the CH allow others to use his/her card, and is the card maintained in a secure (i.e. locked cabinet/drawer/safe) place with limited access for authorized individuals?			
19. Were all items purchased available within the same or next billing cycle (unless vendor agreed to bill when shipment is made)?			
20. Did the CH pay sales tax on any purchases and not obtain credit for the tax?			
21. Did the CH comply with requirements to purchase items IAW FAR Part 8 (FPI, NIB/NISH)?			
22. Did the CH rotate sources when placing repeat orders?			
23. Did the CH document all telephone and mail orders in their purchase log and annotate log when delivery was received?			
24. Does the CH maintain supporting documentation and purchase logs?			
25. Does the CH reconcile, sign, and forward account statements to the billing official within the established time periods?			
26. Does the CH follow the procedures for submitting Cardholder Statement of Questioned Items (CSQI)?			
27. If the CH was on temporary duty assignment (TDY) or on leave, did he/she forward their purchase log and supporting documentation to the billing official prior to departure?			
28. Are all information technology (IT) purchases coordinated through the IT office?			

COMMENTS:

CHECK WRITER GPC CHECKLIST

CHECK WRITER	Name:			
	Billing Official:			
	Date:			
		Yes	No	N/A
1. Is the checking account maintained under a separate "cardless" account?				
2. Have any checks been issued for more than \$2,500?				
3. Are the check administrative costs (1.7% of the face value of the check) accounted for in the check writer's purchase log (2.0% for foreign drafts)?				
4. Are internal controls established to avoid duplicate payments for any checks which are mailed?				
5. Does the check writer capture all necessary TD1099 data for IRS reporting?				
6. Are checks stored in locked containers when not in use?				
7. Have any checks been written by someone other than the checking account holder?				
8. Have checks been written for items to be delivered beyond 15 days?				
9. Were checks written for any of the Prohibited Purchases?				
10. If "Stop Payment" actions were processed against any check, was the \$25 charge deducted from the funds available?				
11. Does the check writer account for checks written but not processed by the Bank when reconciling his/her account to assure adequate funds are available?				
12. Has verification of receipt of items purchased with checks been made?				
13. Has the check writer received training on the Government Purchase Card (GPC) procedures from the Agency/Organization Program Coordinator (A/OPC)?				
COMMENTS:				