



HEALTH AFFAIRS



TRICARE
Management
Activity

TRICARE Management Activity Contracting Operations Division

Government Purchase Card Operating Procedures

September 2011

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Chapter 1: Introduction

On November 5, 2010, TRICARE Management Activity (TMA) was authorized by Defense Procurement Acquisition Policy (DPAP) to establish a Government Purchase Card (GPC) Program. This memorandum was reissued on March 29, 2011. The Acquisition Management and Support (AM&S) Directorate Contract Operations Division-Falls Church (COD-FC) activated the GPC Program in January 2011 and is responsible for the day-to-day operations. The COD-FC is a division under TMA, and supports Billing Officials (BO) and Cardholders (CH) from all TRICARE activities. TMA/COD issues appointment packages to BOs and delegation of procurement authority letters to CHs, authorizing their participation in the purchase card program. All rules, regulations, policies and procedures must be followed IAW the Federal Acquisition Regulation (FAR) and Defense Federal Acquisition Regulation (DFAR), Department of Defense (DoD) Financial Management Regulation (DoD FMR) and the latest edition of the COD Purchase Card Operating Procedures (PCOP) which governs the GPC Program.

[FAR Subpart 13.201\(b\)](#) stipulates “the Government-wide commercial purchase card shall be the preferred method to purchase and to pay for micro-purchases.” Micro-purchases are defined as an acquisition of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. The purchase card must be used for all micro-purchase transactions unless a general, flag officer, or a member of the Senior Executive Service makes a written determination that the source or sources available do not accept the purchase card.

The GPC is a charge card issued for the purposes of acquiring and paying for supplies and services:

- A. \$2,000 – Purchases of construction, subject to the Davis Bacon Act;
- B. \$2,500 – Purchases of services covered under the Service Contract Act (SCA) shall not exceed \$2,500;
- C. \$3,000 – Purchases of services specifically not subject to the SCA, such as utility services, installation services, repair and maintenance services, etc. shall not exceed \$3,000. If you are uncertain whether the SCA applies to your purchase, you must contact TMA/COD for guidance prior to making the purchase;
- D. \$3,000 – Purchases of supplies and equipment, shall not exceed \$3,000;
- E. Procure commercial training (Training Office only) below \$25,000 using the authorized training form ([SF 182](#)); and
- F. Make payments against an existing contract, such as a General Services Administration (GSA) schedule contract, Indefinite Delivery, Indefinite Quantity (IDIQ) contracts or Blanket Purchase Agreements (BPAs) when the contractor agrees to accept the card.

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Chapter 2: Points of Contact (General Contact Information)

GPC PROGRAM MANAGER:

Robert S. Piston
Phone: 703-681-4584
Fax: 703-681-6036
Robert.Piston@tma.osd.mil

AGENCY/ ORGANIZATION PROGRAM COORDINATOR (A/OPC):

Robert S. Piston
Phone: 703-681-4584
Fax: 703-681-6036
Robert.Piston@tma.osd.mil

PURCHASE CARD CENTRAL EMAIL:

Gsasmartpay@tma.osd.mil

ACCOUNT CHANGES:

GPC PROGRAM MANAGER AND/OR A/OPC:

Email: Gsasmartpay@tma.osd.mil

U.S. BANK INQUIRIES:

U.S. Bank Customer Service: 888-994-6722

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Chapter 3: Training

All GPC program participants must successfully complete mandatory training prior to becoming a BO Supervisor, CH Supervisor, BO, Alternate Billing Official (ABO) or CH, and complete recurring training as required.

DoD mandates all BOs and CHs complete the Defense Acquisition University (DAU) on-line purchase card training. Current DoD guidance requires offices that issue Government Purchase Cards to provide local training to augment the on-line training. The COD GPC orientation class focuses on policies and procedures, and localized issues for TMA customers, such as points of contact within COD, information on the Ability One Program, purchase card ethics information from TMA's Office of General Council (OGC), and review issues which have been identified across DoD programs when audits are conducted, and how to prevent these issues from recurring. Knowing about these issues and concerns is a preventive measure for violations in what is now a highly visible program with continual Congressional interest.

The Purchase Card Online System (PCOLS) is a DoD-wide and DoD operated electronic system that GPC participants will use to improve the management and accountability of their GPC program organizations. It is comprised of four web-enabled automated tools. The automated tools are the Enterprise Monitoring and Management of Accounts and the Authorization Issuance and Maintenance applications, Data Mining and Risk Assessment. Resource managers (RMs) require access to set up and provision their organization and have the ability to create and modify the default and alternate lines of accounting. All BO's, ABOs and CHs, and their managers (BO and CH Supervisor) will need to complete the PCOLS online training class. The class is a continuous learning class online at the DAU website. The course number is CLG 005.

A. INITIAL TRAINING (includes DAU Registration)

DAU TRAINING:

1. All BOs, ABOs and CHs must complete this training:
 - (a) CLG 001 - DoD Government Purchase Card;
 - (b) CLG 005 - Purchase Card Online System (PCOLS);
 - (c) CLM 003 - Ethics (TMA annual Ethics training can also be used in lieu of CLM 003); and
 - (d) U.S. Bank Web-Based Training (WBT) (for new BOs and CHs).
2. All BO Supervisors, CH Supervisors and RM must complete this training:
 - (a) CLG 005 - Purchase Card Online System (PCOLS); and
 - (b) CLM 003 - Ethics (TMA annual Ethics training can also be used in lieu of CLM 003).
3. DAU REGISTRATION

TMA uses the Acquisition Training Application System (ACQTAS) for course registration. Registration instructions are contained in the below paragraph.

DAU URL: <https://learn.dau.mil/html/login/login.jsp>

STEP BY STEP INSTRUCTIONS

1. Enter your Username and Password or CAC Login.

NOTE: To access the course the student will need to log onto the Atlas website at <https://learn.dau.mil/html/login/login.jsp> using the password provided when you registered in DAU. If the student forgets or loses their login information, you can retrieve the login in information anytime by logging onto the website and selecting either “Forgot Password” link or “Forgot Username” link.

2. Click on I Need Training (on the left side of your screen).
3. Click Apply for Course.
4. Click DoD Agencies (for civilian only) or your appropriate military branch of service.
5. Privacy and Security Notice, click I Agree.
6. Select your Defense Agency (from the drop down box), scroll down to see TMA.
7. Click appropriate sign in Options (CAC or SSN and DOB).
8. Select region (Aurora or Falls Church).
9. Under ACQTAS Student Functions, Select Apply for Training.
10. Step One – Search for A Course, select Continuous Learning Modules.
11. Step Two – From the drop down menu, locate the following courses:
 - CLG 001 - DoD Government Purchase Card;
 - CLG 004 - GPC Refresher Training (due after the 1st year from CLG 001 date);
 - CLG 005 - Purchase Card Online System; and
 - CLM 003 – Ethics.
12. Step Three – Hit Select Course.
13. Step Four – Review your profile below and update if necessary.
14. Step Five – When completed, please submit by clicking the “SUBMIT” APPLICATION” button that appears on the right, or at the bottom of the page.

The application will be forwarded to DAU for enrollment in the DAU Virtual Campus. If the user does not have an account, one will be created within 24 hours, the user will receive a welcome email from DAU stating the student has been enrolled and may begin course work.

Once the student logs into the site, select on the “I acknowledge” button, then select the course title to open the course material.

15. Select Launch course.

NOTE: The DAU website is not a COD sponsored website. If there are any problems with the DAU website or comments, contact the help desk at email: dauhelp@dau.mil or at phone 1-866-568-6924 (Option #1).

4. BASIC GPC ORIENTATION TRAINING (COD 001)

Orientation is comprised of a 4-hour classroom training designed to brief federal, defense and COD regulations, policies and procedures pertaining to micro-purchases and simplified acquisitions. BOs, ABO’s, and CHs must attend this class prior to issuance of a purchase card.

The training gives personnel an overview of their responsibilities and instruction in areas such as mandatory sources of supply, restricted and unauthorized purchases, recordkeeping, Section 508 training, the Federal Green Procurement Preference Programs, and an ethics briefing from TMA’s OGC.

No new purchase cards will be issued and no new BOs will be appointed until the BO, ABO, and CH has successfully completed the mandatory on-line DAU DoD GPC training and COD GPC Orientation Training.

TMA/COD does not recognize Orientation Training provided by other agencies or commercial providers. Training from other sources will not fulfill the TMA/COD training requirement.

A list of all the COD GPC Training Classes are provided below:

COURSE	TITLE	TARGET AUDIENCE	PREREQUISITE	LENGTH
COD 001*	Orientation Training	Prospective CHs, BOs, and ABOs; and CHs, BOs, and ABOs that need micro purchase Refresher Training	NONE*	4 hrs
COD 002	Advanced Purchase Refresher Training	Contracting Officers (COs) – GS-1102s	COD 001	2.5 hrs

* **NOTE:** DAU CLG 001 is required prior to COD establishing an account for a BO/ ABO or CH, but NOT required prior to taking the COD orientation training.

5. ACCESS ONLINE (AXOL) TRAINING

AXOL is a web-based electronic access system developed by U.S. Bank that provides electronic invoicing and payment. AXOL training is now provided online by U.S. Bank at <https://wbt.access.usbank.com>. It includes an overview of the AXOL system as well as responsibilities for the CH, BO, and RM.

Email the GPC Program Manager for the AXOL password. There are separate passwords for A/OPC, BO, CH, and the RM.

6. SECTION 508 TRAINING

Section 508 training is included in COD orientation training and satisfies the training requirement. Certificates of completion are required for BOs, ABOs, and CHs.

B. REFRESHER TRAINING and ADDITIONAL TRAINING

1. REFRESHER TRAINING

Once a year all CHs, BOs, and ABOs are required to complete refresher training.

Refresher training can be completed by taking the course entitled “CLG004 Government Purchase Card Refresher Training” which is accessed through the DAU web site.

Refresher Training can also be completed by attending the 4-hour COD 001 Orientation/Refresher training course. Email Gsasmartpay@tma.osd.mil to schedule training.

Face-to-face training is required every other year. CLG 004 cannot be taken in consecutive years.

Advanced Refresher Training is required face-to-face annually. If you have advanced purchasing authority you will need to complete COD 001 and COD 002 to maintain that authority. If the CH is eligible to take the CLG 004 online refresher class then the CH should only attend COD 002 that year to maintain advanced purchasing authority.

2. ADVANCED TRAINING (COD 002) (\$25,000 Purchase Authority) and ANNUAL RE-CERTIFICATION

This training is only for authorized COD personnel and those overseas CH personnel in contingency operations, as these are the only personnel authorized to hold \$25,000 purchase cards. This training has to be completed face-to-face annually. See Chapter 14 for details on completing advanced training and the annual refresher training requirement.

Advanced training is a 2.5 hour classroom training course designed to brief the federal, defense and COD regulations, policies and procedures pertaining to purchases above the micro-purchase threshold. CHs, BOs, and ABO's must attend this class. This class is required to be taken face-to-face.

This class should not be taken until the CH has demonstrated successful purchasing experience using the GPC at the micro-purchase level for the prior six (6) months.

3. ETHICS TRAINING

Annually, all CHs and BOs are required to complete ethics training. Training is available on-line or in the classroom, depending on agency requirements. Self-certification/supervisor certification of CHs is acceptable as proof of attendance. Personnel may attend a briefing conducted by the OGC or take the training on-line at: <http://www.ogc.doc.gov/ethics.html>. On the right side of the page are a series of links to ethics forms (and instructions), and to Ethics Training information.

DAU offers an on-line Ethics course, CLM003-Ethics Training for Acquisition Technology and Logistics. Visit the DAU Website at: <http://www.dau.mil>.

The Ethics briefing received during orientation training is not extensive enough to fulfill this requirement.

C. FILE RETENTION

All certificates must be retained for a period of six (6) years and three (3) months to show proof of verification of training for review purposes. Forward a copy of each certificate to the COD Office at Gsasmartpay@tma.osd.mil to allow the training database to be appropriately updated. BOs must maintain a copy of their own certificates as well as their reporting ABO's and CH's certificates.

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Chapter 4: Establishing and Maintaining Accounts

Good business practices and effective management controls require employees to be adequately trained prior to performing the GPC operating requirements. All employees involved in the day-to-day operation and management of the GPC Program shall be trained in accordance with the procedures in Chapter 3. Upon completion of the training, a written request must be submitted to COD to establish the GPC account. Instructions for creating the account are provided below:

NOTE: In accordance with the DoD Financial Management Regulation (DoD FMR) Volume 5, Chapter 1, Section 01505, Separation of Duties, in order to minimize the risk of loss to the Government, key personnel can serve in no more than one function. Key duties such as authorizing, approving and recording transactions; issuing or receiving assets; making payments; preparing checks and check signing; certification of funding; and reviewing or auditing shall be assigned to separate individuals.

A. ESTABLISH A PURCHASE CARD ACCOUNT

Three (3) steps are required to establish a GPC account:

1. Complete the required purchase card training:
 - (a) Complete COD 001- Purchase Card Orientation Class.
 - (b) DAU on-line purchase card training. (See Chapter 3 for further guidance. Email the certificate to COD at: Gsasmartpay@tma.osd.mil).
2. The agency must submit a request to create the account or assign the BO/ABO/CH, whichever is applicable. (See Appendix C: List of Required GPC Forms, [COD GPC Set-Up Request Form](#)).
3. E-mail the GPC Account Set-Up Memorandum to Gsasmartpay@tma.osd.mil along with each of the certificates in Section B - Processing Requests, below. Ensure the request includes:
 - (a) The BO and ABO who will have fiduciary responsibility for certifying the billing statement;
 - (b) CHs are responsible for purchasing on behalf of the organization. To perform duties effectively, CHs should be able to understand relevant laws and regulations, procurement methods and standards, and what constitutes an authorized transaction;
 - (c) New Accounts - Separate accounts are required for the American Recovery and Reinvestment Act (ARRA) expenditures. Specific DoD guidance on the Recovery Act is provided within the [Defense Procurement Acquisition Policy \(DPAP\) memorandum, dated July 6, 2009, "Use of Purchase Card-American Recovery and Reinvestment Act"](#). Separate accounts are also required for

Official Representation Funds (ORF) expenditures. GPC accounts must be dedicated solely for these expenditures. If an ARRA or ORF account is required please send an e-mail to Gsasmartpay@tma.osd.mil.

(d) Account Restrictions - The following items are restrictions on establishing GPC new accounts:

- The span of control for CH accounts to BO is no more than a 7:1 ratio; and
- DoD requires cancellation of accounts with six months of inactivity.

(e) Account limits for the CH and BO - The BO must coordinate his CH's monthly and single purchase limits (SPL) with his/her agency's RM/Resource Advisor. The limits used to establish the accounts are:

- A CH's SPL (see glossary for definition).
- A CH's cycle limit (see glossary for definition).
- The BO's cycle limit (see glossary for definition).
- The BO's credit limit (see glossary for definition).
- Other limits such as quarterly and yearly limits may be set by the agency's RM.

(f) Appointment Package - The BO and ABO will receive an appointment letter along with an appointment package from the COD. The appointment package consists of a DD Form 577 and a Billing Official Processing Out form.

- [DD Form 577](#). This Appointment/Termination Record Authorized Signature form is required to be completed by all Primary BOs and ABOs. In order to avoid payment delays, it is extremely important that the BO submits the original DD Form 577 from the appointment package to Defense Finance and Accounting Services (DFAS) immediately. DFAS will not process payment requests without receipt of this document. The DD Form 577 can be found at <http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd0577.pdf> (see Appendix C: List of Required GPC Forms, [DD Form 577, Appointment/Termination Record](#)).
- COD Processing Out Form. This form is required to be completed by all Primary BOs leaving the purchase card program. (See Appendix C: List of Required GPC Forms, [COD GPC Billing Official Request/Change Appointment Form](#)).
- CHs will receive a [Delegation of Procurement Authority Letter](#). The delegation letter provides the authorization for using the GPC up to the specified dollar amount. This will not exceed \$3,000 except for contracting officers (COs) who have been issued a special delegation letter for up to \$25,000 authority.

B. PROCESSING REQUESTS

1. Once the BO submits the required documents to COD for the GPC account, the A/OPC will process the request within 48 hours and forward the application through the RM/Financial Manager (FM) to U.S. Bank. Total processing time for an account to be set-up depends upon the processing time by the RM/FM.
2. Upon receipt of the nomination memorandum and the two training certificates for a new CH, BO, or ABO, the A/OPC will process the applications. The bank will then process the application(s) and mail the purchase card to the CH.
3. Once the A/OPC submits the application to U.S. Bank, U.S. Bank mails out the card within 24 hours. The total mail time from U.S. Bank is 7 to 10 days. The card will be mailed to the exact address on the nomination memorandum. When the purchase card arrives, CHs activate the account by calling the bank at the toll free number provided with the card. The CH must also register the card in AXOL using directions provided during orientation training.

C. ACCOUNT MAINTENANCE

1. Once the A/OGPC account is created, in order to make changes (e.g., deleting CHs, replacing BOs, changing limits, etc.) the BO will need to submit an updated nomination memorandum to the COD A/OPC referencing the managing account number. The memorandum needs to include the CH's or BO's full name, e-mail address, complete office mailing address, telephone number, fax number and purchase card limits for the new purchase limits. CH's and/or BO's Memorandums should be submitted via e-mail to Gsasmartpay@tma.osd.mil, (see Appendix C: List of Required GPC Forms, [COD GPC Set-Up Request Form](#)).
2. Changes to existing GPC accounts will occur within 48 hours. Requests to cancel GPC accounts will occur within 24 hours.

D. DEPARTING THE AGENCY

Prior to departing from the agency, the BO or CH should ensure there is proper succession planning. The agency should nominate a replacement and begin the training process for the selected individual at least 30 days prior to the departure. This allows the replacement appropriate time for formal training as well as any necessary on the job training while the BO or CH are still serving in the current role.

1. Supervisor of the BO and ABO - The supervisor or agency head is responsible for designating a BO and an ABO.
2. BO - The BO must review and sign the [COD GPC Billing Official Request/Change Appointment Form](#) (see Appendix C: List of Required GPC Forms), included in the BO Package upon completion of items a-h annotated on the form. The BO must sign the bottom of the [DD Form 577](#) and return it to the A/OPC. The BO must submit a nomination memorandum to COD to identify the new BO responsible for managing

the account. If the current ABO becomes the Primary BO, a new ABO will have to be appointed within 45 days.

3. BO - The new BO will retain the same managing account number. A managing account cannot remain open without a BO assigned to it. If a BO is not identified the account must be temporarily suspended.
4. CH - The CH must destroy his/her card in front of a witness and the BO must notify the A/OPC in writing that the card has been physically destroyed.
5. Both - All transactions/statements must be certified/approved in AXOL prior to the CH's departure from the agency.

E. CLOSURE OF ACCOUNTS

1. Managing Accounts - The BO must submit a memo to the central e-mail box at Gsasmartpay@tma.osd.mil to request closure of the managing account. By closing the managing account, all CHs listed under the account will be closed as well.
2. CH Account - The BO must submit a memo to the central e-mail box at Gsasmartpay@tma.osd.mil to request closure of an individual CH account. This request should identify the name of the CH and the last eight digits of the CH account number to be closed.
3. Upon receipt of the request to close the account, the A/OPC will process the request within 24 hours. Although the account is closed, the account will remain in the Transaction Management module in AXOL, if there is an existing balance. Once the account balance is \$0.00, the account can be purged. The account will no longer show in the Transaction Management module in AXOL six (6) months after the account has been purged. Refer to Chapter 16 for additional details on remaining credits.
4. When a CH leaves the agency, or has lost the privilege of using the card, the card must be destroyed. An employee of the agency must witness the destruction, (see Appendix C for a list of required GPC Forms – [COD GPC or Convenience Check Certificate of Destruction Form](#)). After the card is properly disposed of, the BO will request closure of the account by notifying COD at Gsasmartpay@tma.osd.mil. Included in the message will be the name of the employee witnessing the purchase card's destruction.

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Chapter 5: Responsibilities of Key Personnel

The GPC program contains various structures and designations defined in this chapter. This overview has been established to provide a solid system of checks, balances and audit controls from the lowest to the highest level within each organization. There is a six-level reporting hierarchy, which is outlined below. This chapter further defines the roles and responsibilities of each level within the program. The Program Management Office (PMO), Component Program Manager (CPM), A/OPCs, CHs, BOs, RMs, DFAS, and Property Book Officer (PBO)/Equipment Account Custodian are all responsible for the success of the GPC program.

Level I	DoD PROGRAM MANAGEMENT OFFICE
Level II	COMPONENT PROGRAM MANAGER - TMA
Level III	DEFENSE AGENCY PROGRAM COORDINATOR - COD
Level IV	AGENCY/ORGANIZATION PROGRAM COORDINATOR – GPC BRANCH
Level V	BILLING OFFICIAL
Level VI	CARDHOLDER / CHECKHOLDER

A. DoD PROGRAM MANAGEMENT OFFICE - Level I

The roles and responsibilities of the PMO include:

1. Responsible for the overall management, oversight and support to the GPC program;
2. Develop, prepare and review performance metrics;
3. Implement rules and guidelines to help program manager’s track and report high-risk transactions;
4. Maintain DoD-wide blocked Merchant Category Code (MCC) list;
5. Interface with the issuing bank or charge card processor on contract requirements;
6. Provide feedback to the bank regarding fraud queries; and
7. Provide quarterly reports on span of control and inactive accounts.

B. COMPONENT PROGRAM MANAGER (TMA) - Level II

The roles and responsibilities of the CPM include:

1. Serve as the Agency's representative with the PMO;
2. Assist and ensure A/OPCs perform their responsibilities;
3. Design and maintain hierarchies and select subordinate A/OPCs; and
4. Provides feedback to quarterly reports to the PMO.

C. DEFENSE AGENCY PROGRAM COORDINATOR (COD) - Level III

The roles and responsibilities of the A/OPC include:

1. Implement, administer and monitor the COD GPC Program subject to DoD and TMA policies;
2. Establish and implement COD specific policy and guidance;
3. Ensure internal controls are in place to minimize fraud, waste, and abuse;
4. Serve as liaison to the TMA headquarters and the servicing bank; and
5. Provide program support to COD Level IV A/OPCs and COD customers.

D. AGENCY/ORGANIZATION PROGRAM COORDINATOR (A/OPC) - Level IV

The roles and responsibilities of the A/OPC include:

1. Assist CHs and BOs in fulfilling their responsibilities within the program;
2. Serve as primary contact for CHs and BOs;
3. Serves as a liaison between the bank and DFAS;
4. Set up new GPC accounts and perform account maintenance;
5. Provide CH and BO training;
6. Maintain training records;
7. Maintain span of control between BOs and CHs;
8. Monitor and facilitate resolution of account delinquency problems;
9. Monitor transactions in AXOL monthly to take action against questionable charges;
10. Issue delegation letters to CHs and appointment letters to BOs;
11. Approve SPL and monthly purchase limits and determines merchant categories;
12. Assist in resolving billing disputes, unauthorized card use, card loss or theft;
13. Suspend, cancel, and close purchase card accounts when necessary;
14. Report account activity to the appropriate level of management;

15. Attend annual GSA SmartPay II Conference and other meetings pertaining to the program;
16. Conducting reviews of all BO accounts every fiscal year;
17. Foster good stewardship of resources;
18. Improve processes;
19. Evaluate and strengthen management controls;
20. Assess and reduce risk;
21. Ensure agencies establish and maintain internal controls to provide reasonable assurance that the goals and objectives of the purchase card program are being met, and ensure safeguards against fraudulent, improper, and abusive purchases are adequate;
22. Assess program results and communicate the results so systemic problems can be identified and addressed;
23. Implement corrective action plans (CAPs);
24. Request the suspension of accounts until discrepancies are resolved;
25. Improve the performance and accountability of the GPC Program;
26. Develop COD's surveillance plan; and
27. Notify BOs, within one day, of DFAS payment rejects.

E. BILLING OFFICIAL (BO) - Level V

The roles and responsibilities of the BO include:

1. Maintain original documents such as invoices, receipts, appointment letters, etc.;
2. Pre-Approve all purchases at any dollar amount in writing;
3. Monitor transactions in AXOL monthly. Verify transactions to be legal, mission essential, in accordance with Government rules and regulations. Take action against questionable charges;
4. Develop, disseminate and implement written internal control procedures to ensure compliance with the purchase card policies and procedures that includes:
 - (a) Maximum monthly purchase limit for each account;
 - (b) Maximum monthly limit for each CH;
 - (c) Maximum amount per transaction for each CH;
 - (d) Method of funding;

- (e) Safeguarding of purchase card;
 - (f) Record retention and file documentation;
 - (g) Controls to mitigate waste, fraud, and abuse;
 - (h) Coordinating with the RM to establish purchase limits and to ensure CH's accounts are bulk funded prior to making purchases;
 - (i) Ensuring that a prospective CH completes required training before submitting a request to add a new CH to the account (See Chapter 3);
 - (j) Ensuring CHs understand their purchase authority to buy only those items required to support the mission;
 - (k) Verifying and certifying monthly statement;
 - (l) Monitoring rebates;
 - (m) Conducting and documenting reviews of each CH once a year by using the **FY 2011 GPC REVIEW CHECKLIST** in Chapter 9;
 - (n) Ensuring that all expendable items are properly tracked;
 - (o) Ensuring that all material weaknesses are reported to management; and
 - (p) Reviewing previous report findings to ensure corrective action was taken. See Chapter 9.
5. Remain current and disseminate information impacting the purchase card program.
 6. Forward the [DD Form 577, Appointment/Termination Record](#) – Authorized Signature, to DFAS.
 7. Act as certifying official under the DoD FMR Volume 5, Chapter 33, responsible for:
 - (a) Information stated in a voucher, supporting documents, and records;
 - (b) Computation of a certified voucher under sections 3528 and 3325 of Title 31, U.S.C.;
 - (c) Legality of a proposed payment under the appropriation or fund involved;
 - (d) Issuing advice to accountable officials; and
 - (e) Seeking advance decisions under 31 U.S.C., section 3529 from the DoD Office of Deputy General Counsel (Fiscal), or designee.
 8. Submit a nomination to the COD GPC team of the replacement prior to the departure from the position or request account suspension if no replacement has been identified.

F. ALTERNATE BILLING OFFICIAL (ABO)

The roles and responsibilities of the ABO include:

1. Only in the absence of the BO will the ABO execute the duties of the BO;
2. Be appointed and trained by COD;
3. Obtain his/her own unique identifying password and user ID for AXOL and access the same managing account number as the BO;
4. Monitor transactions in AXOL monthly (logging into AXOL monthly also prevents the password from expiring);
5. Shall not be a CH under the BO's account; and
6. ABO shall not assume the role of the BO for a period greater than 45 days.

G. CARDHOLDER (CH) / CHECKHOLDER - Level VI

The roles and responsibilities of the CH / CHECKHOLDER include:

1. Safeguard the credit card to avoid unauthorized use. Only the individual whose name is imprinted on the card may use the card;
2. Activate the card within ten (10) calendar days of receipt;
3. Ensure legitimate Government need is documented;
4. Obtain written approval from the BO prior to purchase;
5. Conduct required screening for mandatory sources, such as: UNICOR, Ability One, DoD Email, GSA Advantage, etc. for availability prior to making a buy with a commercial vendor;
6. For purchases above the micro-purchase limit, conduct market research (see Chapter 14);
7. Ensure that the merchant accepts the GPC or convenience check and ships items purchased within 30 days. No backorders are authorized;
8. Ensure that purchases made are authorized;
9. Use the GPC or convenience checks to purchase and/or pay for official supplies and services in support of agency's mission. Ensures that no items are purchased for personal use;
10. Rotate purchases equitably among vendors when practicable;
11. Verify price reasonableness for micro-purchases in accordance with [FAR Part 13.106-3](#);

12. Place orders for services that are covered under existing contracts pursuant to the terms of the contract. Examples include telecommunication airtime services, auto repair services, maintenance agreement or janitorial, yard and maintenance services covered under existing contracts;
13. Obtain an itemized invoice/receipt from the vendor and verify accuracy before signing;
14. Ensure documentation supports independent receipt and acceptance;
15. Create orders for every purchase made with the GPC in AXOL;
16. Keep copies of purchase card invoices/receipts (and other supporting documentation) for six (6) years and three (3) months;
17. Reconcile (match and approve) CH's transactions in AXOL against purchase card receipts;
18. Approve all cycle activity for CH Account in the AXOL Transaction Management module within three (3) business days after the billing cycle ends.
19. Resolve all discrepancies with vendors. If CH disputes cannot be resolved with the vendor, submit a dispute form to the bank within 90 days from which the transaction first occurred. The bank will not assist the CH in resolving untimely disputes. The bank will also not assist in disputes over sales taxes or shipping and handling charges. See Chapter 7;
20. Coordinate with the PBO to assure that all items requiring tracking are either recorded on a property book or hand receipt;
21. Forward original invoice/receipts and supporting documentation to BO at the end of each billing cycle once the monthly statement is approved;
22. Report lost, stolen, or compromised cards immediately to the bank and notifies the BOs within one (1) business day. BOs are required to submit a written report to the A/OPC within five (5) business days;
23. Contact U.S. Bank customer service at 888-994-6722 if a transaction is declined to determine the reason and take appropriate action;
24. Destroy purchase cards prior to termination/cancellation/closing of accounts (See Chapter 4);
25. Ensure sales tax is not charged to the Government.
26. Safeguard the convenience checks in a safe or locked container;
27. Make every effort to use the GPC prior to issuing a check;

28. Do not issue checks for more than the SPL as authorized in the CH delegation letter. No CH under COD's GPC program has authority to write checks for more than \$3,000;
29. Ensure all check transactions are logged into AXOL. Ensure you account for the program fee associated for each check written. The current fee is 1.7% of the face value of the check;
30. Obtain access to the 1099-MISC Tax Reporting Program. Enter all checks for supplies and services into the 1099-Misc Tax Reporting Program;
31. Payments should be entered into the 1099-MISC Tax Reporting Program system at the time the check is issued. All check payment information needs to be input by NLT 31 December of each year;
32. Retain copies of voided checks and the carbon copy of the check as part of the documentation for the records; and
33. Review Chapter 13 to ensure that additional rules and prohibited purchases are adhered to.

H. OTHERS

1. Director, Acquisition Policy and Compliance Division (AP&CD).
 - (a) The Director of AM&S, (AP&CD) shall develop the overall GCP Program policy, ensure adherence to applicable FAR and DFAR requirements and manage all interaction with DPAP.
2. Agency Points of Contact (POCs).

Agency POCs are named in Chapter 4. Their responsibilities are:

 - (a) Remain current on information impacting the GPC Program;
 - (b) Ensure dissemination of current information impacting the GPC Program;
 - (c) Receive, review and act upon the BO's review report and monitor progress of any corrective action to a successful completion;
 - (d) Coordinate succession planning and account maintenance requests with the A/OPC.

I. DEFENSE FINANCE AND ACCOUNTING SERVICES (DFAS)

The roles and responsibilities of DFAS include:

1. Monitor and disburse payments accordingly;
2. Post records to the accounting and entitlement systems;

3. Establish electronic interface to enable Electronic Funds Transfer (EFT) payments to the bank;
4. Ensure signature card is on file prior to making any payment;
5. Ensure adherence to the provisions of the Prompt Payment Act ([FAR 32](#));
6. Control the Parent Rule Set in the AXOL system;
7. Notify the A/OPC, within ten days, of rejects and interest penalties assessed to BO accounts; and
8. Create the General Fund Enterprise Business System (GFEBS) Parent Rule Set.

J. MANAGERS OF PROGRAM OFFICIALS

1. Managers of GPC Program officials are defined as supervisors, who have supervisory control: implied or written; direct or indirect;
2. Responsible for the fiscal conduct of appointed purchase card personnel;
3. Initiate and follow-up on investigations when appropriate;
4. Ensure everyone qualified is aware of their responsibilities and appointed in writing;
5. Determine the need for the card and how it will support the agency's mission; and
6. Ensure adequate and timely succession planning.

K. PROPERTY BOOK OFFICER (PBO)/Equipment Custodian

The roles and responsibilities of the PBO/Equipment Custodian include:

1. Ensures established property control and accountability procedures are developed and disseminated to all personnel who are entrusted with the acquisition of Government property and equipment; and
2. Assists COD in review of the GPC account to ensure that property accountability procedures are being followed. For additional information please contact the GPC Program Manager at 703-681-4584.

L. RESOURCE MANAGER (RM) OR FINANCIAL MANAGER (FM)

The roles and responsibilities of the RM/FM include:

1. Perform account set-up in conjunction with the Level IV A/OPC;
2. Perform account maintenance in conjunction with the Level IV A/OPC;
3. Provide bulk funding to BO accounts to cover anticipated GPC purchases for a specified period;

4. Establish funding for each managing account in advance of purchases;
5. Cannot serve as a BO, ABO or CH; unless they are not the agency's fund certifier signature authority (prohibited from being PBOs);
6. Maintain accurate budgetary data pertaining to amount obligated to BO's accounts;
7. Ensure the obligation document is forwarded to the appropriate payment office;
8. Generate standard purchase card reports in the U.S. Bank AXOL website on a monthly basis;
9. Review reports to monitor CH transactions and ensure the BO is certifying the invoice within five (5) days after the end of the billing cycle;
10. Assign default and alternate lines of accounting (Alt LOA) to BO and CH accounts in AXOL;
11. Input CH and BO cycle and credit limits in AXOL;
12. Resolve DFAS payment rejects on the BO accounts;
13. Create a GFEBs child rule set in AXOL.

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Chapter 6: Access On-Line (AXOL)

AXOL is a web-based electronic access system that provides account payment, setup, maintenance, and reporting. The DoD Purchase Card Program Management Office has the responsibility to coordinate the fielding of AXOL for TMA AM&S. Agencies that have fully implemented AXOL and are paying their bills on-line are maximizing the rebates offered by U.S. Bank. The AXOL system may be accessed from home or work by logging onto the internet at <https://access.usbank.com>.

The billing cycle for all DoD accounts ends on the 19th of each month. If the 19th of the month falls on a Saturday, Sunday, or Holiday, the billing cycle ends on the previous business day.

NOTE: Lack of timely certification shall cause the account to be automatically suspended by U.S. Bank.

A. AXOL OPERATING INSTRUCTIONS

1. User IDs and passwords:

- (a) CHs shall register their own GPC in the AXOL system after they receive their cards. BOs and ABOs receive a request from their A/OPC for verification data. Once this verification data is provided, the A/OPC requests user IDs and passwords for the BO and ABO. No sharing of user IDs or passwords is allowed. Everyone will be required to have his/her own password and user ID to access the system;
- (b) BOs that provide their user ID and password to CHs or any other person in order for them to access AXOL and certify/approve an invoice on their behalf are guilty of willful negligence and will be disciplined. Anyone other than the BO who certifies an invoice in AXOL, representing himself as the BO, is guilty of a false certification of an official financial document and will be disciplined;
- (c) Under the False Claims Act, 31 U.S.C. §§ 3729-3733, those who knowingly submit, or cause another person or entity to submit, false claims for payment of Government funds are liable for three times the Government's damages plus civil penalties of \$5,500 to \$11,000 per false claim. Purchase Card Accountable Officials and Purchase Card Certifying Officers have pecuniary liability for erroneous payments in accordance with DoD Directive 7000.15, "DoD Accountable Officials and Certifying Officers," and Chapter 33, "Accountable Officials and Certifying Officers," of Volume 5, DoD FMR. The amount of the pecuniary liability is determined under Chapter 33, Volume 5, DoD FMR.

2. AXOL Operating Instructions for CHs, (See [U.S. Bank AXOL Instructions for CHs](#)):

To login, go to <https://access.usbank.com>.

The CH will now be at the login screen. Enter the Organization Short Name, which is TMA, followed by the User ID and Password. The CH will be required to change the password once every 60 days.

In the next screen, the following subjects are available to choose from:

Order Management

Transaction Management

Account Information

Reporting

My Personal Information

Account Activity Box: Displays the credit card account number. Select the account number to go to the transaction list (NOTE: The bank has posted a list of all transactions to the system account from the purchases the CH has made.)

STEP 1: Create an Order (EVERY TRANSACTION DEBIT OR CREDIT MUST HAVE AN ORDER)

Review the transactions in the "**Transaction List**". Once a transaction has been posted by the bank, the CH can "create" a manual order that will eventually be matched to that transaction.

To create an order, select **Order Management** on the left navigation bar, and then select Create New Order Record in the middle of the page.

This will bring the CH to the "**Order Management**" screen, to first create an order.

Required fields are indicated by Red Asterisks.

General Order Number: Type the Supply Control Number, or utilize the number provided as the Order Number; Order Date: Type the date of the purchase; Requestor Name: Type the requestor's name.

Financials Order Amount: Type the total amount of the purchase OR IF THIS IS A CREDIT TRANSACTION (example a U.S. Bank Rebate) check the credit box;

Scroll down the page to arrive at the next section:

Merchant Name: Type the Vendor's Name.

Scroll down again to arrive at the next section:

Line Items: Select the Add button to create one line item. As the CH can see, a line item opens up to enter:

Item Description: Type a **Description** of the purchase.

Quantity: Type in the applicable quantity. Unit of Measure: Select "Each" or some other applicable Unit of Measure. The CH can scroll to identify if there is a more appropriate unit of measure. Unit Cost: Type the Total Amount of the purchase. Line Item Total: This field should automatically populate after tabbing over from the Unit Cost. However, if the field does not populate for some reason ensure that this field is filled in.

Scroll to the bottom of the "Order Management" information page.

NOTE: There is a "Miscellaneous Comments" field. For purchases above the micro-purchase limit, the Contract Number and Business Size (large or small) will be entered in the Comment block in addition to the description of the item(s) purchased. This is needed for Contract Action Reporting.

Once all of the Mandatory Fields are completed, select the "Save and Create Order" button.

The CH will receive a notification which says, "**Request has been successfully completed.**"

This will save the order, which will be matched to the transaction next.

STEP 2: Match a Transaction to an Order

Next, **MATCH** and **APPROVE** the transaction posted by the bank against the order created in Step 1.

To do so, select "**Transaction Management**" on the left navigation bar, and then select "**Transaction List**" in the middle of the page.

This will bring the CH to the "**Transaction Management/List**" screen, which automatically defaults to the current open Billing Cycle.

NOTE: If the CH want to go back to any previously closed billing cycle, simply select the Drop Down arrow, choose the appropriate billing cycle period, and select the "Search" button. This will bring up the billing cycle the CH just selected.

Scroll to the bottom of the page to locate all transactions that have been posted by the bank for the billing cycle selected. The transactions shown are all Pending Transactions that need to be approved.

To do so, select the transaction to be approved by putting a Check Mark in the box (this will be the transaction that the CH created an order for in step 1).

Next, select the "**Match To Order**" button.

This will bring up a list of all orders that were manually created in Step 1 under "**Order Management**".

Locate the order that matches the transaction.

Select the radio button, and select the **Match To Transaction** button.

NOTE: If an order does not appear, select the Search & Select Order to Match to Transaction link. This will display all of the available orders that the CH created. Here, you should find the matching order.

The system will ask if the CH wishes to continue. Select the Yes, Match button. The CH will receive a notification which says, "**Request has been successfully completed.**"

The CH will now have a matched order to the transaction under the Matched Order tab.

At this point, the CH can also print the information for the records, if need be.

Scroll to the bottom of the page, and select the "Back to Transaction List" link.

The transaction has now been matched, and the status of the transaction has changed from pending to Approved.

NOTE: If there are multiple transactions to match after creating the orders, select on Match Multiple Orders and then proceed to step 9.

STEP 3: Reallocate a Transaction

Some CHs do have to reallocate certain purchases that they make. If so, once the transaction has been matched and approved, the CH is ready to reallocate.

Accounting Code column (with Default and Alt LOA).

Scroll to the right of the screen to locate the matched and approved transaction's Accounting Code. Select the applicable Accounting Code of the matched and approved transaction.

This will bring the CH to the "Transactions Allocations Tab". Select the drop down arrow and choose the Alternate Accounting code to reallocate to.

Wait a few moments so that the code is populated under the "Pre-populated Accounting Code Selection, Current Name" field.

Once it is populated, select the "Save Allocations" button.

The CH will receive a notification that says, "Request has been successfully completed."

Scroll to the bottom of the page and select the "Back to Transaction List" link.

The new Accounting Code that the CH reallocated to will be displayed here. The transaction has now been reallocated.

STEP 4: Approving the Cardholder Statement

Once the billing cycle is closed, you will have to approve the statement. To do so, go to the Transaction List screen.

Choose the billing cycle that the CH wants to approve from the drop down arrow. Select the Search button to bring up a list of transactions within that cycle.

Once the CH verifies that ALL transactions have been approved, and reallocated if necessary, select the Approve Statement button. This will approve the CH's statement.

CHs have 15 days after the end of the cycle to approve their statement. After 15 days they are locked out and the BO must perform the CH's responsibilities.

STEP 5: Printing the Statement

After the CH approves the statement, it is ready to print.

To print a copy, select Account Information on the left navigation bar.

Next, select the "Cardholder Account Statement" link.

Enter the last name, and select the Search button.

Select the appropriate billing cycle from the drop down menu, and select the View Statement button.

The statement will open in pdf format. At this time, the CH will be able to print a hard copy for the records.

3. AXOL Operating Instructions for BOs, (See [U.S. Bank AXOL Instructions for BOs](#)):

To login, go to <https://access.usbank.com>.

STEP 1: Login and then select "Transaction Management"

STEP 2: Select Managing Account

STEP 3: Select Managing Account List

If the BO has more than one Managing Account, then ALL Managing Accounts under the purview should show and be available for viewing.

If not, select the (+) Search Criteria, and change the Account, then ALL managing Accounts under the purview should show and be available for viewing.

STEP 4: Review the Managing Account Summary and Select the Cycle Date

Go to the Cycle Drop Down menu and select on the applicable cycle the BO need to work with. Then hit the Search button.

After the cycle comes up, scroll down to the bottom of the screen where the BO will see a list of the CH accounts. There should be a Green check mark next to each CH name. This indicates the CH has approved their transactions.

STEP 5: Select one of the Cardholder Names and Review Transactions

Select the CH Name the BO wants to review by selecting the last 4 digits of the Account Number next to the name.

NOTE: The Green check marks ✓ indicate the CH approved.

STEP 6: Approve the Transactions

At this point, the BO must check in each individual square, ONE AT A TIME, review the transaction, and then approve it by selecting the Approve Button. The BO must do this for each transaction.

After the BO approves an individual Transaction, the Account Status will change to Final Approved.

At this point, scroll back up to the top of the screen and select the Card Acct List Tab. If the BO has more than one CH, follow the process in this step for each CH BEFORE moving on to the next step.

STEP 7: Approve or Certify the Cycle Statement

At this point the APPROVE or CERTIFY MA/DA STATEMENT button should now be available. Select the APPROVE or CERTIFY MA/DA STATEMENT button to approve the Billing Statement for ALL accounts that fall under their purview.

NOTE: For those agencies that do not have the electronic payment solution implemented, the BO will receive the following message. "Flags and routers are not set. The Electronic Data Interchange (EDI) file will not be created. Statement confirmation cannot be completed. Please contact the Program Administrator for more information". Select on the OK button and proceed to STEP 8 to print out a copy of the statement for manual payment.

Select on the **Agree** button if the BO agrees to **certify** the account. Once the BO **agrees**, there should be a new screen with this statement at the top: "**The action was successfully completed**".

NOTE: When the BO certifies the monthly statement in AXOL it means the invoice has been submitted to DFAS for payment. DFAS will pay U.S. Bank in ten (10) days after the BO electronically certifies the account for payment.

The BO should also see the letter A or C with a little **Green Checkmark** ✓ through it and the **Statement Approval History** should read as Approved.

At this point, the BO is finished certifying the statement for this billing cycle period.

STEP 8: Printing the Statement

To print a copy, select Account Information on the left navigation bar.

Next, select the "Managing Account Statement" link.

Enter the last name, and select the Search button.

Select the appropriate billing cycle from the drop down menu, and select the View Statement button.

The statement will open in pdf format. At this time, the BO will be able to print a hard copy.

B. REPORTS

Various reports are available in AXOL.

To access the reports, select on the Reporting tab from the main page.

In the Reporting Screen, select the report category link, then on the report the BO is attempting to generate.

1. The report parameter screen displays – Configure the report on this screen by selecting the report parameters. The report parameter screen is unique to each report since each reports data elements are unique.
2. Standard Report Categories – These reports have a pre-defined layout. The BO can view the accounts on-line, print them, or save them in Excel® on the computer.
3. Program Management – General program management activities and monitor company policy compliance.
4. Financial Management – Monitor expenditures, track variances and manage account allocations.
5. Supplier Management – These reports manage supplier relationships, support supplier negotiations, and manage spending by category.
6. Tax and Compliance Management – Estimate sales/use tax, track spending for 1099/1057 vendors, and perform other regulatory reporting.
7. Administration – These reports allow administrators to support system functionality.
8. Custom Reports – Create and configure custom reports.

C. TRAINING

COD provides an overview of AXOL for all CHs and BOs as part of their Orientation Training (See Chapter 3).

1. Mandatory WBT is provided. WBT provides all users with an in-depth understanding of the AXOL system and access to User Guides, Simulations, and Recorded Classes.
2. CHs, BOs, and ABOs must complete this training.
3. U.S. Bank changes the WBT password every 60 days. To obtain the password, contact the A/OPC or the U. S. Bank help desk directly at 888-994-6722.
4. Access at: <https://wbt.access.usbank.com>. Select, "Register a new account".
5. At the Registration screen, complete the required fields. Organization Short Name is TMA. Select "Government AO/BO", "Government Cardholder", or "Government Financial Manager". Select "Register". At the next screen, Select "Go to the lesson modules" to access lesson content, including procedures, self-evaluation questions, user guides, quick references, and simulations.
6. Mandatory Lessons for CH's are as follows: Online Registration, Navigation Basics, Viewing the Statement, Account Profile, Account Approval, Process, Reporting, My Personal Information, and Order Management.
7. Mandatory Lessons for BO's are as follows: Navigation Basics, Reporting, Shared Reporting, Account Approval Process, Viewing Statements, Account Profiles, and Order Management.

D. FREQUENTLY ASKED QUESTIONS:

Q1. I am a BO and I have final approved all my CH transactions but the system will not allow me to certify my bill?

A1. All CHs, both current as well as recently closed CH accounts must have a green approved checkmark in AXOL. AXOL will automatically approve closed accounts if there have been no transactions. However if there is not a green checkmark next to each cardholder, there has been a transaction that has posted to the account. Both debits and credits (to include rebates) must be matched and approved before the BO is capable of certifying the account for payment.

Q2. Can I approve my CH's statement if I have pending transactions in AXOL?

A2. No, CHs must create an order for every transaction prior to approving their monthly invoice statement in AXOL.

Q3. How many days is it before a CH is locked out of AXOL after the end of the cycle?

A3. CHs have 3 calendar days to perform account reconciliation and account approvals. Failing to perform these duties within 15 calendar days after the end of the cycle will result in the CH being locked out from performing the duties. The BO must perform the CH's duties prior to certification of the monthly invoice for payment.

Q4. I have an unrecognized charge, how many days do I have to dispute the transaction in AXOL?

A4. The CH now has 90 days from the date the transaction posted in AXOL. U.S. Bank will not assist us in disputing transactions after 90 days. Please ensure that the disputes are handled on a timely basis.

Q5. I am the CH and I need to create an order in AXOL, do I input my name as the “Requestor” for the supplies I just purchased?

A5. The CH should never be identified as the requestor. The requestor is the person that requested the item be purchased.

Q6. When should I contact U.S. Bank?

A6. The CH or BO should call U.S. Bank when they have technical issues that cannot be resolved. You may contact U.S. Bank, 24 hours a day, seven (7) days a week at 888-994-6722.

Q7. I am a TMA RM. I used to make changes in AXOL to my accounts and the changes were made real time but now the change is delayed. What change has occurred in AXOL?

A7. The TMA has changed the workflow in AXOL. Prior to FY 10 the resource manager could submit account changes directly to U.S. Bank via AXOL. Now, the TMA workflow in AXOL requires that RM submissions flow to the COD A/OPC before going to U.S. Bank. If there is an urgent request, please contact COD at: Gsasmartpay@tma.osd.mil.

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Chapter 7: Suspensions and Disputes

A. ACCOUNT SUSPENSION

1. COD pays its invoices in accordance with the Prompt Payment Act. COD's goal is to have all accounts current with no delinquencies. Any account 31 days late being paid is delinquent. U.S. Bank will suspend accounts that are 60 days past due. Before suspension, the bank will notify BOs and A/OPCs of the pending suspension. If the account goes beyond 90 days past the due date, the BO will be required to meet with the GPC Program Manager. No further card transactions will be allowed on that account until such time as the account is paid in full with appropriate interest.
2. When U.S. Bank receives payment in full, the account will automatically be reinstated. When the account is suspended, no purchases can be made. Accounts suspended more than twice in a 12 month period may be cancelled.
3. To re-establish a cancelled purchase card account, please coordinate with the resource manager or the DFAS office to obtain the date paid, amounts paid and check number. Submit this information to the COD A/OPC at Gsasmartpay@tma.osd.mil.
4. Suspension timeline: Failure to adhere to the payment timeline results in interest penalties. If receipt and acceptance cannot be verified, the CH shall protect the Government's rights by disputing the transaction. Disputes must be filed within 90 days of the date of the transaction. After 90 days the CH must work directly with the vendor to handle the dispute. The CH must track disputes to completion.

31 Days – The Prompt Payment Act requires proper invoices to be paid within 30 days. Interest accrues from Day 31 if payment is not made.

45 Days – An account is considered past due if payment for undisputed principal amounts has not been received within 45 calendar days from the billing date. If the account has not been suspended in the last 12 months, or if it has only been suspended, the first Late Payment Notice will be sent. This Late Payment Notice notifies the BO that the account is past due and requests full payment of the undisputed principal amount. If the account has been suspended twice within the last 12 months, the account will be automatically suspended again. A Late Payment Notice will be sent notifying that the account is past due again, and that it will be canceled if no payment is received within five (5) calendar days.

55 Days – If payment has not been received at 55 calendar days from the billing date, U.S. Bank will send a second Late Payment Notice. The second Late Payment Notice notifies that the account will be suspended within five (5) calendar days if no payment is received.

61 Days – If payment has not been received at 61 calendar days from the billing date, U.S. Bank will suspend the account.

120 Days – If payment has not been received at 120 calendar days from the billing date, a third Late Payment Notice is sent. This Late Payment Notice informs the CH

that the account is now 120 days past due and the account will be canceled if payment is not received within five (5) calendar days.

181 Days – The failure to pay will impact not only the agency but all other agencies within the reporting hierarchy. All accounts in the Level IV hierarchy affected by the suspended account will also be suspended.

B. ACCOUNT SUSPENSION PREVENTION

1. Promptly review, reconcile and certify billing statements for the agency/organization enabling timely payment to U.S. Bank;
2. Keep track of dispute initiation and resolution; certify payment upon dispute resolution;
3. Take immediate action when a Late Payment Notice is received;
4. Contact U.S. Bank immediately if it appears that an error has been made; and
5. Implement written internal controls to ensure timely payment.

C. DISPUTES

1. A disputed item is a questionable purchase card transaction posted to a CH's account.

Items that cannot be formally disputed with U.S. Bank:

- (a) Convenience checks;
 - (b) Taxes;
 - (c) Shipping and handling charges;
 - (d) Foreign exchange rates; or
 - (e) Rebates and credits should not be disputed.
2. When disputing a transaction, the CH should first make an effort to resolve the discrepancy with the vendor. If this is unsuccessful, then the following applies:
 - (a) AXOL Users:
 - Highlight the required transaction and select Dispute. Select the reason for the dispute and complete the comments section. Select the Submit button to transmit the dispute to U.S. Bank.
 - (b) Agencies not using AXOL:
 - Complete the U.S. Bank [Customer Statement Questionnaire Inquiry \(CSQI\) form](#). Mail or fax the original form to:

U.S. Bank Government Services
P.O. Box 6347
Fargo, ND 58125-6347
Fax: 701-461-3466

NOTE: If the transaction is disputed in error, you must contact U.S. Bank customer service to cancel the dispute process. The item must be disputed within 90 calendar days from the date the transaction posts to the account.

3. The [CSQI form](#) must be returned to U.S. Bank no later than 90 days after the date the transaction post into AXOL. Retain a copy for the files and forward a copy with the approved Statement of Account (SOA) to the BO or other routing as indicated by the agencies/organizations internal procedures.
4. U.S. Bank must be notified of a dispute no later than 90 days after the transaction posts in AXOL. They are required to resolve disputes within 180 days of initiation, although most disputes are resolved within 30 days. If there are questions regarding disputing a transaction, call U.S. Bank at 888-994-6722 for assistance.

D. OTHER ACTIONS WHICH MAY LEAD TO SUSPENSIONS/CANCELLATIONS

1. Serious deficiencies in management of the GPC Program;
2. Non-compliance with succession planning to retain a BO or ABO;
3. Compromised accounts;
4. Non-responsiveness to A/OPC inquiries;
5. Repeat findings on review reports;
6. Six (6) months of account inactivity;
7. Non-receipt of the CAPs;
8. For TMA Accounts only – Failure to certify the monthly statements in AXOL (m9 suspension); and
9. Noncompliance with required training.

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Chapter 8: File Documentation & Retention

BO FILES - The BO is required to maintain original GPC account files. These documents will be inspected as part of COD reviews. Each CH should also maintain files for transactions, especially if not co-located with the BO. At a minimum, these files must include the following: (See instructions in Appendix D – Six Part Cardholder File Folder Instructions, and Appendix E – Six Part Billing Official File Folder Instructions).

A. AUTHORITY DOCUMENTS

1. Letters of Appointment for BO and ABO;
2. Copies of [DD Form 577, Appointment/Termination Record](#) for the BO and ABO; and
3. Delegation of procurement authority letter for each CH. Verify the SPL stated on the letter.

B. TRAINING DOCUMENTS

These documents are required for the BO, ABO, and each CH:

1. Certificate of completion of DAU continuous learning courses for the DoD GPC;
2. Certificate of completion for COD orientation training;
3. Verification of completion of annual ethics training. This may be done through a certificate of training or self certification;
4. All CHs and BOs are required to complete annual refresher training; and
5. All CO CHs with a SPL above \$3,000 are required to complete annual advanced purchase card training.

C. INTERNAL CONTROL PROCEDURES

1. Each agency must develop written internal controls.

D. REVIEW DOCUMENTS

1. Copy of the BO's written annual review of each CH;
2. Copies of previous reviews. This includes reviews by COD, an internal audit agency or any other agency; and
3. Copies of any CAPs. These will not exist for all accounts, but only those where formal documentation of corrective action was required.

E. PURCHASE DOCUMENTS

1. For each purchase, the BO's files must include the **original COD Pre-Approval Form** and additional documentation needed to establish legitimate need, shows who authorized the purchase, shows checks of mandatory sources, shows that a Government employee (other than the CH) received the purchase on behalf of the Government, and includes a detailed receipt/invoice. The file must also contain any purchase authorizations, waivers and/or justifications to support an unusual purchase, using the [COD GPC Pre-Approval Form](#). Any disputes and follow-up actions must also be fully documented. The table below summarizes the steps of the purchase process and the documentation required for the [COD GPC Pre-Approval Form](#).

STEP	TRANSACTION	DOCUMENTATION - ACTION
1	Establish Necessary Expense (Legitimate Government Need)	<ul style="list-style-type: none"> * COD PRE-APPROVAL FORM. * BO Approval Signature - E-mail Approval Acceptable (CH must attach to the PRE-APPROVAL FORM). * Obtain any special approvals/waivers. * Lawful, legitimate, bona fide, minimum Government need at fair/reasonable price.
2	Order Placement	<ul style="list-style-type: none"> * Actions to perform when Placing an Order -Verify Funding Available, Update Purchase Log -Screen for Mandatory Sources, Identify Small Business -Promote competition, rotate vendors, avoid split purchases. * Confirmation Order from Vendor - ensure no sales tax charged, a single delivery - no backordered items, clarify return policy.
		<ul style="list-style-type: none"> * Vendor may charge the Card. * Supplies = after shipment. * Services = after performance and Government acceptance.
3	Independent Receipt & Acceptance	<ul style="list-style-type: none"> * Receive a Packing Slip, VISA Slip, Sales Slip, and Invoice, to ensure: proof of delivery and items delivered conform to the requirement. * Obtain detailed Invoice. * Screen for Accountable Property and notify PBO. * Government Acceptance: Signature by someone other than a CH (must be a Government employee).
4	Dispute Resolution	<ul style="list-style-type: none"> * Resolve any disputes or disputed items with Vendor. * Unresolved dispute over 30 days, initiate the dispute in AXOL or forward CSQI Form to U.S. Bank. * Contact A/OPC if necessary.
5	Payment	<ul style="list-style-type: none"> * CH Statement Reconciliation. * Billing Statement Certification within five (5) days of cycle end date. * Bulk Funding Update. * Verify last Billing Statement was paid.
6	Records Retention	<ul style="list-style-type: none"> * Retain records for six (6) years and three (3) months. * Ensure records are readily accessible for review.

F. BILLING DOCUMENTS

For accounts that are using AXOL (for accounts not using AXOL see paragraph 5 below):

1. The CH's order must be created in AXOL for each transaction. At a minimum, the following six (6) fields must be completed:
 - (a) Order Number
 - (b) Order Date
 - (c) Requestor Name
 - (d) Order Amount
 - (e) Merchant Name
2. Miscellaneous Comments (For purchases above the micro-purchase limit - In the AXOL transaction log, the Contract Number and Business Size (large or small) will be entered in the Comment block in addition to the description of the item(s) purchased. This is needed for Contract Action Reporting);
3. While not required, a copy of the BO's monthly statement or a similar report can be used to help verify that all purchase documents for each billing cycle are in file;
4. The BO's certification of the monthly statement is maintained in AXOL, no printout is required; and
5. For accounts that are NOT using AXOL (in addition to the documentation listed above):
 - (a) The BO's monthly billing statement;
 - (b) The billing statement must be date stamped upon receipt;
 - (c) The amount of payment must be annotated on the first page in the space provided;
 - (d) The CH's monthly billing statement; and
 - (e) A detailed purchase log, which includes a running balance of available funds, (See Appendix F - COD PURCHASE CARD LOG - SAMPLE).

G. FILE RETENTION

1. File documentation must be retained for six (6) years and three (3) months after the final payment is made based on the DoD FMR, Volume 1. Regular scanning of purchase card documentation is not sufficient to comply with record retention of documentation for the requirement of six (6) years and three (3) months. Hard copy documentation must be maintained. Electronic storage is prohibited because if legal

action must be taken in support of the Government, this method of storage is inadmissible as evidence. Storing the documents in file folders marked with the applicable month and FY of the billing cycle is recommended. The file numbers referenced below can be used for storing the purchase card records:

(a) FN 715 Title: General Procurement correspondence files.

Description: Information relating to procurement which cannot logically be filed with the detailed record numbers below.

(b) FN 715h Title: Contracting Officer Designations.

Description: Records pertaining to appointment of approval authority and delegations of authority to CHs by the approval authority.

(c) FN 715j Title: Small purchase categories.

Description: Records pertaining to credit card transactions.

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Chapter 9: Reviews, Review Process and Checklists

A. REVIEWS

1. Purchase card reviews will be performed once each fiscal year (beginning 1 October of the fiscal year) on all purchase card accounts. Convenience check reviews will be performed quarterly. There may be electronic, unannounced or special reviews. The reviews will focus on the transaction activity and overall adherence to the purchase card program requirements, as well as the response to previous findings and recommendations and the corrective actions taken on previous reviews;
2. During the COD review, the A/OPC will obtain and review the written policies and procedures, which describe and control the purchase card program. The A/OPC will also review the key elements of the transaction and control environment, as well as other internal control activities listed in this chapter. A review report will be issued within 30 days of the completion of the review to communicate the findings, discrepancies and issues. Upon receipt of the review report, the CH may respond in writing within 30 days to any of the findings, discrepancies, issues or recommendations. COD's review findings will be documented in writing and forwarded to the BO for corrective action. A copy of this review will be forwarded to the BO's supervisor;
3. Review reports must be maintained on file for six (6) years and three (3) months. Repeat findings from the previous fiscal year review report may result in suspension of the purchase card account;
4. The purpose of the reviews is to support BOs, CHs, and leadership with objective, professional, and reliable evaluation and consulting services that add value and improve operations through:
 - (a) Fostering good stewardship of resources;
 - (b) Improving processes;
 - (c) Evaluating and strengthening management controls;
 - (d) Assessing and reducing risk;
5. The objectives of the reviews are to:
 - (a) Ensure that agencies establish and maintain internal controls to provide reasonable assurance that:
 - Goals and objectives of the purchase card program are being met;
 - Safeguards against fraudulent, improper, and abusive purchases are adequate;
 - Assess program results;

- Communicate results so systemic problems can be identified and addressed;
 - Implement CAPs; and
 - Improve the performance and accountability of the GPC Program.
6. The BO's agency will generally receive a positive report if it adheres to the following:
- (a) Written procedures outlining areas such as property accountability for non-expendable items and coordination with an Information Management Officer when buying information technology (IT) items;
 - (b) Written guidance to CHs advising of office credit limits, and when and how funding will be managed for each purchase card account;
 - (c) Adequate separation of duties between the BO, CHs, RM, and the PBO;
 - (d) Records are well organized and purchase files are properly documented with receipts;
 - (e) Documentation in the file explaining any unusual situations, such as a buy that appears to have been a "split" but wasn't, or unusual purchases, such as items that are infrequently purchased;
 - (f) Active consideration of mandatory sources consistent with [FAR Part 8](#);
 - (g) Rotation of vendors to promote competition, as well as seeking fair and reasonable pricing for open market buys;
 - (h) No unauthorized purchases;
 - (i) Proper span of control (i.e., a BO having no more than seven (7) CH accounts); and
 - (j) Closing accounts with no activity for six (6) months or longer.

B. THE REVIEW PROCESS

Below is the process COD follows in conducting the review of the purchase card account:

1. **BO Scheduling/Notification.** The reviewer will schedule a GPC review with the BO preferably through e-mail contact advising them of the upcoming and type of reviews to be performed, the required documents needed for the review, and the agreed to date and location of the review;
2. **BO Account Research.** The reviewer will perform preliminary research from AXOL data;
3. **In-brief.** Brief of agency personnel should include the BO, ABO, and CHs; other personnel, such as the BO's supervisor, RM, and accountable property officer may

- attend. The in-brief will cover the areas intended to be reviewed, such as compliance with laws and regulations, procurement methods and standards, management control environment (internal controls), property accountability, purchase transaction activities, training, risk management, financial exposure, adequacy of business processes and whether inappropriate items are being purchased;
4. Review Files. The review will cover the following areas: written internal controls; review of past review findings to ensure implementation of corrective actions; transactions including all supporting documentation and receipts for transactions (approvals and authorizations, establishment of the legitimate Government need, screening for required sources of supply and services, and independent receipt and acceptance); delegation letters and training certificates; AXOL transaction log; monthly statements; dispute resolutions; credit limits and financial exposure; accountable property control procedures; succession planning; payment reconciliations; records retention; funding authorizations; management controls; adherence to laws, regulations, agency policies and procedures; and procurement methods and standards;
 5. Out-brief. The out-brief will discuss the following: overall risk assessment including strengths and weaknesses of the GPC program; recommendations for corrective actions; POCs in the GPC Branch and in the COD; financial exposure (purchase limits and historical spending patterns); identify where the activity is exposed to the most risk; (financial, physical, human, intangible, policy, operational, fiscal, reputation, and what value, business impact, and control environment you put in place to safeguard these assets). The out-brief will also address attitudes, pressures, and opportunities that contribute to an environment where fraud, waste, and abuse may occur; identify management control issues related to internal controls; procurement methods and standards, relevant laws and regulations; record retention; and succession planning;
 6. Write Review Report;
 7. Distribute Review Report. Generally the report will be distributed within 30 days following the review;
 8. Agency Review Period. Allow 30 days for a rebuttal response. If a CAP is required, the reviewer will track to ensure an electronic response is received within 30 days in the format provided to the BO during the out-brief;
 9. Follow-On Meeting with the Branch Chief, Reviewer, and Activity. This is necessary only if the report recommends suspension, cancellation, or the findings warrant further investigation or clarification;
 10. CAP Review. The agency's submitted CAP will be reviewed and approved by the COD Branch Chief. The GPC Program Manager will notify the activity of any deficiencies in the CAP for correction and allow two weeks for a response. If no

response is received, the GPC Program Manager will suspend the BO account until an acceptable CAP is submitted and approved; and

11. Records/File Retention. COD will maintain review reports electronically.

C. CHECKLISTS

1. A sound evaluation checklist clarifies the criteria that must be considered when evaluating something in a particular area; aids the evaluator not to forget important criteria; and enhances the assessment's objectivity, credibility, and reproducibility. Moreover, such a checklist is useful in planning a review, monitoring and guiding its operation, and assessing its outcomes. Before starting an on-site review, plan the review. Analyze past review reports, note indications of possible problem areas and items, if any that were identified for corrective action in a previous review. Checklists help to ensure that the review is conducted in a systematic and comprehensive manner, and the proper evidence and documentation are obtained.
2. The following FY 2011 GPC Review Checklist is being provided for informational purposes. It will be used by the COD staff in reviewing GPC accounts. BOs are encouraged to become familiar with the requirements listed on this checklist. The below FY 2011 GPC Review Checklist highlights internal controls requiring compliance with issues related to training, succession planning, financial controls, laws and regulations, procurement methods and standards, management controls, purchase card transactions, and records maintenance. The checkmarks below the review type indicate that this finding will be checked for this type of review.

FY 2011 GPC Review Checklist:

		YES	NO	MICRO	CHECK	ELECTRONIC	\$ 25K
#	FINDINGS DESCRIPTION	Y	N	M	C K	E	\$25K
1	ACCRUED INTEREST PAID - BANK NOT PAID WITHIN 30 DAYS (See Chapter 7).			x	x		x
2	AFTER THE FACT BUY			x	x	x	x
3	ALTERNATE BILLING OFFICAL MISSING (See Chapter 5).			x	x		x
4	APPROVALS/AUTHORIZATIONS MISSING (i.e. policy waivers/exceptions/BO approval for IT, DTS-W, Printing, Ergonomic related, HAZMAT, Medical, Coins, Heraldry Items, Kitchen Appliances, CH does not act totally independent) - BO and CH must ensure all necessary			x	x		x

	approvals are obtained prior to making the purchase. Pre-purchase approval is required for purchases that appear to be outside the normal needs of the activity and the documentation must address the legitimate Government need. Failure to obtain approval prior to purchase may result in the BO and/or CH reimbursing the government for the price of any unapproved item(s) or service (See Chapter 12).						
5	AWARD DETERMINATION MISSING FOR PURCHASES ABOVE THE MICRO-PURCHASE LIMIT * Micro-purchases - If competitive quotations were solicited and award was made to other than the lowest quote, documentation to support the purchase may be limited to identification of the solicited concerns and an explanation for the award decision. ** Purchases above the micro-purchase limit- The file must include an explanation, tailored to the size and complexity of the acquisition, of the basis for the award decision (See Chapter 14).						X
6	BULK APPROVAL BY BO TO CARDHOLDERS FOR CONSUMABLE SUPPLIES MISSING			X			X
7	CARD SECURITY (i.e. safeguarding the card, physical security/releasing card number/compromised card/card canceled) (See Chapter 5).			X	X		X
8	CARD USAGE NOT MAXIMIZED (Contract Payments, BPAs, Federal Supply Schedule (FSS) (See Chapter 15).			X	X	X	X
9	CHECKS - ACTIVE GPC ACCOUNTS ARE NOT IN GOOD STANDING (i.e. delinquent) (See Chapter 13).				X		
10	CHECKS -CHECK ISSUED FOR MORE THAN \$3,000 (See Chapter 13).				X		
11	CHECKS -CHECKWRITER DID NOT RETAIN ORIGINAL VOIDED CHECK (See Chapter 13).				X		
12	CHECKS - CHECKS WERE NOT STORED IN A LOCKED CONTAINER WHEN NOT IN USE (See Chapter 13).				X		
13	CHECKS - CHECKWRITER DISPUTE PROCESS NOT FOLLOWED (check writer must resolve disputes with vendor) (See Chapter 13).				X		
14	CHECKS - MUST BE REVIEWED QUARTERLY (See Chapter 13).				X		
15	CHECKS - MUST BE WRITTEN BY CHECKWRITER (See Chapter 13).				X		
16	CHECKS - SUPPLIES OR SERVICES MUST BE AVAILABLE FOR DELIVERY WITHIN 30 DAYS (See Chapter 13).				X		

17	CHECKS - SYSTEMS ACCESS FORMS (DD FORM 2875 and 2869) not completed (See Chapter 13).				X		
18	CHECKS - TRP1099 DATA NOT CAPTURED AND REPORTED TO IRS (i.e. must submit 1099 to DFAS on any checks written for services) (See Chapter 13).				X		
19	CHECKS – MUST NOT BE WRITTEN IF THE VENDOR ACCEPTS THE GPC. (i.e. used check to avoid GPC payment process) (See Chapter 13).				X		
20	CHECKS - UNAUTHORIZED USE (i.e. Check used for payment of salaries, travel advances, travel claims, contracts, and repetitive purchases from same vendor) (See Chapter 13).				X		X
21	CLAUSE 52.232.36 “PAYMENT BY THIRD PARTY” OR CLAUSE 52.213-2 "INVOICES" FOR ADVANCE PAYMENTS FOR SUBSCRIPTIONS MISSING FROM THE CONTRACT FOR CONTRACTS USING THE GPC AS THE METHOD OF PAYMENT (See Chapter 15).						X
22	COMPETITION REQUIREMENTS NOT MET FOR PURCHASES ABOVE the micro-purchase limit (i.e. Missing 3 quotes from small businesses) (mixed small, large, and open market quotes) - Must not solicit quotes based on personal preferences or restrict quotes from only well-known and widely distributed makes or brands (See Chapter 14).						X
23	CONFERENCE PLANNING DOCUMENTATION MISSING OR INADEQUATE (See Chapter 12).			X	X		X
24	CORRECTIVE ACTION PLAN INEFFECTIVE AND/OR MISSING (Chapter 9).			X	X		X
25	CORRECTIVE ACTION PLAN REQUIRED IAW REVIEW RESULTS (See Chapter 9).			X	X	X	X
26	CREDIT LIMITS EXCEED PROCUREMENT NEEDS - Limits are coordinated between A/OPC, RM, BO Limits should be based on historical spending, anticipated requirements, and available funding. Limits should not be based on unlikely contingencies (See Chapter 10).			X	X	X	X
27	SF 182 NOT USED FOR TRAINING PURCHASE (GPC shall be used as a method of payment for all commercial training \$25,000 and below using the SF Form 182. Advance payments are authorized under FAR Part 32 and Tuition Assistance Program (See Chapter 12).			X	X		X
28	DELEGATION LETTERS MISSING OR NOT CURRENT (See Chapter 4).			X	X		X
29	DELINQUENT ACCOUNT (The DoD standard is any account over 31 days without payment) (Accounts will be closed permanently if more than 2 suspensions occur within a 12 month period (See Chapter 7).			X	X	X	X

30	PROCEDURES FOR DEPLOYED CARDHOLDERS NOT FOLLOWED.			X			X
31	DISCIPLINARY ACTION MISSING, INADEQUATE, OR INEFFECTIVE (i.e. Any misuse of the GPC is subject to criminal, civil, administrative, and disciplinary actions as appropriate) (Repeated non-adherence to policies and procedures in the PCOP: evidenced by repeat findings on review reports not addressed/corrected by the activity) (See Chapter 18).			X	X	X	X
32	DOCUMENTATION TO SUPPORT TRANSACTIONS MISSING OR INADEQUATE (See Chapter 12).			X	X		X
33	ELECTRONIC PAYMENT SOLUTION NOT IMPLEMENTED (See Chapter 6).			X	X	X	X
34	EXCEEDED AUTHORITY (Delegation, Credit Limits, Inappropriate Procurement Method, After the Fact Buy, Unauthorized Purchases) Procurement thresholds to not apply when using the purchase card for services/supplies received from other Government sources (i.e. DAPS, GSA Stores or depots, DLA). Payment with the card is mandatory for services from DAPS at any dollar level, and all commercial training up to \$25,000 (See Chapter 12).			X	X	X	X
35	FILE RETENTION (i.e. Statements, original receipts and documentation – six (6) years and three (3) months, files must be readily available) DoD FMR, Vol 1 (See Chapter 8).			X	X		X
36	FUNDS CONTROL (i.e. funds are available prior to making the purchase) (RM is responsible for the proper assignment of funding on an obligation document before the obligation is incurred, and for maintaining a system of positive funds control) (See Chapter 5).			X	X		X
37	INAPPROPRIATE PROCUREMENT METHOD (Used card as an acquisition tool where a negotiated contract is required) (i.e. BPA, DAPS, FSS, TRAINING). Uses of card include micro-purchases, payment method, place orders against existing contracts only, DAPS (any \$\$ level), Training up to \$25,000 (See Chapter 10). Exception to using the card for micro purchases: See DFARS 213.270 for full list.			X	X	X	X
38	INDEPENDENT RECEIPT AND ACCEPTANCE - For Transactions posted and paid but not received, you must have a tracking system in place to verify subsequent delivery. Each purchase transaction must be independently received and accepted by a Government person (someone other than the CH). A legible signature/date must appear on the invoice, packing slip, document (See Chapter 10).			X	X		X

39	INTERNAL CONTROLS INADEQUATE (Inadequate operating procedures) (Must comply with all applicable DoD regulations, policies, and procedures, including local standard operating procedures - DoD FMR Vol 5 Ch. 33 330301B) (See Chapter 10).			X	X		X
40	JUSTIFICATION FOR PURCHASE FROM OTHER THAN A SMALL BUSINESS MISSING OR INADEQUATE (See Chapter 14).						X
41	LATE PAYMENT CERTIFICATION (See Chapter 7).			X	X	X	X
42	LEGITIMATE GOVERNMENT NEED MISSING OR INADEQUATE - Undue pressure from a supervisor or manager to make a purchase does not constitute a legitimate Government need (See Chapter 10).			X	X		X
43	MANAGEMENT CONTROL EVALUATION MISSING (i.e. required every 2 years, Management must prepare and sign (See Chapter 10).			X	X		X
44	MANAGEMENT OVERSIGHT AND MONITORING INADEQUATE (i.e. controls should provide reasonable assurance that systemic weaknesses are corrected, and controls are operating effectively, and being used) (Must comply with all applicable DoD regulations, policies, and procedures, including local standard operating procedures - DoD FMR Vol 5 Ch. 33 330301B) (See Chapter 10).			X	X	X	X
45	MANDATORY SOURCE VIOLATIONS (ABILITY ONE, 508 Compliance) FAR Part 11.4 CHs shall ensure that delivery or performance schedules are realistic and meet the requirements of the acquisition. Schedules that are unnecessarily short or difficult to attain: (1) Tend to restrict competition, (2) Are inconsistent with small business policies, and (3) May result in higher contract prices. Factors to Consider in Establishing Delivery Schedules. When establishing a delivery or performance schedule, factors to consider: (1) Urgency of need; (2) Industry practices; (3) Market conditions; (4) Transportation time; (5) Production time; (6) Capabilities of small business concerns; (7) Admin time for obtaining & evaluating offers and for awarding contracts; (8) Time for contractors to comply with any conditions precedent to contract performance; and (9) Time for the Government to perform its obligations under the contract; e.g., furnishing Government property (See Chapter 10).			X	X	X	X
46	MARKET RESEARCH & DESCRIPTION OF AGENCY NEED INADEQUATE The description of agency need must contain sufficient detail for CHs to know which commercial products or services may be suitable. Describe the type of gambling, casino or horse race betting.			X	X		X

47	MERCHANT CATEGORY CODE NOT TAILORED TO EACH CARD APPROPRIATELY (i.e. either too restrictive or too open) (See Chapter 10).			X	X	X	X
49	NEGLIGENT PERFORMANCE OF DUTIES (i.e. noncompliance with regulations, policies, procedures, and SOPs) (Financial liability - DoD 7000.15) (Pecuniary liability - FMR Vol 5, Ch 33 (See Chapter 18).			X	X	X	X
50	OBLIGATIONS MUST BE POSTED PRIOR TO SUBMITTAL OF AN INVOICE FOR NON-EDI ACCOUNTS (See Chapter 5).			X	X		X
51	OPEN MARKET PURCHASE (See Chapter 11).				X		X
52	PAYMENT IMPROPER OR ERRONEOUS - The BO is personally and pecuniary liable for repaying a pmt that is determined to be illegal, improper, or incorrect because of an inaccurate or misleading certification; prohibited by law; or does not represent a legal obligation under the appropriation or fund involved. A heavy workload, lack of experience, supervision, or training, is not a factor in determining relief from liability. False Payment Certification - CH certifies for BO False Representation - CH acting on behalf of BO. Following orders from superiors that are contrary to regulations, policies, and procedures, is no defense to negligence or bad faith. Financial liability - DoD 7000.15, Pecuniary liability - FMR Vol 5, Ch 33. Erroneous Payment - fiscal irregularity resulting from regularly or irregularly processed payments that are not in strict compliance with laws and regulations. i.e. overpayment, payment to wrong payee, two or more payments to a payee for the same entitlement, check overdraft, shortages of checks, payment based on fraudulent, forged, or altered documents, pmt made in violation of a law or regulation (See Chapter 18).			X	X	X	X
53	PRICE REASONABLENESS DETERMINATION MISSING OR INADEQUATE - Micro-Purchase Documentation (FAR 13.202). Action to verify price is only required when you suspect or have information to indicate the price may not be reasonable or when you buy an item for which no comparable pricing information is readily available. When you must take action to verify price reasonableness, documentation should be sufficient to establish price reasonableness. If you award to other than the low quoter, you must explain the award decision. For purchases above \$3,000, whenever possible, base the determination on comparisons with competitive quotations or offers. If you only receive one quote, you must include price reasonableness documentation in the file based on:						X

	<p>1. Market research</p> <p>2. Comparison of previous purchases;</p> <p>3. Current price lists, catalogs, or advertisements;</p> <p>4. A comparison with similar items in a related industry</p> <p>5. Value analysis;</p> <p>6. Personal knowledge of the item being purchased;</p> <p>7. Comparison to an Independent Government Estimate (IGE); or</p> <p>8. Any other reasonable basis (See Chapter 10).</p>						
54	PROPERTY BOOK PROCEDURES IN PLACE (i.e. CH who is hand receipt holder can't purchase accountable property for their own use) (See Chapter 5).			X			X
55	QUANTITY PRICE DISCOUNTS NOT REQUESTED (i.e. BPA - Should seek a price reduction when the supply or service is available elsewhere at a lower price or based on a potential large volume of orders) (See Chapter 10).			X			X
56	QUESTIONABLE PURCHASE (i.e. Improper, Abusive, Excessive) (Reviewer is required to request justification) (See Chapter 10).			X	X	X	X
57	QUOTE SHEET MISSING - Required for all purchases above \$3,000. Exception: Mandatory sources (See Chapter 14).						X
58	RECEIPTS, INVOICES, PACKING SLIPS MISSING/RECEIPTS NOT ITEMIZED (See Chapter 14).			X	X		X
59	RECONCILIATION INADEQUATE OR IMPROPER (CH – three (3) days, BO – five (5) days/ Pay and Confirm not tracked - get proof of receipt within 45 days, Dispute Resolution incomplete/timely using CSQI Form) (Must certify and forward the official invoice to the paying office within 15 days of receipt (See Chapter 10).			X	X		X
60	REPEAT FINDINGS (See Chapter 10).			X	X	X	X
61	RESTRICTED AND UNAUTHORIZED PURCHASE (i.e. outside normal needs, restricted) (See Chapter 12).			X	X		X
62	ROTATION OF VENDORS (i.e. when placing repeat orders, including BPA suppliers) (See Chapter 10).			X	X	X	X
63	SALES TAX ASSESSED (See Chapter 5).			X	X		X
64	SEPARATION OF DUTIES (See Chapter 9).			X	X	X	X
65	SIGNATURE FORM MISSING (DD Form 577 not completed and submitted) (See Chapter 8).			X	X		X
66	SMALL BUSINESS NOT PROMOTED - FAR 19.502-1B – This requirement does not apply to micro- purchases (purchases of \$3,000 or less) or for purchases from required sources of supply under FAR Part 8 - ABILITY ONE. Orders placed against schedule contracts may be credited toward the ordering activity's small business goals.						X

	For orders exceeding the micro purchase threshold, ordering activities should give preference to small business concerns when two or more small businesses can satisfy the requirement (See Chapter 14).						
67	SOLE SOURCE JUSTIFICATION MISSING OR INADEQUATE - Unacceptable justification includes lack of advance planning or funds will expire (See Chapter 14).						X
68	SPAN OF CONTROL (i.e. CH to BO ratio - 7:1 and A/OPC to Accounts ratio 1:300) 1. Adequate for Level 2. Surveillance can be performed at a satisfactory level. Must send copy of documentation to Level III (See Chapter 10).			X	X	X	X
69	SPLIT PURCHASE - Split purchases occur when a CH splits a known requirement at the time of the purchase into several transactions to avoid competitive bids for purchases over the \$3,000 micro-purchase threshold or to avoid other established credit limits (See Chapter 10).			X	X	X	X
70	SUCCESSION PLANNING (Establishing/maintaining GPC accounts, i.e. nomination, selection, appointment, DD Form 577, Appointment/Termination Record processing - FMR 330505, Review by BO of continuing need for the GPC - Based on mission requirements/purchase history, Out processing by BO incomplete, inadequate human capital resources, workforce planning ineffective such as missing ABO, A/OPC not notified of departing CHs & BOs, workload imbalances) (See Chapter 10).			X	X	X	X
71	THIRD PARTY PAYMENTS (High risk transactions) (i.e. Pay Pal®, c2it by Citibank) DoD requires that the CH make every attempt to select another vendor for the required goods or services. If, after those attempts are made, it is still found necessary to procure the goods or services using a third party payment merchant, the billing official must ensure there is adequate support documentation which shows that a detailed review of the purchase was conducted and that use of a third party payment merchant was unavoidable (See Chapter 12).			X	X	X	X
72	TRAINING DEFICIENCIES (i.e. orientation, DAU, ethics, 508, refresher, \$25K- DFARS 213.3) CH and BO must receive training covering the use of the card prior to being delegated authority. Training must be designed to cover federal, defense, and department regulations, policies, and procedures pertaining to micro-purchases and simplified acquisition procedures as well as being advised of pecuniary liability for certifying and accountable officials. If using BPAs, must provide training on BPA process (See Chapter 8).			X	X		X

73	UNAUTHORIZED PURCHASE (Whether supplies or services are authorized by law depends on three things: (1) The purpose of the purchase, (2) The obligation must occur within the time limits applicable to the appropriation, and (3) The obligation and expenditure must be within the amounts Congress has established. Must be legal, bona fide, legitimate, minimum need at fair price) (All unauthorized purchases must be reimbursed to the Government) (i.e. personal use items are unauthorized) (See Chapter 12).			X	X		X
74	UNAUTHORIZED USE OF THE CARD (i.e. someone other than CH) (See Chapter 17).			X	X		X
75	UNICOR COMPARABILITY DETERMINATION MISSING (See Chapter 11).				X		X
76	WRITTEN INTERNAL CONTROLS MISSING, INADEQUATE OR NOT BEING FOLLOWED (See Chapter 10).			X	X		X

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Chapter 10: Internal Controls

This chapter focuses on internal control activities designed primarily to prevent or detect fraudulent, improper and abusive purchases; assess the adequacy and performance of those control activities; and identify areas of internal control for potential improvement. The concepts and topics for this chapter are primarily derived from the Government Accountability Office (GAO) Report, GAO-04-87G of November 2003, titled “Audit Guide for Auditing and Investigating the Internal Control of Government Purchase Card Programs”. All of the following internal control standards are applicable to achieving reasonable assurance that fraudulent, improper and abusive purchases do not have a significant adverse affect on the effectiveness or efficiency of the purchase card program. It is recommended to incorporate into the written internal control policies and procedures the control activities contained in this chapter.

A. UNDERSTANDING THE PROGRAM

Evaluating the adequacy of internal controls designed to mitigate the Government’s risk requires an in-depth understanding of: the relevant laws and regulations; procurement methods and standards; what constitutes an authorized purchase card transaction; the specific organization’s mission activity operations; its purchase card program operations (from purchase request to payment); and identifying the risks associated with non-adherence to established internal control policies and procedures.

1. Relevant Laws and Regulations:

- (a) An organization’s purchase card program must comply with the laws, regulations, contracts, and Government-wide and organization policies and procedures that:
 - Govern the establishment and operation of the purchase card program;
 - Prescribe procurement methods and standards; and
 - Pertain to the purposes for which an organization’s appropriations and other sources of funds may be used.
- (b) The latest editions of the following laws, regulations and other guidance are applicable to the federal GPC program. Additional laws and regulations and other agency or organization-specific guidance apply as well:
 - FAR
 - Title 10, U.S.C. 2784
 - OMB Circular A-123, appendix B
 - Treasury Financial Manual (4-4500)
 - DoD Charge Card Guidebook
 - COD PCOP

- GSA SMART Pay® 2 Master Contract

(c) Purposes for which an organization's appropriations may be used:

- 31 U.S.C. § 1301(a) "Purpose Statute";
- Bona Fide Needs Rule, See, e.g. 68 Comp. Gen. 170, 171 (1989); 58 Comp. Gen. 471, 473 (1979); 54 Comp. Gen. 962, 966 (1975);
- Comp. Gen. 433 (1924) Comptroller General McCarl to the Secretary of War;
- B-288266 (January 27, 2003) Use of Appropriated Funds to Purchase Light Refreshments at Conferences;
- 72 Comp. Gen. 178 (1993) Matter of: Corps of Engineers - Use of Appropriated Funds to Pay for Meals;
- 65 Comp. Gen. 738 (1986) Matter of: Refreshments at Awards Ceremony;
- 64 Comp. Gen. 406 (1985) Matter of: Randall R. Pope and James L. Ryan - Meals at Headquarters Incident to Meetings;
- B-289683 (October 7, 2002) Matter of: Purchase of Cold Weather Clothing, Rock Island District, U.S. TMA Corps of Engineers; and
- 63 Comp. Gen. 245 (1984) Matter of: Purchase of Down-Filled Parkas.

2. Procurement Methods and Standards:

(a) Purchases made with the purchase card should be made in accordance with generally applicable procurement laws, regulations, and organization procurement policies and procedures. The FAR provides Government-wide policies and procedures for acquisition by all executive agencies. Agencies frequently issue supplemental acquisition regulations as well. The FAR specifically prohibits the following:

- Splitting requirements;
- Violating the mandatory source requirements;
- Not rotating sources; and
- Purchases above \$3,000 not against a legally executed contract.

(b) Individual purchases must be for a purpose allowable under an organization's appropriations or other sources of funds and must not otherwise be prohibited by law. Organizations may use appropriated funds only for legitimate or bona fide needs that arise in or continue to exist in the fiscal year(s) for which those funds are appropriated. Agencies are restricted to purchasing only those items that will be used during such fiscal year(s), except when they qualify under certain categories, such as to maintain inventories of necessary items at reasonable levels.

However, agencies generally may not purchase items in excessive amounts at the end of the fiscal year in order to solely avoid the expiration of funds. If the CH is unsure whether a purchase meets a legitimate and bona fide need, please contact the GPC Branch in the COD prior to making the purchase.

3. Understanding what constitutes an authorized purchase card transaction. Whether supplies or services are authorized by law depends on the Bona Fide Need Rule, which is the following three criteria: (1) The purpose of the purchase, (2) The obligation must occur within the time limits applicable to the appropriation, and (3) The obligation and expenditure must be within the amounts Congress has established. Thus, there are three elements to the concept of availability: purpose, time, and amount. All three must be observed for the obligation or expenditure to be legal. An authorized transaction is one that is lawful and meets a bona fide and minimum legitimate Government need at a fair and reasonable price. An authorized purchase card transaction is one that satisfies the five criteria listed below:

(a) Lawful:

- Card usage is for purchases that are authorized by law or regulation;
- Lawful only if it would be lawful using conventional procurement methods;
- Appropriations shall only be applied to the objects for which the appropriations were made;
- Appropriated funds may only be used to purchase items for official purposes, and may not be used to acquire items for the personal benefit of a Government employee; and
- Funding must be available at the time of the purchase to preclude an Anti-Deficiency Act violation.

(b) Necessary Expense Rule (Legitimate Government Need):

- Necessary and reasonable expense: One that arises out of and is directly related to the agency mission and achieves an authorized objective;
- The necessary expense test is that the expenditure:
 - Must bear a logical relationship to the purpose for which appropriation or fund is made available to the agency;
 - Must not be prohibited by law; and
 - Must not otherwise be provided for (i.e., we aren't required to use another fund or mandatory supplies source).

(c) Bona Fide Need:

- The appropriation is available only for the needs of the current year;

- The bona fide needs rule does not prevent maintaining a legitimate inventory at reasonable and historical levels, the "need" being to maintain the inventory level to avoid disruption of operations; and
 - Problems arise when the inventory crosses the line from reasonable to excessive.
- (d) Minimum Needs of the Government: Normally, the responsibility for describing Government needs rests with the technical experts and the requiring activity. [FAR 11.002\(a\)](#) requires that agencies describe Government needs in a manner designed to:
- Promote full and open competition, with due regard to the nature of the supplies or services to be acquired; and
 - Only include restrictive provisions or conditions to the extent necessary to satisfy the minimum needs of the agency or as authorized by law.
- (e) Fair and Reasonable Price:
- A fair and reasonable price is a price that is fair to both parties, considering the agreed-upon conditions, promised quality, and timeliness of performance/delivery;
 - Prices are affected by factors that include, but are not limited to, speed of delivery, length and extent of warranty, limitations of seller's liability, quantities ordered, length of the performance period, and specific performance requirements;
 - The CH must ensure that contract terms, conditions and prices are commensurate with the Government's needs;
 - Micro-purchases may be awarded without soliciting competitive quotations if the CH considers the price to be reasonable;
 - Action to verify price reasonableness need only be taken if:
 - The CH suspects or has information to indicate that the price may not be reasonable (e.g., comparison to the previous price paid or personal knowledge of the supply or service); or
 - Purchasing a supply or service for which no comparable pricing information is readily available (e.g., a supply or service that is not the same as, or is not similar to, other supplies or services that have recently been purchased on a competitive basis).

4. The organization's operations and programs.

In order to review the internal control activities of an organization one must gain a thorough understanding of the following:

- (a) The organization's mission activities and operations;
- (b) The nature and size of the overall operations;
- (c) What the individual activities involved in the purchase card program do and how they do it;
- (d) The general job description, level of education, and number of personnel in those activities;
- (e) The volume and appropriate type(s) of purchase activity to expect;
- (f) Its purchase card program operations and end-to-end flow of transactions;
- (g) The extent to which control activities are in place and operating;
- (h) The environment in which those controls operate;
- (i) The overall managerial organization and operations of the program;
- (j) The flow of purchase card transactions;
- (k) The system of internal controls in place; and
- (l) The environment in which the control activities operate.

B. INTERNAL CONTROL STANDARDS

1. The Control Environment. A positive control environment is the foundation for all other internal control standards. A positive control environment is established by management and employees creating and maintaining an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. The key elements of the control environment are discussed below:
 - (a) Management's philosophy (tone at the top). Management's philosophy and operating style determine the degree of risk the organization is willing to take in operations and programs, and it has a profound effect on internal control. Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. A positive control environment is the foundation for all other standards. It provides discipline and structure as well as the climate which influences the quality of internal control. Management has a key role in demonstrating and maintaining an organization's integrity and ethical values, especially in setting and maintaining the organization's ethical tone, providing guidance for proper behavior, and removing temptations for unethical behavior. Management must identify and implement the appropriate program operating procedures needed to address the risks and direct their implementation;
 - (b) Span of control. Span of control refers to the extent of review responsibilities placed on a single BO for the purchase card transactions of one or more CHs. An

appropriate span of control must efficiently and effectively allow the BO to provide reasonable assurance they can effectively perform their responsibilities. In establishing an appropriate span of control you should consider the number of CHs assigned, the number and complexity of purchase card transactions being reviewed each billing period, and demands of other responsibilities assigned to the BO. The total number of authorized CHs, their single transaction and monthly purchase limits, and the BO purchase limits directly affect the financial responsibility of the individuals involved and the extent of potential loss to the organization. The maximum span of control for CH accounts per BO is seven to one (7:1). Exceptions will not be granted;

- (c) Financial exposure. Financial exposure can become excessive when management does not exercise judgment and restraint in issuing purchase cards and in determining single purchase and monthly purchase limits. Purchase cards should be issued in controlled limited quantities to Government employees with a legitimate need to have the card. The A/OPC along with the BO and RM determine the appropriate spending limit authorization controls. These authorization controls are imposed to control spending and to support a system of funds controls in accordance with available funding. Single and monthly purchase limits should be established based on the expected monthly purchases of the CH reasonably necessary to carry out their operational requirements. Policies and procedures that address controlling CHs' spending limits must be implemented. Each CH needs to have the maximum transaction or monthly limit and that reasonable limit must be based on what the person needs to buy. The limits must be based on an analysis of individual CHs' needs or past spending patterns. Monthly limits must not be based on anticipated peak spending to avoid possible limit changes. Limits that are higher than justified by the CH's authorized and expected usage unnecessarily increase the Government's exposure to potentially fraudulent, improper, and abusive purchases. Credit limits for inactive accounts should be reduced to \$1.00;
- (d) Training. Management should identify the appropriate knowledge and skills needed, require the needed training, and maintain documentation evidencing that required training is current for all personnel. The certificates/record of training should clearly show the type of training received, that the training was relevant to the GPC program, that the training was appropriate to the level of authorized spending and program authority of the individual, the signature of the CH and the instructor, that the date of initial training is prior to purchase card account activation, and/or that the date of refresher training is within the required period. Centralized training records should provide detailed information similar to the above and be available for review to monitor adherence to program training requirements;
- (e) Discipline. Candid and constructive counseling, performance appraisals, and discipline can provide reinforcement of the system of internal control. Internal control policies and procedures should identify the specific actions or lack of adherence to internal control within the purchase card program that warrant

counseling and/or discipline. Constructive counseling may be provided to CHs and BOs in response to isolated instances of a lack of adherence to internal control policies, procedures, and activities. Disciplinary action may be taken in response to recurring and/or persistent lack of adherence to internal controls, and specific consequences for improper and abusive purchases should be adopted as part of the system for internal control. Such consequences can vary with the severity and persistence of the policy violation, and might include formal and informal reprimands, suspension or cancellation of the purchase card account, termination of employment, and referral to investigative authorities in cases of suspected fraud. Instances that warrant discipline should be documented and included in personnel files; and

- (f) Purchasing and reviewing authorities. Purchasing authority establishes a CH's authority to possess and use a GPC and establishes their purchase limits. Authority is also established for BOs to review and authorize payment of CH accounts. BO authority should identify the specific CH(s) for which review and certification responsibilities have been assigned, and the BO's purchase limits should relate to the total cumulative monthly purchasing limits of the CHs assigned to them. Transactions must be authorized and executed only by persons acting within the scope of their authority. This is the principal means of assuring that only valid transactions to exchange, transfer, use, or commit resources and other events are initiated or entered into.
2. Control activities. Control activities are the policies, procedures, techniques and mechanisms that enforce management's directives and help ensure that actions are taken to address risks. Control activities are established to ensure that all transactions that are entered into are authorized and executed only by employees acting within the scope of their authority. Control activities include approvals, authorizations, verifications, reconciliations, reviews, and the creation and maintenance of related records that provide evidence of execution of these activities. These key transaction level control activities should be included in the assessment of the adequacy of the design of the control activities;
- (a) The determination of a legitimate Government need. Determination of a legitimate Government need provides reasonable assurance to the organization that its resources are not being wasted. A legitimate need for the goods or service being acquired should be determined before a purchase is made. Pre-purchase requests or other authorization prepared by a supervisor, or prepared by operations personnel and signed by a supervisor, can provide the CH with documentation of a legitimate Government need. Evidence determining the legitimate Government need may include a pre-purchase request or authorization in writing, written blanket authorization for small routine purchases (e.g., office supplies), written justification by the CH or other program personnel of the Government need for the purchase, and other required documentation for specifically controlled or restricted purchases. The reasonableness of the legitimate Government need determination will be evaluated based on the date of Government need determination compared to the date of the purchase, whether

the purchased item is included on the organization's prohibited or restricted list, and whether the item purchased on the vendor invoice compares to the item for which a need was determined. Any employee such as a supervisor or manager must not exert pressure upon a CH to force the CH to execute a purchase transaction in a manner not consistent with purchase card guidelines. The key element regarding undue pressure or influence is that the influence was so great that the CH had lost the ability to exercise his/her judgment and could not refuse to give in to the pressure. Pressure from a supervisor does not constitute a legitimate Government need. If the CH has questions regarding the determination of a legitimate Government need, contact the GPC Branch in the COD;

- (b) Market Research and Description of Agency Need. Conduct market research appropriate to the circumstances. Market research is an essential element of building an effective strategy for the acquisition of commercial items and establishes the foundation for the agency description of need. The description of agency need must contain sufficient detail for potential offerors of commercial items to know which commercial products or services may be suitable. Generally, describe the type of product or service to be acquired and explain how the agency intends to use the product or service in terms of function to be performed, performance requirement or essential physical characteristics. Describing the agency's needs in these terms allows offerors to propose methods that will best meet the needs of the Government;
- (c) Screening for mandatory sources of supply. Screening for required vendors provides the organization with reasonable assurance of compliance with laws and regulations related to mandatory sources of supplies and services. Chapter 11 provides the priority of sources of supplies and services. Organizations should also be aware of other laws, regulations, contractual agreements, and policies and procedures, which direct the organization to acquire supplies and services from sources such as TMA. DoD E-mail is an official U.S. Government IT interface to facilitate the procurement of goods and services by authorized personnel. These goods and services are to be procured for official Government related purposes only;
- (d) Independent receipt and acceptance. A Government employee, other than the CH, is required to provide receipt and acceptance of supplies and services. This provides reasonable assurance that the organization actually received what it is paying for. The inclusion of independence in the receipt and acceptance activity significantly strengthens the control by adding separation of duties to the activity. The CH is responsible for:
 - Verifying that independent receipt and acceptance has occurred;
 - Documentation evidencing independent receipt and acceptance for each transaction would be a signature on the vendor invoice, receipt or shipping document, or a warehouse receipt for goods and services provided;

- When documenting the receipt and acceptance, a comparison must be made between the receiving document item description and quantity and the actual items received, noting any discrepancies;
 - Compare the requirement for the items ordered to the items actually received and invoiced;
 - A blanket statement saying you have received all the items each month is a breakdown of the internal controls in place and does not constitute independent receipt and acceptance;
 - Each purchase transaction must be independently received and accepted; and
 - CHs must not be the person accepting items they have ordered.
- (e) Establishing accountability over certain property. Physical control and accountability over pilferable and other vulnerable property acquired by the purchase card provides reasonable assurance to the organization that pilferable property (e.g., an item that is portable and can be easily converted to personal use) is appropriately recorded and asset-safeguarding control is established at the time of purchase and receipt. Control activities required of the CH include identifying the pilferable property requiring asset control, notifying appropriate PBO within the organization, and supplying the information required to establish a record in the property control system. Documentation evidencing performance of this activity includes the CH's notification of pilferable property submitted to property control system personnel and the property control system records. Independent verification that the accountable property is in the possession of the Government will be the responsibility of the PBO.
- (f) CH reconciliation. CH reconciliation provides the organization with reasonable assurance that all transactions appearing on the CH's statement are appropriate charges for goods and services purchased for and received by the organization. CH reconciliation is the process of the CH gathering, reviewing and providing the documentation to support that each purchase transaction appearing on their statement is an appropriate, legitimate Government purchase. The CH is responsible for identifying purchase card transactions that are unauthorized or that otherwise should not be paid by the Government. The CH should promptly dispute unauthorized charges appearing in their statement with the bank service provider, using this form: [Customer Statement Questionnaire Inquiry \(CSQI\) form](#). Documentation evidencing performance of CH reconciliation includes the CH's signature on their monthly statement and notations (e.g., tick marks, system notes) on their monthly statement, or their approval of individual transactions in AXOL. The CH's statement must be approved and submitted to the BO early enough to permit the billing office to process and pay the consolidated monthly invoice within the Prompt Payment Act deadline. If the statement is correct, the CH approves it within three (3) business days from the end of the billing cycle;

- (g) BO review/certification. BO review of the CH's reconciliation process provides reasonable assurance to the organization that the CH is timely and appropriately performing the reconciliation and is complying with all significant relevant controls to prevent or detect fraudulent, improper, and abusive purchases. The BO is responsible for reviewing the CH statement(s), authorizing CH purchases, and ensuring the monthly invoice is reconciled and submitted to the designated billing office on time. The review provides a basis for the BO to accept responsibility that the purchases are appropriate, legitimate Government purchases before the billing statement is certified for payment. The BO review, a critical control activity in a GPC Program, should include a review of the CH's reconciliation for timeliness and completeness, and for the appropriateness of the supporting documentation for individual transactions. Documentation evidencing performance of the BO review is the BO's signature on the billing statement or certification for payment in AXOL. The BO must certify the monthly invoice even if all CH statements are not received. The BO must certify the monthly invoice even if no transactions occurred for that monthly invoice. If the monthly invoice is correct, following the BO's review, certification of the monthly invoice is done within five (5) business days. The TMA has adopted a policy of certifying invoices for payment before all purchased items may have been received. This procedure has been called "Pay and Confirm." Each BO will establish a system to flag and track all transactions that have been certified for payment without proof of receipt and acceptance. This procedure will ensure that all transactions have been reconciled and approved for payment, and will have receipt verified no later than 45 days after the date of the original invoice. If receipt and acceptance cannot be verified, the CH shall protect the Government's rights by disputing the transaction;
- (h) Advance approval of purchases. Advance approval ensures budget and funds control, as well as establishing a valid need for a purchase, so CHs are not acting totally independently. Approval of a purchase can range from a blanket approval for routine small dollar purchases of items such as consumable office supplies to a one-time written approval for specific large dollar items. Advance approval must be provided by the BO using the [COD GPC Pre-Approval Form](#). In absence of the BO the ABO can act in official capacity. Leaving CHs solely responsible for procurement without some type of documented approval puts the CHs at risk and makes the Government inappropriately vulnerable. A segregation of duties so that someone other than the CH is involved in the purchase improves the likelihood that both the CHs and the Government are protected from fraud, waste, and abuse. Blanket approval for routine purchases within set dollar limits involves minimal cost, but reasonable control;
- (i) Succession Planning. Management should ensure skill needs are continually assessed and that the organization is able to obtain a workforce that has the required skills that match those necessary to achieve organizational goals. As a part of its human capital planning, management should also consider how best to retain valuable employees, plan for their eventual succession, and ensure continuity of needed skills and abilities. Given the risks associated with

purchase card program management, it is imperative that agencies have sufficient numbers of qualified, experienced purchase card personnel and A/OPCs, and that their grade levels be commensurate with their responsibilities. Agencies must ensure the organizational culture supports the goals and responsibilities of the program. The purchase card programs within their organizations must be properly structured and managers at all levels devote the necessary attention and resources to the program to ensure success. Inadequate management understanding of the time required carrying out these duties fully and inadequate management oversight may result in officials being unable to fulfill their responsibilities. This is especially true for A/OPCs, who provide oversight of the organizations' purchase card programs, and BOs, who provide direct oversight of CHs. Yet, if the function is understaffed, all of the necessary tasks cannot be effectively carried out. Officials should only nominate individuals who have demonstrated responsibility and possess the required business acumen to be entrusted with a GPC. A GPC will be issued only as mission requirements warrant and only those personnel with a continuing need to use the GPC will be appointed as CHs. Only DoD civilian employees and military personnel may be issued a GPC or be appointed as a BO.

- (j) File Retention. The documents that must be retained in the file include: (1) the BO statement, (2) the CH statement, and (3) all original receipts and documentation for those statements. In accordance with the DoD FMR, Volume 1, certified billing statements and supporting documents will be retained for six (6) years and three (3) months after final payment. The BO will maintain these records until they are transferred to a records holding area. However, if the BO is performing electronic certifications, rely on the servicing bank recordkeeping for the BO and CH statements. The servicing bank will maintain the statements for two (2) years, then archive in a records holding area. Original records are the property of the U.S. Government and may not be removed from Government control by the BO for any reason. In addition, Level IV A/OPCs shall retain file documentation for appointed CHs and BOs. As a minimum, this documentation shall consist of:
- Letter of GPC delegation (CH or BO);
 - Ethics certification (if applicable);
 - Required training certifications; and
 - Review reports and CAPS (if applicable).
3. Identifying Fraudulent, Improper and Abusive Purchases. Designing and conducting procedures specifically for the purpose of detecting such transactions serve multiple purposes, including the potential discovery of a previously unrecognized risk in the program. Repeated non-adherence to established internal control policies and procedures, such as inadequate documentation of purchase card transactions or supervisory reviews, if allowed to continue, would contribute to erosion and weakening of the control system. Prompt administrative and disciplinary actions can

be effective in reducing persistent lack of adherence to policies and procedures by CHs and other program officials. The definitions below define some actions that have been identified with fraudulent, questionable, improper, and abusive purchases:

- (a) Fraudulent purchases. Fraudulent purchases occur when the purchase card is used to acquire goods or services that are unauthorized and intended for personal use or gain, which constitutes a fraud against the Government;
- (b) Questionable purchases. Questionable purchases are those that appear to be improper or abusive but for which there is insufficient documentation to conclude either. Questionable purchases may appear unreasonable and subject the Government to criticism. These questionable purchases require a higher level of pre-purchase review and documentation. Abuse occurs when the conduct of a Government organization, program, activity, or function falls short of societal expectations of prudent behavior. Every purchase must be reviewed and approved as a valid requirement of the agency. Determination of mission-essential need is a prerequisite for any purchase. Any questionable transaction must obtain a higher level of written documentation for justification;

Questionable need issues arise when:

- Conduct falls short of societal expectations of prudent behavior;
 - There are adverse perceptions regarding stewardship of the taxpayer dollars;
 - Costs are excessive;
 - There is no reasonable or documented justification;
 - There is insufficient documentation to support the legitimate or bona-fide need; or
 - Approvals to justify and permit a determination that the purchases were not improper or abusive are missing.
- (c) Improper purchases. Transactions that are intended for Government use, but are not permitted by law, regulation or organization policy (e.g., does not serve a legitimate Government purpose, split purchases, improper source.) Not purchasing from designated sources, such as ABILITY ONE, constitutes an improper source;
 - (d) Abusive purchases. Purchases of authorized goods or services, at terms (e.g., price, quantity) that are excessive, or are for a questionable Government need, or both, are considered abusive;
 - (e) Split purchase. Split purchases occur when a CH splits a known requirement at the time of the purchase into several transactions to avoid competitive bids for purchases over the \$3,000 micro-purchase threshold or to avoid other established credit limits. The FAR prohibits splitting purchases into more than one transaction. When a known requirement exceeds \$3,000, it must be purchased

through a contract using simplified acquisition procedures (SAP). Making repetitive micro-purchases to meet requirements that, in total, greatly exceed the micro-purchase limit constitutes using an inappropriate procurement method and doesn't allow the Government to take advantage of other procurement methods designed to foster lower prices for repetitive acquisitions of similar items over an extended period. While some repetitive purchases might not clearly be split purchases, a CH is not taking advantage of the proper procurement method, such as a BPA, designed to foster lower prices;

- (f) Personal use purchase. Under 31 U.S.C. 1301 (a), "appropriations shall only be applied to the objects for which the appropriations were made..." In the absence of specific statutory authority, appropriated funds may only be used to purchase items for official purposes, and may not be used to acquire items for an employee's personal benefit;
- (g) Theft. Theft involves property, facilities and services. Purchase of goods or services for personal use or gain is theft. Theft also occurs when an unauthorized user compromises a CH's account by gaining knowledge of and using the purchase card account number;
- (h) Fictitious transactions. Fictitious transactions occur when a CH supports the acquisition of goods or services for personal use with false documentation, or a vendor bills the Government for goods or services never received. Fictitious transactions also include collusion;
- (i) Kickbacks. Kickbacks may include collusion between a CH and a vendor. The CH makes authorized purchases from the vendor, who charges the Government an excessive price and "kicks back" a percentage of the amounts received to the CH;
- (j) Conflicts of interest. Conflicts of interest occur when a Government official participates in approving or deciding a matter in which the official or their relative has a financial interest;
- (k) Use of Third Party Payments. The use of third party payments is not allowed under any circumstances (Ex.: Pay Pal®); and
- (l) Data mining. Data mining is the act of searching or "mining" data to identify transactions or patterns of activity exhibiting predetermined characteristics, associations, or sequences, and anomalies between different pieces of information. Data mining produces leads for follow-up by investigators. Data mining serves as a deterrent to fraud, improper and abusive purchases; provides additional evidence of significant instances of noncompliance with laws and regulations; identifies a lack of adherence to internal control policies and procedures; uncovers unrecognized or under-appreciated risk in the purchase card program; provides motivation for meaningful management change; and helps identify the overall effectiveness of the internal control system in place.

4. The areas identified below have a high risk for potential fraudulent, improper and abusive purchases:
- (a) Questionable vendors. Vendors who sell goods or services that generally are not considered to meet a legitimate Government need, or which are restricted or prohibited by law, regulation or policy. Examples include:
 - Restaurants
 - Grocery stores
 - Casinos
 - Clothing or luggage stores
 - Home furnishings
 - Escort services
 - Automobile dealers
 - Vendors by name
 - Inaccurate Vendor MCC: Vendors may circumvent this control by providing false or misleading information and obtaining an MCC code intended to disguise the types of goods or services provided by the vendor.
 - Jewelry store
 - Video store
 - (b) Weekend and/or Holiday purchases;
 - (c) Split purchases which include, but are not limited to the following:
 - The transactions are with the same vendor;
 - The transaction dates are on the same day;
 - The transactions total in excess of \$3,000; and
 - The transactions are by the same CH or activity.
 - (d) Transactions of unusual amounts or relationships:
 - Frequent amounts with the same vendor just under the micro-purchase threshold; and
 - Multiple transactions for the same amount which may indicate intentional or unintentional duplicate billings for the same goods or services.
 - (e) Year end spending:
 - Purchases for which there is not a legitimate Government need; and

- Purchase card transactions that exceed their monthly purchase limits.

(f) Purchase card transactions by vendor:

- The number of CHs making acquisitions with a vendor;
- The number of transactions with a vendor; and
- The dollar volume of transactions with a vendor.

(g) CHs and/or their BOs demonstrating suspicious activities.

C. MANAGEMENT’S RISK ASSESSMENT

1. Supervisors and managers of BOs and CHs have a management responsibility to provide the proper oversight to ensure the internal controls of their purchase card program are being carried out and adhered to as outlined below. Internal control should provide for an assessment of the risks the organization faces from both external and internal sources, and identify and deal with any special risks prompted by changes in economic, industry, regulatory and operating conditions. In assessing the adequacy of the design of control activities, does the existing internal control policies, procedures, and activities provide management with reasonable assurance that significant fraudulent, improper and abusive purchases will be prevented or promptly detected? Considering the overall control environment, supervisors and managers should make a critical comparison of the risk/opportunities for fraudulent, improper, and abusive purchases and the internal control policies, procedures, and activities designed to guard against them;
2. Management controls should provide reasonable assurance that systemic weaknesses are noted, that management controls are in place, operating effectively, and being used:

References:

- (a) OMB Circular No. A-123 “Management’s Responsibility for Internal Control” – 2009;
 - (b) DoD Directive 5010.38 “Management Control Program” – 26 August 96;
 - (c) DoD Directive 5010.40 “Management Control Procedures” – 28 August 96; and
 - (d) Federal Managers’ Financial Integrity Act of 1982.
3. The OMB guidelines were issued in consultation with the Comptroller General of the United States, as required by the “Federal Managers’ Financial Integrity Act of 1982”;
 4. The objectives of the system of internal accounting and administrative control of the activity are to provide reasonable assurance that:

- (a) The obligations and costs are in compliance with applicable laws;
 - (b) Funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation; and
 - (c) Revenues and expenditures applicable to agency operations are properly recorded and accounted for to permit the preparation of reliable accounting, financial and statistical reports and to maintain accountability over the assets.
5. The evaluation of management controls extends to every responsibility and activity undertaken by the activity and applies to financial, administrative, and operational controls. The concept of reasonable assurance recognizes that:
- (a) The cost of management controls should not exceed the benefits expected to be derived;
 - (b) The benefits include reducing the risk associated with failing to achieve the stated objectives;
 - (c) Errors or irregularities may occur and not be detected because of inherent limitations in any system of internal accounting and administrative control, including limitations resulting from resource constraints, congressional restrictions, and other factors; and
 - (d) Projection of any system evaluation to future periods is subject to risk that procedures may be inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.
6. Understanding internal controls assists employees in their stewardship role in achieving GPC program objectives. Internal control is a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations. This understanding provides an additional reference tool for all employees to identify and assess operating controls, financial reporting, and legal/regulatory compliance processes and to take action to strengthen controls where needed. Over time, controls may be expected to change to reflect changes in the operating environment. In order to achieve a balance between risk and controls, internal controls should be proactive, value-added, cost-effective, and address exposure to risk.

D. INFORMATION AND COMMUNICATION

1. Information should be recorded and communicated to GPC personnel who need it in a form and within a time frame that enables them to carry out their internal control and other responsibilities. Information and communication will be provided via various media, such as written policy and procedures, reviews, quarterly purchase card newsletter, training in person and on-line, e-mail, or by contacting the A/OPC for questions and answers. Information should be provided to the CH in a form that enables the CH to carry out the responsibilities within the purchase card program.

Please feel free to contact us at any time to answer any of the questions regarding a purchase or the purchase card program requirements.

E. MONITORING

1. Ongoing monitoring of actions people take in performing their duties should be performed continually and ingrained in the course of normal operations. Internal control monitoring efforts will require reviewing performance of the purchase card program. Reviewing the performance requires gaining necessary understandings, preliminarily assessing the adequacy of the designed control activities, testing the adherence to the policies and procedures and identifying any fraudulent, improper or abusive purchases. Agency internal control monitoring assesses the quality of performance over time. It does this by putting procedures in place to monitor internal control on an ongoing basis as a part of the process of carrying out its regular activities. It includes ensuring that managers and supervisors know their responsibilities for internal control and the need to make internal control monitoring part of their regular operating processes. Ongoing monitoring occurs during normal operations and includes regular management and supervisory activities, comparisons, reconciliations, and other actions people take in performing their duties. Each agency must ensure they have the sufficient infrastructure in place for effective monitoring. Each agency must assess the adequacy of human capital resources and properly allocate the needed resources to the GPC program to enable the purchase card operations to be consistently, efficiently and effectively managed in compliance with current laws, regulations, policies, and procedures.
 - (a) Purchase Card Reviews. Purchase card reviews will be performed by the COD once each fiscal year on all purchase card accounts, and convenience check reviews will be performed quarterly each fiscal year (See Chapter 9); and
 - (b) Follow-up and Investigation. This refers to documentation beyond those generally necessary to test for adherence to internal control policies or performance of control activities. Our internal review office or other investigative bodies will perform the follow-up and investigation. Detected or selected potentially fraudulent transactions should always be submitted to follow-up procedures. The conduct of follow-up procedures utilizes forensic techniques and increased scrutiny of the documentation, facts and circumstances surrounding the transactions. In the instance of fraudulent purchase card transactions, the follow-up process is designed to support a subsequent criminal investigation. If at any time during the follow-up process, the auditor's professional judgment is that a transaction is likely fraudulent, referral of the transaction or case should be made to the appropriate federal criminal investigative body.

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Chapter 11: Mandatory Sources

[FAR Part 8](#) lists mandatory sources for supplies to be considered before an open market source can be considered. Agencies shall satisfy ALL requirements for supplies and services from or through the sources and publications listed below in descending order of priority provided below.

A. SUPPLIES

1. Agencies' inventories;
2. Excess from other agencies (See [FAR Subpart 8.1](#));
3. Federal Prison Industries, Inc. (See [FAR Subpart 8.6](#));
4. Supplies which are on the procurement list maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (See [FAR Subpart 8.7](#));
5. Wholesale supply sources, such as stock programs of the GSA (see 41 CFR 101-26.3), the Defense Logistics Agency (see 41 CFR 101-26.6), the Department of Veterans Affairs (see 41 CFR 101-26.704), and military inventory control points;
6. Mandatory Federal Supply Schedules (FSS) (See [FAR Subpart 8.4](#));
7. Optional-use FSS (See [FAR Subpart 8.4](#)); and
8. Commercial sources (including educational and nonprofit institutions).

B. SERVICES

1. Services which are on the procurement list maintained by the Committee for Purchase From People Who Are Blind or Severely Disabled (See [FAR Subpart 8.7](#));
2. Mandatory FSS (See [FAR Subpart 8.4](#));
3. Optional-use FSS (See [FAR Subpart 8.4](#)); and
4. Federal Prison Industries, Inc. (See [FAR Subpart 8.6](#)), or commercial sources (including educational and nonprofit institutions).

C. UNICOR

1. For micro-purchases, [FAR Subpart 8.6](#) provides that UNICOR waivers are no longer required if the agency makes a comparability determination and decides that the product is not comparable in terms of price, quantity, or time of delivery, and then competes the acquisition. However, if the agency makes a comparability determination and decides that the UNICOR product is comparable, a waiver is required if the agency wants to buy from another source. The written determination of supporting rationale that explains the assessment of price, quality, and time of delivery must be included in the CH's purchase file;

2. UNICOR has long been known to specialize in making furniture for the Federal Government. However, the Metal and Wood Products Division is actually just one of four divisions of UNICOR. Other divisions include: data/graphics, textile and leather, and electronics/plastics/optics. The products made by these divisions are listed in a UNICOR catalog, Schedule of Products made in Federal Penal and Correctional Institutions. All items listed in the catalog conform to Federal specifications and are sold only to departments and activities of the Federal Government. UNICOR items are available through GSA and identified by Federal Supply Service stock numbers; and
3. If the CH is required to obtain a waiver, requesting it on-line. Upon receipt, UNICOR will review the request for completeness, assign a tracking identification number and evaluate it based upon the terms vs. UNICOR's ability to meet them. Request a waiver or the status of a waiver at: [UNICOR Waiver](#). The waiver can usually be obtained within one and one-half (1-½) days by requesting it on-line. If the waiver request contains more than 10 items, please fax it to the UNICOR Customer Service Center (Waiver Processing) at 859-254-9390. For the status, contact them directly by phone at 800-827-3168.

D. ABILITY ONE PROGRAM

1. The Ability One program (formerly known as the the Javits-Wagner-O'Day Program) is a unique Federal procurement program that generates employment and training opportunities for people who are blind or have other severe disabilities. The ABILITY ONE Program is a mandatory source of supply ([FAR Subpart 8.7](#) and 41 U.S.C. 46-48c);
2. The Committee for Purchase from People Who Are Blind or Disabled is an independent Federal agency responsible for administering the ABILITY ONE Program. National Industries for the Blind (NIB) and NISH (serving people with a wide range of disabilities) assist participating nonprofit agencies with contract, marketing and other technical assistance; and
3. There are extensive varieties of supplies and services available from NIB and NISH.
 - (a) Supplies include:
 - Office supplies, such as envelopes, paper, pencils, pens, stamp pads, mops, and steno notebooks; and
 - Non-office supplies, such as disinfectants, picture frames, time management systems, flashlights, glass cleaner and stepladders.

NOTE: Products that compete with ABILITY ONE products are unauthorized. Examples of this include Franklin Covey® planners. Franklin Covey® is a commercial source. The CH must purchase from required sources before considering any commercial sources.

(b) Services include:

- Administrative services
- Audiocassette reproduction
- Data-entry
- Painting
- Textile repair
- Laundry
- Computer services

4. Purchasing under the ABILITY ONE Program:

(a) By Internet:

- www.abilityone.gov;
- GSA Advantage at www.gsaadvantage.gov; and
- DoD EMALL at: <https://dod-email.dla.mil/acct/>.

NOTE: The above are great market research tools to verify price reasonableness and obtain competition.

(b) By Phone or Fax:

- For more information on placing orders under the Ability One Program, contact Eric Beale at 703-603-2119 or ebeale@abilityone.gov; and
- GSA Customer Supply Center: 800-525-8027 or fax 800-856-7057.

(c) For Authorized Commercial Distributors:

- For a list of the ABILITY ONE Program's authorized distributors visit <http://www.abilityone.gov/distrib.html>.

5. ABILITY ONE Services are handled on a location-specific basis with each contracting office or customer. Please call the Committee staff, NIB or NISH, or visit the web sites below for more information about service capabilities.

(a) SKILCRAFT. Products may be ordered through a variety of different distributors. These distributors accept the GPC for payment. Use any of the following distribution methods below to purchase the SKILCRAFT products. For more information on purchasing SKILCRAFT products, call NIB 800-433-2304 or e-mail to communications@nib.org;

- (b) GSA Schedule 75II A, Office Products and Services. Due to reorganization of office supply schedules and in order to better serve the customers, the 75IIIA, Next Day Desktop Delivery of Office Supplies, has been merged with the 75IIA, Office Products and Services. Under this schedule the CH can receive next day desktop delivery of office supplies that meet all of the ABILITY ONE Program requirements. For more information, visit <http://www.gsa.gov/schedule75> or order online at www.gsaadvantage.gov; and
- (c) CHs may make recommendations at any time to the Committee for price revisions on supplies and or services identified in the “[Procurement List](#)”. The Committee can be reached at 703-603-7740 or their web page is <http://www.ABILITYONE.gov>.

E. TMA BPAs FOR OFFICE SUPPLIES

1. TMA CHs – All product ordering will use the following priority:
 - (a) If there is a local self-service supply (also called Industry for the Blind stores) the CH will purchase items from them first;
 - (b) If there is no local self-service supply store or they don't have the product to meet the agency requirement the CH MUST UTILIZE the DoD/GSA BPA's for the purchase of office products;
 - (c) The BPA vendors are required to ship ABILITY ONE items first and to substitute ABILITY ONE products for the commercial products. The ABILITY ONE symbol is clearly shown with the online tool. The CHs are required to search for the ABILITY ONE symbol; and
 - (d) Vendors on the DoD/GSA BPA list are both large and small. The CH is encouraged to give preference to the small businesses on the list when possible. To be in compliance remember the following:
 - The CH cannot shop at the local store of the BPA contractor;
 - The CH cannot use the contracts on GSA Advantage unless the item cannot be obtained on the TMA BPA's;
 - Plan the purchases to maximize usage of the TMA BPA's; and
 - If there is a problem with the DoD Email website, contact the DoD Email Help Desk – 888-352-9333 – option 2 or email them at DoD-EmailSupport@Dliss.DLA.mil.
2. Below is a listing of the Industries for the Blind Federal Supply Stores within the in Washington, DC and Northern Virginia area:

Hoffman II 200 Stovall St. (RmGS20) Alexandria, VA	Presidential Towers 2511 S. Clark St., Suite 1600 Arlington, VA 703-325-9185	Jefferson Plaza I 1411 Jefferson Davis Hwy, (Suite 90) Arlington, VA 703-601-2187
Pentagon Room 1E641A 703-781-3029	Rosslyn 1401 Wilson Blvd, Arlington, VA 703-697-1587	Fort Belvoir 9819 Dalrymple Rd, Bldg Room B-2 703-696-0053

3. TMA CHs are required to use the following BPA vendors on the DoD E-Mall to obtain ALL TMA office supplies. All BPA holders are small business Ability One producers or distributors and will substitute an Ability One product for a non Ability One purchase request when available. Each BPA contains a base year with 4 one year option periods. The DoD E-mail website is at: <https://dod-email.dla.mil/acct/>.
4. The following is a list of the authorized TMA BPA distributors on DoD E-mail:
 - (a) National Industry for the Blind
 - (b) Sita Business Systems
 - (c) ASAP Business Solutions
 - (d) IMPAC Computer Supplies
 - (e) Axiscore LLC
 - (f) Noble Sales Co.
 - (g) Chesapeake Office Supply
 - (h) Future Solutions
 - (i) Millers Office Products
 - (j) ABM Federal Sales
 - (k) Amerisys
 - (l) Capitol Supply
 - (m) VIP Office Furniture Supply
 - (n) Sun Supply
 - (o) The Office Group
 - (p) Rudolph's Office and Computer Supply
 - (q) Premier & Companies

- (r) Minton-Jones
 - (s) Adams Marketing
 - (t) Kpaul Properties INK and Toners
 - (u) American Office Advantage
 - (v) Wecsys
 - (w) Tantaquidgeon Office Supply
 - (x) ASE Direct
 - (y) Independent Stationers
 - (z) Metro Office Products (aa) Coast to Coast Computer Products (bb) Kpaul Properties
5. GSA has awarded office supply BPA's for all agencies to support Federal Strategic Sourcing Initiatives. You cannot use the contracts on GSA Advantage unless items cannot be found on the DoD Emall, CH's may use the GSA BPA at the link below in this instance: <http://www.gsa.gov/portal/content/141857>;
 6. GSA office supply BPAs have many products and include in many instances next day shipping and shipping outside of CONUS;
 7. Green Purchasing Program – Per Executive Order 13101 and [FAR Part 23](#), the Government Policy is to acquire supplies and services that promote energy efficiency, and advance the use of renewable energy products and use recovered materials. This information can be found on the Office of the Federal Environmental Executive website at: <http://www.ofee.gov>; and
- NOTE:** The CH can help to achieve a “0” carbon footprint by – recycling toner, recycling paper etc. When purchasing from the mandatory source websites ensure to search for environmentally friendly items (check the energy efficient icons).
8. For more information, the following mandatory source products and services are also covered in Chapter 12, Restricted and Unauthorized Purchases:
 - (a) Printing Services;
 - (b) Organizational flags; and
 - (c) IT products and services.

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Chapter 12: Restricted and Unauthorized Purchases

Only those items that can be acquired with appropriated funds can be purchased using the GPC. The CH may only purchase goods and services supporting their agency's mission with available funds at a fair and reasonable price. CHs must properly document their purchases and this documentation must be in writing and in advance of the purchase.

Exceptions to the General Rules are listed below. Other exceptions may be considered on a case-by-case basis. All requests for exceptions to policy must be submitted by e-mail to the GPC Program Coordinator at: Gsasmartpay@tma.osd.mil. Requests must include a narrative justification for the purchase, including relevant background information, statutes, regulations or policy directives. The GPC Program Coordinator will coordinate all requests for exception with the OGC. Requested purchases needing exceptions cannot be made without the express written approval of the GPC Program Coordinator.

If the CH is in a situation feeling pressured to make a purchase that may not be authorized, the CH should contact the A/OPC immediately for guidance and assistance BEFORE the purchase is made. The A/OPC will assist the CH in determining the best way to meet the requirement or provide the reason why a particular item may not be purchased.

NOTE: In most cases, exceptions may be unavailable due to controlling law or regulation.

A. RULES

The following is a partial list of purchases that are prohibited or restricted:

1. Advance Purchases:
 - (a) General Rule: Advance purchases are prohibited;
 - (b) Limited Exceptions: [FAR Part 32](#) authorizes the advance payment of tuition; and
 - (c) Limited Exception: Advance payment for periodical subscriptions is authorized when they are made in the name of an agency or organization, but are not allowed in the name of an individual.
2. Buildings and/or Land Rental or Lease:
 - (a) General Rule: CHs are prohibited from using the purchase card for rental or lease of buildings and/or land for more than 30 days.
3. Business Cards:
 - (a) General Rule: CHs are not authorized to purchase business cards; and
 - (b) Limited Exception: DoD memo dated August 28, 1998 authorizes the printing of business cards using existing software and agency-purchase card stock for use in

connection with official activities. That policy was further amended July 15, 1999, to add that the purchase of business cards from The Lighthouse for the Blind, Inc., an ABILITY ONE participating non-profit agency, may be made when agencies determine that costs are equivalent or less to purchase cards from that source rather than to produce them on a personal computer. The CH is required to check with their agency regulations to determine whether guidance has been issued in this area. The agency's guidance may be more restrictive than this provision.

4. Carafe Sets:

- (a) General Rule: The purchase of carafe sets for serving beverages to guests is prohibited. Items such as glassware, coffee cups, tea sets, etc., are also prohibited.

5. Cash Advances:

- (a) General Rule: CHs are prohibited from obtaining a personal identification number (PIN) from U.S. Bank and using their purchase card to obtain cash advances.

6. Classified and Sensitive Items:

- (a) General Rule: CHs are not authorized to purchase classified and sensitive items with their purchase card.

7. Coffee Pots:

- (a) General Rule: Coffee pots used in a private office are prohibited; and
- (b) Limited Exception: Coffee pots in a central kitchen/break area may be authorized. See the Limited Exception in Paragraph 28(b), Personal Purchases below.

8. Coins:

- (a) General Rule: Purchase of commemorative coins is not authorized with the purchase card; and
- (b) Limited Exception (TMA): Purchase of coins for service, achievement, or special recognition pursuant to regulations is authorized.

9. Conference/Meeting Rooms: Examples include Director's calls, division calls, and awards ceremonies (where no travel costs are incurred):

- (a) General Rule: Conference Rooms/Meeting rooms are prohibited without prior approval through the agency coordinator to the Washington Headquarters Services (WHS), who has been delegated this authority from GSA. Allow 60 days for this process (See DoD Instruction (DoDI) 5305.5); and

(b) Limited Exception: CHs may use the purchase card for Conference/Meeting rooms under \$3,000 if the following conditions are met:

- CH has attempted to find conference space on an existing Government installation and was unsuccessful;
- CH has considered several locations, selecting the one that is most economical; and
- For all activities, conference approval must also be obtained from the Administrative Assistant to the Secretary of the TMA, prior to using the purchase card, unless an exception applies.

10. Conferences Not Sponsored by the Agency: Examples include attendance at commercial conferences or training events.

(a) General Rule: Prepare a single [SF 182](#) for all attendees from the agency (up to \$25,000).

11. Conferences Sponsored by the Agency, which include travel: Examples include off-site meetings and training or conferences sponsored by the agency.

(a) General Rule 1: Use the purchase card for conference costs. These costs may include meeting room and audiovisual costs and registration fees. Ensure the file documentation required by the JFTR/JTR is readily available for review. Refer to JFTR and JTR appendix entitled CONFERENCES. (See paragraph 17 – Food); and

(b) General Rule 2: If the costs exceed \$3,000, forward the requirement to a contracting office for action.

NOTE: [SF 182](#) is used solely for COMMERCIAL off-the-shelf training and cannot be used for conferences sponsored by the Agency (Reference: Office of Personnel Management Training Policy Handbook).

12. Equal Employment Opportunity (EEO) Special Emphasis Programs:

(a) General Rule: Purchases of items (including food, brochures, decorations, etc.) in support of EEO observances is prohibited unless the agency's primary mission is EEO.

13. Equipment, Long-Term Rental or Lease:

(a) General Rule: CHs are prohibited from using purchase cards to enter into long-term leases for equipment, i.e., six (6) or more months.

14. Ergonomic Equipment and Accommodating Technology:

- (a) General Rule: Before using agency funds to accommodate an employee with a disability, contact the Computer/Electronic Accommodations Program (CAP). CAP is a centrally funded program and provides assistive technology and services for all DoD employees and partner agencies with hearing, visual, dexterity, cognitive and communication impairments, as well as our Wounded Service Members who have been injured in the Global War on Terror. If a person develops a disability due to work-related/ergonomic injuries, CAP can provide the required accommodation if the individual has the appropriate medical diagnosis documentation from a medical professional on the nature, severity and duration of the disability. CAP cannot buy ergonomic related tools for prevention. The safety office should have the flexibility to do what is best for employees to ensure a safe and healthy work environment. If the CH has any questions, please contact CAP at 703-681-8813, or e-mail them at cap@tma.osd.mil. Visit the website at <http://www.tricare.osd.mil/cap> for further information.

15. Explosives, Munitions, Firearms, Toxins:

- (a) General Rule: CHs are not authorized and shall not purchase these items with their purchase card.

16. Flags, Organizational:

- (a) General Rule: Organizational flags must be obtained through an authorized supply source. Generally, there is no charge. Distinguishing flags and organizational colors are accountable property and unless specifically approved, their retention by individuals is prohibited.

- Army Organizational Flags. Submit a requisition to the U.S. Army Clothing and Heraldry PSID, Philadelphia. The items are free to all TMA activities. If the Clothing & Heraldry PSID cannot provide the flag by the required delivery date, the installation commander may authorize local purchase under the provisions of AR 710-2. The organization, at this point, may use the purchase card to procure the organizational flag; and
- Air Force Organizational Flags. Contact SAF/AAF at 703-697-7141 if a replacement Air Force Departmental Flag is needed. Organizational Flags are not authorized for units without a headquarters designation. For other authorized Organizational Flags, mail a current full-scale Institute of Heraldry drawing along with a DD Form 1348-6 to the Air Force Clothing and Textiles office, Defense Supply Center - Philadelphia. The DD Form 1348-6 must include the NSN, a document number (check with the supply office for this number) and a required delivery date.
 - USAF General Officer outdoor flags are local purchase items; and
 - USAF General Officer indoor flags (3’x4’) are available through the normal supply channels.

17. Food:

- (a) General Rule: Appropriated funds are not available to pay for food or refreshments. Organizations are highly encouraged to check with their OGC, before purchasing food, or applying the exceptions listed below. The agency's guidance may be more restrictive than this provision; and
- (b) Limited Exceptions: An event may qualify for appropriated funding if certain requirements are satisfied and documented. The justification for use of the purchase card under one of these exceptions must be authorized in a [COD GPC Pre-Approval Form](#) and signed by an activity director or civilian equivalent. Include a copy of this in the CH's purchase files.
- Light Refreshments at Conferences. Sponsoring Agency/Conference proponent may use its purchase card to purchase light refreshments on breaks at Government sponsored conferences only for Government employees on travel orders (Temporary Duty status). The purchase card may not be used to purchase refreshments for non-Government employees, or for Government employees who are not on travel orders;
 - Meals at Formal Meetings or Conferences. Sponsoring agency may provide a meal at a Formal Meeting or Conference when: 1) the meal would be incidental to the meeting; 2) attendance by employees at the meal is necessary to full participation in the conference or meeting; and 3) employees may not take meals elsewhere without being absent from an essential part of the meeting. This exception is limited to formal meetings or conferences, typically organized or sponsored externally, which cover topical matters of general interest to both Government and non-Government employees. This exception does not apply to purely internal business meetings;
 - Training. Sponsoring agency may serve refreshments/meals at training where the food is necessary to achieve the objectives of the training program. The food must be incidental to the training session, i.e., don't conduct training for the purpose of serving a meal. Actual training must be conducted, not just discussions or open forums relating to problems and day-to-day operations of the agency. Attendees would fail to complete the training if they miss the meal;
 - Award Ceremonies. Sponsoring agency may serve light refreshments at Award Ceremonies honoring individuals recognized under the Civilian Employee Incentive Award Program. CHs are prohibited from using purchase cards for refreshments at events such as retirement, promotion, permanent change of station, and longevity ceremonies;
 - Formal Ethnic Awareness Program Sponsored by the EEO Office where food samples relating to the particular ethnicity are served as part of an education program; and
 - Food and/or refreshments served using ORF in accordance with agency regulations.

NOTE: Card must be dedicated solely for use of ORF expenditures for this exception to apply.

18. Fines and Penalties:

- (a) Agencies generally may not use appropriated funds to pay fines and penalties incurred by employees. Military members and employees may be reimbursed for paying a fine when the action for which the fine is imposed is a necessary part of the member's or employees official duties; and
- (b) Agencies may pay fines imposed on the federal Government when Congress waives sovereign immunity:
 - Example: Interest penalty.

19. Fuel, Aircraft:

- (a) General Rule: CHs are prohibited from using their purchase cards for aviation, diesel, gasoline fuel or oil for aircraft.

20. Fuel, Vehicle:

- (a) General Rule: Vehicle fuel is prohibited;
- (b) Limited Exception: The purchase card can be used for fuel for special-purpose vehicles such as a fork lift, tractor, lawn mower, etc.; and
- (c) Limited Exception: The purchase card can be used for fuel for vehicles rented 30 days or less for official purposes.

21. Furniture and other UNICOR products:

- (a) General Rule 1: Waivers are not required for UNICOR products for requirements not exceeding \$3,000; and
- (b) General Rule 2: For authorized purchases over \$3,000, before purchasing an item of supply available from UNICOR, conduct market research to determine whether the UNICOR product is comparable to supplies available from the private sector that best meet the Government's needs in terms of price, quality, and time of delivery. If UNICOR offers comparable products, CHs must purchase from UNICOR or obtain a waiver from UNICOR. CHs are not required to purchase from UNICOR and a waiver is not required from UNICOR if the CH make a comparability determination and decide that the UNICOR product is not comparable in terms of price, quality, or time of delivery, and then compete the acquisition. Document the file showing the market research conducted and the determination of comparability.

22. Gifts, Trophies, Plaques, Gift Certificates, Gift Cards, and Mementos as giveaway items for hails and farewells, retirements, change of command ceremonies, conferences or other occasions:

- (a) General Rule: CHs are prohibited from purchasing these items with their purchase card (this includes shadow boxes or anything that displays flags); and
 - (b) Limited Exceptions:
 - Purchase of items to be given as awards under a bona fide civilian or military awards program pursuant to agency regulations;
 - Purchase of items for recruiting purposes, pursuant to service regulations; and
 - Purchases using a card dedicated solely for ORF expenditures.
23. Government Employees or Businesses Owned or Controlled by Government Employees, Purchases From:
- (a) General Rule: Purchases from business organizations either owned or substantially controlled by Government employees, either military or civilian, are prohibited.
24. Technology (IT Information):
- (a) General Rule: All purchases of IT hardware and software must be forwarded to the IT Office OR TMA IT Manager in the requesting organization (i.e. IT Manager TRO South) for review and approval;
 - (b) Specific Rule: Upon approval from the IT Office the request package will be sent to COD in order for the CO to make the purchase. The request package will include the Procurement Request Form, three (3) quotes and the Sole Source Justification if required; and
 - (c) Limited Exception: Expendable supplies such as toners, repairs kits, and memory cards may be purchased without written IT authorization.
25. Membership Fees for Professional Associations:
- (a) General Rule: CHs are not authorized to pay membership fees for ANY professional association in an individual's name.
26. Organization Day Items (t-shirts, baseball caps, utensils, etc.):
- (a) General Rule: CHs are not authorized to purchase goods that are not necessary in the performance of official duties. Purchase these items using personal funds or an employee collection/fund raiser.
27. Parking Spaces, Leasing:
- (a) General Rule: CHs shall obtain authorization from WHS prior to using the GPC to the lease parking space. DoDI 5305.5 states that National Capital Region Space Coordinators are required to submit "Requests for Parking in Government-leased Buildings/Facilities" to WHS for consideration. Parking space(s) will be

acquired for Government-controlled vehicles only. For assistance please contact WHS at 703-614-6399.

28. Personal Purchases:

- (a) General Rule: CHs are prohibited from purchasing items for personal convenience or personal preference with the purchase card. This includes such items as air fresheners, fans and heaters, appliances, headsets, luggage/briefcases, clothing, tissues, and seasonal decorations. These items should be purchased through employee collections and/or personal funds;
- (b) Limited Exception: Appliances in central kitchen/break areas. A Comptroller General opinion authorizes the purchase of appliances for central kitchen areas. Upon written approval of an agency director, CHs may procure a refrigerator, microwave or coffee maker for a common use kitchen area. The activity director approving the purchase must determine that the purchase promotes efficient operations of the agency, health of personnel, and/ or safety of employees, such that the primary benefit of the use of these appliances accrues to the benefit of the agency; and
- (c) Limited Exception: Activities may procure books as long as the books are in accordance with the mission of the agency (necessary expense). First, check existing resources such as libraries. If purchase is required, the agency's leadership must make the determination and document this for the CH's purchase files. Purchasing books should be approached and handled with care as this is an area of great potential for perception of a personal purchase. Coordinate with the property office to have books properly recorded as Government property.

29. Pesticide:

- (a) General Rule: Purchases of all commercial pesticides and all commercial pest control services, including micro-purchases below \$3,000 is prohibited unless prior authorization is received from the designated Pest Management Consultant (PMC) through the appropriate Director of Public Works, and Installation Pest Management Coordinator (IPMC). Such requests submitted to the responsible IPMC will include a specification describing the type of pest control services required, to include copies of the contractor's license, certification numbers of the applicators, a listing of the pesticides to be applied during the term of the contract, quality assurance plan, and in the case of termite control, a warranty. All of these items will be included in the contract. PMC's will assist the IPMC to ensure that service providers are properly licensed, that each applicator has a commercial pesticide applicator certification and that pesticides are state registered; and
- (b) Limited Exceptions:
 - Purchases of pesticides and skin/clothing repellents or pest control services to control potential disease vectors (e.g. mosquitoes or ticks) will be approved in advance by an appropriate Center for Health Promotion and Preventive Medicine entomologist.

30. Postage:

- (a) General Rule: CHs are prohibited from purchasing postage stamps with their purchase card unless they do not have access to a nearby DoD Post Office. CHs should utilize the DoD Post Office for postage purchases, if available.

31. Printing Services:

- (a) General Rule: [FAR Part 8.802](#) states “Government printing must be done by or through the Government Printing Office.” Document Automation and Production Service (DAPS) is the mandatory source for all printing/reproduction services. The GPC cannot be used to acquire printing and reproduction services directly from a commercial vendor unless a waiver has been granted from the agency point of contact below. Coordinate all of the requirements with the following agency points of contact; and
- (b) Limited Exception: CHs are authorized to use appropriated funds for change of command services for heads of the organizations. Examples include invitations, envelopes, etc. All other invitations are unauthorized.

32. Sanitizer, Hand and Facial Tissues:

- (a) General Rule: The purchase of personal sized bottles of hand sanitizer is not an approved purchase. Also, the purchase of facial tissues for private offices or personal use is not an approved purchase; and
- (b) Limited Exception: CHs are authorized to use appropriated funds for alcohol based (also called water base) hand sanitizer and facial tissues in institutional sizes. These items are an approved purchase for use in common use areas only (not private offices). Use the Institution for the Blind Stores when making the purchases. Please also identify the purchase as a H1N1 prevention contingency purchase when creating the order form in access online.

33. Shredder:

- (a) General Rule: If the office has a requirement for a shredder please contact the agency security officer for specific shredder requirements.

34. Speaker Fees (Honorariums):

- (a) General Rule: CHs are authorized to pay for speaker fees up to \$2,000 in accordance with the DFAS Regulation, 37-1. Speaker fees are authorized above \$2,000 with documented approval from the Chief of Staff for the TMA Deputy Director. Honorariums cannot be issued to Government employees.

35. Stationery, Personalized:

- (a) General Rule: Stationery personalized with an individual’s name is unauthorized; and

- (b) Limited Exception: Printing of stationery using local printing funds is authorized providing it contains only the organization name, office title, installation, city, state and zip code.

36. Telecom and Wireless Services:

- (a) General Rule: CHs shall contact Defense Telecommunication Service-Washington (DTS-W) (or their local equivalent agency with oversight of telecom contracts) to see if service can be paid from existing contracts. For further information on telecommunication contracts, contact TMA Telecommunication Services office at 703-428-0820. If the estimated yearly requirement is over \$3,000 there needs to be a contract in place for orders to be paid with the Government credit card.

37. Third Party Payments: (Money Transfer Services)

- (a) General rule: CHs are required to make every attempt to obtain the goods and services from another vendor. If still found necessary to make a payment to a third-party merchant, such as PayPal@Purchases or c2it by Citibank, the BO must document the file to explain why a third party vendor was used and the steps taken to obtain the goods and services from a different vendor.

38. Travel-related Purchases:

- (a) General Rule: CHs are prohibited from using the purchase card to pay for travel and travel-related expenses, such as air fare and hotel charges. Clear cards (or equivalents to expedite airport security screening) are not authorized for purchase with the purchase cards.

39. Uniforms:

- (a) General Rule: CHs are prohibited from purchasing uniform items;
- (b) Limited Exception: See TMA Common Table of Allowances 50-900, Clothing and Individual Equipment, Table 4. Deployment orders shall be included in the purchase card file as supporting documentation for purchasing of uniform items. Personal use items such as towels, shower shoes, or toiletries shall not be purchased with the GPC. Personal use items are bought by the individual; and
- (c) Limited Exception: Those items not covered in the regulations require a legal review prior to making the purchase.

40. Vehicle Lease, Long-Term:

- (a) General Rule: CHs are prohibited from entering into contracts for rental/lease of motor vehicles; and
- (b) Limited Exception: Authorization may be granted for official nonrecurring Government functions for no more than 30 days.

41. Vehicle Repairs, Leased:

(a) General Rule: CHs are prohibited from using their purchase cards for GSA-leased vehicle expenses including repairs, maintenance, car washes, accessories, tinted windows, etc. CHs should utilize their GSA Fleet or Voyager cards for these expenses; and

(b) Limited Exceptions:

- For vehicles leased from organizations other than GSA, vehicle repairs not covered by the leasing agreement may be charged to the purchase card;
- The purchase card may be used to purchase EZ Pass for tolls for official Government vehicles as well as registration fees and license plates; and
- Cell phone accessories that are used in vehicles are not considered vehicle expenses and thus may be purchased using the purchase card.

42. Water Services, Bottled:

(a) General Rule: CHs are prohibited from purchasing bottled water and/or bottled water service with their purchase card; and

(b) Limited Exception: If an agency has a report from an outside water-testing agency determining that the drinking water is harmful if consumed, bottled water may be purchased.

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Chapter 13: Convenience Checks

A convenience check is a method of payment for purchases from the small number of vendors who do not accept the GPC. A U.S. Bank convenience check account is available to any organization that maintains an active purchase card account in good standing.

A. GENERAL RULES

1. General rules when using the convenience check include the following:
 - (a) Prior to issuing a convenience check, its use must be determined to be advantageous to the Government after evaluating all alternatives;
 - (b) Convenience checks will not be used to avoid the normal GPC payment process;
 - (c) The paying activity must make every effort to use the GPC prior to issuing a check;
 - (d) The paying activity must make every effort to find and use merchants that accept the GPC;
 - (e) The check writer must obtain all information necessary for completion of Internal Revenue Service Form 1099-MISC (See Paragraph B);
 - (f) Check writers are required to enter all checks for supplies and services into the 1099-Misc Tax Reporting Program; and
 - (g) Convenience checks will not be issued for more than the SPL as authorized in the check holder delegation letter. In addition, multiple checks cannot exceed the check writers authorized SPL. The account will be closed if the CH exceeds the SPL.
2. Examples of prohibited purchases:
 - (a) Payment of salaries and wages;
 - (b) Travel advances or any other advances;
 - (c) Payment of travel claims;
 - (d) Payment of public utility bills;
 - (e) Purchases from contractors or contractor's agents who are military personnel or civilian employees of the Government;
 - (f) Repetitive purchases from the same contractor when another method of purchase, such as the GPC or a BPA, would be appropriate;
 - (g) Payment of "on the spot" awards;

- (h) Purchases that would be prohibited with the GPC; and
 - (i) The check writer must not make purchases on behalf of a purchase card account that is suspended or is not in good standing.
3. Convenience checks will be pre-numbered, and a separate convenience check purchase log will be maintained with each account;
 4. The issuing activity is responsible for all administrative costs. The total purchase amount plus the program fee must be accounted for in the check writer's log. Check transactions cannot exceed \$3,000. (The current program fee for convenience checks is 1.7% of the face value of the check.) All program fees as well as any charges for stop payments, check copies, etc., must be accounted for in the purchase log;
 5. Convenience checks will not be issued as an "exchange for cash" vehicle to establish cash funds;
 6. If a vendor issues a credit or refund by cash or check, the funds must be immediately credited back to the account from which the payment was originally made;
 7. Checks are negotiable instruments and must be stored in a locked container, such as a safe or locking filing cabinet. Checks will be carefully accounted for to prevent loss, theft or potential forgery. In the event of loss, theft, or suspected forgery, the check writer will immediately notify the bank, the BO, and the A/OPC;
 8. Copies of voided checks shall be retained as a part of the account holder's original documentation files. (The carbonless copy of the check in the checkbook does NOT satisfy this requirement.);
 9. A BO will be assigned for each convenience check account. The BO accepts financial liability for payments made using the convenience checks;
 10. Internal controls must be in place to avoid duplicate payments;
 11. Convenience check accounts will be reviewed unannounced on a quarterly basis. A sample checklist is included at Paragraph E below; and
 12. Prior to departure from the agency, the check writer must destroy his/her unused checks in front of a witness and the BO must notify the A/OPC in writing that the checks have been physically destroyed, (see Appendix C: List of Required GPC Forms, [COD GPC or Convenience Check Certificate of Destruction Form](#)). The check carbon copies must be retained in the BO records. All check transactions must be certified/approved in AXOL prior to departure from the agency.

B. IRS FORM 1099-MISC DATA

1. Check writers are required to obtain access to the 1099-MISC Tax Reporting Process. This data will be used to process IRS 1099-Misc forms. New users need to complete two system access forms, the System Authorization Access Request, [DD Form 2875](#) and the DFAS 1099-Misc Tax Reporting Program System Access Form, [DD Form](#)

2869. Use the DD Form 2875 at the website <http://www.dtic.mil/whs/directives/infomgt/forms/ddforms2500-2999.htm> or at a link titled, "System Access Request Forms" on the DFAS website, <https://dfas4DOD.dfas.mil/systems/1099>. Upon completion of the form, fax it to the DFAS Tax office at 614-693-5452 or e-mail it to cco.checks@dfas.mil. Required information includes the merchant's full legal name, complete legal mailing address, telephone number, tax identification number or social security number, amount and date of transaction;
2. Payments should be entered into the system at the time the check is issued. Do not try to accumulate and input all the information in December;
 3. If the payment is not entered by 31 December, the check writer's agency is responsible for issuing the IRS Form 1099-MISC to the merchant. No extensions to this deadline are available; and
 4. Contact the DFAS for the password and any assistance needed to enter the check data into the DFAS program. They can be reached at CCO.CHECKS@DFAS.MIL.

C. ESTABLISHING CONVENIENCE CHECKS

A request to establish a convenience check account will be submitted in writing by the agency's commander/director and through the BO to the A/OPC.

1. The required information includes:
 - (a) Check writer's, BO's and ABO's complete names;
 - (b) Complete office name and address;
 - (c) E-mail address, phone & fax numbers;
 - (d) SPL;
 - (e) Monthly Purchase Limit;
 - (f) Type of vendors to whom the checks will be written; and
 - (g) Estimated annual dollar amount of usage of convenience checks.
2. Once approved a check account will be established and a check holder delegation letter will be issued. The normal processing time for establishing a check account is six (6) weeks.

D. DISPUTES/STOP PAYMENTS/COPIES

1. The GPC dispute process with U.S. Bank is not available for convenience checks. Any concerns over a purchase made with a check must be resolved directly with the merchant. The check writer is responsible for securing restitution and/or credit for disputed purchases. U.S. Bank will not accept the manual dispute form for purchases

made with the convenience check. Each agency is responsible for checks written on its account(s) unless it is determined that fraud is involved;

2. If the check has not yet been posted to an account, payment can be stopped. To request a stop payment on a check, call U.S. Bank Customer Service at 888-994-6722. The stop payment will be in place for six (6) months, and the bank may charge a fee. If the check has already posted to the account, a request to stop payment cannot be honored;
3. Copies of posted checks are retained on file at U.S. Bank for three years and six months. If a check copy is needed, it will be mailed within 14 calendar days of request. A fee may be charged; and
4. The check is not posted to the agency's account until the payee presents it for payment. This may occur in a later billing cycle. When a check is presented to U.S. Bank for payment, there must be enough funds in the monthly purchase limit and office limit to cover the check. In addition, a check cannot exceed the SPL assigned to the account. If any of these limits are exceeded the bank may return the check unpaid for non-sufficient funds, and assess a fee. The check writer will need to contact the payee to re-issue the check.

E. CONVENIENCE CHECK REVIEW CHECKLIST

1. Confirm training documentation for check writer;
2. Confirm Letter of Delegation for check writer;
3. Does the check writer have access to the DFAS 1099 Tax Reporting Program?
4. Does the check writer log all check purchases that include the acquisition of services into this program no later than 31 December each year?
5. Does the check writer make every effort to find and use a vendor who accepts the purchase card?
6. Is a separate convenience check purchase log maintained? (This can be a manual or AXOL log.)
7. Does the check writer account for the program fee and any other fees for check copies, non-sufficient funds or stopping payment on a check in the purchase log?
8. Are internal controls in place to avoid duplicate payments?
9. Are checks accounted for and stored in a locked container?
10. Are duplicate copies of voided checks retained as a part of the original documentation files? ("Carbon copy" from duplicate checks is NOT sufficient.)
11. Does the check writer ensure no prohibited purchases are made? (Prohibited purchase list is provided in the beginning of Chapter 13.)

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Chapter 14: Cards with a \$25,000 Single Purchase Limit

Certain offices may have a need to make purchases above the micro-purchase limit. A request may be made to increase the SPL up to \$25,000 with certain limitations for COs'. The GPC usage is limited to the following:

- A. Open Market purchases of **products** below the micro-purchase limit of \$3,000;
- B. Open Market purchases of **services** below \$2,500. For services above \$2,500 contact the A/OPC; and
- C. Payment of invoices and ordering supplies and non-personal services below \$25,000 from:
 1. FSS contracts;
 2. Other Government Wide Area Contracts (GWACs);
 3. Previously awarded BPAs or IDIQ contracts, under which terms the activity is specifically named as an ordering activity: or
 4. Commercial training requests using the [SF 182](#).

Only CO CHs will be considered for the higher limit. COs must have six (6) months of purchasing experience with COD. The A/OPC may conduct a review of the account prior to issuance of the higher SPL if the managing account has not been reviewed in the last six (6) months. This six (6) month requirement does not apply to training cards. The review results will impact the ability to obtain the higher SPL.

Unlike micro-purchases which may be awarded to any size business without soliciting competitive quotations, these transactions require competition by obtaining three quotes and a determination that each purchase price is fair and reasonable. In addition, each acquisition of supplies or services that has an anticipated dollar value exceeding the micro-purchase limit and not exceeding \$25,000 is reserved exclusively for small business concerns and shall be set aside for small business concerns. The below explains the process to obtain the \$25,000 purchase card.

D. PROCESS FOR OBTAINING HIGHER SPL

Selected COs are authorized to purchase goods and services under existing contracts up to \$25,000 and/or commercial training using the [SF 182](#) up to \$25,000.

1. If a CO requires a SPL greater than \$3,000, the following steps are required to receive authorization:
 - (a) The CO must have had a purchase card for at least six (6) months from COD;

- (b) The managing account must be in good standing as reflected in the latest COD review;
- (c) Advanced training. The BO, ABO, and CH must obtain additional training prior to approval and authorization of the higher SPL:
- COs assigned to COD-FC are required to attend the COD Advanced Purchase Card Training. This course is conducted bi-weekly by COD. E-mail us at Gsasmartpay@tma.osd.mil to request this training;
 - For COs not assigned to COD-FC, CON 237 (Simplified Acquisition Procedures) is required. There is no pre-requisite for this class, and it is offered on-line through DAU. See Chapter 3 for more information on registering for DAU courses; and
 - Refresher training for this card must be completed annually by the BO, ABO, and CH. Advanced Refresher training (COD 002) must be completed annually by all BOs, ABOs and CHs purchasing above the micro-purchase limit.
- (d) The BO must submit a memo signed by the agency director, requesting an increase from the micro-purchase card limit. The memo needs to include the names of the BO and ABO. Attached to the memo must be copies of the training certificates indicating that the BO, ABO, and CH have completed Advanced Purchase Card Training within the past 12 months;
- (e) COD will prepare and provide a new Letter of Delegation for the CO listing the increased SPL and the limitations of authority for these purchases. This Letter of Delegation provides legal authority to make purchases in excess of the micro-purchase limit not exceeding \$25,000. COs must not make any purchases in excess of the micro-purchase limit prior to receipt of this letter or make any purchases that exceed their delegation of procurement authority; and
- (f) The chart below illustrates some of the differences between the rules and regulations, which govern micro-purchases versus simplified acquisitions.

MICRO-PURCHASES	SIMPLIFIED ACQUISITIONS (up to \$25,000)
Fair and Reasonable Price determination not required in writing	Fair and Reasonable Price determination must be in writing
Must screen for mandatory sources	Must screen for mandatory sources
After screening for mandatory sources, you may purchase from the open market on a sole source basis	* After screening for mandatory sources, you cannot purchase from the open market. You must purchase from an existing contract. No purchase may be made on the open market
Competition not required - 1 quote	Competition required - 3 quotes

Use of a small business not mandatory	Use of small business mandatory unless an exception applies
Sole source justification not required	Sole source justification required
Must rotate vendors	Must rotate vendors
Convenience checks authorized	Convenience checks unauthorized
UNICOR (FPI) waiver not required	UNICOR (FPI) comparability study required

E. GENERAL RULES

Open market purchases are prohibited. An open market purchase is a purchase not ordered from an existing contract, FSS contract, or BPA. There is no authority to make open market purchases above the micro-purchase limit with the purchase card regardless of any market research. The only exception is for commercial training courses using the [SF 182](#).

1. Use of mandatory sources. See Chapter 11 for more information;
2. Use of an existing Government contract. The CO may place orders against an existing, valid Government contract and ensure the contract is current and will not expire prior to the completion of performance. The CO is authorized to use the GPC in an amount not to exceed \$25,000 per requirement to order supplies and non-personal services only from the contract types listed below:
 - (a) FSS contracts;
 - (b) Other GWACs; or
 - (c) Previously awarded BPAs or IDIQ contracts, under which terms the activity is specifically named as an ordering activity.
3. Use of Small Businesses. See Paragraph F below for more information.

F. COMPETITION REQUIREMENTS

1. Activities must promote competition for purchases above \$3,000. Obtain at least three quotes. DO NOT mix solicitations between small and large businesses or include open market solicitations with those against existing Government contracts;
2. Competition is required even when the product or service is on a FSS;
3. It is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small business, veteran-owned small business (VOSB), service-disabled veteran-owned small business (SDVOSB), historically underutilized business zone (HUB Zone), small disadvantaged business (SDB), and women-owned small business concerns (WOSB). Small business concerns shall be afforded an opportunity to compete for all contracts that they can perform;
4. Competition is required when ordering from a BPA or IDIQ contract that was awarded as part of a Multiple Award Contract. The CH must ensure all vendors

included in the multiple award have a “fair opportunity” to compete. In most cases, by obtaining at least three quotes a “fair opportunity” can be assumed; and

5. [FAR Part 7.202](#) requires agencies to procure supplies in such quantity as:
 - (a) Will result in the total cost and unit cost most advantageous to the Government, where practicable; and
 - (b) Does not exceed the quantity reasonably expected to be required by the agency.
6. [FAR Part 13.104](#) requires the CH to promote competition. The CO must not:
 - (a) Solicit quotations based on personal preference; or
 - (b) Restrict solicitation to suppliers of well-known and widely distributed makes or brands.

G. PRICE REASONABLENESS DETERMINATION

A fair and reasonable price is a price that is fair to both parties, considering the agreed-upon conditions, promised quality, and timeliness of performance/delivery. Prices are affected by factors that include, but are not limited to, speed of delivery, length and extent of warranty, limitations of seller’s liability, quantities ordered, length of the performance period, and specific performance requirements. The CO must ensure that contract terms, conditions, and prices are commensurate with the Government’s need.

1. COs must purchase supplies and services from responsible sources at fair and reasonable prices. In establishing reasonableness of the offered prices, the CH must not obtain more information than is necessary. Do not solicit more bids than necessary to obtain the three quotes to establish adequate price competition;
2. The CO is responsible for obtaining adequate information to evaluate reasonableness of the price;
3. Competition establishes price reasonableness;
4. Micro-Purchase Documentation ([FAR 13.202](#)). The administrative cost of verifying the reasonableness of the price of purchases at or below the micro-purchase threshold may more than offset potential savings from detecting overpricing. Action to verify price is only required when the CO:
 - (a) Suspect or have information to indicate that the price may not be reasonable (e.g., comparison with previous prices or personal knowledge);
 - (b) Purchase an item for which no comparable pricing information is readily available (e.g., a supply or service that is not the same as or similar to other supplies or services that have been recently purchased on a competitive basis); and

- (c) Since there is no requirement for price analysis, no pricing documentation is required unless action must be taken to verify price reasonableness. Award demonstrates an affirmative decision that the price is reasonable. Documentation should be sufficient to establish price reasonableness when necessary. The CO's decision to award to other than the lowest offeror must be explained.
5. Simplified Acquisition Documentation ([FAR 13.106-3](#)) (All over \$3,000 up to \$25,000 purchases). Purchases of \$25,000 require a determination that the price is reasonable:
- (a) Whenever possible, base the determination on comparisons with competitive quotations or offers; and
- (b) If the CO only receives one quote, include a statement of price reasonableness in the contract file. The statement may be based on:
- Market research;
 - Comparison of the proposed price with prices found reasonable on previous purchases;
 - Current price lists, catalogs, or advertisements;
 - A comparison with similar items in a related industry;
 - Value analysis;
 - Personal knowledge of the item being purchased;
 - Comparison to an IGE; or
 - Any other reasonable basis.

The documentation must also include:

- All quotes;
- If an oral solicitation is used, include an informal record of the suppliers contacted, oral price quotations, and other terms and conditions;
- If a written solicitation is used, include an abstract or note to show prices, delivery, references to printed price lists used, the vendor or vendors contacted, and other pertinent data;
- If you do not have adequate price competition, describe the analysis used to determine price reasonableness;
- If you only solicit one source, explain the absence of competition, unless the contract is for utility services available from only one source;

- When you consider criteria other than price-related factors in selecting the supplier, document the rationale used in making the final award decision. Be sure to explain the role that price analysis played in the decision;
- The checklist at the end of this chapter must be used and included in the file documentation; and
- If applicable, a \$25K Spreadsheet, containing information listed in paragraph 5(b) above (Simplified Acquisition Documentation) must also be included in the file documentation.

H. DOCUMENTATION REQUIREMENTS

The following documentation is mandatory for all purchases over the micro-purchase limit:

1. Quote sheet;
2. Award decision memo including price reasonableness determination;
3. Invoices and receipts, annotated by the vendor with the contract number;
4. Sole Source Justification, if applicable; and
5. Justification for purchase from Other than a Small Business, if applicable.

I. SMALL BUSINESS

The Small Business Act is the authority under which the Small Business Administration (SBA) and agencies consult and cooperate with each other in formulating policies to ensure that small business interests will be recognized and protected. It is the policy of the Government to provide maximum practicable opportunities in its acquisitions to small businesses, VOSB, SDVOSB, HUB Zone, SDB, and WOSB.

1. Each acquisition of supplies or services that has an anticipated dollar value between \$2,500 and \$25,000 is automatically reserved exclusively for small business concerns and shall be set-aside for small business;

Exception: The set-aside does not apply if the CH determines there is not a reasonable expectation of obtaining offers from two or more responsible small business concerns. In addition, this does not apply for mandatory sources.

2. If the CH does not proceed with the small business set-aside and purchases from a large business, the CH shall provide justification in the file;
3. If the CH receives only one acceptable offer from a responsible small business concern in response to a set-aside, the CH should make an award to that firm;

4. If the CH receives no acceptable offers from responsible small business concerns, the set-aside shall be withdrawn and the requirement, if still valid, shall be re-solicited to large businesses against an existing contract;
5. Require each prospective contractor to represent whether it is a small business, VOSB, SDVOSB, HUB Zone, SDB or WOSB; and
6. To be eligible for award as a small business, an offeror must represent in good faith that it is a small business at the time of its written representation.

Documentation Requirements:

STEP	TRANSACTION	DOCUMENTATION – ACTION
1	Establish Legitimate Government Need	*COD PRE-APPROVAL FORM * BO Approval Signature - E-mail Approval Acceptable (CH must attach to the PRE-APPROVAL FORM) * Obtain any special approvals/waivers * Authorized Transaction: Lawful, Legitimate, Bona fide, Minimum Government Need at a Fair and Reasonable Price.
2	Order Placement: 1. Quote Sheet 2. Award Decision 3. Price Reasonableness Determination 4. Small Business 5. Sole Source Documentation 6. Appropriate Clause Must be in Contract	Forms: * Quote Sheet - list vendors, salient characteristics, quantities, price * Award Decision - document the rationale for selection of the vendor * Price Reasonableness Determination - why price is fair/reasonable * Justification for Purchase From Other than a Small Business * Sole Source Justification Memo * Actions to perform when Placing an Order -Verify Funding Available, Update Purchase Log -Screen for Mandatory Sources, Identify Small Business -Promote competition, rotate vendors, avoid split purchases * Confirmation Order from Vendor - ensure no sales tax charged, a single delivery - no backordered items, clarify return policy * Vendor may charge the Card - Supplies = after shipment - Services = after performance and Government acceptance * Appropriate Clauses - 52.232.36 “Payment By Third Party” – when method of payment is GPC - 52.213-2 “Invoices” - for Advance Payments For Subscriptions.
3	Independent Receipt & Acceptance	* Receive a Packing Slip, VISA Slip, Sales Slip, or Invoice from Vendor/Receiving Warehouse, to ensure proof of delivery and that the goods or services purchased conform to the requirement * Obtain detailed itemized Invoice * Screen for Accountable Property and notify PBO * Government Acceptance: Signature by someone other than CH.

4	Dispute Resolution	* Resolve any disputes or disputed items with Vendor * Unresolved dispute over 30 days, initiate the dispute in AXOL or forward CSQI Form to Bank * Contact A/OPC if necessary.
5	Payment	* CH Statement Reconciliation * BO Statement Certification within 5 days of cycle end date * Bulk Funding Update * Verify last Billing Statement was paid.
6	Records Retention	* Retain records for six (6) years and three (3) months * Ensure records are readily accessible for review.

J. SOLE SOURCE PURCHASES

CHs do not have the authority to purchase sole source requirements on the open market above \$3,000. If the sole source requirement is above \$3,000 and no existing contract or FSS can meet the requirement, forward the requirement to the A/OPC or the servicing contracting office.

1. "Sole source acquisition" means a contract for the purchase of supplies or services that is entered into by an agency after soliciting and negotiating with only one source. Sole source purchases above \$3,000 must be against an existing contract only;
2. A CO cannot place a sole source order above \$3,000 without first:
 - (a) Providing adequate and reasonable justification;
 - (b) Certifying the accuracy and completeness of the justification; and
 - (c) Obtaining any approvals required. Technical and requirements personnel are responsible for providing and certifying necessary data to support their recommendation.
3. Acceptable Sole Source Justifications:
 - (a) The agency need for the supplies is so urgent that providing a fair opportunity for competition would result in unacceptable delays. This information must be documented in the file;
 - (b) Only one offeror is capable of providing the supplies or services required at the level of quality required because the supplies or services ordered are unique or highly specialized. This information must be documented in the file; and
 - (c) The order must be issued on a sole source basis in the interest of economy and efficiency as a logical follow-on to an order already issued. This exception is not applicable for annual requirements (can't use to renew services year after year). This information must be documented in the file.
4. Unacceptable Sole Source Justifications:
 - (a) A lack of advance planning by the requiring activity; or,

- (b) Concerns related to the amount of funds available (e.g., funds will expire) to the agency or activity for the acquisition of supplies or services.

Steps in Documenting a Sole Source Justification:

1	Identification of the agency and the document as a sole source justification.
2	Description of the supplies or services required to meet the agency's needs.
3	Identification of the exception which permits the sole source.
4	Explain why you need to sole source.
5	A description of the market research conducted to identify sources and the results.
6	A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the supplies or services required.
7	Certification that the justification is accurate and complete to the best of the cardholder's knowledge and belief.

K. PAYMENT FOR TRAINING UP TO \$25,000

1. The GPC is the authorized method of payment for all commercial training requests using the [SF 182](#) (Authorization, Agreement and Certification of Training) valued at or below \$25,000; and
2. The total price of the training authorized by the use of a [SF 182](#) may not exceed \$25,000. Include all students being placed into a course and any other costs charged by the vendor to determine the total amount of a training requirement.

L. ADDITIONAL REPORTING REQUIREMENTS

In the AXOL Order Form, the Contract Number and Business Size (large or small) must be entered by the CH. This is in addition to the description of the item(s) purchased. This is needed for Contract Action Reporting.

M. CHECKLIST FOR TRANSACTIONS OVER \$3,000 UP TO \$25,000 ACCOUNTS (see the below table):

		\$25,000 CHECKLIST	Y E S	N O	N/A
1	ACQUISITION PLANNING FAR 13.101 , FAR Part 8	Funding Adequate - Requirements must not be broken down into several purchases or artificially reduced to smaller quantities to avoid regulatory thresholds or delegated authority limits. 1. Use Bulk Funding to the maximum extent practicable (FAR 13.101)			
		Market Research Adequate: The office initiating the purchase is responsible for identifying the need, describing the requirement, obtaining any required commodity approvals, and assisting as needed in technical evaluation of offered products and services. Sources - Must promote Small Business - Must screen for mandatory sources such as: <input type="checkbox"/> Agency Inventory or Excess property <input type="checkbox"/> UNICOR Comparability <input type="checkbox"/> ABILITY ONE <input type="checkbox"/> FSS <input type="checkbox"/> Mandatory Contract: e.g. ADP, IT, <input type="checkbox"/> DAPS - Identify Deliverables, Quantity Discounts or Price Breaks			
		CHs are authorized to buy supplies and services that: * Support the agency mission * are purchased at a fair and reasonable price * and are not prohibited by law or regulation			
		Agencies are required by 10 U.S.C. 2384(a) and 41 U.S.C. 253f to procure supplies in such quantity as: (1) Will result in the total cost and unit cost most advantageous to the Government, where practicable; (2) Does not exceed the quantity reasonably expected to be required by the agency, e.g., Year end buys.			
		THERE IS NO AUTHORITY TO MAKE OPEN MARKET PURCHASES ABOVE \$3,000 REGARDLESS OF ANY MARKET RESEARCH Only exception is commercial training courses using SF 182 .			
2	JUSTIFICATIONS AND APPROVALS	1. Establishment of the Legitimate Government Need - (Description of Agency Need) - The description of agency need must contain sufficient detail for CHs to know which commercial products or services may be suitable. Describe the type of product or service and explain how the agency intends to use the product or service in terms of function to be performed, performance requirement or essential physical characteristics. 2. Authorization and Approvals must be obtained to include signatures and waivers. The following Items require pre-purchase approval from the activity or other			

		organization, as appropriate (See Chapter 12 of PCOP):- Hazardous Material - Advertising – Printing - Video Information - IT - Ergonomic-related - Short term rentals – Food and Refreshments - Wood Packaging Material			
3	SMALL BUSINESS FAR 13.003	Government must provide maximum practicable opportunities to small business concerns. Justification for Dissolving Small Business Set-Aside This purchase was not set-aside for small business because (check one): _____ Mandatory source available. _____ Subscriptions/Publications: These items must be purchased from the publisher and are not available through other sources at reasonable rates. _____ Maintenance and Repair: The manufacturer or distributor is the only company able to provide the parts or services needed due to restrictions imposed by the manufacturer or the unique knowledge and capability of the manufacturer or distributor. _____ Auxiliary items for equipment already in house: The manufacturer of the basic equipment is the only source for this auxiliary equipment. No other equipment can satisfactorily function with the equipment already on hand. _____ Proprietary Item: This item is only available from one source due to patent or copyright restrictions. _____ Mandatory Contract: The item to be obtained falls under a mandatory contract and failure to obtain the item under the contract would be a violation of the contract terms. _____ CH has determined there is not a reasonable expectation of obtaining quotes from two or more responsible small business concerns. _____ If no small businesses respond to the market research, document, and then re-solicit to large businesses against an existing contract.			
4	COMPETITION REQUIREMENTS FAR 13.104, FAR 13.106	QUOTE SHEET - used to document competition requirements for purchases above \$3,000 All quotes received were from an existing contract such as: 1. GSA Schedule (FSS) - List Contract Number and Expiration Date. 2. GWAC or local agency contracts. 3. BPAs or IDIQ contracts. Three quotes generally ensure vendors have a fair opportunity to compete. You must consider all quotes received. DO NOT mix solicitations between small and large businesses and do not include open market quotes. Sources other than small business should not be contacted until the			

		CH determines the item or service is not reasonably available from a small business.			
		GSA Schedules (FSS) - Must check price-list of at least 3 schedule vendors. Go to GSA Advantage (File results of query).			
		Must not solicit quotes based on personal preferences or restrict quotes to only well-known and widely distributed makes or brands.			
		Procure only those supplies or services in such quantity as: 1. Results in total cost most advantageous to the Government. 2. Does not exceed the quantity reasonably expected to be required by the activity.			
5	PRICE REASONABLENESS DETERMINATION - normally competition establishes price reasonableness FAR 13.106-3	Purchases exceeding the micro-purchase threshold must be supported by a written determination by the CH that the price is fair and reasonable. The price for this purchase is fair and reasonable based on (check one): _____ Adequate Price Competition - 3 Quotes _____ Market Research _____ Comparison of previous purchases _____ Current price lists, catalogs, or advertisements _____ Value Analysis by CH, user, technical personnel _____ Personal knowledge of the item being purchased _____ Comparison to an IGE _____ Analysis of pricing information provided by the offeror			
6	SOLE SOURCE JUSTIFICATION	Justification for SOLE SOURCE (complete each item below) 1. Identification of the agency and the document as a sole source document. 2. Description of supplies or services. 3. Identify the exception above that applies. 4. Explain why you need to sole source. 5. Description of the market research conducted to identify sources and the results. 6. A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisitions take place. 7. Certification by CH that the justification is accurate and complete. Signature and Date:			
		Unacceptable justification includes lack of advance planning or funds will expire.			
		Sole Source purchases above \$3,000 must be against an			

		existing contract only.			
		CH must provide: 1. Adequate and reasonable justification. 2. Certify the accuracy and completeness of the justification. 3. Obtain any approvals required. 4. Technical and requirements personnel are responsible for providing and certifying necessary data to support their recommendation. 5. Sole source justification not required if purchase is from a mandatory source.			
7	AWARD DETERMINATION FAR 13.106-3 Annotated on Quote Sheet	The file must include a brief written description of the procedures used in awarding the contract, tailored to the size and complexity of the acquisition, on the basis for the award decision. If competitive quotations were solicited and award was made to other than the lowest offeror, documentation to support the purchase may be limited to identification of the solicited concerns and an explanation for the award decision. The award decision memo must be completed on the bottom of the Quote Sheet.			
8	CLAUSES Contract Payments Initiated by COD Contracting Officer	When the CO is using the GPC as a payment vehicle he/she must check the appropriate clause(s) are in the contract. CLAUSE 52.232.36 "PAYMENT BY THIRD PARTY" or CLAUSE 52.213-2 "INVOICES" for advance payments for subscriptions.			
9	INDEPENDENT RECEIPT AND ACCEPTANCE FAR 46.102 FAR 13.101	Independent receipt and acceptance must be accomplished by someone other than the CH who ordered the supply or service (separation of duties). The CH is responsible for verifying that independent receipt and acceptance has occurred. The CH should reject supplies or services not conforming in all respects to the requirements (see FAR 46.102). If it is found to be in the Government's best interest, such supplies or services may be accepted. The CH ordinarily must give the vendor an opportunity to correct or replace nonconforming supplies or services when this can be accomplished within the required delivery schedule. Correction or replacement must be without additional cost to the Government.			

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Chapter 15: Purchase Card as Payment Vehicle

The GPC may be used to make payments when the contractor agrees to accept payment by the card. For requirements above the micro-purchase threshold and less than \$25,000, the COD contracting office can establish a BPA to allow the purchase card to be used as a purchasing vehicle and a method of payment if no current contract exists.

A. PURCHASING OR PAYING

Making a purchase is obligating the Government; whereas, payments liquidate an existing obligation.

1. Example of a purchase: Buying general office supplies from ABILITY ONE or GSA Advantage.
2. Example of a payment: When COD executes a contract and the purchase card is cited as a method of payment, the vendor sends an invoice, and the CH/agency makes a payment with the purchase card.

B. PROCEDURES

1. "Payment to be made by purchase card" shall be inserted into the appropriate block of the contract document. (For example, a [SF 182](#) is a contract document for procuring services). No purchase card numbers are to be cited. The agency's name and address will be listed on the contract document. After the services are rendered, the vendor will send the agency an invoice, and the CH will make the payment.
2. Exception: When pre-payment is required at the time of registering for a training course, a CH is authorized to make advance payment.

C. PAYMENTS OVER \$3,000 AND LESS THAN \$25,000

A payment vehicle should already be in place for procurements over \$3,000 up to \$25,000. For requirements above the micro-purchase threshold and less than \$25,000, the COD contracting office can establish a BPA to allow the purchase card to be used as a purchasing vehicle and a method of payment if no current contract exists.

D. PAYMENTS OVER \$25,000

Designated warranted COs within the COD are the only persons authorized to place orders or make payments with the purchase card over the \$25,000 limit. The warranted COs are authorized to use the purchase card as a payment vehicle for supplies ordered from a GSA Schedule contract or other existing IDIQ contract or BPA. For example, the purchase card may be used to pay invoices for a copier maintenance service contract.

CO payment cards are paid manually. CHs will forward the SOAs with original signatures to the BO with supporting documentation. BOs will retain the original documentation. BOs are responsible for ensuring that the certified invoice is submitted for payment to DFAS by the 5th

day after the close of the billing cycle. BOs are responsible for ensuring that their account is paid and up-to-date, this includes working with their RM and DFAS to resolve any payment discrepancies or errors.

NOTE: Failure to ensure that payment is made by DFAS in a timely manner may result in lost rebate monies and can result in the Government being charged interest penalties.

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Chapter 16: Returns, Credits and Rebates

If an item is returned, a credit will appear on the CH's statement. Rebates are issued quarterly according to sales volume and payment timeliness. In accordance with the Prompt Payment Act the BO will certify and approve the monthly billing statement within five (5) business days.

A. VENDOR CREDITS/DISCOUNTS/MERCHANT REBATES

1. CHs should take advantage of any savings, such as rebates, incentives, and any product or volume discounts offered by the vendor. All reimbursements, rebates, or discounts, if due or received by check, must be made payable or endorsed to the U.S. Treasury, not to the CH. Checks shall be forwarded to the agency's RM for deposit. The CH's records should reflect specific details of all such transactions;
2. Federal law prohibits CHs from accepting or soliciting cash or merchandise from vendors. Under no circumstances will the CH accept a cash refund for non-receipt of, returned, or damaged items initially purchase using a GPC;
3. Vendors offering rebates, discounts and incentives shall not be used in lieu of purchasing from mandatory sources;
4. Any credit due shall be documented in the CH's records by indicating merchandise returned, date of return and the reason. Merchandise returns/credits are to be applied back to the purchase card on which the purchase was originally made. Be advised that if a vendor complied with the order, a re-stocking fee may be applicable. The potential for returns should be addressed during the negotiations for the purchase. Under no circumstances is a CH permitted to solicit or accept merchandise store credits or cash for returned goods or services bought with the GPC; and
5. The CH's billing statement shall be monitored for the proper amount of credit expected from the vendor. If a CH is aware of a credit pending, they should monitor their billing statement and approve the credited amount at the end of that monthly cycle.

NOTE: For those accounts not using AXOL, CHs must match credits on the first cycle they appear on the billing statement. For those accounts using AXOL, credits post to CHs accounts as a pending transaction. CHs are still required to create an order for the credit. CHs must reconcile the credit with the credit order.

NOTE: Frequent merchandise returns are an indication of inadequate procurement planning, and have the potential for the appearance of fraud, waste and abuse of taxpayers' money.

B. U.S. BANK REBATES/CREDITS

1. Rebates are applied as credits to accounts, and are provided by U.S. Bank based on sales volume and payment timeliness. Rebates will be issued quarterly to accounts

that are paid before the due date (less than 30 days from the date the statement was received). In addition, a combined total of all the CH rebates is shown on the BO's statement. The BO then uses the rebate as a payment against the total invoice amount;

2. The A/OPC receives a quarterly report from U.S. Bank listing credits for specific BO accounts. The A/OPC coordinates with the BO to apply the credit. This type of credit will be identified as "XFER PER AGENCY" on the CH's billing statement;
3. The CH is cautioned not to dispute rebates or "XFER PER AGENCY" credits. If the amount is inadvertently disputed, it will delay the process of the money returning to the account by longer than 30 days; and
4. The CH will receive rebates/credits from U.S. Bank that will post to accounts in AXOL. CHs need to create an order for the rebate and match the rebate to a credit order.

C. REMOVING CREDITS FROM INACTIVE /TERMINATED ACCOUNTS

If a credit appears, first try to determine the reason. If it is due to a rebate or overpayment, please submit a request to the A/OPC to transfer the credit to another purchase card account within the agency. If another account is not available to transfer the credit to, the A/OPC can request a credit refund check. Checks are made payable to the U.S. Treasury and deposited into the agency's funding by the RM. Purchase card accounts must have a zero balance in order to be purged from U.S. Bank's reporting system. If there is a balance of any dollar amount, the account will remain open and the CH will continue to receive notifications from U.S. Bank.

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Chapter 17: Suspected Fraud and Abuse

A. PREVENTING FRAUD

Reporting suspected fraud is the responsibility of each Government employee in order to fraud, waste and abuse of taxpayers' money. An important factor to consider is that fraud is sometimes committed by or with the help of DoD employees. There have been instances of DoD employees creating or participating in the ownership of outside businesses for the purpose of committing fraud or abuse of the purchase card through their ability to make buys with the purchase card.

B. REPORTING SUSPECTED FRAUD OR ABUSE

If U.S. Bank suspects fraud the U.S. Bank fraud department will immediately suspend the account and attempt to contact the CH and the BO. They will attempt to verify recent transactions. If U.S. Bank is unsuccessful in reaching either party they will contact the A/OPC. It is very important to keep contact information current in the U.S. Bank database.

C. REPORTING SUSPECTED FRAUD OR ABUSE

Report any suspected fraud or abuse to the GPC Program Branch Chief at 703-681-4614. Other channels of reporting include the A/OPC, the servicing Criminal Investigation Division Office, the Inspector General, and calling the Fraud Department at 800-523-9078. You may also report purchase card abuses or fraud to the DoD Hotline at 800-424-9098. The DoD website is: <http://www.dodig.mil/hotline/fwacompl.htm>.

NOTE: If a CH suspects fraud, they are responsible for reporting the suspected fraud or abuse. If CH is suspected of fraud, the BO is responsible for reporting the suspected fraud or abuse.

D. INDICATORS OF FRAUD AND MISUSE

1. Purchases not permitted by law;
2. Purchases that do not serve a legitimate Government purpose;
3. Improper source;
4. Mandatory source violations: [FAR Part 8.7](#), ABILITY ONE Act;
5. Purchases of personal use items;
6. Repetitive buys to the same commercial vendor;
7. Lack of documentation for a purchase;
8. Frequent purchases in even-dollar amounts;
9. Collusion to commit fraud;

10. Repetitive needs – BPA may be a better procurement method in order to lower prices, and the requirement may already have a BPA in place which will meet the requirement;
11. Frequent purchases at or just below the micro-purchase limit;
12. Conduct falls short of societal expectations of prudent behavior;
13. Excessive cost. We are stewards of the taxpayer dollars and have a duty to purchase only the minimal needs of the Government;
14. Failure to safeguard purchase cards and account numbers. Copying and faxing purchase cards is strictly prohibited because this presents an opportunity for fraud to occur;
15. “Ghost shoppers” are not permitted. CHs are not allowed to delegate their authority to permit others to shop on their behalf;
16. Questionable need items require additional pre-purchase approvals to justify and permit a determination that the purchases were not improper or abusive;
17. A higher price for faster delivery. Does the urgency justify the higher price for faster delivery?
18. No separation of duties;
19. Questionable MCCs;
20. Several transactions to the same merchant in the amount of \$3,000;
21. Inadequate oversight by BOs and agencies;
22. Unauthorized purchases;
23. Multiple declined transactions;
24. Transactions occurring on non-working days (weekends and/or holidays);
25. CH unable to provide proof of purchases, such as receipts;
26. Recurring purchases of a high dollar amount;
27. Merchant addresses that appear to be a home address;
28. Payments made for items not received;
29. Split purchases - Defined as two (2) or more transactions for the same requirement exceeding the CHs’ single spending limit;
30. Lack of accounting for nonexpendable, pilferable or sensitive items;

31. Forwarding billing statements late to the Finance Office and incurring interest penalties;
32. CHs frequently disputing purchases or making returns;
33. CH's billing statement approved by someone other than the BO or ABO;
34. CHs returning merchandise to vendors for store credit vouchers instead of having credits issued back to the GPC account;
35. CHs allowing someone else to use their purchase card; and
36. CH requests shipping to other than an official Government address.

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Chapter 18: Liabilities and Penalties

BOs have pecuniary liability for erroneous payments. Consequently, the BOs must ensure other personnel involved in the payment authorization process provide accurate and timely data. BOs may use administrative remedies, as needed, when a problem is identified.

CHs must comply with all applicable regulations, policies, and procedures including local standard operating procedures to support their respective certifying official with timely and accurate data, information, and/or service to ensure proper payments (i.e., payments that are supportable, legal, and computed correctly.)

All officials are responsible for ensuring that a system of internal procedures and controls for the portion of the payment-related process under their cognizance is in place to minimize opportunities for erroneous payments and to ensure that all procedural safeguards effecting proposed payments are observed. All officials involved in authorizing a payment are accountable, and these accountable officials, as well as certifying officers, shall be pecuniary liable for erroneous payments resulting from the negligent performance of their duties.

A. ADMINISTRATIVE REMEDIES

BOs/Supervisors/Managers must take action when the purchase card is used improperly.

1. Non-Disciplinary Actions.

- (a) Retraining – COD-sponsored orientation training; and
- (b) Constructive counseling for isolated instances.

2. Disciplinary actions - in determining an appropriate penalty to impose for an act of employee misconduct; supervisors must be aware of the “Douglas Factors”. These can be viewed at <http://cpol.TMA.mil/library/permis/5a12.html>.

(a) Disciplinary actions should fit the violation for:

- Recurring, persistent lack of adherence to internal controls and improper, abusive, and fraudulent transactions;
- Need to implement specific consequences for improper, abusive, and fraudulent transactions;
- Impose progressive discipline as follows:
 - Formal – informal reprimands, including repeat review findings.
 - Suspension of the card.
 - Cancellation of the card.
 - Termination of employment.
 - Referral to investigative authorities.

- Clearly outline the consequences and penalties of inappropriate behavior prior to issuing a purchase card;
- Ensure swift action is taken for those who improperly use the card, and make known the consequences of that improper use;
- Hold individuals responsible for proper program execution;
- Require reimbursement for all unauthorized transactions;
- Require benefiting individuals to reimburse the Government for any personal items they have received; and
- Maintain a remedial action plan.

See the following memorandums on disciplinary guidelines. Documentation on any disciplinary action taken must be maintained.

Memorandum on [“Guidance for the Investigation of Fraud, Waste, and Abuse involving the Use of Purchase Cards and Travel Cards,”](#) dated 09/25/02.

Memorandum on [“Government Charge Card Disciplinary Guidelines for Civilian Employees,”](#) from the Office of the Under Secretary of Defense for Personnel and Readiness, dated 04/21/03.

B. PECUNIARY LIABILITY

BOs are financially liable for erroneous payments in accordance with DoD Directive 7000.15, “DoD Accountable Officials and Certifying Officers,” and Chapter 33, “Accountable Officials and Certifying Officers,” Volume 5, DoD FMR. Pecuniary liability ([DD Form 577 - Appointment/Termination Record](#)) is defined as 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. The amount of the pecuniary liability is determined under Title 31 U.S.C 3729. By completing and signing [DD Form 577 - Appointment/Termination Record](#), the appointee acknowledges and accepts the pecuniary liability as set forth in the form. Certifying Officials are responsible for:

1. Information stated in an invoice, supporting documents, and records;
2. Computation of a certified invoice;
3. Legality of a proposed payment under the appropriation or fund involved;
4. Issuing advice to accountable officials;
5. Seeking guidance from fiscal authorities; and
6. Repaying a payment: determined to be illegal, improper, or incorrect because of an inaccurate or misleading certification; determined to be prohibited by law; or that does not represent a legal obligation under the appropriation or fund involved.

C. CIVIL LIABILITY

Use of the purchase card for other than authorized, official Government business may result in immediate cancellation of the CH's authority to use the purchase card. A CH, acting without appropriate authorization and/or outside of the authority specified in his or her delegation of procurement authority, may be held personally liable for his or her actions. Where there is fraud, the CH may be liable for an amount not less than \$5,000 and not more than \$10,000 plus three (3) times the amount of damages, which the Government sustains for each false or fraudulent entry or transaction. False claims are covered in 31 U.S.C. 3729. CHs, BOs, and ABOs may be held liable for negligent performance of duties. Failure to act in accordance with regulations, policies and procedures may be considered negligence. By completing and signing [DD Form 577 - Appointment/Termination Record](#), the appointee acknowledges and accepts the civil liability as set forth in the form.

D. CRIMINAL LIABILITY

Under 18 U.S.C. 287, "Whoever makes or presents to any person or officer in the civil, military, or naval service of the United States, or to any department or agency thereof, any claim upon or against the United States, or any department or agency thereof, knowing such claim to be false, fictitious, or fraudulent, shall be imprisoned not more than five years and shall be subject to a fine in the amount provided in this title." (See [DD Form 577 - Appointment/Termination Record](#))

E. EXAMPLES OF PURCHASE CARD MISUSE

The following examples of purchase card misuse are not all inclusive. Each infraction, depending on its type, severity and magnitude, can be a violation of one or several of the laws listed in Paragraph F below. They are: split purchases; unauthorized purchases; payments made for items not received; exceeding purchase authority; false claims; falsely representing one's self to be the CH; false certification of an invoice; false account certifications; improper receipt of goods and services; using the mail to process a false account certification; divulging passwords to another in order to certify an account; participating as a "ghost shopper"; any action taken in the discharge of duties as a Government employee affecting personal financial interest; returning merchandise to vendors for store credit vouchers instead of having credits issued back to the GPC account; and any attempt to provide or accept a kickback.

For examples regarding the misuse of the GPC please see the DoD IG website at <http://www.DODig.osd.mil/Audit/reports/index.html>, the GAO website at <http://www.gao.gov/docsearch/repanctest.html>, and the Encyclopedia of Ethical Failure http://www.DoD.mil/DoDgc/defense_ethics/.

F. AUTHORITIES

The following criminal and civil authorities (not all inclusive) allow action against an individual who misuses or abuses the purchase card:

1. Criminal:

- (a) False Claims; 18 U.S.C. 287

- (b) False Statements; 18 U.S.C. 1001
 - (c) Mail Fraud; 18 U.S.C. 1341
 - (d) Wire Fraud; 18 U.S.C. 1343
 - (e) Conspiracy to Defraud; 18 U.S.C. 371
 - (f) Conflicts of Interest; 18 U.S.C. 208
2. Civil/Administrative:
- (a) False Claims Act; 31 U.S.C. 3729
 - (b) Program Fraud Civil Remedies Act; 31 U.S.C. et seq
 - (c) Administrative Remedies For False Claims and Statements 31 U.S.C. 3802
 - (d) Anti-Kickback Act; 41 U.S.C. 51 et seq

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APPENDIX A: ACRONYMS

A/OPC	Agency/Organization Program Coordinator
ABO	Alternate Billing Official
ACQTAS	Acquisition Training Application System
ACS	Accounting Code Structure
Alt LOA	Alternate Line of Accounting
AM&S	Acquisition Management and Support
ARRA	American Recovery and Reinvestment Act
AVC	Accounting Validation Control
AXOL	Access On-Line
BO	Billing Official
BPA	Blanket Purchase Agreement
CA	Commercial Activities
CAP	Corrective Action Plan
CAP	Computer/Electronic Accommodations Program
CH	Cardholder
CO	Contracting Officer
COD	Contract Operations Division
COD-FC	Contract Operations Division- Falls Church
CONUS	Contiguous United States
CPM	Component Program Manager
CSQI	Customer Statement Questionnaire Inquiry
DAPS	Document Automation and Production Services
DAU	Defense Acquisition University
DFARS	Defense Federal Acquisition Regulations Supplement
DFAS	Defense Finance and Accounting Services
DoD	Department of Defense
DoDI	Department of Defense Instruction
DPAP	Defense Procurement Acquisition Policy
DTS-W	Defense Telecommunication Service-Washington

EDI	Electronic Data Interchange
EEO	Equal Employment Opportunity
EFT	Electronic Funds Transfer
FAR	Federal Acquisition Regulations
FBO	Federal Business Opportunities - FedBizOpps.gov
FM	Financial Manager
FMR	Financial Management Regulation
FSS	Federal Supply Schedule
GAO	Government Accountability Office
GFEBs	General Fund Enterprise Business System
GPC	Government Purchase Card
GSA	General Services Administration
GWACs	Government Wide Area Contracts
HUB-Zone	Historically Underutilized Business Zones
IDIQ	Indefinite Delivery, Indefinite Quantity
IG	Inspector General
IGE	Independent Government Estimate
IMPAC	International Merchants Purchase Authorization Card
IPMC	Installation Pest Management Coordinator
IRS	Internal Revenue Service
IT	Information Technology
J&A	Justification and Approval
JFTR	Joint Federal Travel Regulation
JTR	Joint Travel Regulation
MCC	Merchant Category Code
NIB	National Industries for the Blind
OGC	Office of General Counsel
ORF	Official Representation Fund
PBO	Property Book Officer
PCOLS	Purchase Card Online System
PCOP	Purchase Card Operating Procedures

PIN	Personal Identification Number
PM	Program Manager
PMO	Program Management Office
RA	Requiring Activity
RM	Resource Manager
SADBUS	Small Disadvantaged Business Utilization
SAE	Service Acquisition Executive
SAP	Simplified Acquisition Procedures
SBA	Small Business Administration
SBIR	Small Business Innovation Research
SCA	Service Contract Act
SOA	Statement of Account
SP2	GSA SmartPay 2
SPL	Single Purchase Limit
SSSC	Self-Service Supply Center
TMA	TRICARE Management Activity
UNICOR	UNICOR Federal Prison Industries
USC	United States Code
VVL	Valid Values List
WBT	Web Based Training

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APPENDIX B: GLOSSARY

Abuse

The use of a Government Purchase Card (GPC) to buy authorized items, but at terms (e.g., price, quantity) that is excessive, for a questionable Government need, or both. Examples of abusive transactions would include purchase of items such as a day planner costing \$300 rather than one costing \$45; allowable refreshments at an excessive cost; and year-end or other bulk purchases of computer and electronic equipment for a questionable Government need.

Access Online

U.S. Bank Access® Online (AXOL) is the single source for GPC program management and related data - including viewing, certifying and/or approving, disputing and reallocating transactions online on behalf of Cardholders (CHs). AXOL replaced the U.S. Bank C.A.R.E. system. To obtain a password, please contact the Agency Organization Program Coordinator (A/OPC) at Gsmartpay@tma.osd.mil.

Account Profile

Is the detailed CH or managing account information in AXOL. The information may include demographic data, authorization limits, default accounting code, and other account information.

Account Status

A code (e.g., T9, Q9) included with account information in AXOL that indicates the status of the account on the card operating system. Whenever an account status other than Open displays, an account status description also displays on the screen for easy user reference. Also see *Status Description*.

Account Status / Status Description

T9	Terminated
F1	Lost or Stolen
V9	Temporarily Closed
M9	Suspended
Q9	Closed
FA	Fraud
R9	Cancelled

Accounting Code Structure (ACS)

Is a sequential series of segment names and lengths that reflects each organization's unique accounting framework. An ACS includes a specific number of segments, the length of each segment within that structure, and the name for each segment. The ACS is the basis for default accounting codes and accounting validation controls (AVCs), such as child AVCs and alternate accounting codes.

Accounting Code Segment

Is a single portion of an accounting code, corresponding with some portion of an organization's internal accounting framework. When combined, accounting code segments make up a complete accounting code structure.

Accounting Code View

A parameter that U.S. Bank sets up for a client that defines which accounting code segments user types (e.g., CHs, Resource Managers (RMs), Financial Managers (FMs)) can view and reallocate. For example, if CHs reallocate only one segment of an account code, an accounting code view can give CHs access to only that segment when they reallocate transactions. AXOL offers three different client-defined accounting code views. Each type of user is assigned to one of three views.

Accounting Validation Control (AVC)

Rules within AXOL that are set up by the FM which help ensure users reallocate transactions to valid accounting codes. AVCs can include lists of valid accounting code values for a specific accounting code segment. AVCs can also include rules on whether entry during reallocation is required for a given segment, whether a given segment must be numeric, and other parameters that affect transaction reallocation. Also see *Child Accounting Validation Control*, *Alternate Accounting Code*, and *Segment Dependency*.

Action Day Limit

After the cycle closes, the CHs have 15 days to approve transactions and statements using the account approval process or the system will lock and the Billing Official (BO) will have to perform the action.

Active Work Queue

A sub-task under the Account Setup function that enables an A/OPC or FM to access a list of tasks that another user has forwarded via the workflow process or that the A/OPC or FM has selected to file for later. For example, the A/OPC may set up account demographics, but need to check an email address, so the A/OPC files the demographic setup for later. That A/OPC can access the demographic set up via his/her active work queue. Once done with the demographic setup, the A/OPC may forward the authorization limits setup to the FM, who accesses the authorization limits setup via his/her active work queue.

Agency Organization Program Coordinator (A/OPC)

Is the Government organization's representative responsible for the day-to-day GPC Program Management. Also referred to as the A/OPC.

Agent Number

A unique four-digit number that identifies one or more top hierarchy levels of a client organization. This number is used to define the bank/agent relationship. For example, the Department of Defense may have agent numbers for each Level 4 (e.g., OAA, OA21, or ACA). Each Level 4 could have a unique agent number. Some installations have multiple Level 4s, each having a unique agent number.

Allocation

The accounting code assigned to a transaction.

Alternate Line of Accounting (Alt LOA)

See *Alternate Accounting Code*.

Alternate Accounting Code

A valid, complete line of accounting based on values the FM manually specifies or uploads via a valid values list.

Alternate Billing Official (ABO)

See, Approval Manager.

Approval Manager

Is a BO or designated Alternate Billing Official (ABO) with the authority to review, approve and/or certify transactions and/or CH account statements approved by CHs and to review, approve, and/or certify managing accounts as part of the account approval process. BO's or ABOs are required for every account. This responsibility cannot be held by a contractor.

Approval Status

Is the status of the transaction and account as part of the account approval process (e.g., approved, pending).

Authorization Limit

Is the dollar amount that sets a spending limit on a specific CH or managing account. Also called a *velocity limit*.

Authorization Number

Is a number that U.S. Bank provides to authorize a transaction, which may be used for fraud investigation or dispute processing.

Auto Approval

Is a transaction management function that automatically approves transactions bypassing the manual transaction approval process.

Auto Match

Is an order management process in which AXOL attempts to automatically match all transactions to orders using the purchase order number and the CH's account number. If the system does not auto-match a transaction to an order, then users can match the transaction manually to the order. In addition to purchase order number and CH account number, transaction date variance (plus or minus days from the manual order creation date), and transaction amount variance (plus or minus a dollar amount or percentage of the order).

Billing Cycle

Is the monthly cycle on which U.S. Bank bills the managing account (the 20th of every month through the 19th of the following month).

Billing Official

See *Approval Manager*.

Billing Official Credit Limit

The dollar value of the maximum credit associated with managing account. It is three (3) times the BO's cycle limit. This limit is required by BOs when contacting U.S. Bank customer service.

Billing Official Cycle Limit

Is the maximum dollar amount that can be spent by all CHs rolling up to a given BO for a cycle. This spending limit must be realistic. It is reset automatically the day after the end of the billing cycle and not carried forward. For example, in May, a BO's cycle limit was \$5,000 and only \$4,800 was spent – in June, the cycle limit would return to \$5,000. U.S. Bank has controls to “refer” transactions for authorization after the limit is reached.

Cardholder

The individual Government employee or military service member to whom both a delegation of procurement authority and GPC is issued. The card bears the employees name and can be used only by that employee for official purchases, in compliance with the agency's regulations and procedures and General Service Administrations (GSA) Government Commercial Credit Card Services contract (GSA Smartpay 2). A card cannot be held by a contractor.

Cardholder Single Purchase Limit

The maximum dollar amount authorized for any one transaction or purchase for a specific account or CH. If a CH attempts to make a purchase that exceeds the single purchase limit (SPL) the transaction will be rejected by U.S. Bank. Splitting purchases to avoid rejection of the transaction is a violation of the law. In accordance with [FAR Part 13](#), the micro-purchase threshold is \$3,000. Neither CHs nor check writers can exceed the micro-purchase threshold for purchases. CHs may be authorized to use the purchase card to pay for training up to \$25,000 using the [\(SF 182\)](#) (DD Form 1556 is obsolete). In addition, with Advanced GPC Training, CHs may be authorized to order or pay for supplies and services up to \$25,000. See Chapter 14 on requesting changes to purchase limits above \$3,000.

Cardholder Cycle Limit

Is the maximum dollar amount that can be spent per month or cycle for a specific account or CH.

Cardholder Dollar Limit Per Quarter

Is the maximum dollar amount that can be spent per quarter for a specific account or CH.

Cardholder Dollar Amount Per Year

Is the maximum dollar amount that can be spent per year for a specific account or CH.

Child Rule Set

See *Child Accounting Validation Control*.

Child Accounting Validation Control (AVC)

A type of AVC based on an existing AVC. The child AVC inherits all the parameters of the AVC it is based on, but is at least as restrictive as the original AVC. Also see *Accounting Validation Control*.

Confirm and pay

CHs and BOs manage individual transactions (e.g., approve, reallocate) before payment is remitted to U.S. Bank Government Services. BOs perform different tasks.

Contact Information

The CH's name, address, phone number, and email address that displays on AXOL's User Profile screen, which the A/OPC uses only to communicate with the CH. The CH can edit this information in AXOL using the My Personal Information function. The contact information has no association with the CH account information, statement mailing address, or billing address.

Contracting Officer

Is a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings.

Convenience Checks

An account setup option that sends convenience checks to the CH. Convenience checks supplement an organization's GPC Program. Convenience checks provide a cost-effective option for purchases from merchants who are not capable of accepting cards. CHs use convenience checks for payment in accordance with their organization's policies, procedures, and any applicable procurement regulations. The set up for convenience checks typically takes 6 weeks.

Custom Valid Values List

Valid accounting code values for a child accounting validation control that are not in the original AVC.

Cycle Day

Is the day of the month on which the account information and billing refreshes. The cycle day is the first day after the cycle end date. For example, if the cycle end date is the 19th of every month, the cycle day is the 20th of every month.

Cycle Dollar Limit

An authorization limit that is the dollar limit per cycle associated with a CH or managing account. This limit is input into access online by the agency's RM.

Cycle End Date

The day of the month the CH account billing cycle ends (e.g., the 19th of every month).

Data Exchange

Is the function in AXOL for copying, sending, uploading and viewing files between U.S. Bank and a client. Also referred to as *File Transfer*.

Default Accounting Code

Is the accounting code assigned to a CH account and/or managing account, including a value for each segment. When an A/OPC and a RM/FM set up a new CH account, the CH account assumes the default accounting code of the associated managing account, unless the RM/FM specifies otherwise. AXOL automatically allocates each transaction to the cardholder's default accounting code when the transaction enters AXOL, unless the system has not already assigned an accounting code based on a merchant allocation rule.

Delegation of Procurement Authority

Is a delegation of procurement authority letter is a letter is issued to military/civilian employees selected to obtain a purchase card to purchase goods and services for their agency.

Dispute

A process for a CH or A/OPC to question Visa or MasterCard about some aspect of a specific transaction (e.g., fraudulent purchase), within 60 days, if initial efforts to resolve the issue with the merchant fail.

Duplicate Order

In order management, an order that is an exact replica of another order.

Extract File

In extract management, a file pulled from AXOL containing designated transaction data, usually for feed into a client financial system. An organization can set this file up as a standard, general ledger, or payment extract file.

Extract Management

Is the process for pulling transaction data from AXOL to feed into a client system in a file format that meets the organization's needs. U.S. Bank works with each organization to set up the parameters of extract management during implementation. See also *Extract File*.

F1

Is an account status designating a CH or managing account as lost or stolen. Also refer to *Account Status* and *Status Description*.

FA

An account status designating a CH or managing account as associated with fraudulent activity. Also refer to *Account Status* and *Status Description*.

File Transfer

See *Data Exchange*.

Fiscal Year

October 1 through September 30. Refresher training must be completed once every fiscal year (see chapter 3). Purchase Card Reviews must be completed at least once every fiscal year (see chapter 9).

Financial Manager

A Government staff member responsible for the financial aspects of program administration, such as setting up CH account authorization limits or accounting validation controls. Also referred to as a RM.

Fraud

Any act of corruption or attempt to cheat the Government or corrupt the Government's agents, including but not limited to, the use of Government charge cards to transact business that is not sanctioned, not authorized, not in one's official Government capacity, not for the purpose for which the card was issued, or not as part of official Government business.

Fulfillment

In order management, a designation attached to an order to indicate if transactions have been matched to it. The system considers the order fulfilled when the total payment equals or is greater than the order amount plus tolerance.

Functional Entitlement Group

A grouping of available tasks and functions in AXOL assigned to a group of users to establish which tasks and functions the group has access to. For example, one functional entitlement group for CHs enables the CHs to view their statements, manage their personal information, and view their transactions, but disables the ability to set up accounting validation controls, set up new accounts, or performs other functions.

Ghost Shopper

CHs are not allowed to delegate their authority to permit others to shop on their behalf.

Hierarchy Node

See *Processing Hierarchy* and *Reporting Hierarchy* entries.

Independent Receipt and Acceptance

Is documentation evidencing reasonable assurance that the organization actually received what it paid for. A legible signature/date must appear on the receipt, invoice or packing slip. This is performed by a Government person (someone other than the CH).

Level I Data

The minimum amount of data required to clear and settle a financial transaction. Also known as *financial data* or *draft data*. For purchase card programs, Level I data includes merchant name, merchant city, merchant state, merchant ZIP code, MCC transaction amount, and date of sale.

Level II Data

Summary data in addition to Level I data that accompanies Level I data, but is not required to clear and settle a transaction. Also known as *enhanced data*. For purchase card programs, Level II data may include sales tax and customer code (e.g., department, cost center, purchase order number, or invoice number).

Level III Data

Is line item data pertaining to a transaction in addition to Level I and Level II data, but not attached to Level I or Level II data. Level III data is captured from a number of sources and processed in records separate from sales drafts. Also known as *enhanced data*. For purchase card programs, Level III data may include detailed tax information, discount amount, freight and ship amount, duty amount, ship to/from ZIP codes, order date, item commodity code, item description, quantity, unit of measure, and unit cost. For detailed information on Level I, II, and III data, refer to the *Access Online: Transaction Management User Guide*.

Log Entry

See *Manual Order* entry.

M9

An account status designating a CH or managing account as suspended due to non-payment. Also refer to *Account Status* and *Status Description*.

Managing Account

Is an account that controls all the funding between U.S. Bank and an organization. All CH transactions pass through a managing account to ensure that appropriate funds are available for each transaction. For Government organizations, the managing account performs a crucial function for billing and payment processing.

Manual Order

Is an order a user creates manually in AXOL, rather than by using an electronic purchasing program external to AXOL. For example, a CH may create a manual order for an overnight

delivery scheduled over the Internet that has not yet posted to AXOL. A manual order will let the user record information about the transaction, such as tracking number, and then later match a posted transaction to the order.

Market Research

Collecting and analyzing information about sources to obtain the requirement and satisfy the agency need. This is performed in accordance with [FAR Part 8](#). The primary sources are the mandatory sources/Government sources. The last source is commercial sources; exercise due diligence when analyzing commercial sources.

Match Criteria

In order management, the criteria the A/OPC sets up for matching an order (normally a manual order) and transactions automatically in AXOL.

Merchant

Is the source for agency/organization supplies or services. The merchant may be a required source inside or outside the Government, another Government agency, or a private sector merchant of supplies or services.

Merchant Authorization Control

Is a parameter that an A/OPC can add during CH or managing account setup that authorizes or blocks purchases at specified merchants and/or merchant types (e.g., accept office supplies, but block liquor stores and casinos).

Merchant Category Code (MCC)

Is a four-character numeric merchant category code that Visa or MasterCard assigns to each merchant. For example, in the Office Supplies MCC group, specific types of stores have unique MCCs (e.g., Computer Software Stores-5734, Software Stores-5943).

Merchant Category Code (MCC) Blocking

A designation attached via managing account to an account(s) that disallows a specified MCC group to be charged (e.g., casinos, pawn shops). The blocking is established by attaching a merchant authorization control to a CH and/or managing account. If authorized MCCs are attached and set to authorize, then non-authorized MCCs are effectively blocked. If non-authorized MCCs are attached and set to block, then those MCCs are blocked and all other MCCs are effectively authorized. See also *Merchant Authorization Control*.

Merchant Category Code (MCC) Group

Is a logical grouping of MCCs. For example, the Office Supplies MCC group includes all individual types of office supply merchants (e.g., Computer Software Stores, Software Stores). Visa or MasterCard provides default MCC groups that U.S. Bank includes in AXOL.

Micro-purchase Threshold

Is an acquisition of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold of \$3,000. Except for the acquisition of services subject to the Service Contract Act, the micro-purchase threshold is \$2,500.

Misuse

Refers to use of a GPC by an authorized user for other than the official Government purpose(s) for which it is intended.

Open Market Purchase

Any order that is NOT through an existing contract (such as FSS Contracts, previously awarded Blanket Purchase Agreement's (BPAs) or Indefinite Delivery Indefinite Quantity (IDIQ) contracts, or other Government Wide Area – Contracts (GWACs)). CHs do not have authority to make open market purchases above the micro-purchase limit using the purchase card. This is a violation to do so. The only exception is for commercial training using the [\(SF 182\)](#).

Order Management

A function in AXOL that allows Government CHs to create manual orders so that they can record information about a transaction before it posts and then later match the posted transaction to the order. See also *Manual Order*.

Order Matching

Is the process of matching transactions to orders in AXOL.

Order Source

Is the user ID of the CH who created the manual order.

Organization Short Name

Is a code that identifies a client in AXOL (e.g. TMA).

Parent Rule Set

See *Accounting Validation Control* and *Accounting Code Structure*.

Pay and Confirm

In this model, the agency first remits payment to U.S. Bank Government Services and then CHs and BOs review, reconcile, and approve and/or certify transactions and statements.

Pecuniary Liability

BOs are financially liable for erroneous payments in accordance with DoD Directive 7000.15, "DoD Accountable Officials and Certifying Officers," and Chapter 33, "Accountable Officials and Certifying Officers," Volume 5, DoD FMR. Pecuniary liability is defined as 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. The amount of the pecuniary liability is determined under Title 31 U.S.C. 3729.

Percent Cash

Is the maximum percentage of a CH or managing account's credit limit that a user can write in convenience checks. This will be set by the A/OPC at 100% for check accounts. *This parameter is not related to cash advances.*

Posting Date

The date a transaction posted in U.S. Bank's payment processing system.

Processing Hierarchy

Is a hierarchy that controls how AXOL processes transactions for billing and accounting purposes. The available levels include Bank, Agent, Company, Division and Department. Government clients use only the Bank, Agent, and Company levels, although the Division and Department levels display as blank fields in AXOL.

Processing Hierarchy Level

Is a level in the processing hierarchy (e.g., agent level, company level). Users most often encounter this term when describing where a type of parameter is set. For example, an organization may set all accounting validation controls at the company level, but set process controls at the agent level.

Program Management Office

Refers to the Government entity that has the ultimate responsibility for contract and card program management.

Purchase Identification

Typically, the purchase order number from the order or, occasionally, other information the merchant might enter.

Purchase Order (PO) Number

A number assigned to a manual order to identify the order in the system.

Purchasing Card

Is a card that is traditionally used to purchase high-volume, low-dollar transactions, such as office supplies. A purchase card generally excludes travel and entertainment transactions, such as airline tickets and hotel stays.

Q9

An account status designating a CH or managing account as closed. Also refer to *Account Status*.

Quarterly Dollar Limit

Is an authorization limit that is the dollar limit per quarter for a CH or managing account.

R9

An account status designating a CH or managing account as cancelled. Also refer to *Account Status* and *Status Description*.

Reallocation

The assignment of a different accounting code or codes to a transaction after the transaction is in AXOL. Most often, AXOL assigns the CH's default accounting code to the transaction when the transaction enters the system. When a CH reallocates a transaction, the CH assigns an accounting code to the transaction different from the one the system assigned automatically when the transaction entered the system. The CH can also divide a transaction among multiple accounting codes, including keeping a portion of the transaction assigned to the default accounting code (e.g., keep 50 percent of the transaction with the default accounting code 444-555-666, but assign the other 50 percent to accounting code 111-222-333).

Received

In receipt management (a function of order management), a designation that a user has marked in AXOL that some or all of an order has been received. For example, loading dock staff may mark a shipment of copy paper as received once they process the entire shipment through the loading dock.

Reconcile

See *Order Matching* entry.

Reference Number

See *Transaction Reference Number*.

Reporting Hierarchy

A hierarchy customized for each Government organization for reporting purposes only. U.S. Bank works with each organization to develop a customized reporting hierarchy in a system outside AXOL. For example, an organization may be organized by administration, service branch, major command, and installation. The reporting hierarchy will enable this organization to run reports sorted and filtered by these organizational parameters (e.g., sort a report for the GSA by service branch).

Request Status Queue

Is a sub-task under the account setup function that enables an A/OPC to check the progress of account setup and maintenance requests. The queue lists information about the status of all requests, including tasks in the active work queue and requests users in the organization and within the processing hierarchy level have submitted.

Resource Manager

A Government staff member responsible for the financial aspects of program administration, such as setting up CH account authorization limits or accounting validation controls. Also referred to as a FM.

Section 508

Section 508 of the Rehabilitation Act (29 USC Chapter 794d), as amended by the Workforce Investment Act of 1998 (P.L. 105-220), August 7, 1998. Section 508 is a U.S. law that was enacted to eliminate barriers in information technology, to make available new opportunities for people with disabilities, and to encourage development of technologies that will help achieve these goals. It identifies specific standards for internet and web accessibility, which are often used as a basis for evaluating whether or not websites meet accessibility requirements.

Segment Dependencies

The creation of a relationship between two or more accounting code segments in which the validity of one segment value is dependent on the value entered for another segment. Thus, when a CH enters an accounting code during transaction reallocation, AXOL validates that each segment has a valid value *and* that the *combination* of segment values is valid. This validation of the combination helps ensure that the entire accounting code is valid. A segment dependency is similar to an alternate accounting code, but does not build a valid, complete accounting code.

Segment Name

The text designation of a portion of an accounting code structure (e.g., *Appropriation*, *Object Class*). Most Government organizations use the Financial Accounting 2 (FA2) structure, in which segment names and lengths are established for different sub-organizations.

Segment Value

The value of a given accounting code segment as part of a complete accounting code. For example, the last segment of an accounting code, the *Appropriation* segment, may have four valid values: 1234, 2345, 3456, and 4567. Also refer to *Valid Values List (VVL)*.

Simplified Acquisitions

Is any order/payment that is made using the purchase card up to \$25,000 through an existing contract (such as FSS Contracts, previously awarded BPAs or IDIQ contracts, or other GWACs Contracts). CHs do not have authority to make open market purchases above the micro-purchase limit using the purchase card. This is a violation to do so. The only exception is for commercial training using the form [\(SF 182\)](#).

Single Purchase Limit

A SPL is an authorization limit that is the dollar value of the maximum amount a CH can use for a single transaction (may include multiple items).

Smartpay 2

The current GSA SmartPay® Master Contract expires on November 29, 2008. The future program is referred to as GSA SmartPay 2 (SP2). New Cards will be issued with a new design under the Smartpay 2 contract. The SP2 contract will begin on November 30, 2008 at 12:01 AM EST.

Split Purchase

Refers to separating a known requirement that exceeds a CH's SPL. No CH may fragment/split purchases that exceed the CH's limit or threshold as means to use the purchase card. To do so is a violation of federal procurement law (41 U.S.C. 427(b) and [FAR 31.003\(d\)](#).

Status Description

Text included with account information that describes a CH's account status (e.g., OPEN, S1-CANCELLED). See also *Account Status*.

Strategic Sourcing

The process of continually analyzing the way agencies/organizations spend funds through contracts, delivery orders, and through the GPC program in order to ensure agencies/organizations are making efficient and effective purchases by:

- Leveraging their sourcing power by seeking opportunities to achieve discounts on commonly purchased goods and services; and
- Applying discounts to all charge card transactions, as appropriate.

Suspension

Is the process by which a particular purchase card account is deactivated due to delinquency or multiple pre-suspension actions.

Subset Valid Values List

A smaller group of valid accounting code values for a child accounting validation control that is pulled from a larger list already attached to the original AVC. Each value in the subset must be in the original AVC's VVL for the accounting code segment.

T9

An account status designating a CH or managing account as terminated. See also *Account Status* and *Status Description*.

Tax ID Number

An identification number supplied to a merchant by the United States Internal Revenue Service for tax purposes.

Tolerance Parameters

Tolerance parameters enable the CH to manage matched transaction exceptions that exceed the order amount plus tolerance. Tolerance parameters also affect when AXOL designates an order as fulfilled. For example, if you set the tolerance at \$10 for orders, then the system can auto match transactions to the order up to \$100, since those transactions are within the order amount. Also, the system designates the order as fulfilled when it reaches \$90 (\$10 under the order amount). CHs can manually match transactions to orders after the system reaches the tolerance level of \$100, but the system flags transactions matched above the \$110 tolerance level as exceptions.

Transaction Approval Process

Is the approval of transactions and managing accounts in AXOL. AXOL forwards approved transaction's to an approval manager's queue for additional review and approval. The specific sequence of tasks and users mirrors the organization's internal approval structure and parameters. Most Government organizations use the account approval process, instead of the transaction approval process. See also *Account Approval Process*.

Transaction Date

Is the date on which a specific transaction occurred.

Transaction Log (Tran Log)

See *Manual Order*.

Transaction Management

Is the AXOL function that enables users to complete a variety of tasks with transactions, depending on their access rights. Such tasks include viewing transaction data, reallocating transactions to different accounting codes, and adding comments to a transaction.

Transaction Reference Number

A number that Visa or MasterCard assigns to each transaction that is required to enter a dispute. Also, sometimes referred to as *reference number*.

Unauthorized Use

The use of a charge card by a person, other than the CH, who does not have actual or implied authority for such use, and from which the CH receives no benefit.

User Profile

The collected information about an AXOL user's account including: user ID, name, address, access status, organization short name, authentication information, account assignments, functional entitlement group, and hierarchy assignments.

V9

An account status designating a CH or managing account as temporarily closed. Also refer to *Account Status*.

Validation

In transaction management, a process AXOL uses to check the accuracy of an accounting code segment value (e.g., the value must be numeric; the value must be from a predefined list of valid values).

Valid Values List (VVL)

Is a list of all possible values for a specific accounting code segment to be available at a specific processing hierarchy position. The FM uploads these lists to AXOL to ensure that CHs at a specific processing hierarchy position select only valid values when reallocating transactions. For example, the FM at Agency A may want the CHs in the Public Affairs office to only reallocate to the values 4321, 5432, 6543, and 7654 in the *Appropriation* segment. See also *Accounting Validation Control*.

Variance

In order management, a designation that shows the amount or percentage of difference between the order amount and the amount of the transactions matched to the order. Set as part of the A/OPC-defined parameters for auto matching orders and transactions (Criteria 1, Criteria 2, and Criteria 3). This includes transaction date variance (plus or minus days from the order date) and transaction amount variance (plus or minus a dollar amount or percentage of the order).

Velocity Limit

See *Authorization Limit*.

Violations

A person who purchases goods and services in a manner the person knows to be contrary to the requirements of the COD GPC PCOP, procurement statutes, regulations, DoD Purchase Charge Card Manual. Violations are a cause for the revocation of part or all of the procurement authority. Violations may also result in employee discipline by the own agency up to and including dismissal.

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APPENDIX C: LIST OF REQUIRED GCP FORMS

GCP FORMS AND DOCUMENTS

1. [COD GPC SET UP REQUEST FORM](#)
2. [DD FORM 577 - APPOINTMENT/TERMINATION RECORD](#)
3. [COD GPC DELEGATION OF AUTHORITY MEMORANDUM - CARDHOLDER](#)
4. [COD GPC PRE-APPROVAL FORM](#)
5. [CH STATEMENT OF QUESTIONED ITEM \(CSQI\)](#)
6. [COD GPC CERTIFICATE OF DESTRUCTION \(CARD OR CONVENIENCE CHECKS\)](#)
7. [COD GPC BO REQUEST/CHANGE APPOINTMENT FORM](#)

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APPENDIX D: SIX PART CARDHOLDER FILE FOLDER INSTRUCTIONS

List of Documents for the Six Part CARDHOLDER FOLDER:

1st FLAP – PURCHASE CARD OPERATING PROCEDURES

2nd FLAP –TAB 1- EMAILS

TAB 2- GPC PROGRAM CHANGES

TAB 3- DoD GUIDANCE AND CHANGES

3rd FLAP – ADDITIONAL SPACE FOR THE MONTHLY CARDHOLDER STATEMENT

4TH FLAP– MONTHLY CARDHOLDER STATEMENTS

PURCHASE LOG

STATEMENT

DOCUMENTATION FOR EACH PURCHASE

COPY OF PRE-APPROVAL FORM

COPY OF WAIVERS, ADD'L DOCUMENTATION

COPY OF SALES SLIP, RECEIPT, ORDER PRINTOUT

5TH FLAP– TAB 1- CHANGES TO ACCOUNT

TAB 2- U.S. BANK ACCOUNT INFORMATION
BANK RELATED INFORMATION

6TH FLAP– TAB 1- TRAINING CERTIFICATES

TAB 2- MEMORANDUM SET UP FORM

TAB 3- DELEGATION LETTER

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APPENDIX E: SIX PART BILLING OFFICIAL FILE FOLDER INSTRUCTIONS

List of Documents for BILLING OFFICIAL FOLDER:

1st FLAP – PURCHASE CARD OPERATING PROCEDURES

2nd FLAP– TAB 1- EMAILS

TAB 2- GPC PROGRAM CHANGES

TAB 3- DOD GUIDANCE AND CHANGES

3rd FLAP– ADDITIONAL SPACE FOR THE MONTHLY BILLING OFFICIAL STATEMENT

4TH FLAP– BILLING OFFICIAL STATEMENTS

CARDHOLDER DOCUMENTS FOR EACH CH STATEMENT

ORIGINAL DOCUMENTATION FOR EACH PURCHASE (FILED IN SEQUENCE ON STATEMENT)

ORIGINAL PRE-APPROVAL FORM

ORIGINAL OF WAIVERS, ADD'L DOCUMENTATION

ORIGINAL SALES SLIP, RECEIPT, ORDER PRINTOUT

5TH FLAP– CARDHOLDER TAB FOR EACH CH

CHANGES TO ACCOUNT

ACCOUNT INFORMATION

BANK RELATED INFORMATION

6TH FLAP– CARDHOLDER TAB FOR EACH CH

TRAINING CERTIFICATES

MEMORANDUM SET UP FORM

DELEGATION LETTER

MEMORANDUM CHANGES TO CH

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APPENDIX G: EXAMPLES OF RESTRICTED AND UNAUTHORIZED PURCHASES

The items listed below are restricted and unauthorized purchases using the purchase card. This list is not all-inclusive, and there may be some limited exceptions to the general rule on a few of the items. The list provides the CH with a variety of categories of unauthorized transactions.

Abusive purchases at excessive cost or excess quantities	Advance Purchases	Alcoholic beverages	Antiques
Appropriation law violations	Ash trays	Bona-fide need violations	Bonds, Savings
Briefcases	Carafe sets	Cash advances	CDs
Cell phone charges that are improper (wrong plan for the use) and/or excessive	Certificates, gift	China or crystal	Cigars
Classified or controlled cryptographic items	Clothing, personal	Convenience checks above \$3,000	Convenience checks made payable to a vendor who accepts the GPC
Cosmetics	Costumes	Cutlery, silverware	Decorations, seasonal, not in a common area
Does not serve a legitimate Government purpose	Exceeds the single purchase limit	Excess property	Exercise equipment
Fans	Firearms	Fuel for personal vehicle	Furniture not in keeping with the office environment and not justified by position or grade level
Gambling, casino or horse race betting	“Gold-plated” purchases	Government employees, purchases from	Government use intended, but is not authorized by law, regulation or policy

Groceries	Hazardous/dangerous items such as explosives and toxins	Heaters	Immediate delivery unnecessary
Inappropriate procurement method	Invitations for a change of command ceremony	Jackets, cold weather pilot jackets	Jewelry
Land or building rentals or leases exceeding 30 days	Leased-vehicle or personal car repairs	Mandatory source violations	Memberships fees for professional organizations
Mementos	Munitions	Party supplies	Penalties and Fines
Personal services - paying taxes, court costs, etc.	Pictures not related to the agency's mission	Planners from a non-ABILITY ONE source, e.g. Franklin Covey®, Day-Timers®, etc.	Plants or flowers, real or artificial, or maintenance services for them
Radios, Headsets	Raincoats	Repetitive/recurring purchases that total above the micro-purchase limit	Restaurant purchases
Salaries, wages, or travel claims	Santa suits	Smartcards (Metro)	Split requirements
Suitcases, garment bags, duffel bags	Sunglasses	Taxidermy services	Telecommunications systems
Tissues, facial/ and Hand Sanitizer	Travel related purchases	Tree	Utility services
Vehicle expenses for leased vehicles	Wood, untreated	Tobacco Products	Items not reasonably related to the efficient performance of agency activities (mission essential)

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