



DEPARTMENT OF THE NAVY
OFFICE OF THE JUDGE ADVOCATE GENERAL
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE SUITE 3000
WASHINGTON DC 20374-5066

IN REPLY REFER TO
JAGINST 4200.3A
64
24 Apr 02

JAG INSTRUCTION 4200.3A

From: Judge Advocate General

Subj: LOCAL INTERNAL OPERATING PROCEDURES (IOP) FOR USE WITH THE
GOVERNMENT COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

Ref: (a) NAVSUPINST 4200.94
(b) DOD Directive 7000.15

Encl: (1) Local Internal Operating Procedure

1. Purpose. To implement references (a) and (b) within the Office of the Judge Advocate General (OJAG) and Commander, Naval Legal Service Command (COMNAVLEGSVCCOM).
2. Cancellation. JAGINST 4200.3 and COMNAVLEGSVCCOMINST 4200.3.
3. Scope. This instruction applies to all OJAG and COMNAVLEGSVCCOM personnel involved with the GCPC program.
4. Action. Agency program coordinators, approving officials, and cardholders will follow the procedures in enclosure (1).


D. J. GUITER

Distribution:
OJAG
COMNAVLEGSVCCOM
NAMARA

LOCAL INTERNAL OPERATING PROCEDURES (IOP) FOR USE WITH
THE GOVERNMENT COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

1. General

a. Introduction

(1) References

(a) General Services Administration (GSA)
SMARTPAY Contract (#GS-23F-98006).

(b) Federal Acquisition Regulation (FAR).

(c) Defense Federal Acquisition Regulation Supplement
(DFARS) (DFAR-R10198).

(d) Navy Acquisition Procedure Supplement (NAPS).

(e) NAVSUPINST 4200.94.

(f) NAVSUPINST 4200.85C.

(g) DOD Financial Management Regulation (FMR) (DOD
7000.14-R).

(2) The Department of the Navy (DON) has issued Task Order (number 0003) under reference (a), to obtain purchase card services from CitiBank. The internal operating procedures provide guidance on the appropriate use of the purchase card and accommodation checks by OJAG and COMNAVLEGSVCCOM personnel.

(3) The policy of OJAG/COMNAVLEGSVCCOM is to use the purchase card for all supplies and services at or below the micro-purchase threshold (\$2,500) as either a procurement method or a method of payment. All purchases must be done in accordance with reference (b) Part 13, reference (c) part 213, reference (d) chapters 6a, 6e, and 8, reference (e), and this internal operating procedure.

(4) OJAG/COMNAVLEGSVCCOM purchase cardholders shall only use the purchase card for authorized purchases consistent with this internal operating procedure.

b. Definitions

(1) Accommodation or Convenience Checks. Checks drawn upon a Government Purchase Card (GPC) Account. To be used only when the vendor does not accept the GPC for payment, and not to be used for purchases in excess of \$2,500.

(2) Accountable Official. These are the cardholders. Accountable Officials are appointed in writing by the Head of the Activity (HA), or designee. These individuals will retain possession of the receipts supporting their purchases. (Attachment A is a sample appointment letter.) Accountable Officials are pecuniarily liable, up to certain limits, for illegal, improper, or incorrect payments resulting from the negligent performance of their duties. They are required to document and maintain all their procurement files in accordance with paragraph 4e of reference (e), and are subject to semiannual inspections to ensure conformity.

(3) Agency Program Coordinator (APC). The individual designated by the HA who shall have overall responsibility for the management, administration, and day-to-day operations of the purchase card program at the activity. Serves as the primary liaison between the activity and the bank. The APC will appoint approving officials (AOs) and cardholders (CHs). APCs should not be an AO or purchase CH. If circumstances require an APC to also serve as their own AO, the Head of the Activity (HA) shall ensure that a command department independent of the purchase card program, perform the required semi-annual reviews.

(4) Approving Official (AO). The individual responsible for reviewing and verifying the monthly purchase card statements of the CHs under their purview. The AO is appointed in writing by the HA, or his/her designee. (Attachment B is a sample appointment letter.) The AO must verify that all purchases were necessary and for official government purposes in accordance with applicable directives. Unless otherwise specified, the AO is also the Certifying Officer for their CHs and in that capacity must certify the monthly billing statement and forward it to the appropriate office for payment. The AO shall enforce the provisions of these internal operating procedures, initiate administrative and disciplinary procedures for misuse of the card per these procedures, and serve as liaison with the contacts identified below. The AO may have authority over a maximum of seven CHs. A CH shall not be his/her own AO or an AO for his/her supervisor.

(5) Billing Cycle. The billing cycle is the 30-day billing period cardholders may use their purchase card. For DON, the billing cycle ends on the 21st of the month.

(6) Billing Cycle Purchase Limit. The spending limit assigned each cardholder's cumulative purchases and transactions within a given billing cycle.

(7) Bulk funding. An advance reservation of funds where a commitment or obligation is recorded in the aggregate rather than by individual transactions.

(8) Cardholder (CH). Any Government employee who is designated in writing by the HA, or designee, to be issued a purchase card or purchase card account. CHs should not hold positions within the organization where APCs, AOs, or others can exercise undo influence over their actions as a purchase CH. The purchase card bears the name/account number of this individual. The CH is the person authorized to use the purchase card to buy/pay for supplies or services, and is required to retain all necessary documentation and receipts to support all purchases. CHs must also be designated as Accountable Officials. (Attachment A is a sample appointment letter.)

(9) Certifying Officer. This is the AO for the Government Commercial Purchase Card Program (GCPC). Certifying Officers are accountable for Federal payments. They must ensure that payments are legal, proper, and correct by verifying vouchers and other documents that support the use of the Government's funds. Certifying Officers must be appointed in writing by the HA, or designee. (Attachment B is a sample appointing letter.) The DD Form 577, Signature Card, submitted to the Disbursing Officer, must be current. (Attachment C is a sample DD Form 577.)

(10) Commonly Used Hazardous Materials (HAZMAT). For the purpose of this instruction, commonly used HAZMAT means hazardous materials or products that are customarily sold to the general public to be used for nongovernmental purposes (commercial products) which are in the same size and packaging found commercially and subject to procedures found later in this instruction. Examples of those materials or products include those required on a routine basis to meet daily operational needs such as, lubricants, batteries, toner cartridges, detergents, etc.

(11) Comptroller. Financial person responsible for managing the command's funds. The Comptroller and APC should work closely together to ensure funds approval process is streamlined to the maximum extent practicable. The Comptroller and APC must coordinate efforts to establish account limits for AOs and cardholders.

(12) Contracting Officer. Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. Purchase cardholders are provided specific authority by their appointing APC. (Attachment

A is a sample appointing letter. Attachment C is a sample Contracting Officer Certificate.)

(13) Credit Limit. The maximum dollar threshold assigned at the AO/billing level which limits the amount an account can have outstanding at any one time. The bank automatically sets the amount at three times the corresponding billing account 30-day limit.

(14) Disputes. Instances where the transactions on the cardholder's statements do not agree with entries in the log or retained receipts. This may include circumstances where the cardholder did not make the transaction, the amount of the transaction is incorrect or the quality or service is an issue.

(15) Head Contracting Activity (HCA). The official at one of the 23 DON components listed at reference (c), paragraph 202.101 and reference (d), paragraph 5202.101 (e.g., COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.) who has overall responsibility for managing contracting authority within his/her contracting chain of command. They are responsible for the delegation, re-delegation, and use of contracting authority including use of the purchase card by DON commands, activities and personnel under their contracting cognizance.

(16) Head of Activity (HA). For the purposes of this instruction, HA is the military officer in command or the civilian executive in charge of a DON command or activity that has been granted contracting authority by the cognizant HCA and has overall responsibility for managing the delegation and use of this authority by personnel under their command. The HA shall ensure that the roles and responsibilities of individuals within their purchase card program are not in conflict, and that adequate checks and balances are in place.

(17) Micropurchase Threshold. The maximum dollar value for any, single purchase/call. The micropurchase threshold is \$2,500.00. Purchases totaling in excess of the micropurchase threshold must be made by OJAG, Code 64.

(18) Purchase Card. The purchase card is the credit-card-like purchase account established with the bank that enables properly authorized Government personnel to buy and pay for mission requirements.

(19) Purchase Card Documentation. Purchase card documentation is that specific documentation required to support every purchase made on behalf of the U.S. Government (by an authorized Government contract officer). Cardholders (as authorized Government micro-purchase contract officers) are

required to complete and maintain a NAVJAG Form 4270/2 for every credit card purchase. (Attachment D is a sample NAVJAG Form 4270/2.) In section II of the form (Technical Screening), the cardholder is required to screen every purchase for mandatory government sources. Every purchase must be supported by internal command approval. Use of this form and all other purchase card documentation, including any required special approvals that were obtained for each purchase, should provide an audit trail supporting the decision to use the card.

(20) Merchant Classification Code (MCC). A four-digit code assigned to a participating purchase card vendor based on their industry classification. APCs can limit cardholder transactions by type of merchant by blocking out certain categories of vendors for use by activity cardholders.

(21) Monthly Cardholders Statement. The statement of charges forwarded to the cardholder at the end of the billing cycle detailing all of the charges during that period.

(22) Monthly Billing Statement. The monthly billing statement is the official invoice for payment purposes provided to the AO, which identifies all of the purchase card transactions of their cardholders during a billing cycle.

(23) Questionable Transactions. Questionable transactions include those that may be improper because they were not required to fulfill immediate mission requirements, and may have been for the personal use of the recipient.

(24) Reconciliation. The process by which the cardholder/AO review their monthly statements, reconcile against available vendor receipts and purchase card log, and authorize payment of those charges provided on the monthly statement.

(25) Services. For the purposes of this instruction, services are firm-fixed priced (including un-priced orders with an established ceiling), nonpersonal, commercially-available requirements in which we directly engage the time and effort of the contractor to perform a task (e.g., repairs, maintenance, annual maintenance agreements, etc.).

(26) Signature Card. DD Form 577, when correctly completed, provides the AO's/Certifying Officer's signature to the disbursing officer who will make payment for the type of document specified on the form. (Attachment E is a sample DD Form 577.) Completed signature cards must be forwarded to the disbursing officer at the designated billing office.

(27) Single Purchase Limit. The dollar threshold assigned to each cardholder for a single purchase/payment action.

(28) Transaction Type. The transaction type is the method by which an order is placed when using the purchase card. Purchase card buys may be made over-the-counter, over-the-phone, or via the Internet.

c. Synonymous terms. For purposes of this Local Internal Operating Procedure, the terms "Certifying Officer" and "Approving Official" are interchangeable. Also, for purposes of this IOP, the terms "Cardholder" and "Approving Official" are interchangeable.

d. Designation of activities under Purchase Card Program. This instruction applies to all APCs, AOs, and cardholders assigned to the Office of the Judge Advocate General, Naval Civil Law Support Activity, Navy-Marine Corps Appellate Review Activity, Navy-Marine Corps Court of Criminal Appeals, Navy-Marine Corps Trial Judiciary, and Commander, Naval Legal Service Command.

e. Designated Billing Office. The Designated Billing Office (for the above commands) is Defense Finance & Accounting Service, Operating Location, Charleston, SC (DFAS OPLOC).

2. Establishing Local Accounts

a. Agency Program Coordinator. The HA, or designee, will appoint in writing, the APC for OJAG/COMNAVLEGSVCCOM. The APC is the command POC for providing management and command oversight for the Purchase Card Program for OJAG/COMNAVLEGSVCCOM. In addition, the APC is the command POC for establishing purchase card accounts.

(1) Prior to establishing purchase card accounts for local command personnel, the APC will ensure that the prospective AO and cardholders have received proper training in:

(a) standards of conduct; DON purchase card training (CD ROM/classroom training/etc.); and

(b) internal operating procedures.

(2) Personnel requesting to become cardholders shall:

(a) provide a request to the APC (Identifying any required account limits);

(b) attend DON-required training including training on local procedures (contact APC for internal training requirements); and

(c) obtain a Letter of Delegation (Attachment A) or SF 1402, Contracting Officer's Warrant (Attachment C is a sample warrant) from the APC.

b. Approving Official. The HA, or designee, will appoint in writing, the AO for OJAG/COMNAVLEGSVCCOM. The AO will also be designated as a certifying officer. The AO oversees the purchase activity of, and shall be the certifying officer, for all cardholders within his/her cognizance.

c. Cardholder Account Limits. Use of the purchase card at OJAG/COMNAVLEGSVCCOM is subject to a single purchase limit, a monthly cardholder limit, and a monthly office limit. The purpose of these dollar limits is:

(1) Single Purchase Limit. The single purchase limit is a limitation on the purchase authority delegated to the purchase cardholder by the HA (or designee). This dollar limit cannot be exceeded unless a revised delegation of authority is issued to the cardholder raising his/her limit. Also referred to as the "per call limit."

(2) Billing Cycle Purchase Limit. The billing cycle cardholder limit is the spending limit assigned the purchase cardholder's cumulative purchases in a billing cycle. Also referred to as the "per cycle limit."

(3) Monthly Billing Cycle Office Limit. The monthly billing cycle office limit is the limit assigned the AO for the cumulative totals of the purchase cardholders reporting to them.

3. Internal Processes

a. Purchase Request Process. OJAG/COMNAVLEGSVCCOM cardholders shall ensure that sufficient funds are committed by the Comptroller and available to meet the requirement of the purchase card action. Cardholders will obtain Comptroller approval by submitting a completed NAVJAG Form 4270/2 (Attachment D) for purchases that exceed \$500. All orders will be reported in the Budget Execution Tracking System (BETS), an automated management information system, prior to completing the purchase actions.

b. Screening. OJAG/COMNAVLEGSVCCOM purchase cardholders are required to screen all requirements from the statutory sources of

supply (e.g., JWOD/ UNICOR). In addition, the screening must be documented on a manual or automated log.

c. Solicitation and Award Procedures

(1) Solicitation Documentation Procedures.

OJAG/COMNAVLEGSVCCOM Purchase cardholders are authorized to use the purchase card for over-the-counter purchases, or over-the-phone purchases, or for Internet purchases. (The APC may limit purchase card purchases to a specific type of purchase, or may authorize all types of purchases.) Quotations of price and delivery for mission requirements must be obtained from contractors and are required to be documented in a manual or electronic log. (Attachment F is a copy of NAVJAG Form 4200/2, the OJAG/COMNAVLEGSVCCOM Cardholder Procurement Log sheet, copies of which may be secured from the APC or AO.)

(2) Award Procedures. OJAG/COMNAVLEGSVCCOM purchase Cardholders shall only award purchase card orders to responsible contractors who offer fair and reasonable prices. In addition, all purchase card awards shall be documented on the purchase cardholders log (either manual or automated).

d. Receipt and Acceptance Procedures. OJAG/COMNAVLEGSVCCOM Purchase cardholders are responsible for verifying receipt of all transactions.

(1) Where the purchase cardholder is billed but does not receive the supplies or services at the time of the receipt of the official invoice, the cardholder must fully certify the invoice with the anticipation that confirmation of receipt will occur within the next billing cycle.

(2) If the supplies or services are not received within the next billing cycle, the cardholder must dispute the item using established dispute procedures. The official DON dispute procedures are contained on the CitiDirect website. (Attachment G contains the DON transaction dispute procedures. The complete transaction dispute procedures are listed at www.citidirect-GCS.com. At this website, Click ASSISTANCE, then GUIDES, then TRANSACTION DISPUTE OFFICE GUIDE.)

(3) The cardholder must also certify that the quantity and quality of the items furnished are in accordance with the vendor agreement.

(4) The cardholder must save all receipt documentation in order to properly reconcile the purchase card statement at the end of the billing cycle. If receipt documentation is not available, the cardholder must contact the end user, central

receiving department, or other persons responsible for receipt to obtain verification that the supplies or services have been received. The purchase card log or purchase file must be documented to indicate that proper receipt and acceptance has been accomplished.

(5) If the cardholder is picking up material at a contractor's place of business, the end user or designated receiving personnel should sign for final receipt. In the event the cardholder is the end user, another designated individual must sign for receipt.

e. Missing Documentation. If the cardholder does not have documentation of the transaction to send to the AO, he/she must attach an explanation that includes a description of the item, the date purchased, the merchant's name, and the reason there is no supporting documentation.

f. Reconciling Purchase Card Accounts

(1) Purchase Cardholders. OJAG/COMNAVLEGSVCCOM purchase cardholders shall at the end of each billing cycle (the 21st of the month for DON cardholders) reconcile the transactions appearing on their monthly statements by verifying their accuracy against cardholder records.

(a) The cardholder shall review all information on the monthly statement, verifying any changes, credits, outstanding disputes or refunds within five days of receipt. If the cardholder fails to review the monthly statement, including annotating any discrepancies, disputing improper charges, or signing and forwarding it to the AO or designated alternate within the five-day period, the AO or designated alternate shall presume that all charges are proper and certify the monthly invoice for payment.

(b) The cardholder is ultimately responsible for purchase card transactions being proper and for notifying the AO of any information he/she has knowledge of that impacts on the propriety of certifying the monthly invoice for payment. If transactions or credits are not included on the current statement, the cardholder must retain the applicable documentation until the transactions or credit appears and can be reconciled. The cardholder must then sign the statement and forward the package to his/her AO or alternate.

(c) If the cardholder is unable to review his/her statement in a timely manner, the AO or alternate or APC must review and certify the cardholder's monthly statement. The

cardholder, upon his/her return, must review the monthly statement and resolve any discrepancies with the AO or APC.

(2) AO. OJAG/COMNAVLEGSVCCOM AOs, unless otherwise specified, shall be the Certifying Officer for their cardholder's monthly invoice. The AO/Certifying Officer is responsible for

ensuring that all purchases made by the cardholders within his/her cognizance were appropriate and the charges accurate.

(a) They must resolve all questionable purchases with the cardholder. In the event an unauthorized purchase is detected, the AO must notify the APC and other appropriate personnel with the command in accordance with the command IOP. After review, the AO will sign the cardholder's monthly statement of account and maintain the documentation in accordance with agency procedures.

(b) The AO is also responsible for certifying the monthly invoice resulting from the purchase/transactions of the cardholders within their account structure. The AO is responsible for reviewing and certifying the monthly purchase card invoice within five days of receipt from the cardholder and forwarding it to the appropriate Defense Finance & Accounting Service Operating Location (DFAS OPLOC) or billing office. As the Certifying Officer, the AO is responsible for timely certification of the monthly invoice. The AO is to presume that all transactions on the monthly statement are proper unless notified in writing by the purchase cardholder within five days from the cardholder's receipt of their monthly statement. The presumption does not relieve the AO from reviewing for blatant improper purchase card transactions and taking the appropriate action prior to certifying the invoice for payment.

4. Restrictions of the Use of the Purchase Card. (Refer to Attachment H.)

5. Unauthorized Uses of the Purchase Card

a. Cardholder Liability. A cardholder who makes unauthorized purchases or who uses the card in an inappropriate manner may be liable to OJAG/COMNAVLEGSVCCOM for the total amount of the unauthorized purchases made in connection with misuse or negligence.

b. Use by non-Cardholder. Unauthorized use of the card also includes the use of the card by anyone other than the cardholder identified on the purchase card.

6. Lost or Stolen Cards

a. Telephone Notification. If a purchase card is lost or stolen, the OJAG/ CNLSC cardholder must immediately notify CitiBank Customer Service at 800-790-7206.

b. Written Notification. In addition, on the next working day, the cardholder must notify the APC and his/her AO. The notification shall include the following information:

- (1) card number;
- (2) cardholder's complete name;
- (3) date and location of the loss;
- (4) if stolen, date reported to police and the date and time Citibank was notified;
- (5) any purchases made on the card the day the card was stolen; and
- (6) any other pertinent information.

7. Detachment/Separation of Cardholder. When a cardholder is detaching from OJAG/COMNAVLEGSVCCOM, he/she will notify his/her AO of the expected date of his/her detachment. In addition, prior to final signing out from OJAG/COMNAVLEGSVCCOM, the cardholder will surrender their purchase cards to the APC. The APC will prepare and submit the proper forms to CitiBank, notifying the cancellation of the account.

8. Billing Errors and Disputes

a. Billing Discrepancies. Cardholders shall initially attempt to resolve all discrepancies or billing errors with the local merchant.

b. Items Not Received. If a cardholder receives a monthly statement that lists a transaction for items that have not been received, the cardholder MUST accomplish the following:

- (1) contact the AO immediately, and explain the situation;
- (2) under Pay and Confirm procedures, pay the invoice in full in anticipation that the supplies will be received within the next billing cycle (you may NOT hold up payment of the monthly statement because of non-receipt of goods or a dispute);

(3) if the supplies are not received, the purchase cardholder will dispute the item using established dispute procedures; and

(4) if the charges are not authorized or items have not been shipped, the purchase cardholder must dispute the charges. All charges must be disputed within 60 days of the receipt of the invoice on which the charge first appeared.

c. Defective Items. If the items purchased are defective, the cardholder should attempt to obtain a replacement or correction of the item from the merchant as soon as possible. If the vendor refuses to replace or correct the defect or replace the item, the cardholder must put the item in dispute.

9. Sales Tax. Most states and many municipalities charge a sales tax on goods and services sold to individuals. By law, the Federal Government does not pay a state or local sales tax on goods or services procured. When the cardholder uses their GCPC to make a purchase, the cardholder is a purchasing agent for the U.S. Government. Thus, sales tax should not be charged on any purchase made using the GCPC. If the vendor attempts to charge sales tax, the cardholder needs to explain they are contracting for the U.S. Government and that sales tax does not apply. If the vendor insists on charging sales tax, the cardholder must withdraw the order, and procure the needed item or service from a vendor who will not charge sales tax.

10. Card Security

a. OJAG/COMNAVLEGSVCCOM purchase cardholders are responsible for the security of their purchase cards. The card is printed with the name of the employee who is the official Government representative authorized to use the purchase card. Only that person shall use the card.

b. It is the cardholder's responsibility to safeguard the purchase card and purchase card account number at all times. The cardholder must not allow anyone to use or gain access to their purchase card or account number. The cardholder must not remove their purchase card from their OJAG/COMNAVLEGSVCCOM office, except when taking the card to make a purchase.

11. Standards of Conduct/Ethics Training

a. Purpose. OJAG/COMNAVLEGSVCCOM AOs and purchase cardholders hold a public trust. Their conduct must meet the highest ethical standards. OJAG/COMNAVLEGSVCCOM cardholders shall only use their purchase cards to obtain supplies and services that are for official Government business.

b. Training Requirement. OJAG/COMNAVLEGSVCCOM AOs and purchase cardholders will receive ethics and standards of conduct training per agency and command policy prior to assuming their duties with the OJAG/COMNAVLEGSVCCOM purchase card program.

12. Semiannual Activity Review of Purchase Card Transactions

a. Purpose. Every activity using the GCPC is required to perform a semiannual review of purchase card transactions. This semiannual review is conducted to identify, remedy and correct any specific problem areas and corrective actions taken.

b. Requirement. The APC will conduct the activity's semiannual review of purchase card transactions in October and April, and shall address the overall purchase card process, including the functions and responsibilities of the Cardholder, the AO, disputes and billing office. At a minimum, the review shall ensure:

(1) internal operating procedures are in compliance with reference (e);

(2) cardholders and AOs have satisfied the reference (e) formal training requirement, and received training on internal operating procedures;

(3) cardholders were properly delegated authority, in writing, and the letter or SF-1402 sets forth single purchase limits, billing cycle purchase limits, and transaction methods;

(4) action is being taken to ensure cardholders are not exceeding purchase limits established in their letter or warrant;

(5) purchase cards are being used in accordance with reference (f) and appropriate action is being taken when misuse of the card is identified;

(6) procedures are in place within the activity to ensure separation of function and that cardholders are following prescribed procedures;

(7) the cardholder or other responsible individual is screening requisitions for mandatory sources. When mandatory sources are not used, files are properly documented;

(8) special approvals, such as Federal Information Processing approvals, are being obtained as identified in reference (f);

(9) procedures are in place to ensure adequate and proper funding is provided for each purchase;

(10) cardholders are following the proper procedures for solicitation and award;

(11) there is no evidence of splitting requirements to circumvent dollar thresholds;

(12) documentation in transaction logs and files includes the requisition, required approvals, evidence of screening, solicitation documentation and evidence of award; and

(13) any evidence of questionable transactions is documented. The results of any follow-up investigations should also be documented in the review.

c. Reporting.

(1) The APC will make a formal report on their findings during the activity's semiannual review of purchase card transactions. The APC will submit the semiannual report by every November 1st and May 1st, to the HA. Attachment I contains the required reporting format. The Semiannual Report on Purchase Card Activity shall also include assurances that the activity is in compliance with the thirteen items identified in 12.b. (above).

(2) This reporting requirement shall in no way be construed as relieving any individual of their responsibility and accountability with regard to the proper execution of the DON PC Program under their purview. Commanding Officers and Officers in Charge shall take immediate and appropriate action in cases where fraud, misuse, and/or abuse are discovered.

d. Retention. A copy of the semiannual reviews shall be maintained for three years.

13. Questionable Purchase Card Activity. Attachment J contains the review procedures to be followed when questionable transactions are suspected or uncovered.

14. Record Keeping. The APC will maintain a record of every form prepared and sent to CitiDirect to establish, to change or to cancel the APC, the AO, and/or the Cardholder(s).

15. Using Accommodation/Convenience Checks. The use of accommodation/convenience checks will strictly adhere to all the provisions of reference (g), Volume 5, Chapter 2, paragraph 0210.

(Date)

From: Agency Program Coordinator
To: (name of individual being appointed)

Subj: APPOINTMENT AS CONTRACTING OFFICER/ACCOUNTABLE OFFICIAL

Ref: (a) S/HHROINST 12752.1

1. You are hereby appointed to be a contracting officer and delegated authority to purchase supplies and services (both over-the-counter and by telephone) and pay for such purchases using the Government Commercial Purchase Card. You must ensure that any one purchase does not exceed \$2,500 in total value, and that your total monthly purchases (from the 21st day of one month to the 21st day of the following month) do not exceed \$_____.
2. The duties of your position as a contracting officer include the responsibilities of an accountable official. This appointment letter is formal notification that you are hereby appointed as an Accountable Official to [insert the name of the certifying official], Certifying Official, Office of the Judge Advocate General, Code 64.
3. Supplies or services may be purchased, consistent with your organizational responsibilities, to satisfy legitimate requirements. This delegation does not authorize you to purchase supplies and services on the 'open' market that are required to be obtained from mandatory sources of supply, Federal Acquisition Regulation (FAR) Part 8. Nor does it authorize you to procure supplies or service for which procurement responsibility has been assigned to another organizational element. Prior to procuring supplies or services in excess of \$500, you are required to have the funding pre-approved by Code 64.
4. All purchases must be made per applicable laws and regulations including, but not limited to, the FAR, the Defense FAR, and NAVSUPINST 4200.94. Additionally, you are required to be thoroughly familiar with the AAUSN Internal Operating Procedure (IOP) for the Government Purchase Card Program (GCPC), and with JAG/COMNAVLEGSVCCOMINST 4200.3A.
5. As an Accountable Official, you will be responsible for supporting the invoice certification process of the vendor payment vouchers for the OJAG and COMNAVLEGSVCCOM Government Commercial Purchase Card Program.
6. Chapter 33, Volume 5, of the DOD Financial Management Regulation provides a description of your responsibilities and pecuniary liability as an Accountable Official. You are required to read and become thoroughly familiar with this information. (You may read DOD FMR Vol 5, Chapter 33, at website http://www.dtic.mil/comptroller/fmr/05/05_33.pdf.)

Attachment A

Subj: APPOINTMENT AS CONTRACTING OFFICER/ACCOUNTABLE OFFICIAL

7. Unauthorized use of the Government Commercial Purchase Card, by military personnel, is a violation of a lawful order under the Uniform Code of Military Justice, Article 92, and may subject the user to disciplinary and/or adverse administrative action. Unauthorized use of the Government Commercial Purchase Card, by civilian personnel, will subject the individual to disciplinary and adverse action procedures in accordance with reference (a).

8. After you have become thoroughly familiar with these responsibilities and liabilities, you must acknowledge this appointment and that you have read and understand your responsibilities and liability by your signature in the space provided on the attached acknowledgment letter.

9. This delegation shall automatically terminate upon your separation from this organization, or upon your reassignment to another office within this organization.

Signature of Appointing Official)

ACKNOWLEDGMENT

1. By signature hereon, I acknowledge my appointment as a Contracting Officer and an Accountable Official. I have read and understand my responsibilities and pecuniary liability as described in Vol 5, Chapter 33, of the DOD Financial Management Regulation. I understand the authorized uses of the Government Commercial Purchase Card, and acknowledge that any unauthorized use would be a violation of a lawful order under the Uniform Code of Military Justice, and could lead to disciplinary and/or adverse administrative action against me. I understand that I have the right to request relief of liability for any invoice certification I supported that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by (or your successor) or until I am transferred, separated for any reason, or retire from service.

(Signature)

(Date)

From: Agency Program Coordinator
To: (name of person being appointed)
Subj: APPOINTMENT AS APPROVING AND CERTIFYING OFFICIAL
Ref: (a) DOD 7000.14-R, Volume 5, Chapter 33
(b) Title 31, U.S.C., Section 3529

1. You presently occupy a position wherein your duties include the functions of a Certifying Official. This memorandum is formal notification that you are hereby appointed as a certifying officer to Disbursing Officer, Defense Finance & Accounting Service (DFAS), Operating Location (OPLOC), Charleston, SC.
2. As a certifying official, you will be responsible for certifying vendor payment vouchers for the OJAG and COMNAVLEGSVCCOM's Government Commercial Purchase Card (GCPC) Program.
3. Reference (a) provides a description of your responsibilities, accountability and duties as a certifying official. You are required to read and become thoroughly familiar with this information, and to complete and sign a DD Form 577, indicating your authority to certify vendor payment vouchers for our command's GCPC Program. Return your signed DD Form 577 to me for approval and forwarding to the Disbursing Officer noted above. (Reference (a) is at website www.dtic.mil/comptroller/fmr/05/05_33.pdf.)
4. In addition, you must acknowledge this appointment and that you have read and understand your responsibilities, accountability, and duties, by your signature in the space provided on the attached Acknowledgment of Appointment as Certifying Official letter. All documents you certify for payment under this appointment, must bear your signature as indicated by you in block #5 of the DD Form 577.

(Signature of Appointing Official)

Subj: APPOINTMENT AS APPROVING AND CERTIFYING OFFICIAL

(Date)

ACKNOWLEDGMENT

1. By signature hereon, I acknowledge my appointment as a certifying official for OJAG and COMNAVLEGSVCCOM. I have read and understand my responsibilities, accountability, and duties as described in reference (a). I understand that I have the right to request an advance decision under the provisions of reference (b), from the DOD Office of Deputy General Counsel (Fiscal), or designee, prior to certifying any payment which I believe to be of doubtful validity. I understand that I have the right to request relief of liability for any payment I certify that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service.

2. Attached for your approval is the DD Form 577, signature card, for the OJAG and COMNAVLEGSVCCOM Government Commercial Purchase Card vendor payment vouchers I am authorized to certify.

(Signature)

CERTIFICATION OF APPOINTMENT

Under authority vested in the undersigned and in conformance with
Subpart 1.6 of the Federal Acquisition Regulation

Is appointed

Contracting Officer

for the

United States of America

Subject to the limitations contained in the Federal Acquisition Regulation and to the following:

Unless sooner terminated, this appointment is
effective as long as the appointee is assigned to:

(Organization)

(Agency/Department)

(Signature and Title)

(Date)

(No.)

NSN 7540-01-152-5812

STANDARD FORM 1402 (10-83)
Prescribed by GSA - FAR (48 CFR) 53.201-1

1

Attachment C

JAGINST 4200.3A

This is a blank page.

REQUEST FOR SUPPLIES / SERVICES (OTHER THAN GSA)

<i>(Procurement Use Only)</i>	
Date Received:	Date Processed: Requisition No. / Serial No.:
Unit Price (Actual):	Total Cost (Actual):

I. GENERAL INFORMATION (Must be completed)

Requested by:	Code:	Room No.:	Telephone No.:
Date Requested:	Division Location (Building):	Tracking No.: (optional)	

Division Chop Chain:

II. TECHNICAL SCREENING (Procurement Use Only)

Are requested items available from:
 FSS/Stock: YES NO FPI or other system source: YES NO GSA: YES NO NIBOSH: YES NO
 If yes, justification for not purchasing from this source:

Signature: _____ Date: _____

2nd Quote Attached: YES NO Spreading the business: YES NO (Why?)

III. REPAIRS

Type of Equipment:	Serial No.:
Contact:	Problem:

IV. MATERIAL OR SERVICE TO BE PURCHASED **Attach any quotes and further information to the back of the form.

Item Requested (Model, Type, etc.):

Number Requested:	Price per Unit:	Total Cost:
-------------------	-----------------	-------------

Available from (Company Name, Address)

Company Contact:	Telephone No.:
------------------	----------------

V. JOB NUMBER ASSIGNMENT (OJAG Budget Section Use Only - Must be completed for all FISC PO requests)

UIC:	JO Number:
Accounting Data:	
Signature:	Date:

VI. JUSTIFICATION FOR ITEM'S III & IV ABOVE (Required) - Use additional sheets if necessary

VII. APPROVAL FOR PROCUREMENT ACTION (Procurement Use Only)

Approved	Disapproved	Code	Signature	Date

VIII. RETURNED (Procurement Use Only)

Unable to process request because:

IX. RECEIVING/SERVICE COMPLETED CERTIFICATION (Code 64 Use Only)

Date Supplies Received:	Signature:
Date Service Completed:	Signature:
Remarks:	

This is a blank page.

1. NAME (Type or print)	2. PAY GRADE	3. DATE
4. OFFICIAL ADDRESS		
5. SIGNATURE		
6. TYPE OF DOCUMENT OR PURPOSE FOR WHICH AUTHORIZED		
THE ABOVE IS THE SIGNATURE OF THE AUTHORIZED INDIVIDUAL		
7. NAME OF COMMANDING OFFICER (Type or print)	8. PAY GRADE	
9. SIGNATURE OF COMMANDING OFFICER		

DD Form 577, MAY 88 (ED)

SIGNATURE CARD

This is a blank page.

CARDHOLDER PROCUREMENT LOG

Cardholder's Name:

Call #	Date Ordered	Vendor's Name	L/S	Item Name / Quantity Ordered	Total Price of This Call	Due Date	#ETS Date	Date Rec'd	Invoice Month	Comments

Remember to tell the vendor: "NO partial shipments OR partial invoices".

NAVJAG 42002 (Rev. 12-99)

Attachment F 1

JAGINST 4200.3A

This is a blank page.

CITIBANK TRANSACTION DISPUTE GUIDE

1. **Reasons For/Types of Disputes**. There are many reasons why a cardholder may disagree with a charge that appears on his/her Statement of Account. Disputes on sales tax or shipping and handling charges are not a valid MasterCard® or Visa® charge-back reason. Cardholders must resolve these types of disputes directly with the merchant by requesting a credit to the account. To avoid this type of merchant contact, it is very important for the cardholders to verify the transaction total with the merchant at the time of the transaction. Examples of typical disputes which can be expected to arise under this contract, and how they should be handled by the cardholder, are:

a. **Unauthorized Mail or Telephone Orders**. A high percentage of purchasing card transactions are conducted without the card or the cardholder being present at the merchant location. It is imperative that proper cardholder procedures be in place which will promote complete reconciliation of each billed transaction with cardholder receipts and/or phone order logs. If the cardholder discovers that he/she has been billed by a merchant for goods or services he/she did not order, he/she may file a dispute to seek a reversal of the transaction.

b. **Duplicate Processing**. Inadvertently a merchant may process multiple billings for a single transaction. This would become apparent to the cardholder through the reconciliation process of his/her billing statement. The cardholder needs to simply identify when the original transaction was billed. If any other circumstances were involved, the cardholder should provide a brief explanation.

c. **Merchandise or Services Not Received**. If a cardholder has been charged by a merchant for something he/she has not received, he/she must first contact the merchant to resolve the situation. Contact with the merchant may identify that the merchandise is in transit or was lost in transit; a service appointment was not kept; or some other type of obstacle that the merchant was unaware of has occurred. The cardholder and merchant should come to an agreement regarding a resolution. If the cardholder and the merchant cannot arrive at a satisfactory resolution, the cardholder should file a dispute stating the details of the attempt to rectify the situation directly with the merchant.

d. Canceled or Returned Merchandise. In some instances a cardholder may cancel a merchandise order or may receive the goods from a merchant and return them even before billing has occurred. If returned in person, the cardholder would have received a credit voucher from the merchant to validate the return. If the goods were returned via mail service or delivery service, the only proof the cardholder has of the return is the shipping receipt, such as a postal or UPS receipt or trucking company shipping document. If the order was canceled, the cardholder should have a record of the date and time of cancellation, along with a cancellation number, if applicable. This documentation, identifying the destination of the returned goods, will substantiate the return and a copy should be included when a dispute is filed.

e. Credit Not Received. When a cardholder receives a credit voucher from a merchant, he/she must reconcile this transaction to his/her billing statement along with his/her charge transactions to ensure that he/she is actually credited for the return. If the cardholder has a credit voucher but does not see the credit appear on a subsequent statement, he/she should file a dispute including a copy of the credit voucher

f. Difference in Amount. Part of the cardholder reconciliation process should include the verification of amount to ensure the amount charged to the account is the amount agreed upon and documented on the original charge slip. If these differ, the cardholder should file a dispute for the difference including a copy of the original sales slip as proof of the valid amount of the transaction. The cardholder may deduct the amount of the difference from payment if a dispute is filed.

g. Inadequate Description/Unrecognized Charge. There may be occasions where the cardholder cannot recognize a charge that appears on his/her statement of account. Reconciling the charge slips with the statement by the merchant name, location or dollar amount may clear up some questions. But when the cardholder cannot identify or validate a charge that appears on his/her statement, he/she should file a dispute.

h. Copy Request. In the event that a cardholder requires a copy of a sales draft that he/she, for some reason, does not have, a dispute may be filed to request a copy. The fulfillment of this request usually takes three to four weeks.

i. Services Not Rendered. A dispute should be filed when a cardholder is charged for services that have not been provided. A cardholder may also discover that during the reconciliation and statement process he/she has been billed on the purchasing card for something that was paid for by another means. A dispute should be filed which includes proof of the other form of payment, such as a canceled check or a receipt showing payment.

j. Not As Described. This reason can be used when the cardholder can identify that the goods or services received did not conform to what was agreed upon with the merchant. The cardholder must first make contact with the merchant to resolve his/her dispute by attempting to return the merchandise or seek other acceptable means of resolution. If no resolution can be achieved, the cardholder should file a dispute.

k. Other Disputes. There are some instances where an error of some kind has occurred on a cardholder's account that cannot be described through the use of one of the above-listed dispute reasons. Examples of these types of errors are a credit posted as a debit, a processing error or a fraudulent charge. An explanation of any and all known information regarding these types of disputed charges should be included when the cardholder files his/her dispute.

2. Responsibilities of Program Participants

a. Transaction Dispute Office (TDO). A TDO may be established to assist an Agency and Citibank in tracking and resolving disputed transactions associated with the Government Purchasing Card program. The TDO normally serves as the conduit between CitiBank, the Designated Billing Office (DBO), and the Agency Program Coordinator to resolve disputed transactions in Purchasing Card programs. The TDO oversees the proper processing of transaction disputes and works with CitiBank to resolve them. The TDO is typically responsible for the following:

(1) ensuring changes within the TDO are provided to the A/OPC in a timely fashion;

(2) ensuring disputed transactions are reported to Citibank in a timely manner;

(3) tracking Purchasing, Fleet and Centrally Billed Travel Card transaction disputes;

(4) providing feedback to the A/OPC on the efforts and performance of CitiBank in resolving dispute issues;

(5) analyzing and monitoring CitiBank reports detailing transaction dispute activity;

(6) conducting site visits to CitiBank as required; and

(7) participating in annual training conferences and disseminating basic information gathered during the conference proceedings.

b. Agency Program Coordinator (APC). The APC is an individual designated by the agency to perform task order contract administration within the limits of delegated authority and to manage the card program. The A/OPC generally serves as the focal point for answering questions, completing contract administration activities, coordinating applications, issuing and destroying cards, establishing and reviewing reports, managing administrative training, and serving as the overall point of contact for cardholders, the agency, CitiBank, and GSA. The A/OPC is a resource for the DBO in the performance of its payment-related functions.

c. Approving Official (AO). The AO, if used by an agency, in the dispute resolution process, is normally the supervisor to whom a cardholder reports for authorization to purchase required supplies and services. AOs assist in the reconciliation of cardholder accounts, ensuring proper procedures are followed when purchasing supplies or services. AOs are the conduit between the A/OPC and the cardholder, ensuring proper dissemination of information regarding program changes and cardholders' ability to utilize their cards. Although not contemplated by the Master Contract, CitiBank understands that some agencies/organizations wish to employ this management tool for the Purchasing Card Task Order. CitiBank will work with each agency that requests such support.

d. Cardholder

(1) Cardholders are responsible for fully reconciling each statement of account or invoice they receive in order to ensure timely identification of possible disputes. The cardholder should retain all receipts and other transaction documentation to facilitate reconciliation in accordance with Agency policy. If documentation is not available, the

cardholder should annotate the statement of account or invoice, recording all pertinent information.

(2) The cardholder and AO should review and ensure that all transactions on the statement of account or invoice are appropriate. If an item has been returned and a credit voucher was received, the cardholder verifies that the credit is reflected on the statement of account. If credits do not appear in a timely fashion (within 45 days), or if there are any other inconsistencies within the statement of account or invoice, the cardholder should initiate the dispute process. It is the agency's responsibility to ensure that the resolution of all disputes is properly tracked and reflected on the statement of account or invoice.

e. CitiBank. CitiBank will provide timely delivery of all products and services specified in the Agency Task Order within the parameters established under the GSA Master Contract. If a disputed item is resolved before the payment due date, the resolution shall appear on the Agency's following official invoice. In the event of a transaction dispute, Citibank shall:

- (1) provide immediate temporary credit to the account;
- (2) provide sufficient transaction data to identify the charge;
- (3) promptly investigate disputed items and use best efforts to resolve transaction disputes including working with merchants and the TDO;
- (4) provide a copy of the charge in dispute, if requested;
- (5) provide a copy of all CitiBank correspondence regarding disputed items, if requested charge-back the merchant where appropriate;
- (6) detail the disputed charge on the Invoice Status Report; and
- (7) re-bill proper charges in the subsequent billing period with any applicable Prompt Payment Act interest charge itemized separately, and include complete transaction data for the re-billed charge if available.

3. **Dispute Resolution Process**. Reasons for disputing a transaction may vary from dissatisfaction with the goods or services provided, to non-recognition of the reported merchant or charge. In all cases, the first course of action is for the cardholder to contact the supplier and attempt to resolve the dispute directly. If attempts to resolve the dispute with the supplier have not been successful, or if attempts to contact the supplier are not possible (supplier is not recognized, contact information is not available, etc.), the following process should be initiated by the cardholder or his/her representative within the agency:

a. Step 1. Internal policies within agencies may vary; however, communication with CitiBank must be initiated by either the cardholder or the agency's TDO, APC, or AO. This communication is normally done via telephone through a toll-free number, or online via CitiDirect. All disputes unresolved at the supplier - cardholder level must be submitted to CitiBank within 60 days of receipt of the invoice on which the charge(s) first appeared. After 60 days, the right to dispute a charge may be relinquished.

b. Step 2. CitiBank will instruct the individual making contact concerning next steps. The cardholder will normally be required to complete either a paper or electronic dispute form and send the completed form to CitiBank. The cardholder should always keep a copy of the completed dispute form for his/her reference. The cardholder may also be required to provide a copy of the dispute form to appropriate entities within the agency such as the TDO.

c. Step 3

(1) CitiBank will suspend the disputed charge from the outstanding balance due once it receives notice of the dispute. CitiBank will acknowledge the initiation of a dispute to the cardholder, confirming that the cardholder does not have to pay the amount in question pending the outcome of the dispute process.

(2) The suspension process places the amount in question in a special category of transactions. Suspended transactions are tracked and reported to the appropriate personnel in each agency, such as the TDO, per the terms and conditions of the GSA Master Contract and the Agency Task Order. Both MasterCard and Visa require merchants to respond to the notification of dispute within 21 to 45 days of receipt.

(3) If the supplier has not responded within 45 days, the dispute is automatically resolved in favor of the cardholder. While this process is taking place, the cardholder is not expected to take any further action, unless CitiBank requests additional information.

c. Step 4

(1) Based on the supplier's response, the charge will either be resolved in favor of the cardholder or the supplier. If the charge is resolved in favor of the cardholder, the charge is removed from the account and all related reports will reflect the status. If the dispute is resolved in favor of the supplier, a letter is sent to the cardholder explaining the decision. The charge will appear in the balance due on the next statement of account, along with a dispute resolution message. The cardholder should retain the dispute resolution letter and attach it to the next statement of account as support documentation.

(2) Typically, when a charge is resolved in favor of the supplier, the supplier has provided evidence of compliance with MasterCard and Visa association operating regulations. In those very rare instances where agreement cannot be reached between the cardholder and the supplier, or when the charge appears to be fraud-related, special actions are taken.

This is a blank page.

GOVERNMENT CARDHOLDER DISPUTE FORM

(Numbers in parentheses correspond to numbers on guide sheet on next page.)

Inquirer's Name: _____ (1) _____ Date: _____ (2) _____

Cardholder's Name: _____ (3) _____ Account Number: _____ (4) _____

<p>CARDHOLDER: PLEASE PROVIDE A COPY OF ANY INFORMATION/FORMS REQUESTED BELOW ALONG WITH THE STATEMENT THE DISPUTED CHARGE APPEARS ON. PLEASE FAX TO 605-335-1417 or MAIL TO Citibank Government Card Services, P.O. Box 6125, Sioux Falls, SD 57117-6125. This form must be filled out completely and forwarded to Citibank and the appropriate Agency officials (as determined by your internal procedures) within 60 calendar days of receipt of your invoice.</p>
<p>Date: _____ (5) _____ Dollar Amount of Charge: \$ _____ (6) _____ Merchant: _____ (7) _____</p>
<p>Cardholder's Signature: _____ (8) _____</p>

Please read carefully each of the following descriptions and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 1-800-790-7206 (overseas call collect at 904-954-7850). We will be more than happy to advise you in this matter.

(9)

UNAUTHORIZED MAIL OR TELEPHONE ORDER

I have not authorized this charge to my account. I have not ordered merchandise by phone or mail, or received any goods or services.

DUPLICATE PROCESSING - THE DATE OF THE FIRST TRANSACTION WAS _____.

The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount. My card was in my possession at all times.

MERCHANDISE NOT RECEIVED IN THE AMOUNT OF \$ _____.

(Please provide separate statement detailing merchant contacts, and expected date to receive merchandise.)

My account has been charged for the above transaction, but I have not received the merchandise. I have contacted the merchant, but the matter was not resolved.

My account has been charged for the above listed transaction. I have contacted this merchant on _____ (date) and canceled the order. I will refuse delivery should the merchandise still be received.

MERCHANDISE RETURNED IN THE AMOUNT OF \$ _____.

My account has been charged for the above listed transaction, but the merchandise has since been returned. A copy of the postal or UPS receipt is enclosed.

CREDIT NOT RECEIVED

I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed.

DIFFERENCE IN AMOUNT

The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is \$ _____.

COPY REQUEST

I recognize this charge, but need a copy of the sales draft for my records.

SERVICES NOT RECEIVED - Please provide statement w/date of merchant contact and response.

I have been billed for this transaction; however, the merchant was unable to provide the services.

PAID FOR BY ANOTHER MEANS

My card number was used to secure this purchase; however, the final payment was made by check, cash, or another credit card. Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means.

NOT AS DESCRIBED

The item(s) specified do not conform to what was agreed upon with the merchant. (The Cardholder must specify what goods, services, or things of value were received. The Cardholder must have attempted to return the merchandise and state so in his/her complaint.)

IF NONE OF THE ABOVE REASONS APPLY:

Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper and sign and date your description statement.

GUIDE TO GOVERNMENT CARDHOLDER DISPUTE FORM

Form required when disputing a charge(s).

- 1. Inquirer's Name:** Name of individual submitting dispute, i.e., Dispute Officer or Cardholder.
- 2. Date:** Day, month and year for the day the dispute is being filed (i.e., today's date).
- 3. Cardholder's Name:** List the name that appears on the account where the charge in dispute resides.
- 4. Account Number:** 16-digit account number.
- 5. Date:** Indicate the date the transaction in dispute was made.
- 6. Dollar Amount of Charge:** Indicate the dollar amount of the transaction in dispute.
- 7. Merchant:** Name of the merchant for the transaction in dispute.
- 8. Cardholder Signature:** Cardholder must sign.
- 9. Error Description:** Check the box that most appropriately relates to your type of dispute.

CB003 2/2 Final 5/18/01
Copyright © 2001 Citicorp. All rights reserved.

LIST OF PROHIBITED
AND
SPECIAL ATTENTION ITEMS

This information applies to Department of the Navy Agency Program coordinators, approving officials and purchase cardholders with established purchase card programs. For a full explanation, and/or background information on prohibitions referenced in this enclosure, refer to the NAVSUPINST 4200.85 (series). Not all of the prohibitions found in this enclosure require special approvals. Some may be procured using traditional purchase methods (e.g. purchase orders, BPA calls, etc.) and paid for using the purchase card. Detailed procedures for using the purchase card as a method of payment may be found in the basic instruction.

TABLE OF CONTENTS (This is a list of all prohibitions or special approvals related to purchase card buys.)

TITLE

Advance Payments
Advertising
Asbestos and Asbestos-Containing Materials
Black Oxide Coated Brass Threaded Fasteners
Buildings or Land, Long-Term Rental or Lease of
Business Cards
Cash Advances
Christmas and Other Seasonal Decorations
Coffee Pots, Coffee, Refreshments
Commercial Vehicles, Purchase of
Commercial or GSA Vehicles, Rental/Lease of (without drivers)
Employee Identification Tags
Federal Information Processing Resources/Y2K
Fireworks Display
Fuel, Oil, Services, Maintenance, Repairs
Hazardous Materials and other Hazardous Waste Disposal
Incentive Music and Equipment
Lodging and Meals
Luggage
Medical and Dental Care at Civilian Non-Federal Sources
Membership Dues
Ozone Depleting Substances
Personal Services
Pesticides
Plaques, Ashtrays, Paperweights, and Mementos as Give-away Items
Printing and Duplication
Purchase from Government Employees or Business Owned or
Controlled by Government Employees
Reprographic Equipment
Sensitive Compartmented Information in Contracts
Shipboard Habitability Equipment, including, Furniture,
Laundry/Dry Cleaning Equipment, and Food Service Equipment
Transportation, Purchase of
Travel or Travel Related Expenses
Uniform Items
Visual Information (VI) Equipment and Material
Visual Information-Audiovisual (AV) Production, including
Interactive Video (IVD) Acquisition
Visual Information/Acquisition of Commercial Off-the-Shelf
Visual Information (VI) Productions
Withdrawal of Tax-Free Ethyl and specially Denatured Alcohol

**LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS RELATED TO
PURCHASE CARD BUYS**

Advance Payments

General rule: Except for requirements such as subscriptions for publications (i.e. Navy Times, Federal Contracts Reporter, Commercial Clearing House Inc., etc.) and post office box rentals, advance payments are prohibited.

Advertising

General rule: Unless specific approvals have been obtained, advertising contract actions are not authorized in accordance with the Navy Acquisition Procedures Supplement (NAPS).

Exception: The Chief of Naval Personnel has authorized an increase from \$1,000 to \$2,500 for the specific media advertising purchase limit for Commanding Officers of Navy Recruiting Districts to commensurate with the current micropurchase threshold. This authority can not be redelegated and each advertisement is conditioned upon the use of a properly executed DD Form 1535.

Asbestos and Asbestos-Containing Materials

General rule: Purchase cardholders are not authorized to purchase asbestos or asbestos-containing materials.

Black Oxide Coated Brass Threaded Fasteners

General rule: Purchase cardholders are not authorized to procure brass or copper alloy fasteners coated with black oxide.

For information regarding this prohibition, contact Mr. Scott Stanko, Naval Inventory Control Point, Code 0541, at scott_a_stanko@ICPMech.Navy.mil

Buildings and/or Land, Long-Term Rental or Lease of

General rule: Purchase cardholders are prohibited from entering into long-term rentals or leases for buildings and/or land.

Business Cards

General rule: Flag Officers, members of the SES and General Officers may authorize the printing of business cards limited to using existing software and agency-purchased stock for those positions that require business cards in the performance of officials duties.

Cash Advances

General rule: Purchase cardholders are prohibited from using their purchase cards to obtain cash advances.

Christmas and Other Seasonal Decorations

General rule: Seasonal decorations may be acquired using the purchase card provided local customs and traditions are observed. Purchase cardholders are not authorized to buy Christmas cards.

Coffee Pots, Coffee, Refreshments

General rule: Unless the purchase of coffee pots, coffee, or refreshments is for an authorized mess, as discussed in NAVSUP Publication 486 Vol-1, Ch1 to Rev 3, and BUPERINST 1710.13, the purchase of these items are prohibited. Purchase cardholders are also prohibited from buying refreshments for other government employees.

Exceptions: The use of Official Representation Funds for official entertainment and Center of Influence events involving Navy recruiters are exceptions to this rule. In addition, Navy recruiters are authorized to use the purchase card to buy meals for recruiting applicants as an out of pocket expense.

Commercial Vehicles, Purchase of

General rule: Purchase cardholders shall not use their cards to purchase commercial vehicles.

Commercial or GSA Vehicles, RENTAL/LEAVE of (without drivers)

General rule: Purchase cardholders are not authorized to use their purchase cards to rent/lease commercial or GSA vehicles.

Employee Identification Tags

General rule: Unless the requiring activity/command determines that use of the identification tags are necessary and in support of mission requirements, activities may not use appropriated funds to purchase employee identification tags.

Federal Information Processing Resources/Year (Y2K) Project

General rules: Purchase cardholders should ensure all procurements of IT are Y2K compliant.

Fireworks Display

General rule: Purchase cardholders may not use appropriated funds to buy fireworks for on ground displays.

Fuel, Oil, Services, Maintenance and Repairs

General rule: Purchase cardholders are not authorized to purchase fuel, oil, services, maintenance and repairs of Interagency Fleet Management System and GSA Fleet Management Programs (i.e. repair of GSA leased vehicles).

HAZMAT and Hazardous Waste Disposal

General rule: Except for commonly-used hazardous material, the purchase of HAZMAT by cardholders is prohibited.

Incentive Music and Equipment

General rule: Except for specifically programmed music, the purchase of music and equipment for broadcasting (including radios, automatic record players or phonographic records) for entertainment purposes is generally not authorized.

Exception: Specifically programmed music may be purchased based on a written determination by the Commanding Officer describing how the acquisition would improve morale, benefit the command, etc., and thereby qualify as a necessary expense under the necessary expense rules. This prohibition also does not preclude the expenditure of appropriated funds for the purchase of a public address system required for intra-station communication.

Lodging and Meals

General rule: Purchase cardholders are prohibited from using their purchase cards for the payment of lodging and meals for employees on temporary duty.

Exception: Certain reserve activities are authorized to buy meals for Naval reservists during drill activities.

Luggage

General rule: The purchase of luggage for employees/service members to carry personal belongings while on travel orders is generally not authorized.

Exception: Seabags issued to service members and briefcases, etc., furnished for the express purpose of carrying official documents associated with the duties of the service member or employee.

Medical and Dental Care From Civilian Non-Federal Sources

General rule: Purchase cardholders shall not use their cards for payment of medical and dental services.

Membership Dues

General rule: Except for membership dues which solely benefit the agency or activity, the purchase of club, association, organization and other related memberships are prohibited.

Exception: The use of appropriated funds for membership dues of an activity or agency is permissible if the membership contributes to the fulfillment of the mission of the activity or agency.

Ozone Depleting Substances (ODS)

General rule: Purchase cardholders are not authorized to purchase ODS materials.

Exception: Contracting officer's may use their purchase card as a method of payment provided guidance in the NAPS is strictly adhered to.

Personal Services

General rule: Unless you have statutory authority, purchase cardholders should not contract for personal services using the purchase card.

Pesticides

General rule: Unless prior approvals are obtained from the cognizant Pest management Consultant at the appropriate NAVFAC division, purchase cardholders are not authorized to contract for purchase of pesticides.

Plaques, Ashtrays, Paperweights and other Mementos as Give-Away Items

General rule: The use of appropriated funds to buy give-away items such as plaques, cuff links, hats, T-shirts, license plate covers, bracelets, ashtrays, Christmas cards, paper-weights, cigarette lighters, novelty trash cans, key chains and similar items are generally prohibited.

Exception: The purchase of give-away items in support of employee recognition programs may be authorized if accomplished in accordance with agency policy.

Printing and Duplication

General rule: Purchase cardholders are prohibited from buying print or duplication services from agencies other than DAPS.

Purchase from Government Employees or Businesses Owned or Controlled By Government Employees

General rule: Purchases from government employees, (military or civilian) or from business organizations substantially owned or controlled by government employees are generally prohibited.

Reprographic Equipment

General rule: The purchase/lease/rental/trial/replacement or change in rental or lease plan of reprographic equipment is not authorized unless the requester has complied with the requirements of the Navy Reprographic Equipment Program. The requester must obtain written approval from the cognizant DAPS for all shore copying equipment with speeds of 71 or more copies per minute. (Example of reprographic equipment are; copiers and high speed copiers, Diazo process equipment, laser printers, and duplicating equipment).

Sensitive Compartmented Information in Contracts

General rule: Purchase cardholders are not authorized to enter into negotiations that will include requirements for contractor access to Sensitive Compartmented Information unless the customer has staffed the requirement through Commander, Office of Naval Intelligence, Code ONI-532.

Shipboard Habitability Equipment, Including Furniture, Laundry/Dry Cleaning and Food Service, Equipment

General rule: Except for furniture, laundry, dry cleaning, and food service equipment listed in the following catalogs, purchase cardholders are prohibited from purchasing these items.

Furniture equipment - S9600-AD-GTP-010, U.S. Navy shipboard Furniture Catalog with applicable changes.

Laundry/dry cleaning equipment - S6152-B1-CAT-010, Navy Laundry and Dry Cleaning Catalog with applicable changes.

Food service equipment - S616-Q5-CAT-010, The Shipboard Food Service Equipment Catalog with applicable changes.

Transportation, Purchase of

General rule: The purchase card can not be used to pay for transportation charges:

Travel, or Travel Related Expenses

General rule: The purchase card can not be used to pay for travel or travel related expenses (i.e. expenses associated with official travel including transportation, lodging, or meals).

Uniform Items

General rule: Cardholders are not authorized to use appropriated funds to purchase uniform items.

Visual Information (VI) Equipment and Material

General rule: Per OPNAVINST 5290.1A, acquisition of professional VI equipment by non-VI activities or personnel is prohibited.

Naval Media Center (NMC) (formerly Naval Imaging Command) is the sole authority for contracting for visual information within the Navy. The POC and policy officer for the Navy Annual VI Production Program administered by Chief of Naval Operations (N09C4) can be reached by calling 202-433-3790 or DSN 288-3790.

Visual Information - Audiovisual Production Including Interactive Video Acquisition

General rule: Unless approval has been granted from NMC, the acquisition of Audiovisual production including interactive video in the federal government is prohibited, regardless of cost or application.

Exceptions: DON activities may be approved by CNO (N09C4) on a case-by-case basis. Requests for exceptions to this policy will require submission of the approved instructional system development analysis. For major claimant Visual Information Management Offices contact: Visual Information Production Policy Officer, CHO (N09C4) at 202-433-2141 or DSN 288-2141.

Visual Information - Acquisition of commercial Off-The-Shelf Visual Information Productions

General rule: Unless prior approval from Visual Information Management Office is obtained, purchase cardholders are not authorized to procure commercial off-the-shelf VI productions. For a list of VI off-the-shelf productions, visit the Defense Automated Visual Information System/Defense Instructional Technology Information System (DAVIS/DITIS) located on the Naval Media Centers website: <http://www.mediacen.navy.mil/> .

Exceptions: Justification must be submitted to contracting officials in accordance with regulations of the Major Claimant Visual Information Management Office. For major claimant Visual Information Management Offices, contact: Visual Information Production Policy Officer, CNO (N09C4) at 202-433-2141 or DSN 288-2141.

Withdrawal of Tax-Free Ethyl and Specifically Denatured Alcohol

General rule: The purchase of tax-free ethyl and specifically denatured alcohol is not authorized unless a permit from the Bureau of Alcohol, Tobacco and Firearms has been issued.

This is a blank page.

(Date)

From: Agency Program Coordinator
To: (Head of Activity)

Subj: SEMI-ANNUAL REPORT ON PURCHASE CARD ACTIVITY

Ref: (a) JAGINST 4200.3A

1. This report satisfies the reference (a), paragraph 12c requirement.

- a. Total # of Agency Program Coordinators (APC) ____
- b. Total # of Approving Officials (AO) ____
- c. Total # of Cardholders (CH) ____
- d. Ration of CH to AO ____
- e. Number of APCs, AOs and CHs trained ____
- f. Total # of CH transactions made since last review ____
- g. Total # of CH transactions analyzed for correctness ____
- h. Questionable transactions discovered during review ____
 - Purchases not required to fill immediate need to support DON mission?
 - Purchases not for Department of Navy use, but made for personal use?
 - Purchases that exceed authorized dollar limits?
 - Requirements that were split to circumvent micro-purchase threshold?
 - Purchases of prohibited items (per JAGINST 4200.3A, Attachment H)?
- i. Describe internal control weaknesses found during review.
- j. Provide written assurance that your activity is in compliance with reference (a) paragraph 12b, items (1) through (13).

(Agency Program Coordinator)

This is a blank page.

**ACTIVITY REVIEW OF QUESTIONABLE TRANSACTIONS
FRAUD PROCEDURES**

1. General. Proper management oversight of the Purchase Card Program is a responsibility to be shared at all levels within an organization if DON is to maintain an effective program. The following procedures will assist in the review of "Questionable Transactions" that may appear to be fraudulent or suspicious. These procedures are not meant to be all-inclusive or to replace procedures from other authorities such as the Naval Supply Systems Command (DON Purchase Card Program management Office), Naval Criminal Investigative Service or requests submitted under DoD Operation Mongoose, etc.. (NOTE: If a cardholder's account is reviewed for "Questionable Transactions", the semi-annual and annual review reports should reflect the investigation and the results. As a minimum, the reports should state that "purchases under this cardholder have been reviewed for questionable transactions".)

2. Review procedures when Questionable Transactions are uncovered.

A. Review all the original documentation regarding the transaction (purchase requests, credit card receipts, packing slips, etc.).

B. Clarify ambiguous or vague areas. Conduct interviews if necessary. Be sure you feel confident with the documentation and explanations provided. Remember to maintain confidentiality. You should apply the old "need to know rule", which is don't give out more information than necessary.

C. Determine if the transaction was an authorized purchase. Does the purchase relate to the mission of this command? Conversely, was this purchase for the personal use of the recipient?

D. Was the command's Local Internal Operating Procedures followed? If not, when and why not? What part, if any, did ineffective internal controls contribute to these questionable transactions?

E. Conclude your review. If you find there is a need to have this transaction investigated further, consult with your HA.

F. Other offices from which to seek assistance are:

- 1) NAVSUP Fraud, Waste & Abuse Hotline **1-800-944-8630**
- 2) Navy Inspector General Hotline **1-800-522-3451**
- 3) DoD Hotline **1-800-424-9098**