MEMORANDUM FOR DLA GOVERNMENT PURCHASE CARD (GPC) AGENCY/ORGANIZATION PROGRAM COORDINATORS DLA GPC BILLING OFFICIALS DLA GPC CARDHOLDERS

SUBJECT: Directive-Type Memorandum (DTM) 13-001 – Government Purchase Card

Reference(s): See Attachment 1

1. PURPOSE. This DTM establishes policy and responsibilities regarding the Defense Logistics Agency (DLA) use of the Governmentwide Purchase Card (GPC). This DTM supersedes DLAI 2106, which is rescinded.

2. APPLICABILITY. This DTM applies to DLA Headquarters (HQ) and all DLA and non-DLA activities with DLA-administered purchase card programs.

3. DEFINITIONS. See Glossary.

4. POLICY. It is DLA policy that:

a. All authorized purchases for mission essential services and supplies up to the micro-purchase threshold shall be made by properly appointed GPC Cardholders (CH) unless the vendor will not accept the purchase card, no other vendors are available, or terms and conditions are required. A separate GPC account for supply/service shall be established to segregate supply/service accounts from training and contract payment accounts. See Attachment 3.

b. The GPC may be used as a method of payment in conjunction with other contracting methods above the micro-purchase threshold as prescribed by FAR Part 13, 32.1108, and 32.1110(d) [Reference (b)], provided that appropriate authorities are stated within the delegation letter granted by the Activity Head (AH) or delegated official to include specific contract types, contract payment authorities, and limitations. A secondary letter from the contracting official shall be provided to the CH which details specific contracts and information required for payment. A separate contract payment GPC account shall be established to segregate contract payment accounts from supply/service and training accounts. See Attachment 4.

c. The GPC may be used to pay for government or nongovernment provided training, regularly scheduled, commercial off-the-shelf courses, training conferences, or instructional services that are available to the public and priced the same for everyone. The total price of training...
authorized by the use of a single U.S. Office of Personnel Management, Authorization, Agreement and Certification of Training/Standard Form 182 (SF-182) may not exceed $25,000 when payment is made with the GPC. Training GPC accounts will be centrally managed and executed by DLA Human Resources Services, DLA Training. A separate GPC account for training shall be established to segregate training accounts from supply/service and contract payment accounts. See Attachment 5.

d. The Annual GSA SmartPay® 2 Conference is recommended for all A/OPCs.

e. This DTM contains additional training, critical job elements and letter revisions that were not required in DLAI 2106. All new training, critical job elements, and the revised letters (see Attachment 7) are to be completed within 90 days of the effective date of this DTM.

5. RESPONSIBILITIES. See Attachment 2. For the “List of Prohibited Purchases,” refer to Attachment 6.

a. Personnel Requirements. In addition to required GPC training, all GPC participants will be given written authority specific to their roles and responsibilities via Appointment for Billing Officials (BOs) or Delegation letters for Card Holders (CHs). Delegation and Appointment letters are valid for the duration the GPC participant serves in their respective GPC capacity and shall be updated when the GPC participant’s individual authority has changed, but not simply due to the departure of the letter’s signer. All GPC participants should be familiar with Attachment 8. The following categories of personnel may be issued a GPC or be appointed as a BO or A/OPC to accomplish official duties.

i. Civilian Government employees.

ii. Members of the Armed Forces.

iii. Foreign nationals (both direct and indirect hires) subject to operational control and day-to-day management and supervision by U.S. civilian and military personnel.

iv. Contractor support service personnel are not authorized to perform Agency Organization Program Coordinators (A/OPC), BO, or CH duties. However, if the following requirements are met, contractors may assist an A/OPC in performing A/OPC administrative responsibilities, but have no authority to approve purchases, certify accounts, or otherwise act on behalf of the government:

(1) The primary A/OPC must provide direct oversight over the contractor.

(a) The contractor must sign a non-disclosure statement to ensure confidentiality of purchases,

(b) The contractor’s Statement of Work must be explicit regarding the functions to be performed, and
(c) Contractor support access to the bank’s Electronic Access System (EAS) shall not allow change/maintenance functionality. Access is restricted to ‘read only’ accesses for data collection/analysis needed to assist in managing the program.

(d) Each request for contractor support shall be approved by the AH.

Internal Controls.

Internal Controls and Management Oversight. The Government Accountability Office (GAO) recommended DOD establish strong internal controls to prevent GPC misuse, abuse and fraud. Those internal controls are reflected in the DOD Charge Card Guidebook (reference (d)), OMB Circular A-123, Appendix B, and this DTM. Even with internal controls in place, the GPC Program remains highly-visible, requiring diligent senior management oversight to ensure compliance with internal controls and policies.


Key mandatory internal controls are the separation of duties and functions. Key duties such as making purchases (CH), authorizing payments (BO), certifying funding (Resource Managers (RMs)), and reviewing and auditing functions (Agency Program Coordinators and Accountable Property Book Officers) will be assigned to different individuals to minimize the risk of loss to the Government. For example, BOs will not be CHs within the same billing account; Accountable Property Officers or equivalents will not be CHs with authority to purchase pilferable items; and RMs will not be CHs or BOs with responsibility for executing their own funds. Proper separation of function shall be observed.

Controls shall be established at each activity to ensure that there is a three-way separation of function to prevent personal conflicts of interest, and fraud, waste and abuse. To the maximum extent possible, agency personnel requesting a CH to acquire an item or items with the GPC should provide written requests to the CH for the items. If it is not possible for the requester to make the request in writing, the CH should document in their file the requester’s name, item description, quantity, estimated cost, and date of request. The purchase cardholder should also document availability of funds at the time of each purchase and obtain prior requestor’s management and Billing Official approval before making self-generated purchases.

a. A single individual may perform only one of the following functions:
(1) Initiation of the requirement;

(2) Place order; and

(3) Receipt, inspection, and acceptance of supplies/services.

b. In unusual circumstances that may preclude an individual from performing a single function (document that there is not an available three-way separation solution), at a minimum, a two-way separation of function for all purchase card transactions must occur to protect the integrity of the procurement process. The individual responsible for the placement of an order (CH) shall not perform the receipt, inspection, and acceptance function.

EFFECTIVE DATE. This DTM is effective immediately. It supersedes DLAI 2106, dated July 18, 2012, which is rescinded. A period of 90 days from the issuance of this Instruction will be provided to complete all changes related to the new requirements established in this revision. My POC for this DTM is Derek Webster, DLA Acquisition, J73. He can be reached by phone at (703) 767-4752 or via email: derek.webster@dla.mil.

Releasability: RESTRICTED. This DTM is restricted to DoD CAC users.

MATTHEW R. BEEBE
Acting Director, DLA Acquisition

Attachments:
1. References
2. Responsibilities
3. Purchasing Supplies, Equipment and Non-Personal Services
4. GPC Payment Method on Contracts/Orders above the micro-purchase threshold
5. Purchasing Training
6. List of Prohibited and Special Attention Items
7. Letters
8. Disciplinary Guidelines
9. Glossary
ATTACHMENT 1

REFERENCES

(a) Under Secretary of Defense Memo, October 2, 1998, “Streamlined Payment Practices for Awards/Orders Valued at or below the Micro-Purchase Threshold”
(b) Parts 2, 3, 8, 13, 32 and 52, Federal Acquisition Regulation (current edition)
(c) Parts 208, 213 and 232, DoD Federal Acquisition Regulation Supplement (current edition)
(d) DoD "Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs,” December 21, 2011
(g) Department of Defense Purchase Card Program Management Office Memo September 17, 1999, “Purchase Card Delinquency Policies”
(h) DoD Financial Management Regulation (FMR), Volume 10, Chapter 23 “Purchase Card Payments,” September 2010
(i) DLA Instruction 4202, “Accountability of DLA Property, Plant & Equipment,” December 10, 2009
(j) Under Secretary of Defense Memo, September 2, 2009, “Use of Wide Area Workflow (WAWF) for Purchase Card Transactions”
(k) United States Code Title 31 Section 3324(d)(2)
(l) United States Code Title 10 Section 2396 (a)(3)
(m) DLA Memorandum, “Policy on Agency Coins,” August 4, 2011
(n) Government Accountability Office B-302993 (25 Jun 04), “Use of Appropriated Funds to Purchase Kitchen Appliances”
(q) 5 USC. 4110, “Expenses of Attendance at Meetings”
(r) Public Law (PL 102-392) Section 207
(s) Under Secretary of Defense Memorandum September 25, 1998, “Use of Government-Wide Purchase Cards”
(t) DoD Financial Management Regulation, Volume 10, Chapter 12, “Miscellaneous Payments,” July 2010
(u) DLA Instruction 1426.01 “Maintaining Discipline,” October 29, 2013
(v) Defense Logistics Acquisition Directive (DLAD)
(w) DLA Green Procurement Plan Final dated December 2012
ATTACHMENT 2

RESPONSIBILITIES

1. Director, DLA Acquisition (J7). The Director, DLA Acquisition, as the Senior Procurement Executive for DLA, shall:

   a. Exercise authority, direction, and control over the DLA Government Purchase Card Program.

   b. Appoint a Component Program Manager (CPM).

2. Activity Head (AH). The AH is the military officer in command or the civilian executive in charge of the mission of a command or activity, such as DLA Aviation, DLA Distribution, DLA Energy, etc. The AH is accountable for the performance and management of their command or activity's purchase card program; has overall responsibility for managing the delegation and use of the purchase card program in his/her command or activity; and appoints Hierarchy Level 4 Agency/Organization Program Coordinators (HL4 A/OPC) through an official letter of delegation (see Attachment 7 for format). The AH shall:

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

   b. Ensure program personnel (HL4 A/OPCs, BOs, and CHs) are properly appointed in writing. Ensure GPC duties are contained in all HL4 A/OPC’s, BO’s, and CH’s critical job elements, and that each HL4 A/OPC, BO, and CH fulfills his/her responsibilities.

   c. Ensure effective internal controls are in place and adequate supporting resources are in place to ensure proper use of the GPC. Oversee proper program performance by reviewing and signing their activity’s semiannual review.

   d. Ensure proper separation of duties and functions among personnel.

   e. Establish and maintain a command climate to prevent personnel who originate requirements or purchase requests from having undue influence over the actions of a BO and CH.

   f. Ensure payment delinquencies are minimized. It is DLA policy to suspend delinquent accounts until full payment is received by the bank. Delinquent accounts are to be suspended by the respective HL4 A/OPC until full payment is received by the bank. Billing Official accounts that are delinquent two consecutive months or three months in a 12 month period will be subject to suspension until DLA J7 approves the respective AH corrective action plan. The AH approved/signed corrective action plan will be submitted to DLA J7 via the CPM and include a discussion on why the delinquencies occurred and actions taken to ensure minimal future delinquencies.
g. Order investigations when appropriate and following up on investigation results.

3. Component Program Manager. Under the authority, direction and control of the Director, DLA Acquisition, the CPM shall:

   a. Serve as the Hierarchy Level 3 A/OPC (HL3 A/OPC) for the Agency.

   b. Develop the overall GPC Program policy.

   c. Be consulted prior to HL4 A/OPC hiring and rotation decisions.

   d. Maintain oversight and management of the DLA GPC Program, to include working as a liaison between the purchase card provider, DoD Purchase Card Program Office, DLA Headquarters RM's (J8) or respective Agency budget office, and the DLA and component HL4 A/OPCs to ensure program consistency.

   e. Prepare, maintain, and distribute GPC guidelines. The guidelines explain the policy and procedures for the GPC Program as prescribed in DoD Guidebook (Reference (d)), Office of Management and Budget Circular A-123 Appendix B (Reference (f)), and Under Secretary of Defense for Personnel and Readiness Memorandum (Reference (e)).

   f. Oversee the comprehensive review of HL4 A/OPC programs. All HL4 A/OPC programs will be reviewed on an 18 month cycle.

4. Hierarchy Level 4 (HL 4) Agency/Organization Program Coordinator. HL4 A/OPC authority shall be documented in an A/OPC Letter of Appointment (LOA) (see Attachment 7 for format) from the AH in accordance with the Defense Logistics Acquisition Directive (DLAD) and a copy provided to the CPM with all required training certificates and a signed DD Form 577, “Appointment/Termination Record - Authorized Signature” prior to assuming A/OPC duties. The LOA shall include authority to appoint BOS and CHs. The HL4 A/OPC must acknowledge and accept the authority and shall never exceed delegated authority. The HL4 A/OPC shall have a copy of this DTM to refer to and:

   a. Implement GPC Program Management Policy and maintain the integrity, oversight and management of the GPC Program with regard to the area of responsibility delegated in writing, to include working with the purchase card provider, Resource Managers (RMs), BOS, and CHs, to ensure program consistency. Ensure the proper oversight/management controls are in place and working.

   b. Ensure that the number of CH accounts assigned to each BO does not exceed a ratio of seven to one. Ensure HL4 A/OPC to total account (BO and CH account) ratio should not exceed 1:300.
c. Establish applicable internal policies, procedures, training and communication with all lower level program participants specific to the organizations they oversee.

d. Appoint only properly trained BOs and CHs via letter of appointment/delegation (see Attachment 7 for format) and ensure Department of Defense (DD) Form 577s are correct. If there is not a BO assigned to a management account, all respective CH accounts must be closed immediately by the HL4 A/OPC. Appointment/delegation documents must describe the types of purchases to be made, purchase card limits (transaction and billing cycle limits), use (purchase, training payment, or method of contract payment), and contain the appointees’ acknowledgement signature establishing accountability and in the case of BOs, knowledge of pecuniary liability. Acknowledge signature of BOs is required before assuming certification and other responsibilities as a BO; and acknowledgement signature of CHs is required prior to use of the card or other CH responsibilities. Pecuniary liability shall be documented and acknowledged using the most current version of DD Form 577 (certifying Officer) for all BOs, filed with DFAS by the BO and a copy expunging the SSN retained by the HL4 A/OPC. CH DD Form 577s (Departmental Accountable Official) are retained by the HL4 A/OPC and are not required to be filed with the Defense Finance and Accounting Service (DFAS). Utilize PCOLS to initiate requests to establish managing accounts, maintain managing accounts, and approve BO and CH nomination requests.

e. Establish and maintain individual hard copy file for all program participants (each BO and CH) and must be retained for the duration the employee serves in this capacity and for six years three months beyond (Foreign Military Sales retain 10 yrs.). The file for each BO and CH shall contain current and past copies of the following documentation:

1) Training documentation

2) Letters of authority/delegation

3) DD Form 577

4) BO/CH reviews and audits

5) Record of any disciplinary action related to the GPC program.

f. Complete required training Defense Acquisition University (DAU) Continuous Learning courses for Government Purchase Card Training (CLG 005), Green procurement (CLG 046), Ability One (C LM 023), and DoD Government Purchase Card Tutorial (CLG 001). Section 508 training is required as initial training and can be found at www.section508.gov. HL4 A/OPCs with overseas and contingency BO and CH are required to complete DAU Con 237 and additional training as directed. Complete DoD Government Purchase Card Refresher Training (CLG 004) every two (2) years. DAU courses can be found at www.dau.mil. Recommend HL4 A/OPCs complete DAU CON 237, “Simplified Acquisition Procedures;” offered via distance learning at no cost. HL4 A/OPCs shall provide the CPM and retain all (current and past) copies of training certificates for reviews and audits.
g. Ensure all BOs and CHs receive initial GPC training on purchase card policy; Defense Acquisition University (DAU) Continuous Learning courses for Government Purchase Card Training (CLG 005) (BO only), Green procurement (CLG 046), Ability One (CLM 023), and DoD Government Purchase Card Tutorial (CLG 001) and can be found at www.dau.mil. Section 508 training is required as initial training and can be found at www.section508.gov. BOs shall complete Certifying Officer Legislation (COL) Foundations as an initial one time training https://dfas4dod.dfas.mil/training/Courses/coltraining.htm. Overseas and contingency BO and CH are required to complete DAU CON 237 and additional training as directed. Every two years complete DoD Government Purchase Card Refresher Training (CLG 004).

h. The HL4 A/OPC shall run the “Past Due Training Report” in PCOLS on the 1st and the 15th of the month, notify individuals who have training delinquencies and suspend delinquent account(s) until training is completed. HL4 A/OPCs must retain all training certificates (current and past) copies for all program participants (A/OPC, BO, CH, and RM) for reviews and audits.

i. Establish appropriate authority. It is the responsibility of the HL4 A/OPC to ensure that each BO and CH has an appropriate grant of authority to satisfy mission requirements. Provide participants GPC policy/procedural advice. Assist and ensure program participants understand and perform their GPC duties. Distinct CH accounts should be established to recognize applications for other than for supply/services micro-purchases (i.e., printing requests, training, and method of payment) when the CH is expected to have significant transactions in the categories. CHs shall request their HL4 A/OPC coordinate with the bank to allow authorization of valid purchases blocked by a Merchant Category Code (MCC). The HL4 A/OPCs shall validate that only approved MCC codes are assigned to all CH accounts. HL4 A/OPCs will review blocked MCC requests and if approved, process requests and ensure purchase files have documentation detailing the validity of the purchase. HL4 A/OPCs will keep a record documenting why blocked MCCs were processed to include item and merchant. HL4 A/OPCs are to ensure BO and CH has adequate knowledge in allocating funding to the correct requirement when other than the default line of accounting is used. In addition, to ensure proper spending limits are adhered to, HL4 A/OPCs shall ensure that the purchase card account profile (in the bank’s online EAS card management system) never exceed the limits in the delegation document.

j. Conduct and document comprehensive reviews of each management account at a minimum annually. The reviews shall include a significant random and focused (selecting transactions that appear questionable, such as FY end, possible split purchases, unusual transaction amounts, reoccurring vendors, multiple transactions for same amount, and transactions on holidays and weekends) (10% or at least 30) sampling of associated card transactions, to ensure conformance to established GPC policy, guidance, and procedures. Review shall encompass a validation of required training, authority letters, and DD Form 577s. Recommend using the current version of the DEPARTMENT OF DEFENSE GOVERNMENT PURCHASE CARD (GPC) REVIEW CHECKLIST AND CERTIFICATION as a guide.

k. Serve as the bank’s primary point of contact.
(1) Perform GPC program account management,
(2) Utilize DoD-mandated Purchase Card Online System (PCOLS) in accordance with DoD directives,
(3) Ensure accounts reflect authorized limits,
(4) Assist program participants with account management, account reconciliation and invoice certification, and
(5) Suspend and close accounts.

   1. Ensure that accounts are updated or closed when BOs and CHs roles or authorities change, or if the BO or CH separates from, or moves to another part of, the organization.

   m. Establish and maintain respective organizational hierarchy profile and program participants' information in PCOLS. Utilize PCOLS to provision BO supervisors, BOs, CH supervisors, CHs, and RMs to provide coordination between PCOLS and the bank, approve all account requests prior to bank submittal, and monitor risk management and GPC transactions. Coordinate with RM to initiate RM nominations in PCOLS.

   n. Ensure separation of function and duties. Duties include making purchases, authorizing payments, certifying funding, and reviewing and auditing. Each of these duties will be assigned to different individuals to minimize the risk of loss to the Government to the greatest extent possible. Controls shall be established at each activity to ensure that there is a three-way separation of function to prevent personal conflicts of interest, and fraud, waste and abuse.

      (1) A single individual may perform only one of the following functions:

      (a) Initiation of the requirement;

      (b) Place order; and

      (c) Receipt, inspection, and acceptance of supplies/services.

      (2) In unusual circumstances that may preclude an individual from performing a single function (document that there is not an available solution allowing three-way separation), at a minimum, a two-way separation of function for all purchase card transactions must occur to protect the integrity of the procurement process. The individual responsible for the placement of an order (CH) shall not perform the receipt, inspection and acceptance function.

   o. Implement the bank’s EAS for GPC transactions. EAS waiver requests must be approved in writing from the DLA CPM.

   p. Review program metrics, including but not limited to, unusual spending activities, declined authorizations, delinquent accounts, account suspensions, account transaction summaries, and underutilized credit limits.
q. Complete independent HL4 A/OPC-level review of high-risk transactions flagged through the PCOLS data mining application.

r. Monitor and verify BO management accounts are paid on time. DLA's GPC billing statement date is the 19th of the month. Accounts are delinquent one month from the statement date (the 19th of the following month) if the bank has not received full payment. Unless approved by the DLA CPM, respective HL4 A/OPCs are to suspend delinquent management accounts until bank receives payment. DLA's GPC program's cumulative delinquent balances shall not exceed five percent (5%). Unpaid balances 60 days from the statement date are considered 30 days past due and shall not exceed one percent (1%) of the activity’s current balance. The bank will automatically suspend management accounts (including all CH GPC accounts under the respective BO management account) with a 60 day past due amount. The suspension will only be removed when payment is received in full. The bank will suspend the entire HL4 A/OPC Level 4 if one account remains delinquent for more than 180 days (Reference (g)).

s. HL4 A/OPCs shall monitor their delinquencies by verifying that payments have posted at the bank and expeditiously resolve payment issues. CHs are required to review, reconcile, and approve all valid transactions and forward to the BO within three business days of cycle close. BOs are required to approve and certify for payment bank invoices within six (6) business days after the close of the billing cycle (to maximum rebates, certify five (5) business days after close of the billing cycle). Seven (7) business days after the close of the billing cycle, the HL4 A/OPC shall review all accounts and suspend management accounts not certified until the BO account is certified.

t. HL4 A/OPCs are to ensure BOs have queried and received confirmation from their respective RMIs that payment has not been rejected by DFAS ten (10) days after the close of the billing cycle. HL4 A/OPCs are to verify that payment has been made to the bank within 18 business days after the close of the billing cycle date. Accounts that are not paid shall be immediately investigated and errors corrected to expedite timely payment to avoid delinquency and account suspension.

u. Convenience checking accounts. HL4 A/OPCs may only appoint one convenience check account holder to sign and issue checks for the Command/Activity. Activities are not authorized to appoint alternate convenience check account holders. The CPM may authorize creation of an additional convenience check account upon receipt of written justification in accordance with DoD Financial Management Regulation (FMR) Volume 5 Chapter 23 Purchase Card Payments (Reference (h), Section 230504(B)). When closing an account with convenience checks, the HL4 A/OPC should always: Collect and destroy any unused convenience checks and ensure that all checks have cleared before closing the account.

v. The responsible HL4A/OPC shall review convenience check accounts yearly on an unannounced basis. The review will validate that convenience checks were only issued to support documented situations where a convenience check was the only possible method of acquiring the required supply or service. Convenience check accounts shall be closed by the
HL4 A/OPC if there is a regulation or policy violation and the convenience check writer shall not be allowed to have another convenience check account. Convenience checks are only to be issued when a VISA accepting merchant cannot provide the supply/service. Cheaper cost from a non-VISA accepting merchant is not acceptable. The HL4 A/OPC must ensure that the review is conducted and findings reported in the semiannual reports. Review this instruction, reference (d) and (h).

w. Identify, correct, eliminate, and report GPC fraud, waste, and abuse.

x. Attend and participate in Monthly GPC CPM HL4 A/OPC telecom.

y. Prepare GPC program related reports including but not limited to, quarterly Office of Management and Budget (OMB) reports documenting review of GPC accounts. Quarterly reports will be submitted to the DLA CPM one week following the end of the quarter. Provide quarterly briefings or status inputs to the AH.

z. Prepare Semi-Annual Report which is briefed to the AH, and obtain AH signature. Provide semiannual reports (due 20 January and 20 July covering 1 April to 30 September and 1 October to 30 March) in the approved format, providing details of oversight for their prospective organizations GPC program. The report will list the number of billing official and cardholder accounts that were inspected in the 2 previous fiscal year quarters, the total number of transactions reviewed, a summary of significant findings, as well as a summary of adverse actions taken against individuals responsible for the significant findings and any corrective actions taken. This review should also consider the continuing need for purchase cards and a review of the single purchase and monthly purchase levels of cardholders and billing officials to ensure that the limits are reflective of the actual need.

(1) Provide monthly HL4 A/OPC summaries in requested format (due first business day of the following month) providing details of oversight for their prospective organization.

(2) Monitor misuse of the card and coordinating with BO and CH supervisors to ensure appropriate disciplinary action is taken.

5. Billing Official Supervisors. BO supervisors shall:

a. Select trustworthy individuals to fill GPC roles and responsibilities and shall remain actively involved in the performance of GPC duties of the program participants they supervise. An alternate BO is required.

b. Nominate the primary and alternate BOs to their respective HL4 A/OPC and ensure BO and alternate BO have completed required training. HL4 A/OPC will utilize PCOLS to provision the members of the BO pool.
c. Include BO duties in a BO’s critical job elements and ensure the BO fulfills his/her responsibilities, implement appropriate disciplinary action for negligence of duties, misuse, or abuse for program participants under their supervision.

d. Notify the HL4 A/OPC immediately of planned BO and alternate BO departures/reassignments/changes. Ensure outgoing BO provides the HL4 A/OPC a completed DD 577 that has been submitted to DFAS. To the extent practicable, the HL4 A/OPC shall be advised of the separation of BO at least four (4) weeks prior to the effective date of separation. The HL4 A/OPC must immediately receive the name and contact information of the replacement BO from the applicable organization. Once the replacement information is received, the HL4 A/OPC shall initiate the necessary action and assign the required training to appoint a new BO. All management accounts must have a BO and alternate BO assigned to satisfy the program requirements. Management accounts without an assigned BO are to be closed immediately by the respective HL4 A/OPC.

6. Billing Officials. The BO is the program’s first line of defense in preventing misuse, abuse and/or fraudulent use of the GPC. BOs shall be, to the greatest extent possible, the supervisor of the CH or be in the direct line of authority of their CH. PCOLS requires the position approval of the CH’s Supervisor and the approval of the Supervisor of the BO if the BO is not the Supervisor of the CH. The HL4 A/OPC shall be notified when the CH is not in the direct line of authority of the BO to review, make adjustment or reassignments and document finding as to why the CH and BO are not in the same direct line of authority and provide to the individual(s) who conduct management control reviews. BOs shall not be the supervisor of their HL4 A/OPC in order to maintain a system of checks and balances within acquisition responsibilities. The BO is responsible for ensuring proper use of the purchase card through approval of purchases and certification of monthly invoices for payment. Billing Officials are also known as Approving Official, Accountable Official, and Certifying Officer. BOs acting as Certifying Officers have pecuniary liability for erroneous payments they certify. BOs shall have a copy of this instruction to refer to and:

   a. Complete required training (Defense Acquisition University (DAU) Continuous Learning courses for Government Purchase Card Training (CLG 005), Green procurement (CLG 046), Ability One (CLM 023), and DoD Government Purchase Card Tutorial (CLG 001). The refresher training, DoD Government Purchase Card Refresher Training (CLG 004) is required every two years. Initial Overview of Acquisition Ethics (CLM 003) and refresher Overview of Acquisition Ethics (CLM 003) every 2 years. Section 508 training is required as initial training and can be found at www.section508.gov. DAU courses can be found at http://www.dau.mil/. Certifying Officer Legislation (COL) Foundations is required as an initial one time training https://dfas4dod.dfas.mil/training/Courses/coltraining.htm. Recommend BOs complete DAU CON 237, “Simplified Acquisition Procedures;” it is offered via distance learning at no cost at www.dau.mil. Overseas and contingency BO and CH are required to complete DAU CON 237 and additional training as directed. BOs must provide the respective HL4 A/OPC copies and retain all current and past training certificates for reviews and audits.
b. Maintain a hard copy file (current and past) of the GPC appointment letter(s) specifying purchase limitations, DD Form 577(s), and all copies of training certificates. Authority shall be documented in an appointment letter specifying any limitations and the BO must acknowledge and accept the authority and shall never exceed delegated authority.

c. Be appointed as Certifying Officers (CO) and Accountable Officials, and complete Certifying Officer Training in accordance with the DoD FMR, Volume 5, Chapter 330302. It is DoD policy that the same person performs the roles of CO and BO. BOs have pecuniary liability for erroneous payments they certify. BO authority to certify GPC invoices shall be documented on the most current versions of the DD Form 577 (Certifying Officer) and provided to Defense Finance and Accounting Services (DFAS) prior to performing BO duties. The most current version of the DD Form 577 shall also be used to rescind BO authority. The DD Form 577 and delegation letter indicating dollar limits are required and must be retained by the BO and provided to the HL4 A/OPC for reviews and audits. Only an individual appointed and trained as a BO may certify GPC invoices for payment. The BO is responsible for:

(1) Validating transactions to ensure they meet legal requirements prior to certification. Verify payments to be legal, proper, and correct. Approve and certify for payment bank invoices within six business days after the close of the billing cycle (5 days to maximize rebates), avoiding late-payment interest according to the Prompt Payment Act, and avoiding suspension of the GPC card;

(2) Verifying supporting documentation is retained and available for inspection/ assessments to determine whether or not transactions are valid to certify for payment;

(3) Verifying facts presented in supporting documentation are complete and accurate;

(4) Verifying line item detail on the invoices match the amount certified for payment;

(5) Ensuring transactions on the BO statement are reallocated to other accounting classifications, if necessary, prior to the actual certification of the invoice;

(6) Verifying with respective RMs and received confirmation that payment has not been rejected by DFAS ten (10) days after the close of the billing cycle. Verify that payment has been made to the bank within 18 business days after the close of the billing cycle date.

(7) Taking appropriate action to prevent submission of duplicate invoices;

(8) Retaining certified billing statements and supporting documents for six years, three months; and 10 years for documents using Foreign Military Sales funding; and

(9) Pecuniary liability for illegal, improper or erroneous payments.

d. Ensure the accuracy and completeness of the reconciled monthly statement of account, monthly purchase card log, and purchase documentation of their assigned CHs. Resolve any questionable purchases with the CH. BOs may be financially liable for erroneous payments.
resulting from negligence in the performance of their duties. Track purchases paid for, but not received, along with monitoring related disputes until the transaction issue is resolved.

e. Identify any accounts that have failed to pay and provide follow-up supporting documentation to DFAS to ensure payment is made.

f. When the CH fails to reconcile and forward the billing statement in a timely manner, the BO shall review, approve, and certify CH statements. The BO and CH shall complete the required statement reconciliation as soon as possible to ensure statement and payment accuracy.

g. When practical nominate a CH to their respective HL4 A/OPC who will utilize PCOLS to provision/assign the CH’s role.

h. Utilize PCOLS to accept managing account nominations, initiate CH account requests, and maintain managing accounts.

i. Ensure the CHs fulfill their responsibilities. Notifying the HL4 A/OPC to immediately close a CH account, ensuring all purchases have cleared, when the CH is transferred, deployed, terminated, or is in absent-without leave status.

j. Recommend and review at least annually the dollar limits and inclusion/exclusion of other merchant category codes to reduce the risk of misuse to the HL4 A/OPC for CHs under their purview.

k. Review and approve all CH purchase/transaction documentation prior to the transaction to ensure all CH transactions are legal, proper, mission-essential, and correct in accordance with government rules and regulations.

l. Sign and date the monthly billing statement to signify accuracy and maintain a signed copy of certified statements, all receipts, and documents to support the purchases for six years and three months.

m. Ensure that a CH follows the prescribed steps when accountable, pilferable and/or sensitive items are purchased to make sure that accountable (pilferable) property records are updated. DLA Installation Support (DS) is the office of primary responsibility for property accountability policy in accordance with DLA Instruction 4202, Accountability of DLA Property, Plant & Equipment (Reference (i)). Agencies other than DLA are to ensure accountable and/or sensitive property is recorded properly in accordance with respective policies. Complete or ensure actions are completed for Wide Area Workflow (WAWF) requirement in accordance with Reference (j). Notify the Accountable Property Officer of pilferable, sensitive, or high valued property obtained with the GPC, in accordance with their activity’s established property accountability policy.

n. Adjudicate all PCOLS data mining transaction reviews within 10 business days to prevent escalation. Notify the HL4 A/OPC of any improper purchases and record all improper purchases in the PCOLS data mining tool.
o. Notify the HL4 A/OPC of lost/stolen cards.

p. Ensure CHs with convenience check-writing privileges adhere to all guidance and safeguard the convenience checks. Review, prior to check issuances, all convenience check transaction to ensure a convenience check is the only possible method of acquiring the required supply or service.

q. Identify and report fraud, waste, and abuse of the GPC to the HL4 A/OPC and/or appropriate authorities for investigation.

r. Reimburse the government for any unauthorized or erroneous purchase card transactions that were not disputed.

s. Notify the HL4 A/OPC of planned BO reassignment or departure. Provide the HL4 A/OPC a completed DD 577 to be submitted to DFAS. To the extent practicable, the HL4 A/OPC shall be advised of the separation of BO at least four (4) weeks prior to the effective date of separation. The HL4 A/OPC must immediately receive the name and contact information of the replacement BO from the applicable organization. Once the replacement information is received, the HL4 A/OPC shall initiate the necessary action to appoint a new BO. Management accounts must have a BO and alternate BO assigned to satisfy the program requirements and avoid management account suspension or closure.

7. Cardholder Supervisors. CH Supervisors shall:

   a. Nominate CHs, assist HL4 A/OPC with CH account approvals, and ensure CHs have completed training.

   b. Include GPC duties in a CH's critical job elements and ensure the CH fulfills his/her responsibilities, implement appropriate disciplinary action for neglect of duties or misuse of cards for program participants under their supervision. Supervisors shall select trustworthy individuals to fill GPC roles and responsibilities and shall remain actively involved in the performance of GPC duties of the program participants they supervise.

8. Cardholders. CHs shall use the GPC to acquire only authorized mission essential supplies/services, make proper contract and training payments per their delegated authority. When making a purchase or payment, the CH must comply with statutory, contractual, administrative and locally applicable requirements. The CH shall have a copy of this instruction to refer to and:

   a. Complete required training (Defense Acquisition University (DAU) Continuous Learning courses for Green procurement (CLG 046), Ability One (CLM 023), and DoD Government Purchase Card Tutorial (CLG 001). The DoD Government Purchase Card Refresher Training (CLG 004) is required every two years. Initial Overview of Acquisition Ethics (CLM 003) and refresher Overview of Acquisition Ethics (CLM 003) every 2 years. Section 508 training is required as training and can be found at www.section508.gov. DAU courses can be found at
http://www.dau.mil/. Recommend CHs complete DAU CON 237, “Simplified Acquisition Procedures;” it is offered via distance learning at no cost at www.dau.mil. Overseas and contingency BO and CH are required to complete DAU Con 237 and additional training as directed. CHs must provide the respective HL4 A/OPC copies and retain all current and past training certificates for reviews and audits.

b. Maintain a hard copy and provide a copy to HL4 A/OPC of all (current and past) GPC delegation letter(s) specifying purchase limitations, DD Form 577(s), and copies of training certificates. CH shall complete the back of DD577, Section IV by initialing and dating upon separation or no longer being GPC holder and provide to the HL4 A/OPC. CH authority to use the GPC up to the micro purchase threshold, or make training or contract payments shall be documented in a Letter of Delegation (LOD) specifying any limitations to supplies/services authorized to purchase and spending limits. CH must acknowledge and accept the authority and shall never exceed delegated authority.

c. Accept role in PCOLS.

d. Maintain the physical security of the card and account number. It is the Cardholder’s responsibility to safeguard the Purchase Card and account number at all times. THE CARDHOLDER MUST NOT ALLOW ANYONE TO USE HER/HIS CARD OR ACCOUNT NUMBER OR MAKE UNAUTHORIZED TRANSACTIONS WITH THE PURCHASE CARD. The CH shall keep the card locked in a secure place, only accessible to the CH, encrypt full account information when transmittingelectronically, and use short account numbers if transmission is not encrypted. The CH shall not store the Purchase Card on his or her person (such as in a wallet) except when the CH is on call. CHs are to remind merchants not to retain their account numbers. Lost or stolen cards or account numbers are to be immediately reported to the BO and A/OPC and U.S. Bank (1-888-994-6722). Further use of the card shall be blocked. Prompt action in these circumstances can reduce the potential for unauthorized charges. Destroy lost or stolen cards if recovered, notify BO and HL4 A/OPC.

e. Utilize the bank’s EAS for GPC transactions. EAS waiver requests must be approved in writing from the DLA CPM.

f. Use, if authorized, the GPC as a payment instrument for payments/orders made against Blanket Purchase Agreements or contracts that contain a provision authorizing payment by purchase card.

g. Ensure all transactions are legal, proper and reasonable, satisfy a bona fide need, funds are available, and made in accordance with government rules and regulations. Purchases shall be distributed equitably among qualified suppliers, to the extent practicable. Verify price reasonableness if:

(1) There is reason or information to suspect or 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
(2) 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).

(3) The basis for determining a fair and reasonable price shall be documented in the GPC transaction file.

h. Maintain a log for all their purchases and payments. Maintain a purchase log that documents individual transactions. The purchase card log and supporting documentation will provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. See Attachment 3 for Purchase Log details. Maintain for six years three months all receipts, billing statements and other purchase documentation.

i. Track purchases paid for, but not received, along with monitoring related disputes until the transaction issue is resolved.

j. Reconcile all bank statement transactions with purchase log. Review, reconcile, and approve all valid transactions and forward to the BO within three business days of GPC billing cycle close, maximizing rebates, avoiding late-payment interest according to the Prompt Payment Act, and avoiding suspension of the GPC card. CHs shall sign their bank statement indicating approval of the entire statement after all transactions are validated. Notify the BO of any discrepancies.

k. Resolve disputes on the following actions with the bank (with notification to their respective HL4 A/OPC): duplicate billing, non-receipt of merchandise, returned merchandise, canceled merchandise or services, invoice amount discrepancies and/or the transaction was paid by other means. It is required that the CH try resolving the dispute with the vendor first, then, if appropriate, file a dispute if the credit is not received on the next billing cycle.

l. Understand that the CH may be required to reimburse the Government for any unauthorized or erroneous payment card transactions that were not disputed. Significant violations shall result in the Purchase Card being withdrawn from the Cardholder with the possibility of disciplinary action and the Cardholder held financially liable for all unauthorized purchases.

m. Return the Purchase Card to the HL4 A/OPC and request that the account be closed at least 30 days or one billing cycle prior to relinquishing GPC duties, reassigning, retiring, or during any other separation action. Destroy card and notify HL4 A/OPC if not geographically feasible to return it to the HL4 A/OPC.

9. Training Cardholder Accounts. CHs paying for training shall:

   a. Make payment for government and commercial training and materials up to $25,000 per single properly approved Standard Form (SF) 182.
b. Ensure that all training requests for GPC payment are submitted on an SF 182 and appropriately signed/completed. Completed SF182s and/or course completion certificates serve as receiving documentation for training payments.

c. Conform to all regulations that govern CHs.

d. See Attachment 5 for guidance.

10. Resource Manager Supervisors. RM supervisors shall nominate RMs and coordinate with HL4 A/OPCs who shall utilize PCOLS to provision the members of the RM pool.

11. Resource Managers. RMs shall use PCOLS to accept RM nominations in managing account issuance processes in assigning and reducing funding limits (funds control via the CH annual funding limit), both default and alternate lines of accounting (LOAs), establish electronic data interchange capabilities, determine the correct payment office, and authorize CHs to reallocate LOAs. The resource/financial manager authorizes funding and manages funding control through PCOLS as well as provides financial management support and expertise to HL4 A/OPCs, BOs/COs and CHs. The RM is key in assisting the BO with timely payment/disbursing problems resolution to ensure the bank is paid prior to account delinquency. Complete required training (Defense Acquisition University (DAU) Continuous Learning courses for Government Purchase Card Training (CLG 005), and DoD Government Purchase Card Tutorial (CLG 001). The DoD Government Purchase Card Refresher Training (CLG 004) is required every two years. RMs must provide the respective HL4 A/OPC copies and retain in a hard copy file all current and past training certificates for reviews and audits.
1. The GPC is authorized for making and/or paying for mission essential micro purchases of supplies, services, or construction. The use of the GPC constitutes expenditure of funds and is limited to CHs who are properly delegated purchase authority in writing. All authorized purchases up to the micro-purchase threshold shall be made using the GPC unless the vendor will not accept the purchase card, the vendor requires terms and condition, and no other vendors that accept the GPC are available.

2. The supplies/services GPC may be used to make payments for mission support contracts (e.g., shipping services; not for contracts that use the GPC as the payment method (see Attachment 4).

3. The GPC may only be used by the person to whom the card was issued, within the limits of their delegated authority. Use by anyone other than the issued CH is considered unauthorized use.

4. The GPC is mandatory for all authorized mission essential purchases less than or equal to the micro-purchase threshold unless the vendor will not accept the purchase card, the vendor requires terms and condition, and no other vendors that accept the GPC are available, unless a waiver for the purchase is approved in writing by a flag officer or equivalent. Micro-purchase threshold means $3,000, with the following exceptions (note that these amounts are based on those stated in the Federal Acquisition Regulation (FAR) and Defense FAR Supplement (DFARS) as of the effective date of this DTM; in the event that the threshold amounts in the FAR and/or DFARS are revised, the revised amounts are automatically applicable to this section of this DTM):

   a. $2,000 for acquisitions of construction subject to the Davis-Bacon Act. The Davis-Bacon Act and Service Contract Act applies only to the United States, defined as the 50 States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, American Samoa, Guam, the U.S. Virgin Islands, Johnson Island, Wake Island, and Outer Continental Shelf lands as defined in the Outer Continental Shelf Lands Act (43 USC. 1331, et seq.), but does not include any other place subject to U.S. jurisdiction or any U.S. base or possession in a foreign country (29 CFR 4.112).

   b. $2,500 for acquisitions of services or reoccurring services subject to the Service Contract Act. Recurring services estimated to exceed $2,500 per year shall be acquired through the local contracting office. Non-recurring services involve one-time unpredictable or occasional requirements. These services may be purchased with GPC up to $2,500, however if any doubt exists as to which category a service falls under, the CH must consult the contracting office.
c. $25,000 for overseas CHs authorized to use the GPC to make purchases for commercially available supplies and services if the purchase is made outside the United States, as defined in DFARS 213.301(1), for use outside the United States, subject to the restrictions in DFARS 213.301(2)(i)(C) through (G) and (ii). CHs must ensure the final price includes all costs associated with the mode of transportation and packaging selected to the destination country, customs import duties, and any other charges that may accrue. Overseas account A/OPCs, BOs, and CHs shall complete DAU CON 237, “Simplified Acquisition Procedures;” prior to assuming CH duties; it is offered via distance learning at no cost at www.dau.mil.

d. FAR 13.201(g)(1) also provides for increased thresholds under certain circumstances, as follows:

(g)(1) For acquisitions of supplies or services that, as determined by the head of the agency, are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, the micro-purchase threshold is —

(i) $15,000 in the case of any contract to be awarded and performed, or purchase to be made, inside the United States; and

(ii) $30,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

(2) Purchases using this authority must have a clear and direct relationship to the support of a contingency operation or the defense against or recovery from nuclear, biological, chemical, or radiological attack.

e. Separate GPC accounts shall be established for contingency operations support when practical. An HCA determination must be signed in accordance with DLAD 13.201(g)(1)(S-90)(ii) and (iii) prior to transactions supporting contingency operations. All contingency operation transactions will be recorded specifically noting the applicable contingency the transaction supported in the purchase log.

5. The use of the GPC for personal purchases is strictly prohibited. Use of the purchase card for other than official United States (U.S.) Government business is misconduct, which will result in the immediate cancellation of an individual's GPC and the possibility of disciplinary action up to and including removal from Federal service.

6. Confirm and Pay procedures are used in instances where CHs have been billed and have not received the items ordered. The CH shall document confirmation with the vendor that the items ordered are in transit and reconcile the monthly statement in full anticipation that the supplies will be received within the next billing cycle. The CH shall track the transactions that have not
been received and pay the invoice in full. If the supplies are not received within the next billing
cycle, the CH will then dispute the item using established dispute procedures. In addition, pay
and confirm procedures include damaged items received, which are still under warranty, where
the contractor confirms they will replace, modify or repair within the next billing cycle. Pay and
confirm/chase procedures do not include the payment of statements in full, which contain billing
errors or questionable transactions.

7. The GPC will be used to purchase or pay for all mission essential supplies and services at or
below the micro purchase threshold. The GPC will be used only for proper purchases, which are
authorized purchase made in a correct amount under statutory, procurement, financial
management, administrative, or other legally applicable requirements.

a. Use of the GPC must comply with the CH delegated authority and the following Federal
and DoD procurement requirements.

b. Statutory Requirements. The use of the GPC must comply with the following statutory
requirements.

(1) There must be an approved bona-fide Government need; make purchases in accordance
with the bona fide need and necessary expense rules. In general, in order to satisfy these rules a
requirement must make a direct contribution to carrying out an authorized agency function. If
unsure about the appropriateness of a purchase, consult with servicing Counsel.

(2) The correct funds must be available for what is being purchased prior to making the
purchase. Appropriation law and specific statutory authority are guiding considerations when
determining what may or may not be purchased using the GPC. Guidance on application of
appropriation law is available in the GAO Principles of Federal Appropriations Law (Red Book).
Consult with servicing Counsel for guidance when a question arises concerning whether a
proposed expenditure is authorized.

(3) Requirements cannot be intentionally split to circumvent the micro purchase threshold or
other single purchase limits.

(a) Defining the requirement is the key to avoiding a split. Examples of split transactions are:

i. For a current requirement for a variety of different boxes, buying separate types of boxes
on different orders to keep each purchase under the micro purchase threshold would be
improperly splitting requirements.

ii. For a requirement for related maintenance actions under one service call that exceeds the
micro-purchase limit, treating each maintenance action as a separate transaction would be
improperly splitting requirements.

(b) Recurring requirements for the same or similar supplies or services (consolidation of the
same or similar requirements for an entire office or an entire location) that exceed $3,000
($2,500 if the Service Act of 1965 applies) over a one-year period shall be forwarded to the local contracting office for purchase.

Note: Application of these rules may vary depending on the exact facts and circumstances, and there are some exceptions to these rules. Additionally, procurement and supply policies may require additional approvals before purchasing some items to ensure safety, compatibility, or compliance with non-GPC policies. Discuss with HL4 A/OPC if uncertain as to whether a purchase is appropriate, and then if directed consult servicing counsel for guidance.

c. Prohibited Purchasing Actions and Questionable items

(1) Cash Refunds. Under no circumstances will the CH accept a cash refund or gift cards for non-receipt of, returned or damaged items initially purchased using a GPC. The CH shall only accept credit to the account. (If necessary, request a check payable to the U.S. Treasury.)

(2) Vendor Rebates, Incentives, Gift Cards/Checks. Under no circumstances will the CH accept vendor gift cards/checks, vendor rebates or other purchase incentives that can be converted to personal use. If received, these items must be turned over to the HL4 A/OPC for deposit to the U.S. Treasury (if checks), or other authorized disposition, including destruction and disposal. Cardholders are required to rotate merchants and a Cardholder cannot promise to return to a merchant for any additional orders. Cardholders should always ask for Government discounts on all purchases. Receipt of a coupon is not a valid reason to the issuing merchant.

(3) Advance payments are prohibited except for tuition and subscriptions for publications or services that are certified as necessary for operational purposes by the AH.

(4) Payment for Employee Certification is allowed if certification is not a common condition of employment (e.g., payment for the cost of a professional license would not be a common condition of employment) and if not for seeking employment outside the government.


e. Preventing improper use of the GPC requires constant management oversight. It is the responsibility of all program participants to ensure the GPC is used properly and only for authorized purchases. Prior to purchase, CHs shall have BOs review and approve the purchase to ensure the purchase is legal, proper, mission-essential, and correct in accordance with government rules and regulations and document approval by signing DLA Form 1901 (or approved form for none DLA activities) indicating approval. BOs will report all improper, fraudulent, abusive, or negligent use of the GPC to the HL4 A/OPC so appropriate corrective action can be taken. Improper use is to be tracked and included in the HL4 A/OPC reports. Use the following categories to track improper use.

(1) Exceeds minimum mission need.

(2) Personal use.
(3) Exceeds authorized limits.

(4) Split purchase.

(5) Prohibited item.

(6) Failure to use mandatory sources.

(7) Unauthorized use, using the GPC for non-official purposes.

f. The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services (Reference (b)), and Section 8.002, Priorities for Use of Government Supply Sources (Reference (b)), and Defense Federal Acquisition Regulation Supplement (DFARS) Part 208 (Reference (c)). Mandatory sources must be considered before an open-market purchase can be made. It is mandatory to purchase supplies which are on the AbilityOne Procurement List from AbilityOne participating nonprofit agencies if such supplies are available within the timeframe required. DLA directed sources policy is to use DOD EMALL (automated purchasing systems) to ensure compliance with Federal and DOD procurement and strategic sourcing requirements. Use of the GPC must comply with the following DLA directed sources policy.

(1) CHs shall purchase AbilityOne Office Supplies from DOD EMALL or AbilityOne base outlets.

(1) Small Business and Green products should be purchased to the maximum extent practicable. Refer to DLA’s Green Procurement Plan for guidance.

(2) Incidental janitorial and sanitation supplies. CHs shall purchase AbilityOne incidental janitorial and sanitation supplies from DOD EMALL or Ability One Supplies from base outlets. Small Business and green products should be purchased to the maximum extent practicable.

(3) Printing Services. CHs shall purchase printing and duplication requirements and rental of duplication equipment from DLA Document Services.

g. The HL4 A/OPC may waive the requirement to use DOD EMALL in certain circumstances; supporting evidence must be maintained in the cardholder transactional file. The HL4 A/OPC will pre-approve the exception prior to the CH making the purchase and will retain a justification in writing in the GPC purchase file detailing the rationale for not using the DLA directed source. Note that waiver of use of DLA directed sources does not authorize use of other suppliers when there is a mandatory sources of supply, such as AbilityOne. Waivers may be authorized in the following circumstances:

(1) Use of DOD EMALL would not meet the delivery requirements for an urgent purchase (with corroborating documents);
(2) Use of DOD EMALL would result in unreasonable or excessive cost (with corroborating documents) to the requiring activity;

(3) Use of DOD EMALL would violate requirements for use of mandatory sources such as Ability One; or

(4) For OCONUS activities when delivery times or cost are not supportable and/or economical and access to local AbilityOne stores and/or services are readily available.

(5) The requirement is not available on DOD EMALL and is a recurring requirement (that does not exceed the micro-purchase threshold annually).

h. Rotate orders among qualified contractors to the maximum extent practicable.

i. Purchase of electronic and information technology (EIT) items must be compliant with Section 508 of the Rehabilitation Act of 1973, which states that Federal agencies must make their electronic and information technology accessible to people with disabilities. EIT purchases shall have J-6 approval (or equivalent) prior to purchase.

8. Records of each purchase shall be kept to perform a reconciliation of purchases made with the CH Statement provided by the bank. Records shall also be kept to provide an audit trail supporting the decision to use the GPC and any required special approvals that were obtained.

a. Purchase Log. Maintain a log that documents each purchase.

(1) The purchase log shall contain the following mandatory information:

(a) Name of individual requesting the item or service,

(b) A description of the item or service ordered, or general commodity code (e.g., office supplies),

(c) Date the item or service was purchased,

(d) The merchant name,

(e) The dollar amount of the purchase,

(f) Date received, and

(g) Name of the individual receiving the item or service.

(h) Steps taken to verify price reasonableness
(2) It is highly recommended that the purchase log contain comments or applicable information regarding the purchase. Examples may include:

(a) Paid but not received (pay and confirm),

(b) Credit received,

(c) Dispute information,

(d) Required sources used/not used and reason why or,

(e) HL4 A/OPC, BO, Legal, or professional advice regarding questionable purchases.

(f) Tracking of funds balance if received funding authorizations (i.e. monthly, quarterly, etc.) other than funding approval for each purchase.

b. Purchase documentation. Maintain records to support the integrity of the purchase. The record of purchase shall include:

(1) The request documentation showing proper management approval and BO approval prior to the purchase,

(2) Sales receipt/merchant invoice,

(3) Proof of delivery/acceptance by someone other than the CH, and

(4) Any additional documentation to support the legality of the purchase.

c. Retention of financial documents. BOs/CHs shall retain financial documents per DoD 7000.14-R, Volume 1, Chapter 9 to support financial audits. Additionally, DoD 7000.14-R, Volume 10, Chapter 23 requires original documents supporting the payment of the certified bank invoice; i.e., purchase documentation, be retained:

(1) For a period of six years and three months,

(2) For a period of 10 years when using Foreign Military Sales funding,

(3) Even if an account is terminated, and

(4) For longer than specified above, if in support of Financial Statement Audits. Records retention officials should check with their local comptroller for any supplemental retention guidance before disposing of financial documents.

d. Electronic Storage of GPC Documentation. Electronic record storage requires adequate controls to ensure the integrity of the digital images (that they accurately represent the
corresponding original paper documentation) and to allow for detection of changes to an original digital image. There is not a DoD approved electronic stowage location for GPC records.

9. The following internal management controls shall be followed to ensure proper use of the GPC.

a. Separation of Function. CHs are required to ensure separation of the purchasing function. The same person should not initiate the requirement, award the purchase action and receive, inspect and accept the supplies or services. Activities shall establish procedures and controls to ensure that there is a 3-way separation of function to prevent personal conflicts of interest and fraud, waste and abuse. In unusual circumstances that may preclude an individual from performing a single function (BO document with HL4 A/OPC concurrence that there is not an available three-way separation solution) at a minimum, a two-way separation of function for all GPC transactions must occur to protect the integrity of the procurement process. The individual responsible for the award of placement of an order (CH) shall never perform the receipt, inspection and acceptance function.

(1) Requirement initiation is the first and most important step of the purchasing process. It involves determining what is needed, when it is needed and ensuring the requirement cannot be met using current inventories or the supply system. Requirements shall be documented on the current version of the DLA Form 1901 (for none DLA agency, a similar requirement form approved by the CPM is required) and approved by a person with proper authority prior to purchase by a CH. BOs shall approve CH transactions prior to purchase. DLA Form 1901 will be utilized to document material or service requirements. In situations where the DLA form 1901 may not be, or is partially, compatible to the process the GPC is being employed, a written request shall be submitted and approved by the DLA CPM detailing the modified or non-use of the DLA Form 1901. An audit trail documenting when and who initiated the requirement, what was ordered, what was received and when and who received it is required to show separation of function. Audit trail documentation may be accomplished by having printed documents from an electronic material management system, email, or by having readable hand-signed documentation. Purchase card program participants shall use the purchase card log.

(2) CHs shall make purchases per the CH responsibilities listed in this DTM and other applicable guidance. The CH shall obtain documentation from the merchant showing the item(s) purchased, the unit price, the total amount, date of the transaction, shipping/handling, and tax (as applicable).

(a) CHs may request their HL4 A/OPC coordinate with the bank to allow authorization of valid purchases blocked by an MCC. The HL4 A/OPCs shall validate that only approved MCC codes are assigned to all CH accounts. HL4 A/OPCs will review the blocked MCC requests and if approved, process requests and ensure purchase files have documentation detailing the validity of the purchase.

(b) CHs should not make purchases from merchants that use a third party payment vendor; i.e., PayPal and Amazon, unless no other merchant is available. The billing official will approve
prior to the purchase. Evidentiary documentation validating that no other merchant was available shall be retained.

(3) An individual other than the CH shall record receipt/delivery of items delivered or services provided, and submit a record of receipt/delivery to the CH. The record of receipt/delivery shall include:

(a) Date received,

(b) Items received at the time of delivery (may annotate on the sales invoice, packing slip, bill of lading, or other document available),

(c) Signature of the person verifying delivery (or electronic equivalent),

(d) Printed (legible) name of the person recording delivery,

10. In cases where the CH is picking up the material at the vendor’s location, the end user or other designated receiving personnel shall legibly print his/her name and title, then sign and date the receipt confirming independent receipt, inspection, and acceptance of the material or services.

11. In cases where the proof of receipt is not received by the CH, the CH shall obtain an email acknowledging the date receipt, inspection, acceptance, description, quantity, and condition of the material to show proper separation of function and receipt. Additional evidentiary documentation such as packing lists shall be requested and retained.

12. In the event the CH is the end user, the CH may sign the vendor receipt. However, the CH shall ensure another government employee or military member within the command co-signs and dates the receipt with his/her printed name and title indicating they have performed the receipt, inspection and acceptance function.

13. Follow the prescribed steps to notify the property accountability official when accountable and/or sensitive items are purchased to ensure documentation is provided to update accountable property records. DLA Installation Support (DS) is the office of primary responsibility for property accountability policy in accordance with DLA Instruction 4202, Accountability of DLA Property, Plant & Equipment (Reference (i)). Agencies other than DLA are to ensure accountable and/or sensitive property is recorded properly in accordance with respective policies. Complete Wide Area Workflow (WAWF) requirement in accordance with reference (j). Notify the property accountability official of pilferable, sensitive, or high valued property obtained with the GPC, in accordance with their activity’s established property accountability policy.
14. Ensure that items on the AbilityOne Procurement List of supplies and services published by the Committee for Purchase from People Who Are Blind or Severely Disabled (available at http://www.abilityone.gov/procurement_list/index.html) are purchased via DOD EMALL or AbilityOne Supplies from base outlets: (1) at prices established by the Committee; (2) participating nonprofit agencies; and (3) if they are available within the period required (see Reference (b), Subpart 8.7, Acquisition from Nonprofit Agencies Employing People Who Are Blind or Severely Disabled, and Reference (c), Subpart 208. 7) Exceptions to this requirement are listed at section 8.706 of Reference (b). For purchases of items not on the Procurement List totaling under $3,000, consider other required sources of supply listed in Part 8 of Reference (b) before an open-market purchase is made, and rotate sources. For purchases of supply items on Federal Prison Industries’ (FPI) Schedule (available at http://www.unicor.gov/prodservices/prod_dir_schedule/) totaling above $3,000, follow the guidance in Reference (b), Subpart 8.6, Acquisition from Federal Prison Industries, Inc., and in Reference (c), Subpart 208.6. Consult with local counsel concerning questions about this guidance.

15. Ensure that the policies in Reference (b), Subpart 23.1, Sustainable Acquisition Policy, Subpart 23. 2, Energy and Water Efficiency and Renewable Energy, Subpart 23.4, Use of Recovered Materials and Biobased Products, and Subpart 23.7, Contracting for Environmentally Preferable Products and Services, are followed. The CH will purchase “environmentally preferable” products and services. Many commercial sources have labeled their products with icons that identify items as “environmentally friendly” products. In addition, the Environmental Protection Agency (EPA) and General Services Administration (GSA) have issued the following guides to assist purchasing personnel who are responsible for procuring activity requirements:


b. GSA. The GSA offers a variety of environmental products and services to its federal customers to assist them in their efforts to comply with procurement responsibilities outlined in federal environmental laws and regulations. These products and services can be found at the GSA Environmental Products Overview web site: http://www.gsa.gov/portal/content/104543.

c. The DoD Green Procurement Program assigns green procurement responsibilities to every person involved in the procurement process including purchase CHs. Refer to DLAs Green Procurement Plan. All personnel involved in the Department’s procurement process to take a DAU-developed online course, Continuous Learning Contracts (CLC 046), which can be accessed at https://learn.dau.mil/.

16. Contact the merchant to resolve questionable transactions prior to contacting the bank or disputing the transaction, then, if appropriate, file a dispute if the credit is not received on the next billing cycle. Resolve disputes on the following actions with the bank (with notification to
their respective BO and HL4 A/OPC): duplicate billing, non-receipt of merchandise, returned merchandise, canceled merchandise or services, invoice amount discrepancies and/or the transaction was paid by other means.

17. Identify and report suspected fraud, waste, and abuse of the purchase card to CH supervisor and BO. Maintain vigilance of identity theft schemes attempting to gain access to financial information. Notify the HL4 A/OPC, BO and bank if fraud or suspected fraud occurs.

18. Convenience Check Accounts will be managed as follows:

a. The use of convenience checks will be limited to documented situations where a convenience check is the only possible method of acquiring the required supply/service. Convenience checks are to be managed and used with extreme care. A memorandum signed by the BO detailing that no other source or means of payment were available requiring the use of a convenience check and accompanying evidentiary documentation shall be retained in the transaction file. Convenience check accounts shall be closed by the HL4 A/OPC if there is a regulation or policy violation and the convenience check writer shall not be allowed to have another convenience check account. The number of convenience check account will be kept to a minimum and should, in most cases, be limited to no more than one checkbook. The CPM may authorize creation of an additional convenience check account upon receipt of written justification (Reference (h), Section 230504(B)). Convenience checks are only to be issued when a VISA accepting merchant cannot provide the supply/service. Cheaper cost from a non-VISA accepting merchant is not acceptable. Checks cost the Government money to issue, checks are not disputable.

b. Activities may only appoint one convenience check writer to sign and issue checks for the Command/Activity for each account. Activities are not authorized to appoint alternate convenience check account holders.

c. Individual convenience checks shall not be issued in excess of the micro-purchase threshold.

d. Convenience check account holders are responsible for the safeguarding (Secure in a locked container that only is accessible by the check writer) and security of their checks and account information and must ensure funds are available prior to issuing checks.

e. Account holders must submit information electronically via email at cco.checks@defas.mil and maintain information on the checks issued for services to meet the statutory reporting requirements for the Internal Revenue Service (IRS) (Reference (h), Section 230503). Submissions shall utilize the IRS Form 1099, Miscellaneous, and Statement for Recipients of Miscellaneous Income. The deadline for all data input is December 31st.

f. The A/OPC must review/audit convenience check accounts yearly on an unannounced basis. Review this instruction and reference (d) and (h). Summary of the review/audit to include
who conducted it, when, and findings will be retained by in the Level 4 HL4 A/OPC and convenience check writer and included in the Monthly and Semiannual reports.

g. Convenience checks will not be posted to closed accounts. Checks presented after an account has been closed will be returned to the merchant with an account closed reason code.

h. When convenience checks are to be disposed, prepare a Certificate of Destruction. The certificate shall be prepared in an original and one copy and shall include: (a) the complete mailing address of the Command; (b) date and method of destruction; (c) serial number of each check; (d) typed name, title, grade or rank, and signature of the witness; and (e) typed name, title, grade or rank, and signature of the Check Writer. When blocks of checks are destroyed, the beginning and ending serial numbers of the block may be shown. Otherwise, each check shall be listed in numerical sequence. The convenience check account holder and at least one witness shall: (a) examine the checks to verify that they are the actual checks to be destroyed; (b) verify the check numbers with information on the certificate of destruction; and (c) sign the certificate of destruction only after witnessing the actual destruction of the checks.
ATTACHMENT 4

GPC PAYMENT METHOD ON CONTRACTS/ORDERS ABOVE THE MICRO-PURCHASE THRESHOLD

1. The GPC may be used as a method of payment in conjunction with other contracting methods above the micro-purchase threshold as prescribed by FAR Part 13, 32.1108, and 32.1110(d) (Reference (b)), provided that appropriate authorities are stated within the delegation letter granted by the Activity Head (AH) or delegated official to include specific contract types, contract payment authorities, and limitations. A secondary letter from the contracting official shall be provided to the CH which details specific contracts and information required for payment. A separate contract payment GPC account shall be established to segregate contract payment accounts from supply, service, and training accounts. If the GPC is used as a method of payment:

a. All pertinent procurement and financial rules, policies, and laws associated with the dollar value of the purchase apply.

b. When it is contemplated that the GPC will be used as the method of payment, and the contract or order is above the micro-purchase threshold, contracting officers/ordering officers shall ensure that the responsibilities of the designated CH delegation letter contain adequate authority to make required payments, ensure convenience checks will not be required as convenience checks cannot be issued to make payments on contract and are required to:

(1) Obtain the contractor’s acceptance; the ordering officer/contracting officer issuing a contract or order with payment by GPC terms, must obtain the contractor’s acceptance of the contract/order by providing a written contract/order. The ordering officer/contracting officer should then provide the purchase cardholder’s name and telephone number to the contractor and provide the cardholder detailed written payment direction, access to contract terms and conditions related to contract payment.

(2) The ordering officer/contracting officer should notify the cardholder in writing that a schedule order has been placed and that the cardholder should provide his/her card information to the contractor. The card holder needs to make sure the contractor doesn’t keep credit card number on file for further payments. The cardholder should be instructed not to change any of the terms and conditions of the schedule order

c. Card holders making contract payments are to:

(1) Ensure they completely understand all contract terms and conditions related to contract payment.

(2) Utilize only GPC accounts established for contract payments.
(3) Ensure all requirements to process payments on the contract are met (e.g., contractor invoice, Contracting Officer Representative (COR) approval, etc.) as required by the contract payment terms and conditions and contractor invoices are accurate (e.g., charge against line items, totals, etc.). The (COR) is responsible for confirming the invoice by digitally signing for approval of payment. The COR or person approving contract payments shall not be the CH.

(4) Payments are to be processed within the required contract payment timeframe(s), no prompt pay interest charges as a result of late payment processing were incurred, and no contract is overpaid.

(5) WAWF is to be utilized to create and accept all receiving reports.

(6) Follow the prescribed steps to notify the property accountability official when accountable and/or sensitive items are purchased to ensure documentation is provided to update accountable property records. DLA Installation Support (DS) is the office of primary responsibility for property accountability policy in accordance with DLA Instruction 4202, Accountability of DLA Property, Plant & Equipment (Reference (i)). Agencies other than DLA are to ensure accountable and/or sensitive property is recorded properly in accordance with respective policies. Complete Wide Area Workflow (WAWF) requirement in accordance with reference (j). Notifying the property accountability official of pilferable, sensitive, or high valued property obtained with the GPC, in accordance with their activity's established property accountability policy.
ATTACHMENT 5

TRAINING PAYMENT

1. Under Secretary of Defense Memorandum Use of Government-Wide Purchase Cards (Reference (r)) states; the government-wide purchase card shall be used as the method of payment for all commercial “training requests”.

2. The GPC may be used as a payment method (not procurement) for government or nongovernment provided training that costs no more than $25,000 with no contract for regularly scheduled, commercial off-the-shelf courses, training conferences, or instructional services that are available to the general public and priced the same for everyone. The total price of training authorized for payment by the GPC by the use of a single SF 182 may not exceed $25,000. A separate account must be established to segregate training accounts from supply accounts and must meet all the following criteria:

   a. It must be educational or instructional and assist in achieving the Agency’s mission.

   b. It must be a “commercial item”. This means that it must be of a type offered and sold competitively in substantial quantities in the commercial marketplace, dates/time of training and the Government has no input/requirements on the public published prices in a published catalog or established by the market.

   c. It must be “regularly scheduled”. This means the vendor has a published schedule of classes which anyone can see (e.g., in a brochure, a catalog, or on the Internet). The term “regularly scheduled” does not include anything the Agency must schedule or provide space for.

   d. It must be available to the public. It cannot be available only to government employees.

   e. It must be priced the same for everyone in the same category (e.g., per student, per course, per program, per service, and per training space).

f. A Government contract is required when any of the above elements have not been met.

3. Miscellaneous Rules:

   a. The “necessary expense” rule always applies: the Government may only pay for mission essential goods and services.

   b. The training GPC may only be used to pay for the training itself; it may not be used to pay for a conference room, food, or any other supplies or services. Training and meal costs should be severed when practical and in the best interests of the government and meal costs not paid via the training GPC. When meals cannot be severed (are included), a memorandum shall be retained for the record detailing why meals were included (i.e. best interest of the government, training
not offered without meals) and the student informed that meals must be accounted for in respective travel claims.

c. Never use the training GPC to pay for a contractor’s employee to receive training. On the rare occasions that DLA pays for a contractor employee to receive training, it must be done through a contracting office.

d. A conference may be considered “training” if the announced purpose is educational and relevant to the position of the employee, not as an awards ceremony, or as general business of the association putting on the conference.

e. Known requirements for commercial training events that are greater than $25,000 shall not be broken down into multiple actions to avoid the $25,000 SF 182 threshold.

f. The individual training requested by an approved SF 182 is a training requirement. As of the date of this DTM, the DoD Financial Management Regulation, Volume 10, Chapter 12 120327(A)(1), Miscellaneous Payments (Reference (s)) states; “The total price of training authorized by the use of a single SF 182 may not exceed $25K”, and according to the SF 182 instructions, an SF 182 needs to be completed by an individual to request and document training. OPM mandates the use of the SF-182 for civilian personnel. The SF-182 is an individual form when used for training (i.e. college courses, certifications, conferences, etc.). SF-182 is an individual form and shall not be used for more than one individual when there is a cost associated with the training and approval is required for funding. If the training is for attending Town Hall meetings, etc., which does not require funding approval (because there is no cost to the training) then the form may be used for more than one individual with a list of names. A completed SF182 serves as a receiving document for training payments. Training certificate copies may be used as a receiving record if a completed SF 182 cannot be obtained.

4. Purchase of training with the GPC will be limited to an account solely for the purchase of training. Training GPC accounts will be centrally managed and executed by DLA Human Resources Services, DLA Training.
ATTACHMENT 6

LIST OF PROHIBITED AND SPECIAL ATTENTION ITEMS

1. The following list, which is not all-inclusive, identifies situations where questions regarding use of the GPC have arisen. BOs and CHs should first consult HL4 A/OPC and then if directed consult servicing counsel for guidance. Because the rules/guidelines can change and the exact facts and circumstances of a proposed purchase will determine whether it is proper, approval granted in one situation may not apply to another.

a. The following items shall not be purchased/paid:

(1) Anything from DECA or any military base exchange
(2) Wire transfers
(3) Savings Bonds
(4) Items at Antique Shops
(5) Items at Pawn Shops
(6) Foreign Currency
(7) Dating and Escort Services
(8) Betting, Casino Gaming Chips, Off-Track Betting
(9) Transactions with Political Organizations
(10) Court Costs, Alimony, Child Support
(11) Fines
(12) Bail and Bond Payments
(13) Tax Payments
(14) Any item or service which may be questionable as to the proper use of taxpayers’ dollars.

2. The GPC is normally inappropriate for use to purchase any of the following, except as stated below. Any requests for items that are on this list or similar to items on this list when a stated exception does not clearly apply should be coordinated respective HL4 A/OPC and with legal counsel when HL4 A/OPC directs. Cardholders shall retain a copy of written “Special
” in the Purchase Card files. If special approval is obtained via e-mail, retain a copy of the e-mail in the Purchase Card files.

a. Advance Payments. General Rule. Except for requirements such as subscriptions for publications, advance payments are generally prohibited. Subscriptions must be held to a minimum consistent with operational requirements, (Reference(j)).

b. Agency Coins (Challenge). Agency coins may be used as honorary awards to recognize civilian and military employees for acts of special service and contributions to Agency and government service, achievement, or special recognition of a job well done, and may be purchased using organization’s awards program funds. The DLA (or respective Agency) Policy on agency coins (Reference (l)) outlines the: (1) legal authority and ensures proper accountability for agency coins; (2) DLA officials/positions authorized to procure and present coins; (3) prescribed maximum cost of agency coins; and (4) procedures for presentation and documentation. Coin holders/racks are generally a personal expense.

c. Ammunition and Explosives. OSD (AT&L) policy states ammunition and explosives are prohibited purchases with the GPC. Ammunition and explosives are controlled items to be obtained through the Government supply system as the acquisition of weapons (guns) and ammunition is centrally managed by the Army for all DoD components. In the event a written waiver is granted by the supply manager of ammunition or explosives for local purchase, the requirement shall be processed through the contracting office for an appropriate contract with specific contract clauses and incorporation of specific safety manuals for ammunition and explosives.

d. Appliances in the Workplace. This includes coffee pots, microwaves, refrigerators and other related items. General Rule: The acquisition of kitchen equipment purchased for the purpose of supporting civilian and military employees in the workplace is generally allowable. Note, however, that the equipment must be configured and used for general office and normally cannot properly be purchased for an individual employee. Government Accountability Office B-302993 (25 Jun 04), (Reference (m)).

e. Businesses owned by Government Employees. General Rule: Purchases from government employees (military or civilian) or from business organizations substantially-owned or -controlled by government employees are prohibited, FAR 3.601, (Reference (b)).

f. Cash Advances. Money orders, travelers’ checks, gift cards, and gift certificates are considered to be cash advances and are not authorized for purchase even to obtain items from merchants who do not accept the GPC. Under no circumstance will the CHs retain gift checks, vendor rebates, or other purchase incentives that can be converted to personal use. If received, these items generally are to be turned over to the U.S. Treasury or disposed of appropriately.

g. Clothing. Items of clothing, footwear, or supplies are a personal expense item unless covered by a uniform or clothing allowance. If seeking to purchase items of clothing, footwear, or supplies not covered by a clothing allowance, check with an HL4 A/OPC.
h. EBay and other auction sites. Supplies/service shall not be procured from eBay or other auction sites unless no other merchant is available. HL4 A/OPC approval and legal opinion will be obtained prior to the purchase. Evidentiary documentation validating that no other merchant was available shall be retained.

h. Entertainment. Purchase of party supplies, serving material, food and drink are considered entertainment and are prohibited except under certain limited circumstances. Consult with the HL4 A/OPC and the servicing legal office before purchasing food or drink for official functions, training, or conferences. See GAO Decision B-310023.

i. Fuel. Use of the GPC to purchase fuel and oil for aircraft and vehicles is prohibited. Fuel to include aviation, diesel, gasoline fuel or oil for aircraft. Vehicle-related expenses are to be paid with the travel or fleet cards (as appropriate). Exception: if fuel is unavailable through Fleet Services (e.g., overseas), fuel or fuel coupons may be purchased with the GPC. Documentation shall be included in the transactional file on fuel transactions.

j. Hazardous/Dangerous Materials. CHs are not authorized to purchase hazardous materials except for common use (Reference (o)). Other than common use HAZMAT may be procured when ordered and received by an authorized HAZMAT handling/distributing center.

k. Information Technology items. Telecommunications items and related services shall be purchased only after approval is obtained from the cognizant IT manager. This approval shall be documented in the Purchase Card file by retention of a copy of the IT Manager’s e-mail or a copy of the DD Form 562.

l. Luggage. General Rule. The purchase of luggage for employees or service members for carrying personal belongings while on official travel orders is not authorized except in highly unusual circumstances.

m. Personal Memberships. Appropriated funds should normally not be used to pay for individual membership fees in non-federal entities (Reference (p)).

n. Personal Use Items. See definitions. Purchases are for mission-related supplies and services only. Seek guidance first from HL4 A/OPC and then if directed consult servicing counsel for guidance before purchasing any item which may be questionable as to the proper use of taxpayer’s dollars.

o. Purchase of personal gifts/mementos to individuals:

(1) Awards to Military Personnel. Appropriated funds should only be used to purchase items that will be given in recognition of excellence in accomplishment or competition specifically identifying the award in writing (excluding sports and welfare activities). The end of a tour of duty alone is not sufficient justification for presentation of a plaque unless superior professional performance is being recognized concurrently, (Reference (n)).
(2) Awards to Civilian Personnel. Appropriated funds may be used to purchase plaques to be given to civilian employees as authorized awards for recognition of special contributions or in conjunction with employee recognition programs specifically identifying the award in writing, (Reference (n)).

p. Pesticides. Pesticides may not be purchased unless prior approvals are obtained from cognizant pest management local authorities.

q. Physical space Alterations. Guidance from legal and respective comptroller should be sought for requests for space alterations to ensure appropriate funding as many facility modifications are host responsibilities. Most physical space alterations are consider construction and are subject to the $2,000 GPC limit. Consult HL4 A/OPC.

r. Printing. The only authorized source of printing is DLA Document Services (Reference (q)). Exceptions are:

(1) “Off the shelf” publications produced by commercial concerns and regularly carried as stock items or commercial use are not considered “printing” and are not governed by the above provisions.

(2) Commercial manuals (such as manuals accompanying commercially available forklifts) are also excluded from the above provisions.

s. Recurring Services over $2,500 Per Year. The GPC may not be used for payments of recurring services without a contract if the total amount exceeds $2,500 per year. Recurring requirements are defined the consolidation of the same or similar requirements for an entire office, or an entire location. Examples are custodial services, shredding services, and copier maintenance. See service definition. Service Act of 1965 applies.

t. Rental or lease of land and buildings. Cardholders are not authorized to sign rental or lease agreements. Long-term rental or lease of land or buildings (i.e. rental or lease more than 30 days).

u. Repair of Leased Vehicles. The GPC may not be used to pay for repairs on leased (GSA) vehicles.

v. Split Requirements. CHs shall not break down requirements aggregating more than the simplified acquisition threshold or the micro-purchase threshold into several purchases that are less than the applicable threshold merely to permit use of simplified acquisition procedures, or avoid any requirement that applies to purchases exceeding the micro-purchase threshold.

(1) Splitting requirements is a prohibited use of the purchase card and may be violating statutory requirements for small business participation, competition, Service Contract Act (SCA) or Davis Bacon Act requirements.
(2) The "requirement" is the quantity known at the time of the purchase. If an individual makes purchases as he/she becomes aware of a requirement, each purchase is a separate instance.

If the requirements are consolidated and purchases are made once a day, the requirement becomes what was received during the day. If an individual has historically made purchases as they were requested, even if they ordered the same thing twice in one day from the same vendor, it may not necessarily be considered splitting. Splitting is the intentional breaking down of a known requirement to stay within a threshold (i.e., the $3,000 micro-purchase threshold for supplies, $2,500 for services, and $2,000 for construction, or single purchase limit) or to avoid having to send the requirement to a contracting officer.

w. Sports Drinks. The use of the GPC to purchase sports drinks of any kind is not authorized. If individual employees want sports drinks they are responsible for purchasing.

x. Terms and Conditions. Cardholders are not authorized to sign any contracts/agreements that contain terms and conditions. Such contracts may be entered into and signed on behalf of the Government only by warranted contracting officers.

y. Third Party Payment. Third party payments are considered high risk transactions. When the use of a third party payment merchant is indicated for a transaction, the CH should make every attempt to find and use another vendor. If it is still necessary to use the third party payment merchant, the CH must document the file. The BO must ensure that a detailed review of the transaction supports the use of the third party payment merchant was unavoidable. Examples of third party payments are PAYPAL and Amazon.

z. Travel Related Purchases. General Rule. The purchase card cannot be used to pay for government employee travel or travel-related expenses. This includes rental/lease of motor vehicles associated with travel or temporary duty supported by travel orders (purchase of airline, bus, and train tickets), purchase of meals, drinks, lodging, or other travel or subsistence costs associated with official Government travel that will be reimbursed on a travel voucher.

aa. Utilities. Utilities include electric, gas, water, and waste removal. These expenses are typically consolidated and purchased through contracts that generally exceed $2,500 per year. In locations where there is no consolidated contract, agencies may pay their contracted cell phone bills using the GPC if the annual bill does not exceed $2,500. CHs shall not enter into agreements with cell phone companies that obligate the Government to pay cancellation fees if the service is discontinued.

ab. Water. Water can be purchased with the GPC card under certain conditions per the DoD 7000.14-R Financial Management Regulation Volume 10, Chapter 12, Paragraph 120324. Special drinking water may be purchased in accordance with DoD Directive 6230.1 (Safe Drinking Water) with appropriated funds only when it is necessary from the government's standpoint, such as when:

(1) The public water is unsafe for human consumption.
(2) There is an emergency failure of the water source on the installation.

(3) There is a temporary facility with no drinking water available within a reasonable distance.

(4) There is no water fit for drinking purposes available without cost or at a lower cost to the government.

Lack of A/C or extreme heat alone is not enough to authorize the use of the GPC to purchase water, nor is the fact that the normal work environment does not have potable/running water normally available. In those situations, employees are responsible for purchasing water. Consult with servicing Counsel for all GPC water purchases prior to purchase to ensure that the purchase is consistent with applicable rules and existing legal opinions.
1. This letter is a **SAMPLE** and should be modified to meet the needs of the activity.

2. The letter shall contain the date indicating when the letter is issued.

*******************************************************************************

Date letter is issued

From: Commanding Officer/Head of Activity

To: Name of Individual

Subject: APPOINTMENT AS AN AGENCY/ORGANIZATION PROGRAM COORDINATOR (HL4 A/OPC) AND DELEGATION OF AUTHORITY TO FURTHER DELEGATE GOVERNMENT PURCHASE CARD (GPC) AUTHORITY

Ref: (a) Federal Acquisition Regulation 1.6
    (b) Defense Federal Acquisition Regulation 201.6
    (c) DLAI 2106 (series)

1. Per references (a) through (d), you are hereby appointed as an HL4 A/OPC for the Government Commercial Purchase Card. You are reminded that you are personally accountable for strict adherence to the Department of Defense GPC and DLA policies and procedures. The specific limits of your authority are established below.

   a. Delegation of GPC authority to Billing Officials (BOs) and Cardholders (CHs) to include ensuring a properly appointed for DD Form 577.

   b. Dollar threshold assignment to BOs and CHs.

   c. Transaction type/purchase method assignment to CHs.

   d. Assignment of purchase restrictions: (Merchant Category Code blocks, etc.).

2. Per reference (c), as an HL4 A/OPC you are responsible for:

   a. Establishing and maintain the activity purchase card hierarchy and accounts with proper separation of duties in PCOLS.

   b. Training activity Purchase Card Program participants and maintaining required appointment and training documentation.

   c. Oversight and audit of the activity Purchase Card Program and program updates to the Activity Head (AH).
3. You are reminded that the purchase card shall only be used for authorized U.S. Government purchases. Intentional use of the purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of an individual’s purchase card and may result in appropriate disciplinary action up to and including removal from Federal Service. Improper, fraudulent, abusive or negligent use of the Government purchase card is prohibited. Supervisors who receive information indicating that an employee (military or civilian) has engaged in any fraud, misuse or abuse of a purchase card shall take appropriate corrective action.

4. When you leave the command and/or are no longer part of the Purchase Card Program, this letter of delegation is cancelled.

5. Questions concerning this letter of authority or Purchase Card Program should be directed to the Command HA, (name of HA) who can be reached at (insert AH telephone number/email address).

_____________________________
Signature of Activity Head


AGENCY ORGANIZATION PROGRAM COORDINATOR (A/OPC)
ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING AND CONCURRENCE OF HIS/HER APPOINTMENT AND RESPONSIBILITIES:

BY MY SIGNATURE, I ACKNOWLEDGE MY APPOINTMENT AS THE A/OPC OFFICIAL FOR THE GOVERNMENT PURCHASE CARD (GPC) PROGRAM. I HAVE REVIEWED, UNDERSTAND, AND CONCUR WITH MY RESPONSIBILITIES IN CONNECTION WITH THE GOVERNMENT PURCHASE CARD (GPC) PROGRAM. I UNDERSTAND MY RIGHT TO REQUEST RELIEF OF LIABILITY FOR PAYMENTS DUE TO INADVERTENT ADMINISTRATIVE ERROR.

_______________________________________________________________
PRINT HL4 A/OPC   NAME

_______________________________________________________________
SIGNATURE OF HL4 A/OPC   DATE
BO SAMPLE LETTER OF APPOINTMENT

1. This letter is a SAMPLE and should be modified to meet the needs of the activity.

2. Letter shall contain the date indicating when the letter is issued.

*******************************************************************************

Date letter is issued

From: Agency/Organization Program Coordinators (HL4 A/OPC)
To: Name of Individual

Subject: APPOINTMENT AS BILLING OFFICIAL (BO) (ALTERNATE BILLING OFFICIAL FOR ____________) FOR THE GOVERNMENT PURCHASE CARD (GPC)

Ref: (a) 31 USC § 3528
     (b) DOD FMR Volume 5 Chapter 33
     (c) DLAI 2106 (series)

1. Per references (a) through (d), you are hereby appointed a Billing Official (BO) (Alternate Billing Official (ABO)) and Certifying Official for the Government Commercial Purchase Card Program. The monthly cycle threshold for your billing account is $__________. The specific responsibilities of your appointment are established below.

   a. Reviewing and approving all CH statements and reconciling when CH fails to do so in a timely manner,

   b. Reviewing, prior to purchase, all purchase documentation and verifying that CH transactions are proper; legal, mission essential and correct in accordance with government rules and regulations,

   c. Signing and dating the CH account statement,

   d. Notifying the HL4 A/OPC of any improper purchase and recording all improper purchases in the approved PCOLS data mining tool,

   e. Tracking purchases paid for, but not received; along with monitoring related disputes until the transaction issue is resolved,

   f. Using the PCOLS data mining tool to review transactions and GPC account maintenance,

   g. Adjudicate all PCOLS data mining transaction reviews within 10 business days to prevent escalation. Notify the HL4 A/OPC of any improper purchases and recording all improper purchases in the PCOLS data mining tool.

   h. Validating that the CH fulfills their responsibilities,

   i. Resolving any questionable purchases with the CH,
j. Notifying the HL4 A/OPC to immediately close a CH account when the CH is transferred, terminated, or is absent-without-leave status,

k. Notifying the HL4 A/OPC of planned BO reassignment or departure,

l. Notifying the HL4 A/OPC of lost/stolen cards, and

m. Recommending dollar limits and inclusion/exclusion of other merchant category codes to reduce the risk of misuse to the HL4 A/OPC for CHs under their purview.

2. Per reference (c), BOs are also Certifying Officers appointed by a DD 577. As a Certifying Officer you are responsible for:

   a. Validating transactions to ensure they meet legal requirements prior to certification.

   b. Verifying supporting documentation is retained and available for inspection/assessments to determine whether or not transactions are valid to certify for payment;

   c. Verifying facts presented in supporting documentation are complete and accurate;

   d. Certifying line item detail on the invoices match the amount certified for payment;

   e. Ensuring transactions on the BO statement are reallocated to other accounting classifications, if necessary, prior to the actual certification of the invoice;

   f. Timely (within 6 business days of the billing cycle) certification of GPC invoices (either manually or electronically), and submission for payment to maximize rebates, and avoid prompt payment fees;

   g. Taking appropriate action to prevent submission of duplicate invoices;

   h. Retaining certified billing statements and supporting documents for six years, three months; and 10 years for documents using Foreign Military Sales funding; and

   i. Pecuniary liability for illegal, improper or erroneous payments.

3. Improper, fraudulent, abusive or negligent use of the Government Purchase Card is prohibited. If you suspect that an employee (military or civilian) has engaged in any fraud, misuse, or abuse involving purchase card use, you shall take immediate corrective action to
include cancellation of the card and appropriate disciplinary action up to and including removal from Federal Service.

4. Under 31 USC. 3325 and other applicable law, a certifying officer is pecuniary (financially) liable for payments resulting from improper certifications.

5. When you leave the command and/or are no longer part of the Purchase Card Program, this letter of appointment is cancelled.

6. Sign the attached DD Form 577 appointing you as a Certifying Officer and provide it to your HL4 A/OPC.

7. Questions concerning this letter of appointment or the Purchase Card Program should be directed to the Command HL4 A/OPC, (Name of HL4 A/OPC), who can be reached at (Insert HL4 A/OPC telephone number/e-mail address).

_______________________________________________________________
Signature of HL4 A/OPC

SUBJECT: Appointment of _Name of BO(Alternate BO)_____ as a Primary (Alternate) Billing Official (BO) for the Government Purchase Card (GPC) Program for Micro-Purchases

PRIMARY (ALTERNATE) BILLING OFFICIAL (BO) ACKNOWLEDGEMENT OF RECEIPT, UNDERSTANDING AND CONCURRENCE OF HIS/HER APPOINTMENT AND RESPONSIBILITIES:

BY MY SIGNATURE, I ACKNOWLEDGE MY APPOINTMENT AS A PRIMARY BILLING OFFICIAL FOR THE GOVERNMENT PURCHASE CARD (GPC) PROGRAM. I HAVE REVIEWED, UNDERSTAND, AND CONCUR WITH MY RESPONSIBILITIES IN CONNECTION WITH THE GOVERNMENT PURCHASE CARD (GPC) PROGRAM. I UNDERSTAND MY RIGHT TO REQUEST RELIEF OF LIABILITY FOR PAYMENTS DUE TO INADVERTENT ADMINISTRATIVE ERROR.

_______________________________________________________________
PRINT PRIMARY (ALTERNATE) BILLING OFFICIAL (BO) NAME

_______________________________________________________________
SIGNATURE OF PRIMARY (ALTERNATE) BILLING OFFICIAL (BO) DATE
CH SAMPLE LETTER OF DELEGATION

1. This letter is a **SAMPLE** and should be modified to meet the needs of the Activity

***************************************************************

Date letter is issued

From: **Agency/Organization Program Coordinators (HL4 A/OPC)**

To: **Name of Individual**

Subject: DELEGATION OF AUTHORITY TO USE THE GOVERNMENT PURCHASE CARD (GPC)

Ref: (a) Federal Acquisition Regulation (FAR) 1.6  
(b) Defense Federal Acquisition Regulation (DFAR) 201.6  
(c) DLAI 2106

1. In accordance with references (a) through (c), you are hereby appointed Government Purchase Card holder. You are reminded that you are personally accountable for strict adherence to Department of Defense and Defense Logistics Agency Card policies when using the card. The specific limits of your authority are established below.

   a. Dollar Thresholds:

      1. Purchase (only if authorized)

         (a) Not to exceed $______ single purchase limit Supplies

         (b) Not to exceed $______ single purchase limit Services

         (c) Not to exceed $______ single purchase limit Construction

         (d) Not to exceed $______ cycle limit

      2. Convenience Checks (only if authorized)

         (a) Not to exceed $______ single purchase limit Supplies

         (b) Not to exceed $______ single purchase limit Services

         (c) Not to exceed $______ single purchase limit – Construction

         (d) Not to exceed $______ cycle limit
3. Method of Payment for Contracts (only if authorized)

   (a) Not to exceed $________single purchase limit

   (b) Not to exceed $________cycle limit

4. Training

   (a) Not to exceed $________single purchase limit

   (b) Not to exceed $________cycle limit

b. Authorized Transaction Types (include/select authorized categories)

   (a) Over the counter

   (b) Telephone Orders

   (c) Internet Orders

c. Authorized purchases are (include/select authorized categories)

   (a) Open market purchases

   (b) Method of payment against contract document issued by a contracting officer

   (c) Orders against Government contracts, such as Blanket Purchase Agreements (BPA), Indefinite Delivery/Indefinite Quantities, Government Services Administration, Federal Supply System Schedules/Government Services Administration Advantage, Ability One, etc.

   (d) Defense Logistics Agency Document Services

   (e) Payment of Commercial Training (SF 182)

d. Purchase restrictions:

   (a) Merchant Catalog Code Blocks

   (b) Other, as applicable

2. The purchase card shall only be used for authorized U.S. Government purchases. Intentional use of the purchase card for other than official Government business will be considered an attempt to commit fraud against the U.S. Government and will result in immediate cancellation of an individual’s purchase card and disciplinary action, as appropriate. You will be held personally liable to the Government for the amount of any non-Government transactions.
Under 18 U.S.C. 287, misuse of the purchase card could result in a fine of not more than $10,000 or imprisonment for not more than five years or both. Military members that misuse the purchase card may be subject to court martial under 10 USC. 932, UCMJ Article 132. Improper, fraudulent, abusive or negligent use of the Government purchase card is prohibited.

3. Convenience Check Account holders/check writers will be are advised that the use of convenience checks will be limited to documented situations where a convenience check is the only possible method of acquiring the required supply or service. Convenience checks shall not be issued as a payment for a contract. Convenience checks are to be managed and used with extreme care. A memorandum detail that no other source or means of payment were available requiring the use of a convenience check and accompanying evidentiary documentation shall be retained in the transaction file. Convenience check accounts shall be closed by the HL4 A/OPC if there is a regulation or policy violation and the convenience check writer shall not be allowed to have another convenience check account. The number of convenience check account will be kept to a minimum and should, in most cases, be limited to no more than one checkbook. Convenience checks are only to be issued when a VISA accepting merchant cannot provide the supply/service. Cheaper cost from a non-VISA accepting merchant is not acceptable. Checks cost the Government money to issue, checks are not disputable. Individual convenience checks shall not be issued in excess of the micro-purchase threshold. Convenience check account holders are responsible for the safeguarding (Secure in a locked container that only is accessible by the check writer) and security of their checks and account information and must ensure funds are available prior to issuing checks. Account holders must submit information electronically via email (cco.checks@dfas.mil) and maintain information on the checks issued for services to meet the statutory reporting requirements for the Internal Revenue Service (IRS) (Reference (h), Section 230503). Submissions shall utilize the IRS Form 1099, Miscellaneous, and Statement for Recipients of Miscellaneous Income. The deadline for all data input is December 31st. Convenience checks will not be posted to closed accounts. Checks presented after an account has been closed will be returned to the merchant with an account closed reason code. When convenience checks are to be disposed, prepare a Certificate of Destruction. The certificate shall be prepared in an original and one copy and shall include: (a) the complete mailing address of the Command; (b) date and method of destruction; (c) serial number of each check; (d) typed name, title, grade or rank, and signature of the witness; and (e) typed name, title, grade or rank, and signature of the Check Writer. When blocks of checks are destroyed, the beginning and ending serial numbers of the block may be shown. Otherwise, each check shall be listed in numerical sequence. The convenience check account holder and at least one witness shall: (a) examine the checks to verify that they are the actual checks to be destroyed; (b) verify the check numbers with information on the certificate of destruction; and (c) sign the certificate of destruction only after witnessing the actual destruction of the checks.

4. Per the Financial Management Regulations the role of Purchase Cardholder is considered a Departmental Accountable Official (DAO). DAOs may be held pecuniary (financially) liable under 10 USC. 2773a(c) for an illegal, improper or incorrect payment resulting from information, data, or services they negligently provide to a certifying officer and upon which that certifying officer relies when certifying a payment voucher. DAOs are appointed using a DD Form 577. Please sign and provide the completed DD Form 577 to the Activity Agency/Organization Program Coordinator (HL4 A/OPC).

5. Upon termination of your GPC role, leaving your agency, organization or retiring, you must return your Purchase Card to the HL4 A/OPC.
6. When you leave the command and/or are no longer part of the Purchase Card Program, this letter of delegation is cancelled.

7. Questions concerning this letter of appointment or the Purchase Card Program should be directed to the Command HL4 A/OPC, (name of HL4 A/OPC), who can be reached at (insert HL4 A/OPC telephone number/email address).

_____________________________
Signature of HL4 A/OPC

**GOVERNMENT PURCHASE CARDHOLDER ACKNOWLEDGEMENT**

BY MY SIGNATURE, I ACKNOWLEDGE MY DELEGATION AS A GOVERNMENT PURCHASE CARDHOLDER. I HAVE REVIEWED, UNDERSTAND, AND CONCUR WITH MY RESPONSIBILITIES IN CONNECTION WITH THE GOVERNMENT PURCHASE CARD (GPC) PROGRAM

PRINT CARDHOLDER NAME:

________________________________________________________
CARDHOLDER SIGNATURE

DATE

*******************************************************************************
Attach the letter to the DD Form 577, entitled: “Appointment/Termination Record – Authorized Signature”. A sample of a DD Form 577 is located via this link: http://www.acq.osd.mil/dpap/ccap/cc/jcchb/Files/Topical/FOO_(Ordering_Officer)/Ordering%20Officer/DD577.pdf.
Block 13: Check: DEPARTMENTAL ACCOUNTABLE OFFICIAL (DAO)

Block 14: As a Department of the Defense, Defense Logistics Agency Government

Purchase Card (GPC) Holder or Agency Program Coordinator you are appointed as a DAO. DAOs are accountable and pecuniary (financially) liable for any erroneous payments that result from inaccurate information and data, including designation of the proper appropriations or other funds, if the erroneous payment is the result of negligence relative to the performance of assigned duties.

DD Form 577 for BO and CO

Block 13: Check: CERTIFYING OFFICER (and DEPARTMENTAL ACCOUNTABLE OFFICIAL (DAO) if applicable).

Block 14: Include: As a Certifying Officer you are responsible for certifying (GPC) Invoices.
ATTACHMENT 8
DISCIPLINARY GUIDELINES

1. The DOD has taken actions to strengthen personal accountability within GPC programs and has implemented disciplinary guidelines. Disciplinary actions will depend upon the severity of the infraction and may impact the CH’s access to classified information. Ultimately, the first line supervisor of the individual determines the action to be taken.

2. It is DOD policy that improper, fraudulent, abusive or negligent use of the GPC is prohibited. This includes any use at establishments or for purposes that are inconsistent with the official business of DLA or with applicable regulations. The supervisor of the responsible individual or parties will be informed in a timely manner so appropriate corrective, disciplinary or adverse action may be taken. PL 112-194 requires reporting of disciplinary actions to OMB and Congress.

   a. Supervisors who receive information indicating that a civilian or military employee has engaged in any potential fraud, misuse or abuse of a GPC, shall take appropriate corrective or disciplinary/adverse action, including further investigation if needed. When applicable restitution should be made by the responsible party/parties, restitution can be made with a check payable to the U.S. Treasury via the activity’s comptroller.

   b. The intent of this policy is to ensure that management emphasis is given to the important issue of personal accountability for GPC fraud, misuse and abuse. There is no intent to deprive managers and supervisors of their discretion in handling GPC misuse in a manner appropriate to each individual case. The circumstances of each individual case will determine the appropriate type of disciplinary/adverse action, if any, that may be imposed.

3. Disciplinary actions vary and differ between civilian and military personnel.

   a. DLA Civilian Personnel. In taking corrective or disciplinary action against civilian personnel, commanders or supervisors shall use DLAI, 1426.01, Maintaining Discipline as the authoritative guidance. The servicing DLA Human Resources Services Office should assist the supervisor who is considering corrective or disciplinary/adverse action with the selection of the charge and appropriate penalty based on the DLA Table of Penalties, collective bargaining agreements regulatory guidance, applicable case law and good judgment of the supervisor taking the disciplinary or adverse action. Coordination with DLA Human Resources Services should occur early in the process. See DLAI 1426.01, Maintaining Discipline for examples of GPC offenses and recommended remedies or penalties for such offenses.

   b. Military personnel who misuse, abuse or commit fraud with the GPC shall be subject to actions available in reference (j), including counseling, admonishment, reprimand, non-judicial punishment (Article 15, Uniform Code of Military Justice), and court-martial and administrative separation. In appropriate cases, pecuniary liability, referral for criminal prosecution in civilian courts, and civil enforcement action are other ways to hold military personnel personally accountable for charge card misuse. In taking corrective or disciplinary action against military personnel who misuse or abuse the GPC, commanders
or supervisors shall use the procedures established for each action by the appropriate military department and consult with their legal advisors as necessary. In addition to corrective or disciplinary action, military personnel who misuse their GPC may have their access to classified information modified or revoked if warranted in the interest of national security. Commanders and supervisors shall follow previously issued guidance to ensure that security clearance reviews are conducted when the holder of a GPC comes under investigation for card misuse.

4. The review of the security clearance of the individual involved (or the modification or revocation of such security clearances in light of this review) in GPC misuse, abuse or fraud cases is not a disciplinary action and should not be treated as such. However, this does not preclude a separate and independent review of such misuse, abuse or fraud by the appropriate security manager. Modification or revocation of a security clearance will result in appropriate action which could include reassignment or removal.
# Glossary

## Part I. Abbreviations and Acronyms

- **AH**: Activity Head
- **AO**: Accountable Official/Certifying Official
- **A/OPC**: Agency/Organization Program Coordinator
- **BO**: Billing Official
- **CH**: Cardholder
- **CO**: Certifying Official
- **CONUS**: Continental U. S
- **CPM**: Component Program Manager
- **DAO**: Departmental Accountable Official
- **DFARS**: Defense Federal Acquisition Regulation Supplement
- **DFAS**: Defense Finance and Accounting Service
- **DoD**: Department of Defense
- **DLA**: Defense Logistics Agency
- **EAS**: Electronic Access System
- **FAR**: Federal Acquisition Regulation
- **GPC**: Government Purchase Card
- **HCA**: Head of Contracting Activity
- **LOA**: Line of Accounting
- **LOD**: Letter of Delegation
- **OMB**: Office of Management and Budget
- **MCC**: Merchant Category Code
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCOLS</td>
<td>Purchase Card Online System</td>
</tr>
<tr>
<td>RM</td>
<td>Resource Manager</td>
</tr>
<tr>
<td>OCONUS</td>
<td>Outside Continental U. S</td>
</tr>
<tr>
<td>PFLA</td>
<td>Primary Level Field Activity</td>
</tr>
<tr>
<td>DAU</td>
<td>Defense Acquisition University</td>
</tr>
<tr>
<td>FMR</td>
<td>Financial Management Regulation</td>
</tr>
<tr>
<td>WAWF</td>
<td>Wide Area Workflow</td>
</tr>
<tr>
<td>EIT</td>
<td>Electronic and Information Technology</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
</tr>
<tr>
<td>GSA</td>
<td>General Services Administration</td>
</tr>
<tr>
<td>FSS</td>
<td>Federal Supply Schedule</td>
</tr>
<tr>
<td>USC</td>
<td>United States Code</td>
</tr>
</tbody>
</table>
PART II.

DEFINITIONS

Abusive/Excessive Purchases (of Purchase Card).  Purchases of authorized supplies or services, at terms (e.g., price, quantity, etc.) that exceed minimum government need, are not for a necessary government expense, or both.  Intentional use of the purchase card for items not authorized by the FAR, DFARS and other guidance.  Neither senior officials nor supervisors shall tolerate abuse of the purchase card.  Examples of such transactions include purchases of items such as a day planner costing $300 rather than one costing $45; cultural awareness food samples at an excessive cost; and year-end and other bulk purchases of computer and electronic equipment for a questionable government need.  CHs who abuse their purchase card shall be subject to appropriate administrative or disciplinary actions.

Accountable Property/Item.  Property recorded in a formal property management or accounting system.  Accountable property is defined by a dollar threshold and/or the type of item (e.g., sensitive or pilferable).  Please seek guidance as property like Government Furnished Equipment (GFE) is accountable property.  Accountable property includes all property purchased, leased (capital leases), or otherwise obtained, having a unit acquisition cost of $5,000 or more (DLA does not have the authority to purchase or lease land, regardless of cost).  Accountable property can be designated sensitive (Sensitive items require a high degree of protection and control.  They may include items that are governed by statutory requirements or regulations, such as narcotics and drug abuse items; precious metals; items that are of a high value, highly technical, or of a hazardous nature; and small arms, ammunition, explosives and demolition or classified material (see Volume 10, Table 61, of DOD 4100.39-M).  Additional and/or separate records or other record-keeping instruments shall be established for management purposes or when otherwise required by law, policy, regulation or agency direction (i.e. weapons) and/or pilferable (i.e. cameras) and government furnished equipment at any dollar value.

Activity Head.  For the purposes of this instruction, the AH is the military officer in command or the civilian in charge of the mission of a command or activity.  The AH has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.  The AH has disciplinary authority over CHs and BOs.

Agency/Organization Program Coordinator.  The HL4 A/OPC is designated by the Activity Head or authorized designee through an official letter of delegation and is the individual responsible for day-to-day oversight and audit management of the program.  Primary responsibilities include administration, implementation, and monitoring of the GPC program and serving as a liaison between the BOs, CHs, and the issuing bank.

Alternate Billing Official.  The individual who is authorized to assume the responsibilities of a BO when the BO is not available to approve purchases, certify CHs’ monthly statements, and verify all transactions.  An alternate BO is required for each managing account.

Billing Cycle.  An approximate 30-day billing period.  Each monthly billing statement (invoice) shall be comprised of transactions (debits and credits) that post to the bank’s system during this
period. For DLA, the billing cycle begins on the 20th of the month and ends on the 19th of the subsequent month. The 19th of the month is known as the “cycle date”. The billing cycle ends only occur on a business day; i.e., Monday through Friday, and as a result, may be adjusted accordingly. The cycle end date will occur on the last business day of the normal cycle.

Billing Official Billing Cycle Limit. The maximum dollar amount that may be charged to all Purchase Card accounts assigned to a specific Billing Official for all transactions reported against those accounts within a 30-day billing cycle. This limitation is established by the HL4 A/OPC or BO and is based upon mission needs.

Billing Statement. The statement reviewed and certified for payment by the BO.

Billing Invoice. The monthly billing invoice is the official invoice for payment purposes which is provided to the BO by the issuing bank. The billing invoice identifies all CH purchase card transactions for the billing account during a billing cycle.

Billing Official. (This includes the accountable official, approving official and certifying officer) The individual responsible for approving and reviewing CH transactions to ensure proper use of the GPC. The BO has pecuniary liability for purchases. The BO has under his/her purview a number of CHs, and is responsible for reviewing his/her CHs’ monthly statements and verifying that all transactions made were necessary government purchases and in accordance with the FAR, Defense FAR Supplement, DoD Government Charge Card Guidebook, and all other governing agency policies and procedures. It is recommended that the BO should be the CH’s supervisor. The BO is also responsible for certifying the monthly invoice resulting from the purchase/transactions of the CHs. An alternate BO is required for each managing account.

Cardholder. The legal agent designated by an agency using the purchase card to buy goods and services in support of official Government business. The GPC bears the individual's name and can only be used by that individual to pay for authorized U.S. Government purchases. The CH must be trustworthy and have a bona fide need to make purchases on behalf of the Government. This also applies to convenience check holders. CHs are accountable officials and have pecuniary liability for purchases. CHs may face disciplinary measures up to and including dismissal from federal service, per the terms outlined in DLAI 1426.01, Maintaining Discipline and/or criminal charges in accordance with Under Secretary of Defense for Personnel and Readiness Memorandum, Government Charge Card Disciplinary Guide for Civilian Employees (Reference (e)).

Cardholder Billing Cycle Purchase Card Limit (also referred to as the Cardholder’s Monthly Purchase Limit). The maximum dollar amount that may be charged to the Purchase Card account for all transactions reported against that account within a 30-day billing cycle. This limitation is determined by the HL4 A/OPC or BO, and is specified in the LOD memorandum to the Cardholder. The Cardholder’s Monthly Purchase Limit established by the RM in PCOLS and Bank based on mission needs and funding constraints and can never exceed the cycle limit contained in the LOD.

Certifying Officer. A DOD military member or civilian employee of the department appointed in writing to certify payment. BOs perform Certifying Officers duties.
CH Statement of Account. The statement of transactions provided to a CH by the bank detailing all of the transactions posted to his/her account during a billing cycle. The CH reviews/reconciles the statement of account.

Confirm and Pay Procedures. Pay and confirm procedures are used in instances where CHs have been billed and have not received the items ordered. The CH shall confirm with the vendor that the items ordered are in transit and reconcile the monthly statement in full anticipation that the supplies will be received within the next billing cycle. The CH shall track the transactions that have not been received and pay the invoice in full. If the supplies are not received within the next billing cycle, the CH will then dispute the item using established dispute procedures. In addition, pay and confirm procedures include damaged items received, which are still under warranty, where the contractor confirms they will replace, modify or repair within the next billing cycle. Pay and confirm/chase procedures do not include the payment of statements in full, which contain billing errors or questionable transactions.

Contracting Officer. Employees of the Government with the authority to bind the Government legally, to the extent of their delegated authority, by signing a contractual instrument. Contracting Officers are appointed in writing, on an SF-1402.

Convenience Checks. Third-party drafts issued using the GPC account. Convenience checks should be issued sparingly, and only when the only available merchant that can provide does not accept the purchase card and there is not another method available to acquire and pay for the required supplies or services.

Davis-Bacon Act (40 USC. 3141, et seq.). This act provides that contracts in excess of $2,000 in which the U.S. or the District of Columbia is a party for construction, alteration, or repair (including painting and decorating) of public buildings or public works within the U.S., shall contain a clause (see 52.222-6) that states no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rates as determined by the Secretary of Labor.

Delinquent Accounts. Delinquent accounts are subject to Billing Official’s management account suspension, the process in which cardholders are disallowed from making purchases with the purchase card because of payment delinquency or multiple pre-suspension actions. Issuing banks will suspend accounts that are 61 days past due or 91 days past the billing date. Before the suspension, the bank will notify the Billing Officials and HL4 A/OPCs of the pending suspension. The account(s) will remain suspended until the outstanding invoices are brought up to date. At that time, accounts will automatically be reinstated. When a Billing Official’s management account is suspended, all cardholders assigned to that BO will not be able to make purchases or conduct any GPC transaction. Accounts suspended more than twice in a 12-month period may be cancelled. When a delinquency reaches 181+ days past due, the account of the Billing Official and all associated Cardholders may be terminated and the entire DLA GPC program will be suspended by the bank. It is DLA policy to manage delinquencies prior to the issuing bank taking any action. DLA policy is that delinquent accounts be minimized. Delinquent accounts are to be suspended by the respective HL4 A/OPC until full payment is
received by the bank. Billing Official accounts that are delinquent two consecutive months or three months in a 12 month period will be suspended until DLA J7 approves the respective AH corrective plan. The AH signed corrective plan will be submitted to DLA J7 via the CPM and include a discussion on why the delinquencies occurred and actions taken to ensure minimal future delinquencies.

Departmental Accountable Official. Individuals who are responsible in the performance of their duties for providing to BO information, data or service that the BO directly relies upon in the certification of a voucher for payment. They are pecuniary (financially) liable for erroneous payments resulting from their negligent actions, per section 2773a of Title 10, U.S. Code.

Disputes. Instances where transactions on the CH’s statement do not agree with entries in the log or retained receipts that are presented to the bank for resolution. This may include circumstances where the CH did not make the transaction, the amount of the transaction is incorrect or the quality or service is an issue.

Electronic Access System (EAS). The bank’s online system for entering and reviewing transaction data and electronic payment is also known as Access Online. Electronic Data Interchange via the EAS is mandatory for all DLA activities unless a waiver is obtained from the CPM.

Exceeded Authorized Limits. The single purchase limit is the dollar limit established for each CH account for a single transaction. For example, a CH may have a single purchase limit of $500. If that CH makes a purchase valued at $575.00, the CH has exceeded his/her authorized limit. Additionally, the CH is assigned a billing cycle purchase limit; an authorization control that limits the card account’s cumulative spending for purchases in a given billing cycle. This limit is used to ensure CHs do not exceed reserved funding (positive funds control). For example, a CH account may have a billing cycle purchase limit of $10,000. If the CH makes purchases during a billing cycle totaling $10,500, that CH has exceeded his/her authorized limit. It must be noted that despite the fact that these limits are established for the card account in the US Bank card management system, it is not a foolproof system. The business rules established by the card association will allow transactions to process over the established limits if the vendor does not obtain pre-authorization prior to submitting the transaction to US bank or if the vendor is using the manual process of swiping the card to emboss the account information on a paper form.

Failure to Use Mandatory Sources. An open market purchase of a supply or service that was available from either a Government source of supply; i.e., Ability One, Federal Supply Schedules, or a policy directed source (for example: Green Products, Small Business, Strategic Sources). DLA Procurement Policy of using automated purchasing system (for example: DOD EMALL, GSA Advantage) allows CHs to ensure compliance with federal and DOD procurement and strategic sourcing requirements.

Foreign Drafts. Checks written in foreign currencies payable on a bank in the country where the vendor is located. Foreign drafts can only be issued when the vendor does not accept the GPC.
The amount of a foreign draft cannot exceed the equivalent of $3,000 U.S. Dollars at the daily rate.

Fraud. Fraud is any felonious act of corruption or attempt to deliberately cheat the Government or corrupt the Government’s agents to acquire supplies or services that are unauthorized and intended for personal use or gain. More specifically, fraud is an act of deceit, misrepresentation, or an intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right. See section 932 of 10 USC (Reference (k)) for further definitions of fraud against the United States. Cardholders shall use the Government Purchase Card to procure supplies and services at the direction of the agency under official purchase authorization. All Government employees have a duty to report all suspected fraud to the appropriate authorities. Fraud is classified as internal fraud and external fraud. Internal fraud is identified as purchases made by a CH for personal use or gain and external fraud as unauthorized purchases not made by a CH as a result of a compromised card number or lost card. Purchase Card misuse or fraud may have any, or a combination of, the following potential consequences for the Cardholder:

- Counseling;
- Notation in employee performance evaluation;
- Cancellation of the Purchase Card;
- Appropriate Disciplinary Action
- Non-judicial punishment (Military only); and
- Criminal prosecution.

Fraudulent Purchases. The use of the GPC to acquire supplies or services that are not authorized and intended for personal or someone else’s use or gain constitutes a fraud against the government. Examples include, but are not limited to, CH’s unauthorized purchase of power tools for his home, a supplier’s intentional charges for services not provided, and the unauthorized use by a third party of a CH’s compromised or stolen account for personal gain.

Government Purchase Card. The charge card account established with the bank that enables properly authorized government personnel to buy and pay for supplies and services in support of official government business.

Government Purchase Card for Training. This purchase card is the authorized method of payment for all government and commercial training using the SF 182 (Authorization,
Agreement and Certification of Training). The total price of the training and materials may not exceed $25,000.

Improper Purchase. An improper purchase is any purchase that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts include overcharges and undercharges. An improper purchase can be one of two types: (1) unauthorized, or (2) incorrect. Unauthorized purchases consist of items that are intentionally purchased and are outside of the CH’s purchasing authority. Incorrect purchases are mistakes that are the result of an unintentional error during the purchase process. For example, when a CH is asked to buy one filing cabinet but purchases three cabinets, this is an incorrect purchase. A series of seemingly incorrect purchases may require investigation to determine whether these purchases are actually unauthorized purchases.

Merchant Category Code (MCC). A code used by the issuing bank to categorize each merchant according to the type of business the merchant is engaged in and the kinds of goods and services provided. These codes are used as an authorized transaction type code on a card/account to identify those types of businesses who provide goods and/or services that are authorized for use by the CH.

Micro-purchase. An acquisition of supplies or services using simplified acquisition procedures, the aggregate amount which does not exceed the micro-purchase threshold. The micro-purchase threshold is defined in Section 2.101 of Reference (b). A micro-purchase is not governed by small business participation or requirements of the Buy American Act and does not require full and open competition (it requires adequate distribution of purchases among qualified vendors). Price must be determined reasonable in accordance with FAR requirements.

Micro Purchase Threshold. Per FAR 2.101, micro-purchase threshold is $3,000, except:

a. For acquisitions of construction subject to the Davis-Bacon Act, $2,000;

b. For acquisitions of services subject to the Services Contract Act, $2,500; and

c. For acquisitions of supplies or services, as determined by the head of the agency, to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack, as described in FAR 13.201(g)(1), except for construction subject to the Davis-Bacon Act (41 USC 428a).

(1) $15,000 in the case of any contract (transaction/purchase) to be awarded (originated) and performed, or purchase to be made inside the U.S.; and

(2) $30,000 in the case of any contract (transaction/purchase) to be awarded (originated) and performed, or purchase to be made outside the U.S.
Misuse. Use of a GPC for other than the official government purpose(s) for which it is intended.

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

Open Market Purchase. As used in this instruction, a GPC purchase made directly to a vendor that is not a Government source of supply.

Payment Cardholder. The individual designated by an agency to make payments against a contract that contains FAR clause 52.232-36, Payment by Third Party (Reference (b)). The account must bear the individual’s name and can be used by that individual to make payments on invoices submitted by vendors in compliance with agency procedures.

Pecuniary Liability. A personal financial obligation to make good any monetary loss to the Government caused by the fraud or neglect of an Accountable Official in certain circumstances (see the definition of “Accountable Official” above) that results in fiscal irregularities of disbursement. Cardholders, Certifying (Billing Officials) and Accountable Officials are automatically subject to this liability, whether negligent or not, as an incentive to guard against errors, to discourage dishonesty, and to protect the Government against theft.

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

Personal Use Item. An item that is a non-business use, but personal use. Family picture frame, food paper products, bottle water, and food preparation/stowage items are examples.

Pilferable Property. Items that have a ready resale value or application to personal possession and, therefore, especially subject to theft.

Potential Fraud. Potential fraud includes the appearance of theft or embezzlement from the Government: bribery; receipt or giving of gratuities; conflict of interest; violation of anti-trust laws as well as false statements and/or false claims in the following areas: pay and allowances, procurement, property disposal, subsistence, unauthorized services, non- appropriated funds, foreign military sales and personnel matters.

Prohibited Item. A supply or service prohibited by this instruction or other guidance. (see Attachment 6).

Proper Use. A proper purchase is any authorized purchase that was made in a correct amount under statutory, procurement, financial management, administrative, or other legally applicable requirements.

Purchase Card Log. A manual log on which the CH must document his/her individual transactions and screening for mandatory sources when using the purchase card and/or
convenience checks. Entries in the purchase log must be supported by internal agency documentation (e.g., request for procurement document or e-mail request). The purchase card documentation must provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. The log will contain the date on which the item or service was ordered/purchased, the name of the recipient of item, the merchant’s name, the dollar amount of the transaction, a description of the item or service ordered, and the date the item was received.

Purchase Card Online System. DoD-wide, DoD-operated electronic system that GPC users utilize to improve the management and accountability of the GPC program. It is comprised of five web-enabled automated tools: Enterprise Monitoring and Management of Accounts; Authorization, Issuance and Maintenance; PCOLS Reporting; Data Mining; and Risk Assessment. Use of PCOLS is mandatory for all DLA activities unless a waiver has been obtained from the CPM.

Receipt. Documentation from the merchant showing the item(s) purchased, the unit price, the total amount, date of the transaction, shipping/handling, and tax (as applicable). Invoices are not receipts.

Reconciliation. The process in the bank’s EAS by which the designated CH and the BO reviews the monthly statements; the CH signs the statement after reconciling it against available vendor receipts and purchase card logs. The BO then reviews the statement transactions and supporting documentation and then authorizes (Certifies) payment of those charges provided on the monthly invoice, signing the management account statement. BO shall reconcile a CHs’ account if the CH is not available to avoid late certification. When the CH is available, the BO and CH should conduct a complete reconciliation to ensure account is valid.

Reviews and reports.

- **Monthly Review** – This is the HL4 A/OPC review of transactions to ensure effective purchasing and management controls. This review also looks at training, delinquencies and effectiveness of Management Internal Controls.

- **Quarterly Reviews** – This is the HL4 A/OPC review of the entire Cardholder listing against the command’s official personnel roster to close any CH account not verified by your personnel office.

- **Quarterly Briefings to the AH** – It is recommended that the HL4 A/OPC conduct or provide a quarterly briefing to the AH regarding the status of your program. Topics to consider for these briefings should, at a minimum, include the number of cards, spending patterns, delinquency issues, and instances of misuse, abuse or fraud, corrective actions taken and results of Monthly Reviews/Semiannual Reviews.

- **OMB Reporting** – HL4 A/OPC submits program performance data to CMP for consolidation to an OMB report on a quarterly basis. This report is consolidated and briefed up the chain of command. AH should review.
• **Semi Annual Review** – This is an aggregate review of the previous six month’s Monthly Reviews which is performed by the HL4 A/OPC. The AH is briefed and the report requires concurrence (signature) with the AH prior to being forwarded through your Command up to CMP. The four major elements of this report are a Review of Transactions, an evaluation of Management Controls, and a review of disciplinary actions.

Required or Mandatory Sources of Supply. The priority of sources is dictated by FAR Part 8, Required Sources of Supplies and Services (Reference (b)), and Section 8.002, Priorities for Use of Government Supply Sources (Reference (b)); and Defense Federal Acquisition Regulation Supplement (DFARS) Part 208 (Reference (c)). Mandatory sources must be considered before an open-market purchase can be made. See Failure to Use Mandatory Sources.

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

Services. An identifiable task performed by a merchant that directly engages the time and effort of the merchant rather than the furnishing of an end item of supply. A service may be either a non-personal or personal service. It can also cover services performed by either professional or nonprofessional personnel whether on an individual or organizational basis. Examples of services are: (1) maintenance, overhaul, repair, servicing, rehabilitation, salvage, modernization, or modification of supplies, systems, or equipment; (2) routine recurring maintenance of real property; (3) housekeeping and base services; (4) advisory and assistance services; (5) operation of government-owned equipment, real property, and systems; (6) communications services; (7) architect-engineering; (8) transportation and related services; and (9) research and development. Services can be either recurring or nonrecurring. Recurring services are those services performed at regular intervals and that have a demand that can be accurately predicted on an annual basis. Recurring services requirements estimated to exceed $2,500 per fiscal year shall be acquired by a warranted contracting officer. Nonrecurring services involve one-time, unpredictable, or occasional requirements.

Single Purchase Limit. A dollar limit per purchase assigned to each CH for a single transaction.

Span of Control. The span of control of Billing Officials is limited to a maximum of seven Cardholders per Billing Official. This number may be lower at the discretion of the Purchase Card Program Manager for those Cardholder accounts experiencing a high volume of spending activity. The Billing Official shall never be given more Cardholders than he or she has the capability to review in a timely and efficient manner. The HL 4 HL4 A/OPC shall not have more than 300 GPC accounts (includes cardholder and management accounts).

Split Purchase. A split purchase (or split requirement) is the intentional break down of a purchase or requirement to stay under the Cardholder’s single purchase limit. When the Cardholder has a requirement that is over his or her single purchase limit, it cannot be split by
quantity, vendor, time, or Cardholder. CH shall not separate a requirement that exceeds a CH’s single purchase limit or threshold into two or more buys as a means of getting around the CH’s purchase limit. The Cardholder should contact the HL4 A/OPC if a requirement is over his or her single purchase limit but under $3,000 ($2,000 for construction). A one-time or permanent increase can be accomplished. Purchases over $3,000 ($2,000 for construction) shall be sent through the normal contracting channels. Splitting a purchase/requirement is STRICTLY PROHIBITED AND IS PUNISHABLE BY DISCIPLINARY ACTION. Any questions regarding split purchases/requirements should be directed to an HL4 A/OPC.

SmartPay®. The registered trademark name of the GSA program to provide charge cards to U.S. Government agencies/departments, as well as tribal governments, through master contracts that are negotiated with major national banks.

Strategic Sourcing. The collaborative and structured process of critically analyzing an organization’s spending, and using this information to make business decisions about acquiring commodities and services, more effectively and efficiently.

Transaction Type. 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.

Unauthorized Use. Use of the Purchase Card by a person, other than the Cardholder, who does not have authority for such use.

Waste. Any action taken with respect to a GPC that fosters, or results in, unnecessary costs or other program inefficiencies.