DEPARTMENT OF THE NAVY
NAVAL SERVICE TRAINING COMMAND
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CNSTCINST 4200.99
N412
20 Apr 07

COMNAVSERVTRACOM INSTRUCTION 4200.99

From: Commander, Naval Service Training Command (NSTC)

Subj: GOVERNMENT COMMERCIAL PURCHASE CARD (GCPC) PROGRAM

Ref: (a) NAVSUPINST 4200.99 (series)
(b) General Services Administration (GSA) Smart Pay Contract GS-23F-98006
(c) Federal Acquisition Regulation (FAR) Part 13
(d) Defense Federal Acquisition Regulation Supplement (DFARS) Part 213
(e) Naval Acquisition Procedures Supplement (NAPS) 5213
(f) Financial Management Regulation (FMR) Volume 5, Chapter 33
(g) Department of Defense (DOD) Government Charge Card Guidebook
(h) NAVSUPINST 4200.85 (series)

Encl: (1) Agency Program Coordinator Internal Operating Procedures (IOP)

1. Purpose. To establish policy, procedures, and responsibilities for the use of the Government Commercial Purchase Card (GCPC) to purchase supplies and services for official government business valued at or below the micro-purchase threshold of $3,000 for supplies, $2,500 for services and $2,000 for construction at Naval Service Training Command (NSTC), Great Lakes.

2. Cancellation. CNSTCINST 4200.1.

3. Background

a. The DON Consolidated Card Program Management Division (CCPMD) has DON-wide responsibility for GCPC program policy. All DON activities using the program must comply with the provisions of reference (a).

b. Public Law 103-355, The Federal Acquisition Streamlining Act of 1995, authorizes the use of the Government-wide Commercial Purchase Card.

c. Citibank will be the issuing bank for purchase cards under the DON-wide Government Commercial Purchase Card.

4. Policy. The intent of this instruction is not to modify, delete, or in any way relieve an activity or individual from the responsibility to comply with all applicable acquisition regulations, directives, procedures, and instructions. NSTC policy is to use the GCPC for all requirements under the micro-purchase threshold of $3,000 for supplies, $2,500 for services, and $2,000 for construction as a procurement method and, where practical and permissible, as a method of payment for contracts. These internal operating procedures provide guidance on the appropriate use of the GCPC program by NSTC personnel.

M. M. KOLAR
Chief of Staff

INTERNAL OPERATING PROCEDURES (IOP)

FOR USING THE GOVERNMENT-WIDE

COMMERCIAL PURCHASE CARD

NAVAL SERVICE TRAINING COMMAND
2601A Paul Jones Street
Great Lakes, IL 60088

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1. Background

a. The need for the Purchase Card Program began with Executive Order 12352, "Procurement Reform", issued in 1982. The Purchase Card program was developed to provide a fast and convenient method to procure and/or pay for all requirements under the micro-purchase threshold; $3,000 for supplies, $2,500 for services and $2,000 for construction under the appropriate conditions. After several interim programs, the DON issued a tailored Task Order, DON-9700-003, to Citibank on July 6, 1998, to provide worldwide purchase card services for the DON. These internal operating procedures provide guidance on the appropriate use of the program by NSTC personnel.

b. Contracting Authority. Prior to establishing a local DON Purchase Card Program, the HA (or his/her designee) must obtain a grant or delegation of authority to operate a Purchase Card Program.

c. The HA (or his/her designee) shall personally delegate contracting authority to each potential CH, or shall delegate to one individual within the activity (e.g. the APC) the right to re-delegate contracting authority to CHs within the activity. No authority may be given to a CH in excess of the authority given in writing to the activity by a Head of Contracting Agency (HCA).

d. The DON Consolidated Card Program Management Division (CCPMD) has DON-wide responsibility for GCPC program policy. All DON activities using the program must comply with the provisions of reference (a).

e. NSTC policy is to use the GCPC for purchases not exceeding $3,000 for supplies, $2,500 for services and $2,000 for construction under the appropriate conditions and as a method of payment for contracts exceeding the micro-purchase threshold up to $100,000. All purchases must be accomplished in accordance with FAR Part 13, DFARS 213, NAPS 5213, NAVSUPINST 4200.99, NAVSUPINST 4200.85 (series) and this Internal Operating Procedure (IOP).

f. The Citibank purchase card may be used to purchase supplies and services when authorized per references (a), (c), and (d), Navy Acquisition Procedures Supplement

NAPS), Head of Contracting Agency (HCA) instructions, and local operating procedures. The card may also be used as a payment method up to $100,000 to place electronic firm fixed price orders against Indefinite Delivery type Contracts located on the DOD EMALL. Effective 1 May 2006, DON purchases of office supplies by appropriated fund activities will be limited to the various contracting vehicles available on the DOD EMALL or from existing base supply stores/ServMarts. Cardholders are still required to rotate vendors. Open market purchases can be made only when requirements cannot be obtained from the required government sources of supply listed in FAR 8.001 and Defense Federal Acquisition Regulation (DFAR) 208.70. Without exception, Citibank may only be used for authorized U.S. Government purchases.

g. The purchase card may be used as a payment method for contractual instruments authorized by the contracting officer, all commercial training requests valued at or below $25,000 using DD Form 1556, and all government printing requests accomplished on DD Form 282 not to exceed (NTE) $100,000.

2. Citibank Purchase Card. Citibank is the contractor who will maintain all purchase card accounts, issue cards to cardholders, send monthly statements to cardholders and Approving Officials (AOs), and provide various reports to the APC.

3. Key Personnel

a. Head of Contracting Activity (HCA). HCAs are responsible for oversight of activities to which they delegate contracting authority, including those under their cognizance that manage and operate local Purchase Card Programs. Fleet Industrial Supply Center, Norfolk granted NSTC the authority to have a purchase card program.

b. Head of Activity (HA). The Chief of Staff is designated to serve as the HA and is responsible for support/sponsorship to all participants in the Purchase Card Program as follows:

(1) Ensures that appropriate administrative and disciplinary action is taken when fraudulent, improper and/or abusive purchase card transactions are found.

(2) Ensures that all program participants have received the required training per DOD and DON policy and procedures.

(3) The HA should receive initial training on purchase card policy and refresher training every two years. Documentation of training must be maintained by the APC for the duration the participant/employee serves in this capacity and for three years beyond.

(4) Establish effective internal management controls to ensure appropriate management, operation and oversight of the local program.

(5) Ensure appropriate resources are allocated to the program.

(6) Ensure the local program is being executed per DOD and DON guidance.

(7) Ensure program personnel, APCs, AOs and CHs are properly appointed.

(8) Ensure that the number of AOs and purchase card accounts appointed within a command is the minimum number necessary to meet mission requirements and within current span of control guidance.

(9) Establish local policies and procedures identifying informal and formal disciplinary action to be taken against APCs, AOs and CHs for non-compliance, fraud, misuse and/or abuse. The range of disciplinary actions should be based on the severity and frequency of the infraction. Disciplinary action could range from informal actions, such as written or verbal counseling detailing the concern and directing corrective action and greater oversight, to account suspension or cancellation, to official letters of reprimand, to demotion, removal or potential criminal prosecution.

(10) Establish and maintain a command climate to prevent requiring or requesting personnel from exercising undue influence over the actions of a CH.

(11) Shall ensure that the roles and responsibilities of the individuals within their programs are not in conflict and adequate checks and balances are in place to manage local programs.

c. Agency Program Coordinator (APC). The APC is designated by the Chief of Staff (or his/her designee) and is the individual responsible for day-to-day oversight and audit management of the program. The APC is also an accountable official within the Purchase Card Program per reference (f). APCs must receive initial training on purchase card policy as well as refresher training every two years. Current documentation of training must be maintained by the APC for the duration that they serve in this capacity and for three years beyond.

(1) Level V APC day-to-day Operations include the following:

(a) Establish and ensure execution of the local program per DOD and DON policies and procedures.

(b) Ensure program personnel, APCs, AOs and CHs are properly appointed, trained and are capable of performing their respective duties. In addition, no less than annually, ensure that only personnel who require purchase cards for mission requirements are issued purchase cards and have a continuing need for purchase cards.

(c) Ensure AO and CH account profiles are appropriate for local mission. Perform regularly scheduled maintenance, no less than quarterly, on command AO and purchase card accounts to ensure that the account profile information is current and accurate and to examine frequency of use.

(d) Ensure that appropriate action is taken when local reviews reveal non-compliance, misuse, abuse and/or fraud.

(2) Program Oversight. Utilize reports available through the custom reporting tool (Citibank Custom Reporting System (CCRS)) within the bank system to proactively monitor the program. At a minimum, the following shall be monitored/reported as indicated.

(a) Span of Control. AO to CH account ratio shall not exceed 1:7. APC to CH account ratio shall not exceed 1:300. Monitor span of control monthly.

(b) Delinquency. Accounts become delinquent 30 days from the statement date if the bank has not received payment. Unpaid balances 60 days from the statement date are considered 30 days past due and shall not exceed one percent of the activity's current balance. APC must monitor their delinquencies, at a minimum, on a weekly basis by verifying that payments have posted at the bank and resolving any unpaid suspended invoices. Suspended STARS invoices can be reviewed on the weekly A and M status report. Reasons for not meeting the delinquency standard must be reported to DON CCPMD (via the Level IV APC) no later than the 15th of the following month.

(c) Credit Limit Review. Credit limits of AOs and CHs shall be reviewed on a quarterly basis. Spending limits should be tied directly to funding allocated for each card account. These spending limits should be established by the responsible fund certifying official and should be consistent with historical spending patterns to ensure adequate funds availability and minimize government liability (General Accountability Office (GAO) Policy and Procedures Manual for Guidance of Federal Agencies, Title 7 Fiscal Guidance).

(d) OMB Reporting. Level V APCs are required to report quarterly on:

1. Number of CHs with spending limits greater than $3,000 with contracting officer warrants per FAR 1.603.

2. Number of CHs with spending limits greater than $3,000 with delegations other than contracting officer warrants.

APC shall consolidate component data and submit one form to the NETC Level III APC via the Level IV APC.

(e) Inactive Cards. Accounts that have not been used more than three times in the last six months should be closed. If the accounts are noted as either

deployed or contingency accounts, credit limits shall be set at $1.00 (allows for inactive accounts to remain open).

(3) Establishing Appropriate Authority. It is the responsibility of the Level V APC to ensure that each AO and CH has an appropriate grant of authority to satisfy mission requirements. CH accounts should be established which recognize applications for the card other than for micro-purchase (i.e. printing requests, training, method of payment). In addition, to ensure proper spending limits are adhered to, Level V APCs shall ensure that the purchase card account profile (in the bank's online card management system) does not exceed the limits in the delegation document.

(4) Bank Access. APCs are required to have access to the bank's application. Setup forms can be found on the DON CCPMD website under the bank guidance tab. Bank access allows the APC to review transactions, set up CH accounts and run reports required for audit and day-to-day operations of the program. Forms require the signature of the departing APC or the next higher level APC for approval.

(5) APC File Maintenance and Retention. The Level V APC shall establish an individual file for each AO and CH. The file shall be retained for the duration the employee serves in this capacity and for three years beyond.

(a) AO

1. Written request from supervisor (nomination letter).

2. Initial and all refresher training Documentation.

3, Copy of initial and all subsequent letters of delegation.

4. Account setup form.

5. DD Form 577 (signature card for DFAS).

6. Record of disciplinary actions

taken (if known).

(b) CH

1. Written request from supervisor (nomination letter).

2. Initial and all refresher training documentation.

3. Copy of initial and all subsequent letters of delegation.

4. DD Form 577.

5. Account setup form if processed manually.

6. Record of disciplinary action taken (if known).

(6) Separation of Duties. Commanders, COs and APCs shall ensure that the roles and responsibilities of the individuals within their programs are not in conflict and adequate checks and balances are in place to manage local programs. APCs shall not be AOs or CHs within the same hierarchy.

(7) Disputes Office Contact. The NSTC APC will coordinate, process, and monitor all disputed purchases, credits, or billing errors.

(8) APC Conferences. APCs are highly encouraged to attend.

d. Approving Official (AO). The AO is an individual designated in writing who is the program's first line of defense against misuse, abuse and fraud. The AO is responsible for ensuring proper use of the purchase card through approval of purchases and certification of monthly invoices for payment.

(1) Training. AOs must receive initial training on purchase card policy as well as refresher training every two years. Current documentation of training must be maintained by the APC for the duration the

participant/employee serves in this capacity and for three years beyond.

(2) Delegation of AO. The Chief of Staff (or his/her designee) shall appoint AOs as certifying officers and accountable officials per the DOD Financial Management Regulation (FMR). Certifying Officers are pecuniary liable for erroneous payments they certify. AOs and certifying officials are synonymous in the DON Purchase Card Program and for the purposes of this instruction will be referred to as AOs. A delegation letter from the Chief of Staff (or his/her designee) is required indicating dollar limits. If no guidance is given, the AO monthly billing limit shall not exceed 2 times the sum of the CH monthly limits. The delegation letter can be incorporated with the DD Form 577 provided all of the required limits, sources and transaction types are filled out within block 14.

(3) DD Form 577. AOs must complete the revised DD Form 577. This form shall be maintained with DFAS for accountable official/signature verification. The appointment letter for the AO informs the program participant of their role and does not specifically appoint the AO as the certifying officer.

(4) Certifying Officer. The Chief of Staff (or his/her designee) will issue a letter of delegation to all accountable officials (i.e., CHs) under their purview, which apprises the accountable official(s) of their pecuniary liability for erroneous payments that result from the negligent performance of accountable officials (CHs) duties.

(5) Bank Access. AOs that certify electronically through CitiDirect must have access to the bank's application. Setup forms can be found on the DON CCPMD website under the bank guidance tab. Forms must be signed by the Level V activity APC. When completing the forms, make sure to provide an alternate mailing address (recommend APC) in case of deployment.

(6) DFAS Requirement. AOs must complete a DD Form 577 and submit it to the appropriate DFAS office.

(7) Span of Control. DOD policy requires that the AO to card account ratio be no more than 1:7. A waiver is required to exceed the ratio of 7 accounts. To clarify,

only 7 CH accounts in total are allowed per AO regardless of the number of AO accounts assigned (not per AO account). In addition, consideration should be given to the number of transactions the CH and AO are required to review. The APC should evaluate the timeliness and effectiveness of the AO's invoice review and certification process to ensure that the number of transactions for all card accounts allows the AO to complete a thorough review and certification.

(8) Separation of Duties. Individuals designated as AOs shall not be assigned as CHs or as APCs within the same hierarchy. If personnel considerations require an AO to be a CH, under no circumstances shall any CH be their own AO. In addition, AOs should be, to the greatest extent possible, the supervisor of the CH or be in the direct line of authority of their CH, but not supervisor of their APC.

(9) File Retention. Financial documents (invoices, dispute documentations, receipts, etc.) shall be retained for a period of six years and three months.

(10) Certification. Immediately upon receipt from the CH, the AO shall review and approve the monthly card account statements in addition to reviewing and certifying for payment the monthly billing statement. The monthly billing statement is a summary invoice of all transactions of the card accounts established under the AOs account.

(a) Ensure that all purchases accomplished by the purchase CHs within their cognizance are appropriate and the charges accurate.

(b) Verify supporting transaction documentation on all card accounts prior to certifying the monthly invoice.

(c) Notify the HA and APC in the event of any suspected unauthorized purchase (purchases that would indicate non-compliance, fraud, misuse and/or abuse).

(d) Ensure proper receipt, acceptance and inspection is accomplished on all items being certified for payment. Standard business practices state that the requisitioner of the goods shall not be the receiver. The AO shall verify the existence of receipt and acceptance documentation. Evidence of receipt, inspection and

acceptance is required (per reference (h)) by the AO. One example of physical validation is the AO signing or initialing in a corner of each of the CHs transaction receipts.

(e) Certify the monthly invoice within 5 business days of receipt; and

(f) When manual, sign and date the monthly statement to signify accuracy. If certifying electronically, AOs will need to print out their electronic statement for signature.

(g) Complete the random selected monthly transaction review via the Program Audit Tool in Citibank.

e. Cardholder (CH). The cardholder is the individual to whom a purchase card is issued in order to buy supplies and services. The unique Citibank Master Card that the cardholder receives has his/her name embossed on it and may be used only by that person. The card was specially designed showing the great seal of the United States and the words "United States of America - Smart Pay" imprinted on it to avoid being mistaken for a personal credit card. It is possible to have additional lines embossed on the CH plastic. The fourth line must be indicated on the CH setup form and should be very clear as to what is to be printed on the plastic. For example: "For Government Use Only,": "ORF account",: "Tax ID#."

(1) Nomination/Delegation of CH. NSTC activities will nominate and appoint CHs as an accountable official per the DOD FMR. A letter or an email from the immediate supervisor nominates the CH. A delegation letter is required to show authority to purchase supplies and/or services. The delegation letter is from the Chief of Staff (or their designee). CH designation represents the Chief of Staff's confidence in the CH's integrity and is assigned according to mission requirements. Individuals designated as CHs shall not be assigned as AOs or as APCs within the same hierarchy. Use of the purchase card by a cardholder at NSTC is subject to a single purchase limit and a monthly billing cycle limit. These limits are established in each cardholder delegation of authority letter. The single purchase limit cannot be exceeded unless the Chief of Staff (or his/her designee) issues a revised delegation of authority increasing the limit.

The CH will be held pecuniary liable as an accountable official to the Government for the amount of any erroneous payment certified and paid based on false or negligent information provided to the certifying officer. 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 who misuse the purchase card are subject to courts martial under 10 U.S.C. 932, UCMJ Art. 132. APCs, AOs or others within the command shall not subject CHs to undue influence over their actions.

(2) Training. CH training is critical. Initial training and biennial refresher training is required. The Level V APC will provide the CH with a list of required training. All training must be completed prior to establishing purchase card accounts. Current documentation of training must be maintained by the APC for the duration the participant/employee serves in this capacity and for three years beyond.

(3) Delegation of Authority. Prior to making purchases, the cardholder must receive a delegation of authority from the Chief of Staff (or his/her designee) and acknowledge the responsibility and the understanding of reference (a).

(4) DD Form 577. CHs must complete the revised DD Form 577. This form should be maintained with CH documentation for an accountable official.

(5) It is the cardholder's responsibility to safeguard the purchase card and account number at all times. The cardholder shall not allow anyone to use his/her card or account number. A cardholder who permits his/her GCPC or GCPC account number to be used by another person shall have his/her card withdrawn and shall be subject to disciplinary action. Credit cards will be kept under lock and key when not in use. This action will assist in assuring the GCPC is not accidentally used for personal transactions.

(6) Safeguarding of the Card Account Information. The full account number shall not be transmitted by fax or email. If the purchase needs to occur, using fax or email,

the vendor should contact the CH by telephone. Account information may be transmitted via the following means:

- Over the counter
- Over the phone
- Internet, secure/encrypted site (command authorization required within delegation letter)

(7) Bank Access. CHs that certify electronically through CitiDirect must have access to the bank's application. Setup forms can be found on the DON CCPMD website under the bank guidance tab. APCs are able to set up CH accounts online using CitiDirect. Convenience check accounts cannot be set up online.

(8) Purchases/Approval of Statement

(a) Ensure proper and adequate funding is available prior to any purchase card action.

(b) Screen all requirements for their availability from the mandatory Government sources of supply.

(c) Purchase only mission essential requirements at fair and reasonable prices from responsible suppliers only if mandatory sources are unavailable.

(d) Maintain either a manual or automated purchase log that documents individual transactions. The purchase card log and supporting documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. At a minimum, the purchase log shall contain the following:

1. Date the item or service was ordered.

2. The merchant name.

3. The dollar amount of the transaction.

4. A description of the item or service ordered.

5. Date of receipt.

6. Name of individual receiving item or service.

7. Paid but not received (pay and confirm).

8. Credit received.

9. Disputed.

10. Mandatory sources screened.

11. Mandatory sources used/not used indicating why.

12. Maintained by cycle, not monthly, in order to reconcile with statement.

(e) Review the monthly purchase card statement to ensure that all charges are proper and accurate.

(f) Forward the monthly purchase card statement to the AO with the appropriate supporting documentation, within 5 working days, to maximize rebates and minimize prompt payment of penalties. Supporting documentation shall be at minimum.

1. Requisition form (showing funding approval)

2. Signed sales receipt - ensure legible signature (shows receipt/acceptance; what was purchased).

3. Purchase Log (shows screened for mandatory sources/Section 508 of the Rehabilitation Act compliance).

4. Any supporting documentation justifying the transaction.

(g) DON activities operating a Purchase Card Program follow 'pay and confirm' procedures as part of their financial management program. 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 procedures do not include the payment of statements in full, which contain billing errors or questionable transactions.

(h) Ensure a proper separation of function for each purchase card transaction. Whether the purchase is made over-the counter, over-the phone, or via the Internet, a single individual may perform only one of the following functions:

1. Initiation of the requirement.

2. Award of contract or placement of order.

3. Receipt, inspection and acceptance of supplies or services.

If circumstances preclude an individual from performing a single function, 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 award of a contract or placement of an order shall not perform the receipt, inspection and acceptance function.

(i) CH has the responsibility to ensure that any credit card fees paid by the vendor are not added to the price of the items (MasterCard rules prohibit surcharging with a few exceptions such as telephone or Internet purchases from companies such as Ticket Master).

(j) CH must rotate micro-purchase requirements among qualified suppliers to the maximum extent practicable.

(k) CH ensures that vendors are instructed not to charge sales tax, unless the location of the merchant's

business is in a state that does not afford the federal government a tax-exempt status under its state and local laws (e.g., Arizona, Hawaii).

(l) The CH reminds the vendor that his/her purchase card account may not be billed until the material has been shipped or service provided.

(m) CH ensures micro-purchases are compliant with Section 508 of the Rehabilitation Act.

(9) File Retention. Financial documents (invoices, dispute documentation, receipts, etc.) shall be retained for a period of six years and three months. Non-financial documents shall be retained for a period of three years (e.g. training certificates).

f. Financial Manager (FM)/Comptroller. An individual that liaisons with the APC to ensure cardholders are assigned the correct lines of accounting and funds are committed to satisfy the requirement. The FM ensures all exception output from STARS-FL CA-View files is corrected and the APC is informed of any corrections required to the CitiDirect website. Financial Managers/Comptroller for NSTC, Great Lakes are located in Building 1, North Mezzanine, Great Lakes, IL. The telephone number for this office is (847) 688-6808; fax number is (847) 688-3449.

4. Establishing Local Accounts

a. The Level V APC for Naval Service Training Command (NSTC) is Mrs. Sheavon Love. She is the command point of contact for providing day-to-day operations for NSTC, Great Lakes Purchase Card Program. She is located in Building 1, Room M30, Great Lakes; email address sheavon.love@navy.mil; COMM number is (847) 688-4141; fax is (847) 688-3245.

b. Prior to establishing purchase card accounts for local command personnel, the APC will ensure that the prospective CH and AO has completed all required training.

5. Training Requirements

a. All program participants, APCs, AOs and CHs, must receive initial training on purchase card policy as well as refresher training every two years. It is highly encouraged that the HA (or his/her designee) also receive

initial training on purchase card policy as well as refresher training every two years. A copy of all training certificates will be provided to the APC. Documentation of training for all participants must be maintained by the APC for the duration the participant/employee serves in this capacity and for three years beyond.

b. Prior to designation as a program participant via a letter of delegation, all prospective APCs, AOs and CHs shall successfully complete mandatory training in DOD and DON policies and procedures, as well as local IOP. The initial training requirements mandate that potential program participants take the appropriate role based DON CCPMD Computer Based Training (CBT) and the Defense Acquisition University (DAU) Computer Learning Center (CLC) DOD Government Purchase Card tutorial. In addition, all CHs appointed via a SF 1402 shall also take the DAU CON 237 Simplified Acquisition course.

c. Refresher training on current DON policies and procedures and local IOP is required every two years. All CHs, AOs and APCs shall take the appropriate role based DON CCPMD training.

d. The annual ethics training requirements for all Government employees is found in the Joint Ethics Regulation (JER), DOD 5500.7-R, as well as 5 CFR 2638.705. CHs who make purchases in excess of $100,000 per fiscal year must complete OGE Form 450 and, therefore, are required to take local annual ethics training. AOs who certify in excess of $100,000 of purchases per fiscal year must also complete OGE Form 450 and take local annual ethics training. CHs and AOs who do not exceed these respective $100,000 per fiscal year thresholds may still be required to complete OGE Form 450 and take local annual ethics training if required by their supervisor when, in the supervisor's judgment, the CH or AO otherwise has duties involving the exercise of significant independent judgment over matters that will have a substantial impact on the integrity of DON operations or relationships with non-Federal entities, or to avoid actual or apparent conflicts of interest. All ethics questions, including those pertaining to training, should be directed to the local DON Office of General Counsel and/or next higher-level APC.

e. Certificates are required to be maintained by prospective program participants and active program participants as an indication of successful training completion for all pertinent training requirements.

f. All personnel shall review and retain the DON purchase card program desk guide applicable to the function they have been designated to perform. Desk guides are available from the DON NAVSUPCCPMD website; https://www.navsup.navy.mil/ccpmd.

g. Any CH or AO (with the exception of those who are deployed) who have not completed the required basic or biennial refresher training shall have their accounts immediately suspended by the APC. The Level V APC periodically reviews the training requirements of all Purchase Card participants to ensure that training requirements are complete and up-to-date.

6. Delegation Letter

a. All APCs, AOs and CHs are issued a letter of delegation on command letterhead outlining the duties and responsibilities of the position. Each letter shall contain the following acknowledgement; "I have read and understand my responsibilities, accountability, and duties as described in NAVSUPINST 4200.99 (series). I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service".

b. A letter of delegation shall be used to delegate:

(1) Micro-purchase authority, $3,000 for supplies, $2,500 for services, $2,000 for construction and/or authority to use the purchase card as a method of payment.

(2) Authority to use the purchase card as a method of payment for training requests, DD Form 1556, up to $25,000.

(3) Authority to use the purchase card as payment to Document Automation and Production Service (DAPS) up to $100,000.

(4) Orders solely for UNICOR or JWOD products up to $100,000.

(5) Authority to issue oral orders up to $3,000 against FSS contracts (BPAs, IDTC, etc.).

(6) Authority to place electronic firm fixed price orders against Indefinite Delivery Type Contracts located on the DOD EMALL (www.EMALL.dla.mil) using the purchase card as a payment method up to $100,000.

Table 1. Summary Details

Situation	Letter of Delegation	SF 1402
Open market purchases	Up to $3,000	All instances
BPA Calls	N/A	All instances
Training using DD Form 1556	Up to $25,000	N/A
DAPS	Up to $100,000	N/A
Issue and place orders against Letters of Agreement	N/A	All instances
Delivery order against FSS Orders	Up to $3,000	Over $3,000
Orders against IDTC	Up to $3,000	Over $3,000
JWOD/UNICOR products only	Up to $100,000	Over $100,000
Mix of commercial and JWOD/UNICOR products	Up to $3,000	Over $3,000
Method of payment	All instances	N/A

7. Personnel Requirements. The following categories of personnel may be issued a purchase card or be appointed as an AO or APC to accomplish official duties.

a. Civilian government employees.

b. Members of the Armed Forces.

c. 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.

If contractor support services are required to assist the APC to fulfill the administrative responsibilities required

by the Purchase Card program, the following requirements must be met:

(1) Contractor support shall not allow for changes/maintenance within the bank system, only data collection/management for the program;

(2) Each request for a contractor shall be reviewed individually by the Level III APC and major component HA; and

(3) Each request would require a Business Case Analysis (BCA) approval at the appropriate local level, requiring CO approval. This request will be formally sent to the Level III APC and major component HA as a formal request with proper signatures on letterhead.

(a) The primary APC would need to have direct oversight over the contractor.

(b) The contractor must sign a non-disclosure statement.

(c) Statement of Work (SOW) must be explicit regarding the functions to be performed.

(d) Contractors acting as Purchase Card Program assistants would not be an accountable official (as is required of an APC).

(e) Access to bank electronic applications would be 'read only' access so that no maintenance or changes could be made.

(f) The bank would recognize the Purchase Card Program Assistant as a separate role and would not lump the user with APCs/alternate APCs.

8. Account Set Up Procedures

a. Single Purchase Limit. Each CH's delegation of authority document shall include limits commensurate with anticipated purchase requirements of the CH.

(1) APCs should review the CH expenditures for the previous twelve months and select the highest single transaction dollar amount as the limit. For new accounts

for which no spending patterns exist, the APC should conduct an anticipated spending pattern projection.

(2) In the absence of any other information, a single purchase limit of $500 is recommended. The single purchase limit should be reviewed and adjusted by the APC to ensure compliance with this instruction.

(3) The limit when using the card with government sources of supply or as a method of payment for properly issued simplified acquisitions and electronic orders placed against competed IDIQ contracts is $100,000.

(4) Single purchase limits will be reviewed by DON CCPMD on a quarterly basis. Any CH with a single purchase limit set up within the bank system greater than $250K will be required to provide justification.

b. Billing Cycle Limit (30-Day Limit)

(1) Each CH and AO account delegation of authority shall be assigned in increments of $100 up to $9,999,900. CH and AO billing cycle limits shall be reviewed by the APC, at a minimum, quarterly. For existing accounts, the APC should review the CH's expenditures for the previous twelve months, select the month with the highest expenditures and use that amount. For the AO, the APC should add the limits for all CHs and use 2 times that amount for the AO billing cycle limit. For new accounts for which there is no spending history, the APC should conduct an anticipated spending pattern projection and apply the guidelines above to the projection. In the absence of any other information, a billing cycle limit of $5,000 is recommended for the CH.

(2) No account shall be set with a single purchase transaction amount greater than $500,000 without written approval from DON CCPMD.

c. Merchant Category Code (MCC) blocks. DON has blocked purchase card transactions for certain categories of merchants. Some examples include casinos, jewelry stores, drinking establishments, etc. These MCCs are automatically applied to CH account profiles at the time of set-up. APCs should further limit CH transactions by type of merchant by blocking MCCs that CHs would not have a need

to use. The DON CCPMD website contains a list of current DON-wide MCC blocks.

d. Setup Forms. To set up an account with the bank, the APC must complete the account setup forms (available on DON CCPMD website). The APC must include the account hierarchy, the default line of accounting and the credit limits. Setup forms must be signed by the current APC or alternate APC. If it is for the setup of a new hierarchy, Level III APC and DON CCPMD approval is required.

(1) Prior to setting up an AO or CH account, the APC shall verify that required training and delegations are in order. Accounts can also be setup online using CitiDirect. A convenience check account cannot be setup online.

(2) The name on the AO account will be listed in Citibank as the Activity in the first name field of the AO profile. The last name field remains blank. The agency/organization name field will show the name *of* the person in the AO position.

9. Closing CH Accounts

a. The APC shall ensure, to the maximum extent practicable, that the CH account is suspended at least 30 days (one billing cycle) prior to the projected date of any transfer, retirement or termination.

(1) Once the AO has verified that all transactions and payments have cleared the account, the APC will close the account. Under no circumstances shall a CH account remain open past the official detachment date of the CH.

(a) If there are transactions still outstanding, have the APC reduce the CH credit limits, as soon as practical to $1.00 (single and monthly limits) and cut up the credit cards to avoid any more charges. This needs to be done early enough to ensure that all transactions post to the statement and can be certified prior to CH departure.

(b) Once all transactions have been posted, have the APC close the CH account and rescind the delegated authority.

(c) For an AO account, the Citibank balance must be zero. If there is an outstanding balance, a manual certification will need to occur to balance the account. If there is a credit balance, request a check from Citibank made out to U.S. Treasury and have DFAS apply the money to the lines of accounting that generated the credit as determined by the APC/AO/CH.

(d) All files shall be turned in to the APC when a CH leaves the command for retention by the APC. This will allow auditors the ability to locate documents after the CH has departed.

(e) Plastic card (and checks if CH has a convenience check) shall be destroyed.

(2) At least quarterly, the APC should compare the entire CH listing against the command's official personnel roster and close any CH accounts not verified by their personnel office. Components shall take the necessary steps to ensure APCs are notified of personnel changes that would warrant cancellation of charge card authorization.

(3) At least quarterly, the APC shall review AO profiles and accounts. AC accounts shall be closed after all CH accounts under the purview of that particular AO have been closed.

(4) Ensure that the command's checkout process includes a requirement to physically turn in a detaching CHs card before detachment.

b. Inactive Accounts. The APC shall ensure that any CH account that has not been used in the previous six months or was used less than three times in a six month period is closed unless the supervisor submits an acceptable justification to the APC (i.e. contingency or deployed).

(1) Account activity will be reviewed as part of the semi-annual review process.

(2) Once the AO has verified that all transactions and payments have cleared the account, the APC will close the account.

c. Contingency Account. Contingency accounts are normally not active, but can be used if the primary CH's account is unavailable. Designating the account as a contingency account ensures the account is not closed if identified as inactive. Within the CH profile, input 'Contingency' in the discretionary Code 2 field. The APC shall ensure that any CH account designated as a contingency account is set to a credit limit of $1.00 (single and monthly limits) until the account is activated for usage. Contingency cards are included in span of control requirements (1:7 ratio accounts to AO).

10. Standards of Conduct. Employees of NSTC staff hold a public trust; their conduct must meet the highest ethical standards. All authorized staff personnel will use the GCPC only to purchase supplies within the guidance of this program. Cardholders and AOs should be aware that making false statements on purchase card records may subject them to disciplinary action, up to and including removal, as well as to criminal prosecution under Title 18, United States Code, or the Uniform Code of Military Justice for military personnel. GCPC misuse, abuse, fraud and payment delinquency will not be tolerated. It is DOD policy that in each case of improper, fraudulent, abusive or negligent use of the purchase card by civilian or military personnel, including any use at establishments or for purposes that are inconsistent with the official business of DON or with applicable regulations, the supervisor of the responsible individual or parties will be informed in a timely manner in order that appropriate corrective, disciplinary or adverse action may be taken.

a. Civilian Personnel. In taking corrective or disciplinary action against civilian personnel, supervisors shall use reference (i) as authoritative guidance. The servicing Human Resources Office should assist the supervisor in taking disciplinary/adverse action on the selection of the charge and appropriate penalty based on the Navy's past practice, regulatory guidance, applicable case law and good judgment of the supervisor taking the disciplinary or adverse action.

b. Military personnel. Military personnel who misuse, abuse or commit fraud with the purchase card shall be

subject to actions available under reference (j), including counseling, admonishment, reprimand, non-judicial punishment (Article 15, Uniform Code of Military Justice (UCMJ)), courts-martial and administrative separation. In taking corrective or disciplinary action against military personnel who misuse or abuse the government purchase card, commanders or supervisors shall use the procedures established for each action by the appropriate military department and consult with their legal advisors as necessary.

11. Improper, Fraudulent, Abusive, Negligent, or Unauthorized Use of a Purchase Card. Improper, fraudulent, abusive, negligent, or unauthorized use of a government charge card is prohibited. Unauthorized use means the use of a purchase card by any person other than the cardholder whose name appears on the purchase card. Use of the card for purposes that are not official NSTC business is in violation of regulation or law. Unauthorized use also means use of a purchase card by a contracting officer who exceeds his/her delegation of authority. Supervisors who receive information indicating that a cardholder has engaged in any misuse of a government charge card shall take appropriate action, including an investigation. The circumstances of each individual case will determine the appropriate type of corrective or disciplinary/adverse action, if any that may be imposed. The AO and/or cardholder shall be subject to administrative disciplinary action, prosecution under the Uniform Code of Military Justice, and/or criminal prosecution under Title 18 of the United States Code for improper, fraudulent, abusive, negligent, or unauthorized use. Chapter 4 of reference (a) provides disciplinary guidelines applicable to civilian and military personnel.

12. Restrictions on the Use of the Purchase Card. The card may not be used for the following:

a. Cash advances (not permitted under any circumstances).

b. Rental or lease of land or buildings.

c. Telecommunications (telephone) services.

d. Fuel or oil for DON-owned aircraft, vessels, and vehicles, unless specifically authorized by the HCA/Fleet Acquisition Office.

e. Rental or lease of motor vehicles, whether or not on official travel.

f. Repair of GSA-leased vehicles.

g. Expenses associated with official travel including transportation, lodging, or meals.

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

i. Purchases that require federal or military specifications.

j. Rental or leases over 30 days in duration.

k. When a bilateral purchase order is required (e.g., foreign military sales, classified requirements, etc.).

l. Reference (a) provides a comprehensive listing of prohibited and special attention items related to purchase card buys.

13. Financial Disclosure Report (OGE 450). Cardholders who purchase in excess of $100,000 per fiscal year, and AOs/certifying officers who approve/certify in excess of $100,000 per fiscal year must complete form OGE 450 (Confidential Financial Disclosure Report) and a DD Form 577.

14. Training Requests (DD Form 1556)

a. DD Form 1556 is authorized for all training costs associated with an individual or group when the training is

an off-the-shelf event, conference, or instructional service available to the general public and priced the same for everyone valued at or below $25,000.

b. The GCPC may not be used to pay for training in excess of $25,000 when using DD Form 1556.

c. Each department prepares the DD Form 1556 for their employees. This includes assignment of an SDN and line of accounting (Block B). Block 27 will state that "Payment will be made with the GCPC." Also, annotate cardholder's name and telephone number.

15. Micro-Purchase Procedures When Using the Card

a. Prior to soliciting a quotation, the cardholder must have an adequately prepared and properly approved purchase order request form for commercially available supplies, that has been screened for the use of required sources of supplies.

b. Screening. The purchase card will only be used to purchase supplies if requirements cannot be satisfied through required sources listed in the FAR Part 8.001 priorities for use of government supply sources (i.e., NIB/NISH (JWOD). Supplies, furniture, and equipment available from GSA/DLA stock programs must be ordered through the system unless the items meet the test of quality, timeliness, and cost specified in the DFARS 208.7003-1. It is the cardholder's responsibility to screen all requirements from the statutory sources of supply, Document Automation and Production Service (DAPS) Javits-Wagner-O'Day (JWOD a.k.a. NIB or NISH). Visit www.jwod.gov for more information about the many choices there are to identify/order JWOD products and comply with this mandatory screening requirement. Mandatory items referred to on the Internet ordering websites listed are identified with the JWOD icon. The screening must be documented in the manual or automated cardholder purchase card log. In addition, cardholders shall purchase environmentally preferable products and services. The Environmental Protection Agency (EPA) has issued a guide to assist purchasing personnel who are responsible for procuring factitively requirements. The guide is entitled "Guidance on the Acquisition of Environmentally Preferably Products" and identifies EPA preferable items. The guide and EPA designated products list can be accessed on the

Internet at epa.gov/cpg/products. The cardholder must screen their requirements against the EPA designated products list located at epa.gov/cpg/products or as listed on attachment. If the item being purchased is listed, the manual or automated purchase card log must document yes or no that the purchase qualified as a "green" product (environmentally friendly). GSA has also provided assistance to cardholders through a listing of products and services qualifying as "green" (environmentally friendly). This list contains over 5000 items and is located at pub.fss.gsa.gov/environ. The JWOD catalog has labeled their products with icons that identify their green products.

c. NSTC cardholders shall ensure that sufficient funds are committed by the Comptroller (or by the funds administrator/manager authorized in local operating procedures) to meet the requirement of the purchase card action. Cardholders should enter all purchase request information into their monthly purchase card log.

d. The cardholder will solicit a quotation and document the merchant's quote on the Purchase Order Request Form. When more than one quote is obtained, the cardholder will use a Purchase Order Documentation worksheet to document price reasonableness.

e. If the merchant's price is fair and reasonable, the cardholder may proceed to purchase the supplies. This may be accomplished:

(1) Over-the-Counter. The cardholder goes to the merchant's place of business to make the purchase and the supplies are immediately available.

(2) Over-the-Phone. Orders are placed by phone and the contractor delivers the supplies to the activity or government pickup is authorized.

(3) Via the Internet. When purchasing/ordering via the Internet, all cardholders will ensure that appropriate account safeguarding measures are taken. All purchases/orders will be approved by the cardholder's AO. The AO has the authority to pre-approve recurring requests to prevent procurement delays.

f. The cardholder must confirm, as part of the award process, that the merchant agrees:

(1) Not to charge the purchase card account until all items are shipped or, if partial quantities are shipped, to bill only for the quantity shipped.

(2) Not to back order items.

(3) To deliver, or have available for pickup, all item(s) no later than 30 days from the date of the order.

(4) To include the following information on the shipping document or packing list:

(a) Merchant's name and address.

(b) Annotation to forward document to the card holder by name and code (but no account number should appear on shipping document).

(c) Date of order.

(d) Requisition number.

(e) Date of delivery or shipment.

(f) Itemized list of supplies furnished, including quantity.

g. Purchase Card Log. A purchase card log will be used to record all purchase card transactions. The purchase card documentation should provide an audit trail supporting the decision to use the card and any required special approvals that were obtained. The documentation should be held until the monthly billing statement is received and then attached to the statement when it is submitted to the AO.

h. Accountable Property/Pilferable Items. Identify whether the material needs to be recorded in a Pilferable Item Inventory Control List. Items are considered pilferable if they are sensitive items that have a ready resale value or application to personal possession; which are, therefore, especially subject to theft. If it is a

pilferable item, the cardholder must provide a copy of the purchase order form, invoice and the "pilferable item inventory control list" to the APC. At a minimum, this control list must contain the serial number of the item, individual in possession of the item and item location. The individual cardholders will maintain the pilferable item inventory ensuring all pilferable items purchased with the GCPC are under signature custody.

16. Cellular Usage. Only the nationwide DON wireless contract awarded by the Fleet Industrial Supply Center San Diego (FISC SD) or the Navy Marine Corp Intranet (NMCI) contract shall be used to obtain Continental United States (CONUS) wireless communications. In no case shall these equipments or services be obtained under any other contractual vehicle (e.g. provided under a program or support services contract (ASN RD&A memo of 7 March 2005).

a. Mobile (Cellular) Phone Services. Only NMCI or FISC SD contracts.

b. Mobile Data (i.e. Blackberry and like devices) Services. If activity is NMCI, must obtain through NMCI contract. Otherwise, NMCI or FISC SD contracts.

This policy does not apply to secure communication devices. Authority to approve waivers to this policy is delegated to PEO-IT (www.peo-it.navy.mil).

17. Documentation and Receipts. Anytime a transaction is made using a card, whether it is done over-the-counter, via telephone, or over the Internet, a document will be retained as proof of purchase. These documents will later be used to verify the transactions shown on the cardholder's monthly statement.

a. When a transaction is made over-the-counter, the cardholder or shopper will obtain the customer copy of the charge slip, which will become the accountable document (make sure all carbons are destroyed).

b. The cardholder will document all transactions in a purchase card log and attach any shipping documents associated with the transaction to the requisition.

18. Reconciliation and Certification

a. Cardholder Reconciliation. At the end of each monthly billing cycle, the cardholder shall match each statement transaction against the CH purchase card log and transaction documentation to ensure all transactions are valid. The review should also include reallocation to an alternate line of accounting (if applicable) and approval or dispute (as appropriate) of each transaction that is posted to the statement. Pay and confirm procedures are used in instances where cardholders have been billed and have not received the items ordered. The cardholder shall confirm with the vendor that the items ordered are in transit and reconcile the monthly statement in full anticipation that the material will be received within the next billing cycle. The cardholder shall track the transactions that have not been received and pay the invoice in full. If the material is not received within the next billing cycle, the cardholder 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 he/she will replace, modify, or repair within the next billing cycle. The cardholder will reconcile the information on their statement by assigning the appropriate line of accounting and CitiDirect SDN on a separate sheet of paper. The cardholder will then attach all supporting documentation and forward to the AO. If an item has been returned and the credit voucher received, the cardholder will verify that the credit is reflected on the statement. The cardholder will retain the transaction documentation in a suspense file until the transaction or credit appears on the statement. If transactions and credits are not on the next monthly statement, the cardholder or AO will notify the Dispute Office contact to resolve and reconcile the statement. For any transaction that does not have a CitiDirect SDN, the AO must be contacted immediately, and the statement cannot be certified until advised by the APC. The cardholder must sign the monthly statement and forward it to the AO within 2 working days of receipt. If the cardholder cannot review the statement at the time it is received, the AO will review the cardholder's statement and submit the Citibank Account Summary for payment. The AO will meet with the cardholder upon his/her return to go over the cardholder's statement.

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

c. Credit Balances. Credit balances occur due to duplicate certifications and over-payments due to manual certification, erroneous postings by the bank or credits that post after the account has been closed. Due to inattention, these balances range from $200K to $1.2M every month and represent government funds that could be used to fill other DON requirements. CHs are responsible for reconciliation of their monthly statement using procedures found within the CH desk guide. APCs need to ensure that when credit balances are outstanding, the credits are applied to the same LOA within the same fiscal year before requesting a refund check from the bank. APCs will need to contact the client Account Specialists (CAS) at Citibank to transfer credit balances between accounts or to request a refund check, payable to "U.S. Treasury", sent back to the activity.

d. Approving Official (AO) Reconciliation. The AO is responsible for signing the cardholder's monthly statement of account and will accomplish the following:

(1) Review each transaction made by CHs and reconcile the cardholder's monthly statement of account with the Citibank Account Summery;

(2) Ensure that all purchases accomplished by the purchase cardholders within their cognizance are appropriate and the charges accurate;

(3) Verify supporting transaction documentation on all card accounts prior to certifying the monthly invoice;

(4) Notify the Chief of Staff and APC in the event of any suspected unauthorized purchase (purchases that would indicate noncompliance, fraud, misuse, and/or abuse).

(5) Ensure proper receipt, acceptance, and inspection is accomplished on all items being certified for payment. The AO shall verify the existence of receipt and

acceptance documentation. Physical validation of proper receipt and acceptance is required by the AO. One example of physical validation is the AC signing or initialing in a corner of each of the cardholder's transaction receipts;

(6) Certify the monthly invoice within 5 days of receipt; and

(7) Return all supporting documentation to the cardholder.

e. Record Retention. Financial records such as monthly invoices and statements must be retained for 6 years and 3 months. APCs, ACs, and CHs must maintain purchase-related records, such as purchase card logs and requisitions, for a minimum of 3 years.

19. Invoicing Procedures. All credit card statements must be reconciled and electronically certified within 5 working days from when the invoice status changes from "INTERIM" to "NEW" on the CitiDirect web site. The status usually changes within 2 to 3 days of when the billing cycle ends. If not, notify the APC.

20. Billing Errors and Disputes

a. Questionable Items. If a cardholder receives a statement that lists an unrecognized transaction, the cardholder (or the AO) must notify the Dispute Office contact and complete the Citibank Government Cardholder Dispute Form. This may include circumstances where the purchase cardholder did not make the transaction, the amount of the transaction is incorrect, or the quality of service is an issue. Citibank will credit the transaction until the dispute is resolved. In addition, a copy of the form must be attached to the cardholder's monthly statement and sent to the APC.

b. Defective Items. If items purchased with the card are found to be defective, the cardholder has the responsibility to obtain a replacement or correction of the item as soon as possible. If the merchant refuses to replace or correct the faulty item, then the purchase of the item will be considered in dispute. Items in dispute are handled in the same manner as billing errors.

21. Fraud Indicators. Local training on fraud awareness will be provided to APCs, AOs and CHs. All participants reviewing purchase card transactions must be aware of the fraud indicators identified below. In addition, Level V APCs must report via the APC hierarchy chain of command to the DON CCPMD any instances where the review of a questionable item is reported to the DOD IG, Naval Audit Service (NAVAUDSVC), GAO or Naval Criminal Investigative Service (NCIS) for further investigation. When reporting a NCIS investigation, provide the case number, if assigned, to allow for direct follow up from DON CCPMD.

a. Documentation

(1) Photocopies instead of original documents.

(2) Missing documentation (requisition to support purchases, required approvals, etc.).

(3) Obvious changes or whiting-out of information.

(4) Information that is backdated.

b. Repetitive Purchases

(1) Splitting requirements to avoid certain requirements or restrictions, i.e. micro-purchase threshold.

(2) Not equitably distributing business among suppliers could indicate favoritism, setup of ghost companies or use of ghost vendors.

c. Purchases to vendors that do not appear mission related (Suspicious Merchant Category Codes (MCC), i.e., Casinos, Jewelry Stores).

d. Services

(1) Performance that appears out of the scope of work that was originally agreed upon. (Actual performance does not match contractual SOW).

(2) Overruns and variances. (Approvals are not documented, explanatory justifications missing, etc.)

(3) Contractor estimate equal to government estimate. (Personnel releasing advance information to contractor).

e. Purchases of high value items at low prices or value items at high prices.

f. Returns/Credits

(1) Did the government receive the full credit for the item purchased?

(2) Is there a pattern of errors in billings, returns or credits?

g. Disputes. Frequent or repetitive disputes by a single CH.

h. Lost or Stolen Cards. Frequent or repetitive reports of lost or stolen cards by a single CH.

22. Lost or Stolen Cards

a. Telephone Notification. If the card is lost or stolen, it is important that the cardholder immediately notify Citibank by calling 1-800-790-7206.

b. Written Notification. The cardholder must also notify the AO and the APC of the lost or stolen card within 1 workday after discovering the card missing. The AO will submit a written report to the APC within 1 workday. The report will include:

(1) Card number.

(2) Cardholder's complete name.

(3) Date and location of the loss.

(4) If stolen, date reported to police.

(5) Date and time Citibank was notified.

(6) Any purchase(s) made on the day the card was lost or stolen.

(7) Any other pertinent information.

c. Card Replacement. Citibank will mail a replacement card within 1 business day of the reported loss or theft. A card that is subsequently found by the cardholder, after being reported lost or stolen, will be cut in half and given to his/her AO or the APC. The APC will notify Citibank that the card has been destroyed.

23. Cardholder Leaves the Command. Upon departure of a cardholder, the cardholder must surrender the card to his/her AO or APC. The APC will cancel the account via the CitiDirect web site.

24. Transfer, Retirement, or Termination of Employment. If a cardholder leaves the command, the cardholder account will be closed via the CitiDirect web site. If a cardholder is moved to a new AO, the account will be closed and a new account will be established under the new AO. However, the APC, AO, and cardholder will ensure that all transactions are completed and that there are no unresolved disputes before closing the account.

25. Internal Review of the Local Program

a. Monthly Level V APC Reviews. The activity Level V APC shall conduct or oversee/manage the monthly transactional reviews. The review(s) shall include all of the purchase card transactions within the previous month for all card accounts under the APC's cognizance (100 percent transaction review). Results shall be reported to the CO and Level III/IV APC on a monthly basis.

b. The review shall target the following critical elements:

(1) Suspicious vendors,

(2) Split purchases,

(3) Equitable distribution of business on stand-alone purchases,

(4) Exceeding the micro-purchase threshold and any delegated authority, and

(5) Suspected fraudulent or potential misuse/abuse transactions.

c. This process, at a minimum, should consist of running a transaction report using the bank's reporting system. The Level V APC should review the transaction report and further review transactions that are targeted by numbers 1-5 above. This should include reviews of the following:

(1) CH Log,

(2) Delegation letter,

(3) Integrity of purchase request (signatures for approval of purchase, quantity matches, etc.),

(4) Receipt, inspection and acceptance procedure,

(5) Proper separation of function being performed and

(6) Verification that the AO has reviewed the CH purchases.

At least 10 percent of all transactions shall be reviewed (file review). If after a 10 percent file review, if discrepancies are found, a 100 percent file review of that CH's transactions is required.

26. Semi-annual Level V APC Reviews. Semi-annual reviews shall consist of two reviews: 1) an evaluation of internal procedures and management controls and 2) a transactional review. A copy of the report(s) shall be provided to the activity CO and Level III APC (through the Level IV APC). The Level V APC shall report to the CO on all actions taken on all deficiencies noted in the semi-annual review. A signed statement that the CO reviewed all findings and concurs with the disciplinary actions taken on any noted findings on the semi-annual review results is required to be sent to the Level III APC (through the Level IV APC). The reporting periods for the semi-annual reviews shall

encompass the billing cycles of 20 March - 19 September and 20 September - 19 March.

a. Evaluation of Internal Operating Procedures and Internal Management Controls. The following areas, at a minimum, must be documented for the internal operating procedures and management review:

(1) Review of internal operating procedures to ensure compliance with current DOD/DON regulations and directives. IOP must be on file and in compliance with current NAVSUPINST 4200.99;

(2) Ensure program compliance with applicable training requirements. Documentation of training for all participants must be maintained by the APC for the duration the participant/employee serves in this capacity and for three years beyond;

(3) Appropriate delegations of authority, Letters of Appointment, Letters of Delegation, and DD Form 577s must be current and on file;

(4) Integrity of purchase request process; Check for signatures for approval of purchase, quantity matches, funding approval;

(5) Compliance with micro-purchase procedures.

(6) Receipt, inspection and acceptance procedures. Activities shall ensure the same person does not initiate the requirement, award the purchase action or receive the materials;

(7) Invoice certification process. Each transaction reviewed, statement approved within 5 days by the CH, invoice certified for payment within 5 days of receiving;

(8) Internal procedures to resolve disputes and monitor command delinquencies;

(9) Use of the purchase card as a payment method;

(10) Span of Control (card accounts to AO and card accounts to APC);

(11) Delinquencies. APCs should monitor their delinquencies by verifying that payments have posted at the bank and resolving any unpaid or suspended invoices. Accounts become delinquent 30 days from the statement date if the bank has not received payment. Unpaid balances 60 days from the statement date are considered 30 days past due and shall not exceed one percent of the activity's current balance;

(12) Account spending limits (monthly and single transaction limits). Spending limits should be tied directly to funding allocated for each card account. Contingency and/or deployed accounts should be set to $1.00. Amounts in the CH profile should never exceed the authorized amounts in the Letter of Delegation.

(13) Screening for mandatory sources. Documentation should be included in transaction file folder that sources were screened and/or used, if not, justification should be provided within the file;

(14) Equitable distribution of business. CH must rotate micro-purchase requirements among qualified suppliers to the maximum extent practicable;

(15) Identify any internal management controls and action taken or planned to rectify the situation;

(16) Signed semi-annual reviews must be on file with a copy of the corrective actions taken;

b. Transactional Review. The Level III APC (through the Level IV APC will provide the format for the transactional review. The following areas, at a minimum, must be covered in the transaction review.

(1) Purchases that exceed minimum need to support DON mission. A purchase exceeds minimum mission need when its quality, quantity, or price is disproportionate to satisfying a particular set of requirements in a given instance. Purchases of authorized goods or services, at terms (e.g., price, quantity) that are excessive, or are for a questionable government need, or both, are considered abusive.

(2) Purchases not for Government use, but for personal use. Acquiring goods or services that are unauthorized and intended for personal use or gain employing the purchase card. The purchase card shall be used to purchase supplies and services for official government business ONLY.

(3) Purchases that exceeded authorized limits. Refer to the CHs Letter of Delegation when reviewing transactions. For example, a CH may be authorized a single purchase limit of $500.00. If the cardholder makes a purchase of $575.00, their authorized limit has been exceeded. Amounts in the CH profile should never exceed the authorized amounts in the Letter of Delegation.

(4) Requirements that were split to circumvent the micro-purchase threshold. Breaking down requirements that together exceed the micro-purchase threshold into several requirements that are less than the applicable threshold. This is done to avoid the procedures that need to be performed when purchases exceed the micro-purchase threshold.

(5) Purchases that were prohibited items. Refers to the list of prohibited and special attention items related to purchase card buys contained in Chapter 5, section 26, DON policies and procedures for the operation and management of the Government Commercial Purchase Card program. Some items on the list are strictly prohibited by law, regulation or statute from procurement via the government purchase card. Other items require special approvals. These may be procured using traditional purchase methods (e.g. purchase orders, BPA calls, etc) issued by a contracting officer and paid for using the purchase card as a method of payment.

(6) Failure to use mandatory sources. Suppliers of goods and services that must be checked for item availability before going to the commercial sector.

(7) Unauthorized use of the card.

c. With each transaction reported (1 - 7 above) include the following:

(1) Item purchased.

(2) Dollar value of the transaction.

(3) How transaction was discovered.

(4) Listing of all disciplinary/administrative actions taken.

(5) Date of all disciplinary/administrative actions taken.

(6) Include name of activity.

(7) The hierarchy number.

(8) The date of the transaction.

d. The HA (or his/her designee) shall formalize local policies and procedures within the IOP identifying the formal and informal disciplinary actions and/or corrective measures (to include repayment to the government) that will be levied by the command as a result of reviews revealing non-compliance with policies or procedures, fraud, misuse and/or abuse by program participants, i.e., APCs, AOs, purchase CHs, including supervisors/managers.

e. A copy of the report shall be provided to the activity Commanding Officer and Level III APC (through the Level IV APC). The Level V APC shall report to the Commanding Officer on all actions taken on all deficiencies noted in the semi-annual review. A signed statement that the Commanding Officer reviewed all findings and concurs with the disciplinary actions taken on any noted findings on the semi-annual review results is required to be sent to the Level III APC (through the Level IV APC). Specific due dates will be determined by the Level III APC. The Level V APC shall complete the semi-annual review in a timely manner and return responses to the component Level III APC (through Level IV APC) for consolidation. The Level III APC will report one summary response for the Level III component to the DON CCPMD no later than 15 May or 15 November depending on the reporting period.

ACRONYMS AND DEFINITIONS

Accountable Official.

1. Individuals who are responsible in the performance of their duties for providing to a certifying officer information, data or service that the certifying officer directly relies upon in the certification of a voucher for payment. They are pecuniary liable for erroneous payments resulting from their negligent actions per section 2773a or Title 10, United States Code.

Accountable Property.

1. 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). Accountable property includes all property purchased, leased (capital leases), or otherwise obtained, having a unit acquisition cost of $5,000 or more (land, regardless or cost); and items that are sensitive, including but not limited to pilferable items.

2. 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, of a hazardous nature; and small arms, ammunition, explosives and demolition or classified material (See Volume 10, Table 61 or 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. Pilferable items have a ready resale value or application to personal possession and are therefore especially subject to theft.

A and M Status Report.

1. "A" status refers to those invoices with administrative errors that must be corrected prior to processing for payment. For example, invoices over 30 days old will initially go into "A" status awaiting input by a DFAS technician of an interest reason code. Secondly, invoices with erroneous LOAs will suspend into "A" status. These invoices will need to be deleted and resubmitted manually. Invoices submitted with the same document numbers assigned

to offsetting transactions resulting in a zero dollar amount for an LOA will suspend in "A" status. These invoices will also need to be deleted and recertified using document numbers that are already being used in the certification so that there will be no financial impact of these offsetting transactions.

2. "M" status refers to invoices that have been submitted to the DFAS for payment but are suspended because STARS cannot match the invoice to an obligation due to insufficient funds being obligated, an obligation for an invoiced SDN does not exist on the DFAS file (FADA), or there's an SDN error on the invoice or obligation amount.

APC. Agency Program Coordinator.

AO. Approving Official.

ASN(RD&A). Assistant Secretary of the Navy (Research, Development and Acquisition)

AUL. Authorized Use List (HAZMAT)

BCA. Business Case Analysis

Billing Cycle. The billing cycle is approximately a 30-day billing period. Each monthly bill will be comprised of transactions (debits and credits) that post to the banks' system during this period. For DON the billing cycle begins on the 20th of the month and ends on the 19th of the subsequent month. Cycle end dates 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 Invoice. The monthly billing invoice is the official invoice for payment purposes, which is provided to the certifying officer by the issuing bank. The billing invoice identifies all of the purchase card transactions of his/her CHs during a billing cycle. The invoice can be paper based or presented through the electronic access system of the issuing bank.

BOA. Basic Ordering Agreements.

BPA. Blanket Purchase Agreement.

CAC. Common Access Card.

CCPMD. Consolidated Card Program Management Division, Level 2 Program Management Office for DON.
Certifying Officer. A DOD military member or civilian employee of the Department appointed in writing to certify a voucher for payment.

CH. Cardholder

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

CO. Commanding Officer.

Construction. Erection, installation or assembly of a new facility, the addition, expansion, extension, alteration, conversion or replacement of an existing facility, the acquisition or relocation of a facility and includes the repair and maintenance of building and public works and equipment installed and made a part of such facilities. It includes dredging, excavating and painting of buildings, structures or other real property. For purposes of this definition, the terms "buildings, structures or other real property" include but are not limited to improvements of all types such as bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, cemeteries, pumping stations, railways, airport facilities, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, canals and channels. Construction does not include the manufacture, production, furnishing, construction, alteration, repair, processing or assembling of vessels, aircraft or other kinds of personal property. (Per NAVSUPINST 4200.85D)

Contracting Officer. Government employees who have the authority to bind the Government to the extent of their delegated purchasing authority. Purchase CHs are granted limited contracting authority by their HA (CO) component director or, if authorized, the APC in writing by the issuance of a Letter of Delegation or SF 1402 Contracting Officer's Warrant.CONUS. Continental United States.

DASN ACQ. Deputy Assistant Secretary of the Navy, Acquisition.

Delegation of Procurement Authority. A document issued by the authorized HCA (or their designee) that establishes the activity with contracting authority.

Designated Billing Office. The office designated by the ordering activity to receive and certify the official invoice, and in some instances, make payments against the official invoice.

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.

DAPS. Document Automation and Production Service.

DAU. Defense Acquisition University.

DFARS. Defense Federal Acquisition Regulation Supplement.

DFAS. Defense Finance and Accounting Service.

DOD. Department of Defense.

DOD FMR. Department of Defense Financial Management Regulation.

DOD IG. Department of Defense Inspector General.

DON. Department of Navy.

EFT. Electronic Funds Transfer.

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 $500.00. 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 $10,000.00. If the CH makes purchases during a billing cycle totaling $10,500.00, the 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 CitiDirect card management system, it is not a foolproof system. The business rules established by the MasterCard association will allow transactions to process over the established limits if the vendor does not obtain pre-authorization prior to submitting the transaction to Citibank or if the vendor is using the manual process of swiping the card to emboss the account information on a paper form.

Exceeds Minimum Mission Need. A purchase exceeds the Government's minimum needs when it is excessive in terms of quality, quantity or otherwise exceeds the minimum requirements to satisfy and support the Government in a particular instance. Purchases of authorized goods or services, at terms (e.g., price, quantity) that are excessive, or are for a questionable government need, or both, are considered abusive. In other words, don't purchase the Cadillac when the Chevy will satisfy the government's minimum need, don't purchase a dozen hammers just because you get a better unit price when one will do the job.

FAR. Federal Acquisition Regulation.

FMR. Financial Management Regulation.

FPI. Federal Prison Industries.

Fraud. Fraud includes 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.

1. Pay and allowances;

2. Procurement;

3. Property disposal;

4. Subsistence;

5. Unauthorized services;

6. Non-appropriated funds;

7. Foreign military sales; and

8. Personnel matters.

FSS. Federal Supply Schedule.

GAO. Government Accountability Office.

GBL. Government Bill of Lading.

GCPC. Government-wide Commercial Purchase Card.

Ghost Transaction. Transactions purposely made with real or ghost (shell) companies for goods never delivered and/or services not performed with the intent to defraud the government.

Ghost Vendor. Fictitious entities created for the sole purpose of committing fraud. They may be nothing more than a fabricated name with an address used to collect disbursements from false billings.

GSA. General Service Administration.

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

HAZMIN. Hazardous Waste Minimization.

Head of Activity (HA). For the purposes of this instruction, the HA is the military officer in command or the civilian executive in charge of the mission of a DON command or activity which has been granted contracting

authority by the cognizant HCA. The HA has overall responsibility for managing the delegation and use of this authority by personnel under his/her command.

Head of Contracting Activity (HCA). The official in command at one of the 12 DON components listed at DFARS 202.101 (e.g. COMNAVSUPSYSCOM, COMNAVAIRSYSCOM, etc.). They are responsible for the delegation, re-delegation and use of contracting authority including use of the purchase card by DON commands, DON activities and DON personnel under his/her contracting cognizance.

IDIQ. Indefinite Delivery Indefinite Quantity.

IDTC. Indefinite Delivery Type Contract.

IOP. Internal Operating Procedure.

IRS. Internal Revenue Service.

JER. Joint Ethics Regulation.

JWOD. Javits-Wagner-O'Day Act.

Letters of Agreement. A streamlined procedure for procuring commercial supplies between $3,000 and $25,000 based on using oral solicitations, placing oral orders and paying for the oral orders using the purchase card. LOAs shall not be established for the procurement of services.

LOA. Line of Accounting.

Mandatory Sources. (FAR 8.002 Priorities for use of Government supply sources). The first step in the acquisition process is screening requirements for their availability from the mandatory Government sources of supply. The following sources are statutory and required for use by DON contracting officers/buyers (listed in descending order of priority).

1. Supplies

    a. Agency inventories;

    b. Excess inventory from other agencies;

    c. Federal Prison Industries (FPI/UNICOR);

d. National Industry for the Blind (NIB)/Severely; Disabled (NISH);

e. Wholesale Supply Sources;

f. Mandatory Federal Supply Schedules (FSS);

g. Optional use FSS; and

h. Commercial Sources (including educational and nonprofit institutions).

2. Services

a. NIB/NISH;

b. Mandatory Federal Supply Schedules (FSS);

c. Optional use FSS; and

d. FPI/UNICOR or Commercial Sources (including educational and nonprofit institutions).

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

Micro-purchase Threshold. "Micro-purchase threshold" means $3000, except it means:

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

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

3. 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, as described in 13.201(g)(1), except for construction subject to the Davis-Bacon Act(41 U.S.C.428a)-

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

(b) $25,000 in the case of any contract to be awarded and performed, or purchase to be made, outside the United States.

Minimum Need. A purchase exceeds the Government's minimum needs when it is excessive in terms of quality, quantity or otherwise exceeds the minimum requirements to satisfy and support the Government in this instance.

MOU. Memorandum of Understanding.

NAVAUDSVC. Naval Audit Service.

NCIS. Naval Criminal Investigative Service.

NDWC. Nationwide DON Wireless Contracts.

NIB/NISH. National Industry for the Blind/Severely Disabled.

NMCARS. Navy Marine Corp Acquisition Regulation Supplement.

Official Invoice. The monthly billing statement is the official invoice for payment purposes that is provided to the AO. The billing statement identifies all of the purchase card transactions of his/her card accounts during a billing cycle.

OIC. Officer in Charge.

OMB. Office of Management and Budget.

OPTAR. Operating target is defined generally as an estimate of the amount of money that will be required by an operating ship, staff, squadron or other unit to perform the tasks and functions assigned to it. It is the term for the spending target provided by an operating budget holder to a unit of the operating forces to fund the unit's operations. The legal restrictions and penalties of 31 U.S. Code 1517 do not apply to OPTARs.

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

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

Potential Fraud. Potential fraud includes the appearance of the following 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.

PCAN. Purchase Card Administrative Notice.

PCPN. Purchase Card Policy Notice.

PPMAP. Procurement Performance Management Assessment Program.

Purchase Card Abuse. Intentional use of the purchase card for items not authorized by the FAR, DFAR, NMCARS, NAVSUPINST 4200.99 or local purchase card instructions. Neither commanding officers nor supervisors shall tolerate abuse of the purchase card. CHs who abuse their purchase card shall be subject to appropriate administrative or disciplinary actions.

Purchase Card Misuse. Inappropriate and/or unintentional use of the purchase card for items not authorized by the FAR, DFAR, NMCARS, NAVSUPINST 4200.99 (series) or local purchase card instructions.

SDN. Standard Document Number.

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

Separation of Function. For the purposes of this instruction, separation of function is defined as one person making the purchase with the purchase card and a separate person receiving, inspecting and accepting the purchase.

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

Tax Exemption. The elimination of state and local taxes from federal purchases per state and federal law. The phrase "U.S. Government Tax Exempt" is printed on the front of each purchase card.

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.

USD(C). Under Secretary of Defense (Comptroller).

USD (P&R). Under Secretary of Defense (Personnel & Readiness).

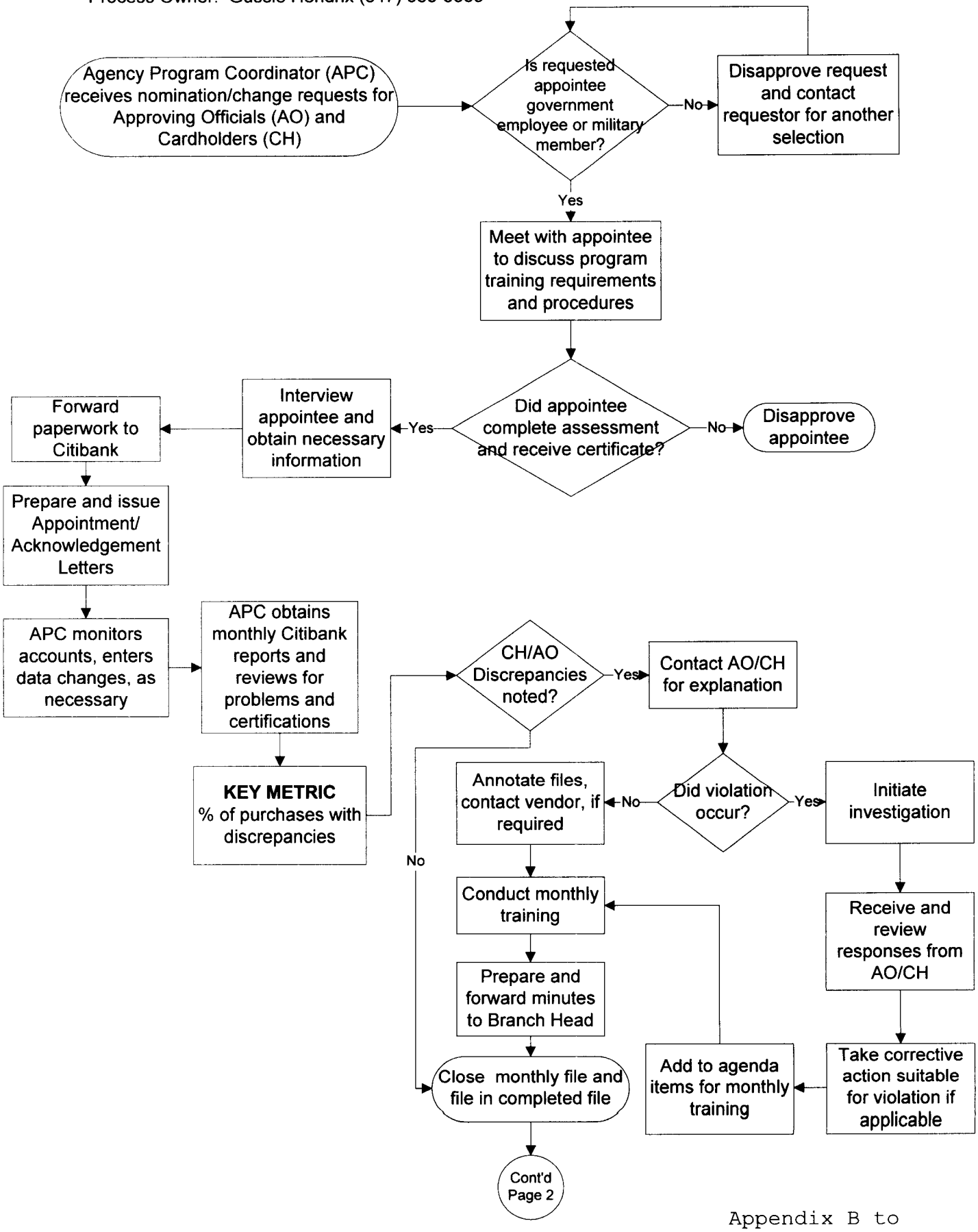
USD (AT&L). Under Secretary of Defense (Acquisition, Technology & Logistics).

UCMJ. Uniform Code of Military Justice.

VTC. Video Teleconference.

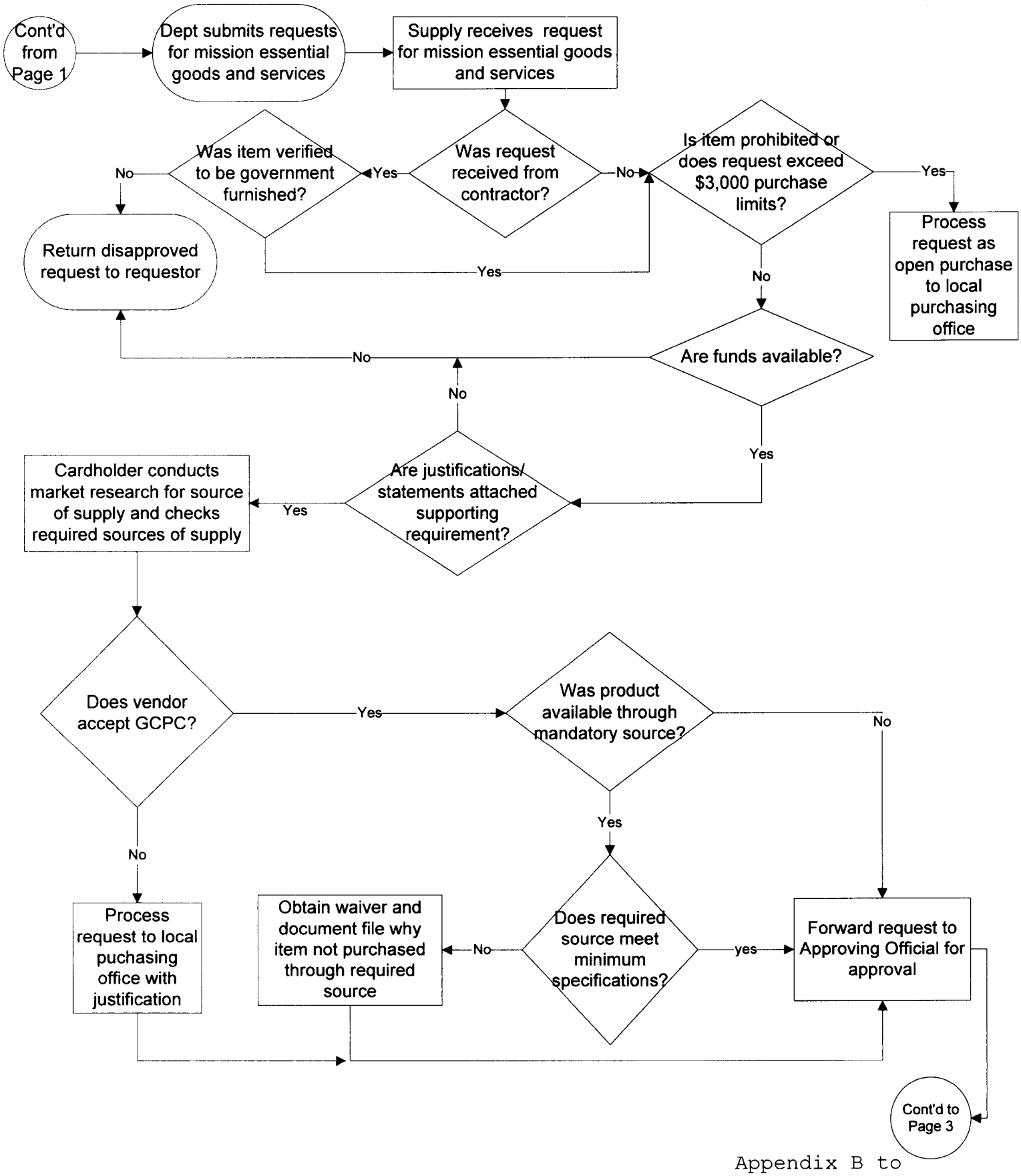
Purpose: Process for using the GCPC as a method of procurement for purchases at or below $3,000 and method of payment for procurements exceeding $3,000.

Process Owner: Gussie Hendrix (847) 688-5855



Purpose: Process for using the GCPC as a method of procurement for purchases at or below $3,000 and method of payment for procurements exceeding $3,000.

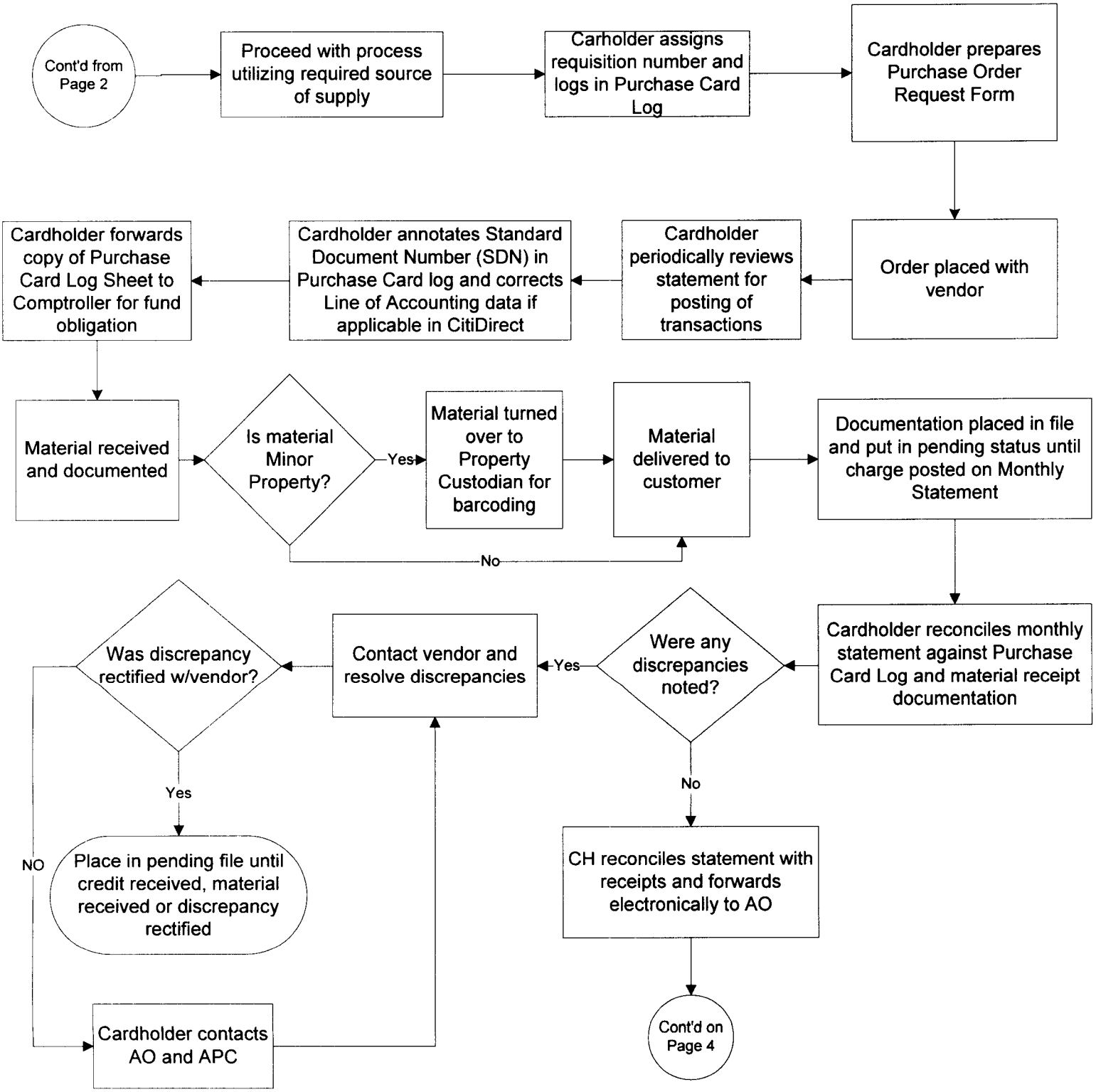
Process Owner: Gussie Hendrix (847) 688-5855



Government Commercial Purchase Card Program Process

Purpose: Process for using the GCPC as a method of procurement for purchases at or below $3,000 and method of payment for procurements exceeding $3,000.

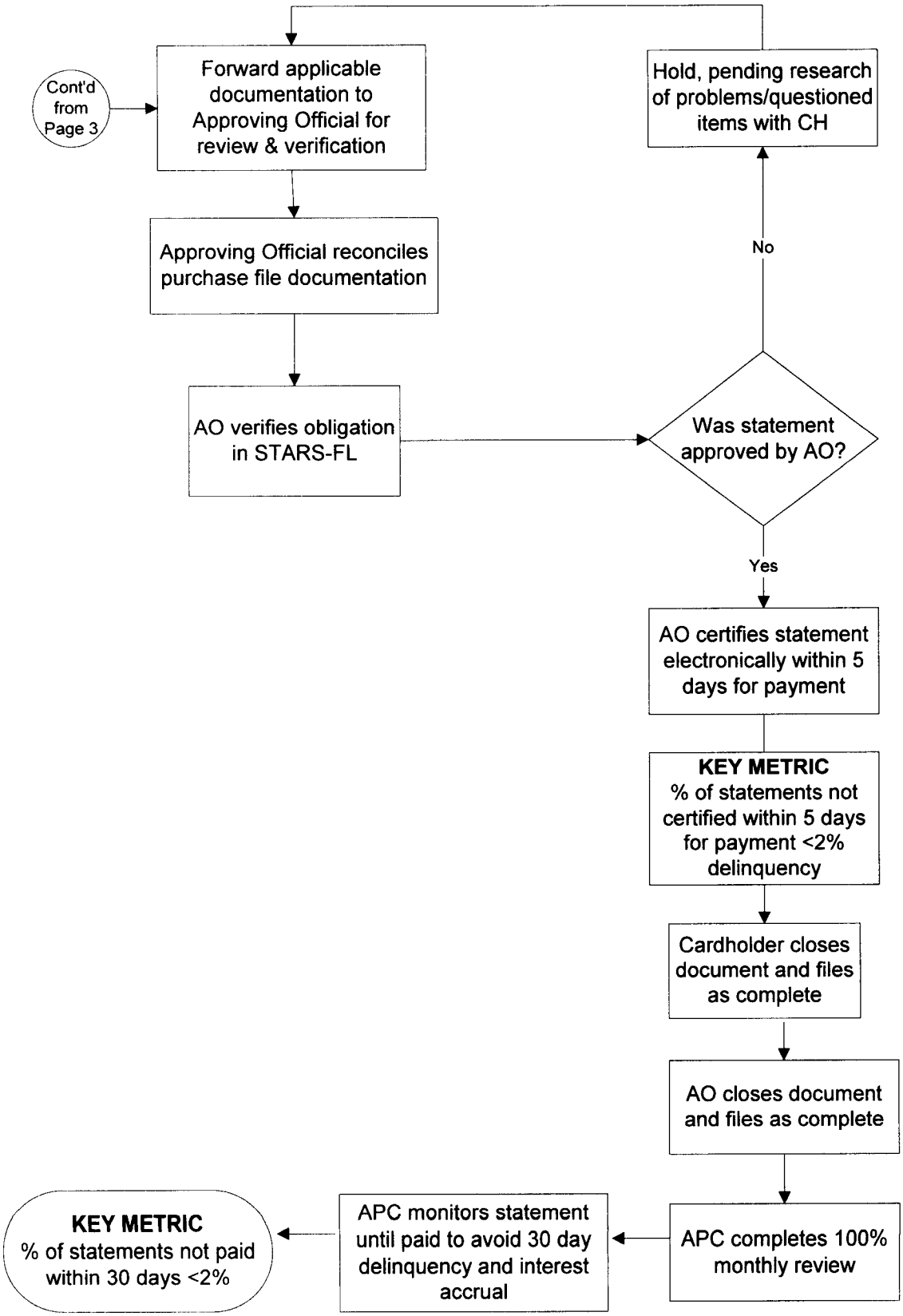
Process Owner: Gussie Hendrix (847) 688-5855



Appendix B to Enclosure 1

Purpose: Process for using the GCPC as a method of procurement for purchases at or below $3,000 and method of payment for procurements exceeding $3,000.

Process Owner: Gussie Hendrix (847) 688-5855



4200
Ser ?/(Code)
(Date)

From: (Command Name)
TO: (Command Name) (Name of Individual)

SUBJ: APPOINTMENT AS LEVEL 4 AGENCY PROGRAM COORDINATOR (APC) FOR THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC)

Ref: (a) NAVSUPINST 4200.99 series
(b) CNSTCINST 4200.99

1. This is formal notification that you are hereby designated as the Level 4 Agency Program Coordinator to oversee the Government-wide Commercial Purchase Card Program for the commands within the (TYCOM Name) hierarchy.

2. As the Level 4 Agency Program Coordinator you will be responsible for performing overall management and oversight functions for the purchase card program for commands within the (TYCOM Name) GCPC hierarchy. You will receive and evaluate Activity requests for establishment of a purchase card program, coordinate establishment of local purchase card programs with NETC, CITIBANK and Activity level Financial Management (Comptroller) counterpart, assist in the development of Internal Operating Procedures (IOPs) for the Activity's purchase card program and ensure IOPs do not deviate from/conflict with existing DoN/DoD purchase card policy, review all FISC PPMAP annual Activity reviews of the purchase card program to assure the integrity of the Activity's program and confirm that adequate local internal controls are in place. As APC, you have responsibility to coordinate with Level 3 and/or Level 5 APCs to ensure that all cardholders, approving officials/certifying officials are duly appointed in writing and have received required purchase card training and refresher training. You will be responsible for providing guidance and direction on all matters relating to the GCPC Program within the (specify TYCOM name) hierarchy. Additionally, you will serve as liaison with Level Three, Level Five APC(s) under your cognizance, and CitiBank to resolve any conflicts within the program.

3. You are also delegated authority to make authorization limits for purchase card accounts and all changes in

Activity APC organizational structure that affects invoice and/or report distribution when the Activity APC or Alternate APC is unavailable.

4. References (a) and (b) provide detailed guidance for operation of the program.

(NAME)
(TITLE)

Date:

ACKNOWLEDGMENT

By signature hereon, I acknowledge my appointment as the Level 4 Agency Program Coordinator for the Government-wide Commercial Purchase Card Program within the (TYCOM name) hierarchy. I have read and understand my responsibilities, accountability, and duties as described in EBUSOPSOFFINST 4200.1 series and (Claimant Instruction). I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service.

_____
(Name of Individual)

SAMPLE APC APPOINTMENT LETTER
(USE APPROPRIATE LETTER HEAD)

NOTE: PLEASE REVISE LETTER TO MEET YOUR NEEDS

4200
(Initiating Code)
(Date)

FROM: (COMMAND NAME)
TO: (COMMAND NAME AND INDIVIDUAL'S NAME)

SUBJ: APPOINTMENT AS AGENCY PROGRAM COORDINATOR (APC) FOR THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC)

Ref: (a) NAVSUPINST 4200.99
(b) Federal Acquisition Regulation (FAR) 1.6
(c) Defense Federal Acquisition Regulation (DFAR) 201.6
(d) CNSTCINST 4200.99

1. This letter is formal notification that you are hereby designated as the Command Agency Program Coordinator to oversee the Government-wide Commercial Purchase Card Program.

2. As the Agency Program Coordinator you will be responsible for ensuring purchases made with the GCPC are in accordance with the Federal Acquisition Regulation and agency regulations. You must also verify that all purchases were necessary and for official government purposes in accordance with the provisions of references (a) through (c) and local guidance. As APC, you have overall responsibility for implementation, management, administration, and day-to-day operations of the GCPC Program at this command. Typical responsibilities include but are not necessarily limited to keeping the command's internal operating procedures reference (d) current, training cardholders and approving officials, and general oversight of the program. You will be responsible for providing guidance and direction on all matters relating to the GCPC Program. Additionally, you will serve as liaison with NETC Level Three APC or Level Four Regional APC, CitiBank, Approving Official(s), cardholder(s) and Resource Manager(s) to resolve any conflicts within the program.

3. (ADD IF HEAD OF ACTIVITY WANTS THE APC TO ACCOMPLISH - You are also delegated authority to appoint Approving Officials, Certifying Officers, and cardholders and set necessary monetary limitations. Additionally, you are hereby granted authority to designate cardholders as Accountable Officials via a DD Form 577

SUBJ: APPOINTMENT AS AGENCY PROGRAM COORDINATOR (APC) FOR THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC)

(Appointment/Termination Record - Authorized Signature).) Cardholders are responsible for supporting the certification of payment vouchers and must be advised of their responsibilities upon performing the reconciliation function.

4. References (a) and (d) provide detailed guidance for operation of the program.

X. X. XXXX (Name)
(TITLE)

SUBJ: APPOINTMENT AS AGENCY PROGRAM COORDINATOR (APC) FOR THE GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC)

Date:

ACKNOWLEDGMENT

By signature hereon, I acknowledge my appointment as the Agency Program Coordinator for the Government-wide Commercial Purchase Card Program. I have read and understand my responsibilities, accountability, and duties as described in references (a) and (d). I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service.

_____

(NAME)

Date:

From: (Command name or requesting Department)
To: Command Agency Program Coordinator

Subj: PROSPECTIVE APPROVING OFFICIAL

Ref: (a) CNSTCINST 4200.99

1. Per reference (a), request (name of individual) be established as a Government-wide Commercial Purchase Card (GCPC) Approving Official (AO).

2. (Provide a statement that assigning the individual as an AO is essential to meet mission requirements.)

3. (Indicate the type and kinds of items that will normally be approved and the monthly credit limit. In addition, provide the number of cardholders this individual will be monitoring.)

4. (State that the prospective AO has the training, business acumen and judgment to act on behalf of the Government in accordance with the applicable DON NAVSUP CCPMD Purchase Card Desk Guide.)

X. X. XXXX (Name)
(TITLE)

APPROVING OFFICIAL APPOINTMENT/CERTIFYING OFFICER SAMPLE LETTER
(USE APPROPRIATE LETTERHEAD)

NOTE: PLEASE REVISE LETTER TO MEET YOUR NEEDS

4200
(Initiating Code)
(Date)

From: (Command Name)
To: (Command Name and individual's name)

SUBJ: APPOINTMENT AS APPROVING OFFICIAL/CERTIFYING OFFICER FOR GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC) REQUIREMENTS

Ref: (a) Financial Management Regulations, Volume 5, Chapter 2 (add this reference if individual will be approving/certifying a convenience check account)
(a or b) NAVSUPINST 4200.99 series
(b or c) NAVSUPINST 4200.85 series
(c or d) CNSTCINST 4200.99

Encl: (1) DD FORM 577 Signature Form

1. This letter is formal notification that you are hereby appointed as an Approving Official (AO) for cardholders under your purview NTE XXXX. You additionally function as a Certifying Officer for the Government-wide Commercial Purchase Card (GCPC) vouchers/invoices to DFAS OPLOC Pensacola, Bldg. 603-2, 130 West Avenue, Pensacola, FL 32508 for invoices associated with GCPC transactions.

2. As an Approving Official you will be responsible for ensuring purchases made with the GCPC (add if applicable "and upon the issuance of convenience checks by cashiers") are in accordance with the Federal Acquisition Regulation, (add if convenience checks are applicable: (reference (a)) and agency regulations. You must verify that all purchases were necessary and for official government purposes per the provisions of references (a) and (b) **(now if the AO will be approving convenience check transactions and the FMR was stipulated as reference (a), the sentence would read: "with the provisions of references (a) through (c)),** and local guidance which governs the use of the card. You are responsible for verifying the

SUBJ: APPOINTMENT AS APPROVING OFFICIAL/CERTIFYING OFFICER FOR GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC) REQUIREMENTS

necessity of purchase card transactions, ensuring transactions are in accordance with the Internal Operating Procedures (IOP), identifying misuse of the purchase card and convenience checks, reconciling monthly statements, and recommending appropriate action to your Agency Program Coordinator (APC) as a remedy for inappropriate use. You will certify GCPC invoices for payment, either electronically or manually under your designation as a Certifying Officer.

3. As a Certifying Officer, you will be responsible for certifying GCPC vouchers and documents for payment. Certifying Officers that knowingly certify any illegal, improper, or incorrect payment processed by the Department as a result of any inaccurate or misleading certification are pecuniary liable. This means that you may have to repay the total amount of any payment that, at time of certification was known, to be illegal, improper, or incorrect. You must become thoroughly familiar with your responsibilities and accountability. By your signature below, you acknowledge this appointment and affirm that you have read and understand your responsibilities as described in the following references:

Title 31, US Code, Sec.3325
http://www4.law.cornell.edu/uscode/31/3325.html
Title 31, US Code, Sec.3528
http://www4.law.cornell.edu/uscode/31/3528.html
DoD Directive 7000.15
http://web7.whs.osd.mil/pdf/d700015p.pdf
DoDFMR Vol 5, CH33
http://www.dtic.mil/comptroller/fmr/05/05_33.pdf

4. As an Approving Official/Certifying Officer, you must complete a DD Form 577, Signature Card (Enclosure (1)). After completion of the acknowledgment below and the signature form, keep the original letter and forward a copy of the letter and the original signed signature form to your Agency Program Coordinator.

SUBJ: APPOINTMENT AS APPROVING OFFICIAL/CERTIFYING OFFICER FOR GOVERNMENT-WIDE COMMERCIAL PURCHASE CARD (GCPC) REQUIREMENTS

5. Notify your APC of any problems you experience with the purchase card program to include questionable items found in the monthly statements. He/she is responsible for the overall administration and management of the program and is available for any assistance you may need.

X. X. XXXX
(Name and Title)

_____

DATE:

ACKNOWLEDGMENT

1. By signature hereon, I acknowledge my appointment as an Approving Official and Certifying Officer. I have read and understand my responsibilities, accountability, and duties as described in references (a) through (c) **(or (a) and (b)).** I understand that I have the right to request relief of liability for any payment I authorized that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service.

2. Attached is the completed DD FORM 577 signature form.

_____
(NAME AND TITLE)

SAMPLE AGENCY PROGRAM COORDINATOR FORMAT

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE

(Read Privacy Act Statement and Instructions before completing form.)

PRIVACY ACT STATEMENT

AUTHORITY: E.O. 9397, 31 U.S.C. §§ 3325, 3528, DoD Financial Management Regulation, Vol. 5, Chapter 33, and DoDD 7000.15, DoD Accountable Officials and Certifying Officers.
PRINCIPAL PURPOSE(S): To maintain a record of certifying and accountable officers' appointments, and termination of those appointments. The information will also be used for identification purposes associated with certification of documents and/or liability of public records and funds.
ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C. § 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the the Federal Reserve banks to verify authority of the accountable individual to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published in the Federal Register.
DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment.

SECTION I - FROM: COMMANDER/APPOINTING AUTHORITY

1. NAME *(First, Middle Initial, Last)*	2. TITLE	3. DOD COMPONENT/ORGANIZATION

4. DATE *(YYYYMMDD)*	5. SIGNATURE

SECTION II - TO: APPOINTEE

6. NAME *(First, Middle Initial, Last)*	7. SSN	8. TITLE
	N/A	

9. DOD COMPONENT/ORGANIZATION	10. ADDRESS *(Include ZIP Code)*

11. TELEPHONE NUMBER *(Include Area Code)*	12. EFFECTIVE DATE OF APPOINTMENT *(YYYYMMDD)*

13. POSITION TO WHICH APPOINTED *(X one)*

[ ] CERTIFYING OFFICER [X] ACCOUNTABLE OFFICIAL [ ] OTHER *(Specify)*

14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY SHOWN ABOVE. YOUR RESPONSIBILITIES WILL INCLUDE:

As an Accountable Official, you will ensure that timely and accurate data, information, and/or service is provided by the cardholder to the Certifying Officer to ensure proper payments of Government purchase card invoices. You will comply with all applicable DoD regulations, policies and procedures, including local standard operating procedures. Ensure that a system of internal procedures and controls for the portion of the entitlement and payment-related process under your cognizance is in place to minimize opportunities for erroneous payments. Ensure that all procedural safeguards affecting proposed payments are observed and take timely action in response to inquiries initiated by a reviewing official with regard to possible or actual erroneous payments. In addition, Accountable Officials shall be pecuniarily liable for illegal, improper or incorrect payments that result from information, data or services they negligently provide to a certifying officer, and upon which, the certifying officer directly relies in accordance with the provisions of 10 U.S.C 2773a.

15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED:

DoDFMR, Vol. 5, chapter 33; NAVSUPINST 4200.99

SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT

I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds under my control. I have been counseled on my pecuniary liability and have been given written operating instructions. I certify that my official signature is shown in the box below.

16. PRINTED NAME *(First, Middle Initial, Last)*	17. SIGNATURE

SECTION IV - TERMINATION OF APPOINTMENT

		18. EFFECTIVE DATE *(YYYYMMDD)*	19. APPOINTEE INITIALS
	The appointment of the individual named above is hereby revoked.		

20. NAME OF COMMANDER/APPOINTING AUTHORITY	21. TITLE	22. SIGNATURE

DD FORM 577, DEC 2003 PREVIOUS EDITION MAY BE USED UNTIL SUPPLY IS EXHAUSTED.

SAMPLE APPROVING OFFICIAL FORMAT

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE

(Read Privacy Act Statement and Instructions before completing form.)

PRIVACY ACT STATEMENT

AUTHORITY: E.O. 9397, 31 U.S.C. §§ 3325, 3528, DoD Financial Management Regulation, Vol. 5, Chapter 33, and DoDD 7000.15, DoD Accountable Officials and Certifying Officers.
PRINCIPAL PURPOSE(S): To maintain a record of certifying and accountable officers' appointments, and termination of those appointments. The information will also be used for identification purposes associated with certification of documents and/or liability of public records and funds.
ROUTINE USE(S): The information on this form may be disclosed as generally permitted under 5 U.S.C. § 552a(b) of the Privacy Act of 1974, as amended. It may also be disclosed outside of the Department of Defense (DoD) to the the Federal Reserve banks to verify authority of the accountable individual to issue Treasury checks. In addition, other Federal, State and local government agencies, which have identified a need to know, may obtain this information for the purpose(s) identified in the DoD Blanket Routine Uses published in the Federal Register.
DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment.

SECTION I - FROM: COMMANDER/APPOINTING AUTHORITY

1. NAME *(First, Middle Initial, Last)*	2. TITLE	3. DOD COMPONENT/ORGANIZATION

4. DATE *(YYYYMMDD)*	5. SIGNATURE

SECTION II - TO: APPOINTEE

6. NAME *(First, Middle Initial, Last)*	7. SSN	8. TITLE
	(LEAVE BLANK)	

9. DOD COMPONENT/ORGANIZATION	10. ADDRESS *(Include ZIP Code)*

11. TELEPHONE NUMBER *(Include Area Code)*	12. EFFECTIVE DATE OF APPOINTMENT *(YYYYMMDD)*

13. POSITION TO WHICH APPOINTED *(X one)*

[X] CERTIFYING OFFICER [X] ACCOUNTABLE OFFICIAL [ ] OTHER *(Specify)*

14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY SHOWN ABOVE. YOUR RESPONSIBILITIES WILL INCLUDE:

You will be responsible for certifying documents for payment pertaining to the Government-wide commercial Purchase Card NTE ?. Under your designation as an Approving Official you are also an Accountable Official, you will ensure proper payments (i.e., payments that are supportable, legal, and correctly computed) for Government purchase card invoice certifications. You will comply with all applicable DoD regulations, policies and procedures, including local standard operating procedures. Ensure that a system of internal procedures and controls for the portion of the entitlement and payment-related process under your cognizance is in place to minimize opportunities for erroneous payments. Ensure that all procedural safeguards affecting proposed payments are observed and take timely action in response to inquiries initiated by a reviewing official with regard to possible or actual erroneous payments. In addition, Accountable Officials shall be pecuniarily liable for illegal, improper or incorrect payments that result from information, data or services they negligently provide to a certifying officer directly relies in accordance with the provisions of 10 U.S.C 2773a.

15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED:

DoDFMR, Vol. 5, chapter 33; NAVSUPINST 4200.99

SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT

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16. PRINTED NAME *(First, Middle Initial, Last)*	17. SIGNATURE

SECTION IV - TERMINATION OF APPOINTMENT

		18. EFFECTIVE DATE *(YYYYMMDD)*	19. APPOINTEE INITIALS
	The appointment of the individual named above is hereby revoked.		

20. NAME OF COMMANDER/APPOINTING AUTHORITY	21. TITLE	22. SIGNATURE

DD FORM 577, DEC 2003 PREVIOUS EDITION MAY BE USED UNTIL SUPPLY IS EXHAUSTED.

APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE

(Read Privacy Act Statement and Instructions before completing form.)

PRIVACY ACT STATEMENT

AUTHORITY: E.O. 9397, 31 U.S.C. §§ 3325, 3528, DoD Financial Management Regulation, Vol. 5, Chapter 33, and DoDD 7000.15, DoD Accountable Officials and Certifying Officers.
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DISCLOSURE: Voluntary; however, failure to provide the requested information may preclude appointment.

SECTION I - FROM: COMMANDER/APPOINTING AUTHORITY

1. NAME *(First, Middle Initial, Last)*	2. TITLE	3. DOD COMPONENT/ORGANIZATION

4. DATE *(YYYYMMDD)*	5. SIGNATURE

SECTION II - TO: APPOINTEE

6. NAME *(First, Middle Initial, Last)*	7. SSN	8. TITLE
	(LEAVE BLANK)	

9. DOD COMPONENT/ORGANIZATION	10. ADDRESS *(Include ZIP Code)*

11. TELEPHONE NUMBER *(Include Area Code)*	12. EFFECTIVE DATE OF APPOINTMENT *(YYYYMMDD)*

13. POSITION TO WHICH APPOINTED *(X one)*

[X] CERTIFYING OFFICER [X] ACCOUNTABLE OFFICIAL [ ] OTHER *(Specify)*

14. YOU ARE HEREBY APPOINTED TO SERVE IN THE CAPACITY SHOWN ABOVE. YOUR RESPONSIBILITIES WILL INCLUDE:

You will be responsible for certifying documents for payment pertaining to the Government-wide commercial Purchase Card NTE ?. Under your designation as an Approving Official you are also an Accountable Official, you will ensure proper payments (i.e., payments that are supportable, legal, and correctly computed) for Government purchase card invoice certifications. You will comply with all applicable DoD regulations, policies and procedures, including local standard operating procedures. Ensure that a system of internal procedures and controls for the portion of the entitlement and payment-related process under your cognizance is in place to minimize opportunities for erroneous payments. Ensure that all procedural safeguards affecting proposed payments are observed and take timely action in response to inquiries initiated by a reviewing official with regard to possible or actual erroneous payments. In addition, Accountable Officials shall be pecuniarily liable for illegal, improper or incorrect payments that result from information, data or services they negligently provide to a certifying officer, and upon which, the certifying officer directly relies in accordance with the provisions of 10 U.S.C 2773a.

15. YOU ARE ADVISED TO REVIEW AND ADHERE TO THE FOLLOWING REGULATION(S) NEEDED TO ADEQUATELY PERFORM THE DUTIES TO WHICH YOU HAVE BEEN ASSIGNED:

DoDFMR, Vol. 5, chapter 33;

SECTION III - ACKNOWLEDGEMENT OF APPOINTMENT

I acknowledge and accept the position and responsibilities defined above. I understand that I am strictly liable to the United States for all public funds under my control. I have been counseled on my pecuniary liability and have been given written operating instructions. I certify that my official signature is shown in the box below.

16. PRINTED NAME *(First, Middle Initial, Last)*	17. SIGNATURE

SECTION IV - TERMINATION OF APPOINTMENT

		18. EFFECTIVE DATE *(YYYYMMDD)*	19. APPOINTEE INITIALS
	The appointment of the individual named above is hereby revoked.		

20. NAME OF COMMANDER/APPOINTING AUTHORITY	21. TITLE	22. SIGNATURE

INSTRUCTIONS FOR COMPLETING APPOINTMENT/TERMINATION RECORD - AUTHORIZED SIGNATURE

This form may be used to:

1. Appoint certifying officers. Certifying officers are those individuals, military or civilian, designated to attest to the correctness of statements, facts, accounts, and amounts appearing on a voucher for payment.

2. Appoint accountable officials. Accountable officials are those individuals, military or civilian, who are designated in writing and are not otherwise accountable under applicable law, who provide source information, data or service to a certifying or disbursing officer in support of the payment process.

SECTION I.

1. Enter the name of the Commander/Appointing Authority.

2. Enter the Commander/Appointing Authority's title.

3. Enter the Commander/Appointing Authority's DoD Component/Organization location.

4. Enter the date the form is completed.

5. The Commander/Appointing Authority must place his or her legal signature in the block provided.

SECTION II.

6. Enter the Appointee's name.

7. Enter the Appointee's social security number.

8. Enter the Appointee's title.

9. - 11. Enter the name, complete address, and telephone number of the DoD Component/Organization activity to which appointed.

12. Enter the date the appointment is to be effective.

13. Mark X in the appropriate box indicating the purpose for the appointment.

14. Describe in detail the duties the Appointee will be required to perform, to include types of payments, records and vouchers for which authorized (specifying the applicable disbursing station symbol number(s) affected), and any other pertinent information.

15. List all regulations the Appointee must review and follow in order to adequately fulfill the requirements of the appointment.

SECTION III.

16. - 17. The Appointee shall print his or her name and enter his or her legal signature in the spaces provided.

SECTION IV.

Completing this section will terminate the original appointment as of the effective date. If partial authority is to be retained, a new DD Form 577 must be completed.
Mark X in the box provided to indicate the appointment is being revoked.

18. Enter the date the termination is effective.

19. The Appointee will initial in the space provided acknowledging revocation of the appointment.

20. - 22. The Commander/Appointing Authority must place his or her name, title and legal signature in the spaces provided.

Date:

From: (Command name or Requesting Department)
To: Command Agency Program Coordinator

Subj: PROSPECTIVE PURCHASE CARDHOLDER OR ACCOMMODATION ACCOUNT CASHIER

Ref: (a) CNSTCINST 4200.99

1. Per reference (a), request (name of individual) be established as a Government-wide Commercial Purchase Card (GCPC) Cardholder (CH).

2. (Provide a statement that assigning the individual as CH is essential to meet mission requirements.)

3. (Indicate the type and kinds of items that will normally be approved, and the single and monthly credit limits.)

4. (State that the prospective CH has the training, business acumen and judgment to act on behalf of the Government in accordance with the applicable DON eBusiness Purchase Card Desk Guide.)

X. X. XXXX (Name)
(TITLE)

CARDHOLDER DELEGATION OF AUTHORITY LETTER (SAMPLE)
(use appropriate letterhead)

NOTE: PLEASE REVISE LETTER TO MEET YOUR NEEDS

4200
(Initiating Code)
(Date)

From: (Command Name)
To: (Command's Name and individual's name)

Subj: DELEGATION OF AUTHORITY

Ref: (a) Federal Acquisition Regulation (FAR) 1.6
(b) Defense Federal Acquisition Regulation (DFAR) 201.6
(c) NAVSUPINST 4200.99
(d) CNSTINST 4200.99
(e) Federal Management Regulation, Volume 5, Chapter 2, paragraph 0210 **(add reference (e) if individual is being designated as a Convenience Check Cashier)**

1. Per references (a) through (d), (or (a) through (e)), you are hereby appointed as a contracting officer and/or Convenience Check Cashier for the United States of America, limited to the use of the Government-wide Commercial Purchase Card (GCPC) to purchase supplies and services using over-the-counter or over-the-telephone ("or over the Internet" can also be added if authorized as a procurement method) procurement methods. The GCPC will be used to pay for such purchases. The amount of any single purchase will not exceed $_____ (i.e. NTE $2,500). The billing cycle limit, which is 30 days, will not exceed $_____ (i.e. NTE $10,000), and the total fiscal year limit will not exceed $_____(i.e. NTE $120,000) . (If procurement via the Internet is authorized, then the following must also be stipulated in the letter: "When purchasing/ordering via the Internet, you will ensure that appropriate account safeguarding measures are taken.")

2. Authorized purchases are (include appropriate categories):

a. Stand-alone procurement method (specify NTE amount) (if designated as a Convenience Check Cashier must add: "stand-alone procurement method cannot exceed $3,000".)

b. Method of payment against contract documents issued by a contracting officer (specify NTE amount) (cannot exceed $100,000).

c. Place electronic firm fixed price orders against Indefinite Delivery Type contracts issued by the Navy located on the DoD Emall using the purchase card as a payment method up to (specify NTE amount) (cannot exceed $100,000).

d. Oral orders against government contracts, GSA schedules, GSA Advantage, JWOD, UNICOR, etc. (specify NTE amount) (if all, JWOD/UNICOR items cannot exceed $100,000 - all others cannot exceed $2500 unless PPMPAP contracting authority states differently).

e. Method of payment against requirements with DAPS when using the DD Form 282 (specify NTE amount), cannot exceed $100,000).

f. Method of payment against training documents when using the DD Form 1556 (specify NTE amount)(cannot exceed $25,000).

3. Supplies or services may be purchased, consistent with your organizational responsibilities and monthly purchase limits established by the approving official designated to review your purchases, to satisfy legitimate requirements. The delegation does not authorize you to purchase supplies or services on the open market that are required to be obtained from mandatory sources of supply. It also does not authorize you to procure supplies or services for which procurement responsibility has been assigned to another organizational element. (Add if designated as a Convenience Check Cashier: "Authorized use of convenience checks will be used ONLY when a vendor does not accept the GCPC and all attempts to use the GCPC have been made with vendors that accept same.").

4. All purchases must be made following applicable laws and regulations including, but not limited to, Federal Acquisition Regulation, NAVSUPINST 4200.85 series, NAVSUPINST 4200.99 series, Financial Management Regulations, and CNSTC 4200.99 procedures for using the GCPC service.

5. Your attention is directed to paragraphs (specify from local instruction) of reference (d) entitled "(Improper, Fraudulent, or Abusive Use of a Purchase Card)" and "(Restrictions on the Use of the Purchase Card)." (Specify the paragraph names you have stipulated in your instruction that address these subjects). This delegation does not authorize you to purchase any of the supplies or services listed in (specify the applicable paragraph number).

6. Your approving official, (name of individual), is responsible for review and approval of all transactions made using this

Subj: DELEGATION OF AUTHORITY

authority which is effective upon receipt of a purchase card with your name embossed on it. This delegation of authority is valid as long as you are employed at this command or until formally suspended, modified, or revoked by the head of this command or his/her designee.

7. 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 may result in immediate cancellation of your purchase card and further disciplinary action. You will be held personally liable to the government for the amount of any non-government transactions. Under 18 U.S.C. 287, unauthorized use of the purchase card could result in a fine of not more than $10,000 or imprisonment of no more than 5 years, or both.

8. Questions concerning your delegation of authority or purchase card account should be directed to the Command Agency Program Coordinator, (Name) who can be reached at (Telephone Number).

_____
(SIGNATURE OF HEAD OF ACTIVITY
OR HIS/HER DESIGNEE)
(TITLE IF APPLICABLE)

ACKNOWLEDGMENT

By signature hereon, I acknowledge my appointment as a Government-wide Commercial Purchase Card cardholder and/or Convenience Check Cashier. I have read and understand my responsibilities and accountability. I understand my right to request relief of liability for any transaction that is determined to be illegal, improper, or incorrect. I further understand that this appointment will remain in effect and will automatically terminate upon separation from (specify command name).

_____
(CARDHOLDER'S NAME AND SIGNATURE)

Copy to:
APC
Approving Official

CARDHOLDER ACCOUNTABLE OFFICIAL LETTER (SAMPLE)
(use appropriate letterhead)

4200
(Initiating Code)
(Date)

MEMORANDUM FOR (INSERT CARDHOLDER'S NAME AND UNIT)

Subj: APPOINTMENT AS ACCOUNTABLE OFFICIAL

1. You presently occupy a position wherein your duties include the functions of an Accountable Official. This memorandum is formal notification that you are hereby appointed as an Accountable Official to (insert Certifying Officer's name).

2. As an Accountable Official, you will be responsible for supporting the certification of payment vouchers and documents for the following types of payments: government purchase card, manual and on-line certification.

3. Chapter 33, Volume 5, of the DoD Financial Management Regulation provides a description of your responsibilities and pecuniary liability as an Accountable Official. You should read and become thoroughly familiar with these responsibilities and liabilities, as you can be held pecuniarily liable for erroneous payments. After completion, you must acknowledge this appointment and that you have read and understand your responsibilities and liability by your signature, above your name, on the acknowledgment provided below.

(INSERT CERTIFYING OFFICER'S NAME)
(TITLE)

Date:

ACKNOWLEDGMENT

By signature hereon, I acknowledge my appointment as an Accountable Official. I have read and understand my responsibilities, accountability, and duties as described in Chapter 33, Volume 5, of the DoD Financial Management Regulation. I understand that I have the right to request relief of liability for any certification I supported that is determined to be an illegal, improper, or incorrect payment. I further understand that this appointment will remain in effect until revoked in writing by you (or your successor) or until I am transferred, separated for any reason, or retire from service.

(Cardholder's Signature)
(CARDHOLDER'S NAME)

PURCHASE ORDER REQUEST FORM

This form should be used when making micro purchases. Card Holders will attach training and printing forms, servmart shopping lists, etc., when appropriate.

Card Holder Name: _____ **Date Prepared:** _____

Vendor Name/Address/Phone/Fax Number: _____

Request: (List Item(s) or Services and Dollar Amount) Attach additional sheets if necessary

Description	Quantity	Unit	Unit Price	Total Amount
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
			Total	$0.00

JUSTIFICATION FOR PURCHASE:

_____

ITEMS FOR INFORMATION TECHNOLOGY (IT) OR HAZMAT REQUIRE AN APPROVAL SIGNATURE.

Technical Screening (Circle as Applicable) **Environmentally Safe Product:** YES NO

JWOD: YES NO **DAPS:** YES NO **Prohibited List:** YES NO **NIB/NISH:** YES NO

HAZMAT YES NO **Info Tech (IT):** YES NO **Pilferable Item:** YES NO

Approval Signature: _____ **(print name and sign)**

"I CERTIFY THAT THIS PURCHASE CONFORMS TO ALL APPLICABLE MICRO AND SMALL PURCHASE REGULATIONS"

Card Holder's Signature: _____ **Date:** _____

Optar Holder's Signature: _____ **Date:** _____

LOA: AA _____ **AA Amount:** _____

AB _____ **AB Amount:** _____

DOC #: _____ **Total:** $0.00

AO's Signature: _____ **Date:** _____

PURCHASE DATE: _____

RECEIVED BY: _____ **Date:** _____

(End User) **(Print Name)**

_____

Signature

If purchase is cancelled, card holder must notify the OPTAR Holder and indicate cancellation date below:

Date Cancelled: _____

STOP! **Provide copy of receipt document to the OPTAR holder!**

Supplemental Sheet - List of Item(s) or Services

Document Number: ____________________

Description	Quantity	Unit	Unit Price	Total Amount
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
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				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
				$0.00
			Total Pg 2	$0.00
			Total Pg 1	$0.00
			Total Cost	$0.00

Instructions for Preparation of Purchase Order Request Form

1. Card holders should use this form in lieu of NC Form 2276 when making micro purchases. Training, printing, servmart shopping lists, etc., should be attached when appropriate.

2. Card holders are to list item(s) and/or service(s) to be purchased. A description is required along with the quantity, type unit, and unit price. The total amount will automatically calculate once the quantity and unit price are entered. If you choose to hand write the form, attach the calculator tape used to come to the total. It is the card holder's responsibility to insure that costs indicated are correct. If additional space is needed the supplemental sheet should be used. Justification for the purchase should be entered on the form in the space provided, e.g., the supplies or services will be used in support of the Regional Commander's conference, supplies are consumables used in support of security operations, etc.

3. This form contains required technical screening information. Card holders are to complete this section by circling appropriate tech requirement, obtain special tech signature, and sign the cardholder's certification statement prior to submitting to the OPTAR holder. If it is a pilferable item, the cardholder must E-mail the APC serial number, PO #, department name, person's name, and date. As always, submit monthly certification statements, logs, and all supporting documents to the APC. The APC will maintain the pilferable item inventory ensuring all pilferable items purchased with the GCPC are accounted for. Below are websites and points of contact to assist you in tech screening your purchases.

JWOD - www.jwod.com
Nib/Nish - www.nish.org
Environmentally Safe - http://www.epa.gov/cpg
Hazmat - (847) 688-3571
NSTC Information Tech (ADP) - Scott Hutchins, (847) 688-3456 x227

For Pilferable & Prohibited Items List - Contact the NSTC APCs Sheavon Love, (847) 688-4141 x189 or Gussie Hendrix, (847) 688-4141 x182. DSN for Great Lakes (792)

4. The card holder will then take the form to the OPTAR holder who will either assign a document number from Fast Data (NSTC card holders) or create a document number for entry into CFMS (Region, Naval Station, or Crane card holders). Instructions on how to set up document numbers for after-the-fact documents in CFMS was sent to all OPTAR holders on 3 Sep 04 with a list of the new CCs and SCCs. The document number structure is shown below. If you have misplaced the message contact the Comptroller Budget Office immediately.

Svc Code	Benefitting UIC			FY	Type Doc	SCC	Serialization
N	00210	05	MD	H1	001 thru 999		

NOTE: Type Doc will be MD for all after-the-fact documents for which the purchase card is used.

5. The OPTAR holder will assign the document number and line of accounting (LOA), enter costs for each LOA, and sign and date the form. The card holder will then take the form to the OPTAR approving official (AO) for signature.

6. The card holder is responsible for entering the purchase date, notifying the OPTAR holder of any cancellations, and providing a copy of the receipt document to the OPTAR holder for posting of receipts. In addition, the card holder should indicate to the OPTAR holder whether it is a partial or final receipt.

CARDHOLDER WORKSHEET	REFERENCE NUMBER:	DATE MATERIAL REQUIRED:
VENDOR	VENDOR	VENDOR
EST DELIVERY DATE:	EST DELIVERY DATE:	EST DELIVERY DATE:
FOB: (CIRCLE ONE) DESTINATION ORIGIN	FOB: (CIRCLE ONE) DESTINATION ORIGIN	FOB: (CIRCLE ONE) DESTINATION ORIGIN
SOURCES OF SUPPLY SCREENED JWOD (Y / N) MANDATORY GSA (Y / N) UNDER $3,000 (Y / N) GSA CONTRACT NUMBER: GS_____	SOURCES OF SUPPLY SCREENED JWOD (Y / N) MANDATORY GSA (Y / N) UNDER $3,000 (Y / N) GSA CONTRACT NUMBER: GS_____	SOURCES OF SUPPLY SCREENED JWOD (Y / N) MANDATORY GSA (Y / N) UNDER $3,000 (Y / N) GSA CONTRACT NUMBER: GS_____
OVER $3,000, IF NOT ON GOV'T CONTRACT, SEND TO ? FOR PURCHASE	OVER $3,000, IF NOT ON GOV'T CONTRACT, SEND TO ? FOR PURCHASE	OVER $3,000, IF NOT ON GOV'T CONTRACT, SEND TO ? FOR PURCHASE

DESCRIPTION	COST	DESCRIPTION	COST	DESCRIPTION	COST

REMARKS:

PURCHASE CARD LOG

Cycle _____ Page 1 of 1

													Remarks Field
							DAPS (Y / N)					Receiving	Credit RCVD
Fastdata	CitiDirect	Requesting					JWOD (Y / N) Waiver					Printed	OR
SDN Number	SDN Number	Office Code	Purchase Date	Est. Del Date	Vendor Name	Vendor POC	Hazmat (Y/N)	Item Description	obligated amount	receipt amount	Date RCVD	Signature	Dispute Action

Instructions for Purchase Card Log

1. **Fastdata SDN Number** - funding document number from fastdata

2. **CitiDirect SDN Number** - document number from Citidirect Cardholder Memo Statement once transaction hits statement

3. **Requesting Office Code** - office code that is requesting purchase

4. **Purchase Date** - date the item or service was ordered

5. **Est. Del Date** - estimated date of delivery

6. **Vendor Name** - the merchant name/DOD EMALL if used

7. **DAPS (Y/N), JWOD (Y/N), Waiver, Hazmat (Y/N)** - enter mandatory sources screened, indicate yes or no for mandatory source used

8. **Item Description** - a description of the item or service ordered

9. **Obligated amount** - the dollar amount obligated

10. **Receipt amount** - the dollar amount receipted

11. **Date RCVD** - date of receipt

12. **Receiving printed signature** - name of individual receiving item or service

13. **Remarks Field, Credit RCVD or Dispute Action** - use this field if any special action has taken place, credit received or dispute action

SAMPLE SCHEDULE OF POTENTIAL GCPC OFFENSES AND REMEDIES TO CIVILIAN EMPLOYEES

The chart below is one example of potential charge card offenses and remedies or penalties for such offenses. Components must otherwise comply with all applicable law and regulatory guidance in determining whether to impose disciplinary or adverse action in any specific case.

OFFENSES	FIRST OFFENSE	SECOND OFFENSE	THIRD OFFENSE
Unauthorized use of or failure to appropriately control use of Government Purchase Charge Card as a cardholder, approving official responsible for use or over-sight of the card	Letter of Counseling to removal	14-day suspension to removal	30-day suspension to removal

Certifying/Approving Official Information Form

Type of request X☐ New Certifier (DD577 required) ☐ Update Certifier Information ☐ Delete Certifier

Part 1 Certifier Information (Please Print or type)

1. Activity Name XXXXXXXXXXXXXXXXXXXXXX			2. UIC NXXXXX
3. Last Name XXXXXXX	4. First Name XXXX		5. Middle Initial X.
6. Phone Number (XXX) XXX-XXXX	7. DSN XXX	8. Email Address XXXX@XXXX.XXX	
Certifiers Mailing Address			
9. Address XXXXXXXX			
1 0. City		1 I. State	12. Zip Code

Part 2 Approving Official Information (Please Print or type)

1. Activity Name XXXXXXXXXXXXXXXXXXXXXX			2. UIC NXXXXX
3. Last Name XXXXXXX	4. First Name XXXXS		5. Middle Initial X.
6. Phone Number (XXX) XXX-XXXX	7. DSN XXX	8. Email Address XXX@XXX.XXX	
Approving Official Mailing Address			
9. Address XXXXX.			
10. City XXXXXXX		II. State XX	12. Zip Code XXXXX
13. Signature (Approving Official)			14. Date XXXXXXX