



## ADMINISTRATIVE INSTRUCTION 105

### OSD WASHINGTON HEADQUARTERS SERVICES (WHS) GOVERNMENT PURCHASE CARD (GPC) PROGRAM

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<b>Originating Component:</b>	Office of the Deputy Chief Management Officer of the Department of Defense
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<b>Approved by:</b>	Barbara Westgate, Director, Washington Headquarters Services

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**Purpose:** In accordance with the authority in DoD Directive 5110.04 and DoD Instruction 5025.01, this issuance:

- Provides the framework to implement policy established in the Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS).
- Assigns responsibilities and provide procedures for managing and participating in the OSD WHS GPC Program, referred to in this issuance as the GPC Program.

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

**1.1. APPLICABILITY.** This issuance applies to OSD, the Pentagon Force Protection Agency (PFPA), the Defense Agencies, and the DoD Field Activities that are serviced by WHS (referred to collectively in this issuance as the “WHS-serviced Components”).

**1.2. POLICY.** In accordance with Subpart 213.301 of DFARS, the WHS-serviced Components will follow the guidance on DoD purchase card programs provided in this issuance.

## SECTION 2: RESPONSIBILITIES

**2.1. DIRECTOR, ACQUISITION DIRECTORATE (AD).** Under the authority, direction, and control of the Director, WHS, the Director, AD:

- a. Serves as the head of the contracting activity (HCA) for WHS-serviced Components.
- b. Ensures this issuance is implemented throughout the WHS-serviced Components.
- c. Develops procedures for implementing a GPC Program for WHS-serviced Components.
- d. Designates, in writing, the GPC Program Manager (PM) to manage the GPC Program.
- e. Approves appointment of approving officials (AOs), alternate AOs, and cardholders for the GPC Program.
- f. Orders investigations and audits of the GPC Program as deemed appropriate.
- g. Develops guidance for the appointment, training, monitoring, and termination of cardholders holding additional appointment as ordering officers.

**2.2. DIRECTOR, FINANCIAL MANAGEMENT DIRECTORATE (FMD).** Under the authority, direction, and control of the Director, WHS, and in coordination with the Director, AD, the Director, FMD:

- a. Authorizes funding and provides financial management support and expertise to WHS-serviced Component agency and organization program coordinators (A/OPCs), AOs, and cardholders.
- b. Ensures that proper obligations for GPC transactions are recorded into their respective accounting and bill paying systems before purchase.
- c. Ensures adherence to the provisions of Part 1315 of Title 5, Code of Federal Regulations (also known as the “Prompt Payment Act”).
- d. Helps the AO resolve AO account payment or disbursing problems (overpayment or underpayment).
- e. Provides guidance to all GPC program participants on year-end procedures.
- f. Controls line of accounting (LOA) ensuring valid appropriations data.
- g. Establishes and maintains financial management electronic interfaces between Enterprise Business Accountability System-Defense and Defense Finance and Accounting Service (DFAS).

## SECTION 3: GPC PROGRAM POSITIONS AND RESPONSIBILITIES

**3.1. GENERAL.** This section assigns the responsibilities of administrators and participants in the GPC Program.

**3.2. GPC PM.** Under the authority, direction, and control of the Director, AD, the GPC PM:

- a. Has primary responsibility for managing the GPC Program, with support from the A/OPCs.
- b. Appoints A/OPCs under the GPC Program.
- c. Supervises, assists, and ensures that A/OPCs perform their designated functions.
- d. Serves as the WHS-serviced Components' functional representative with the DoD Purchase Card Policy Office (DoD PCPO).
- e. Works with DoD PCPO on performance issues relating to card-issuing bank and internal DoD applications supporting the GPC Program.
- f. Appoints all account holders to specific roles through a delegation of authority (DOA) memorandum and DD Form 577, "Appointment/Termination Record-Authorized Signature," available on the DoD Forms Management Program website at <http://www.dtic.mil/whs/directives/forms/index.htm>. The GPC PM retains terminated DOAs for 6 years, 3 months after the date of termination.
- g. Develops local GPC and file management procedures. Ensures that all accounts serve a valid, bona fide need, and deactivates those that do not serve a valid need or show no activity for 6 months.
- h. Monitors management controls and implements a coordinated oversight program in accordance with Paragraph 4.31 of this issuance.
- i. Establishes single and monthly purchase limits and ensures annual spending limits and funding has been processed by the appropriate financial or resource manager (RM).
- j. Manages delinquent billing and cardholder accounts to minimize the payment of Prompt Payment Act interest and penalties, and the suspension of accounts.
- k. Conducts an annual review of each management account.

**3.3. A/OPCS.** In coordination with the GPC PM, the A/OPCs:

- a. Serve as liaisons among WHS-serviced Components, the servicing bank, the DoD PCPO financial RMs (including all RMs that provide funds to agency GPC programs), and the General Services Administration.
- b. Establish and maintain AO, alternate AO, and cardholder GPC accounts in the Purchase Card Online System (PCOLS).
- c. Ensure appropriate training (including refresher training) is established, maintained, and tracked, and ensure that the required training has been completed before issuing purchase cards.
- d. Ensure training records are maintained and completion of required training is part of all annual account inspections.
- e. Ensure that no AO has more than six cardholders under a single AO account. Allow up to seven cardholders under one AO account with approval from GPC PM.
- f. Randomly check the top vendors used by cardholders each month to ensure that they are not listed in the System for Award Management as debarred or suspended.
- g. Ensure that the cardholder is familiar with the disputes process of the servicing bank.
- h. Prepare and release monthly “express” Contract Action Reports (also known as CARs) in the Federal Procurement Data System-Next Generation, in accordance with Subpart 204 of the DFARS and its procedures, guidance, and information.
- i. Input all AOs’ supervisors of record into PCOLS.

**3.4. SUPERVISOR OF RECORD FOR THE AO.** The supervisor of record for the AO:

- a. Nominates the AO, alternate AO, and cardholders for appointment as appropriate and implements appropriate disciplinary action for negligence of duties, misuse, or abuse for program participants under his or her supervision. Will select trustworthy individuals to fill GPC roles and responsibilities and remain actively involved in the GPC duties of supervised program participants.
- b. Approves account holder nominations in the PCOLS.
- c. Validates flagged transactions in the absence of the AO or alternate AO in the PCOLS Data Mining (DM)/Risk Assessment application.
- d. Ensures that purchases made with the GPC support the office mission.
- e. Investigates allegations of GPC abuses and takes appropriate disciplinary action against supervised cardholder(s) when the facts support such action.

**3.5. AO OR CERTIFYING OFFICER (CO).** The AO or CO:

- a. Ensures that the purchases made with the GPC support the mission of the cardholder's organization.
- b. Signs to acknowledge receipt and understanding of the DOA and DD Form 577 before appointment.
- c. Pre-approves all items purchased by GPC cardholders under his or her purview.
- d. Maintains copies of all GPC cardholder, alternate AO, and AO DOAs, both current and terminated. Passes files to the successor AO or CO when departing the organization.
- e. Advises the A/OPC or appropriate authority of suspected or confirmed instances of fraud, waste, abuse, misuse, or questionable transactions of the GPC and initiates appropriate action.
- f. When serving as CO, certifies the issuing bank's invoices and submits through the servicing bank's system to ensure timely payment and to minimize delinquent payments and suspensions of accounts.
- g. Ensures compliance with and enforces the provisions of this AI.
- h. Notifies the A/OPC to close accounts as necessary due to personnel turnover.
- i. Monitors payment to ensure no account reaches 181 days past due to avoid being terminated by the servicing bank.
- j. Ensures cardholders fulfill their responsibilities.
- k. Identifies the need for ghost shopper(s) to be assigned to serve as an agent for the cardholder(s) under an account.
- l. Reviews and approves cardholders' statements, reconciling if the cardholder fails to do so in a timely manner.
- m. Ensures all cardholder transactions are legal, proper, mission-essential, and correct in accordance with government policies, rules, and regulations.
- n. Ensures monthly billing account accuracy.
- o. Maintains documentation supporting certification and payment of the applicable invoice.
- p. Reviews the LOAs and yearly dollar limitation in the servicing banks systems to verify the information is posted correctly. Forwards questions concerning the LOAs or yearly funding limits to the servicing RM.
- q. Completes initial and refresher training as listed on the GPC website, <https://customerresources.whs.mil/APO/PurchaseCard/index.cfm>.



r. Works with cardholders and the servicing contracting office to identify opportunities to place recurring, repetitive purchases made with the GPC on contract to realize better pricing and satisfy departmental strategic sourcing goals.

s. Limits the use of third party payment services, such as PayPal, Billpoint, etc. Provides documentation in the GPC file that the item or service was not available from another vendor when use of the third party payment merchant is unavoidable.

**3.6. ALTERNATE AO.** The alternate AO or CO serves in place of the AO if the AO is absent.

**3.7. CARDHOLDER.** The cardholder:

- a. Ensures no other individual uses the GPC.
- b. Ensures all purchases are proper, legal, and reasonable and satisfy a bona fide need.
- c. Maintains files and records. See Table 1 in Appendix 4A for detailed information on maintaining files and records.
- d. Reviews and reconciles all transactions in a timely manner and in accordance with governing provisions of Chapter 23 of Volume 10 of DoD 7000.14-R.
- e. Initiates resolutions of charges disputed by the cardholder with the vendor in a timely manner through contact with an A/OPC.
- f. Maintains the physical security of the GPC. This includes not keeping the card with the account holder at all times unless operationally required by a specific organization, such as a 24/7 operation.
- g. If a card is lost or stolen, notifies the issuing bank, AO, and A/OPC immediately.
- h. Completes initial and refresher training in accordance with DoD requirements.
- i. Supports the AO or CO.
- j. Upon departure or reassignment, forwards the official GPC files to the current AO.
- k. Holds a valid DOA.
- l. Screens and uses mandatory sources as required by the FAR.
- m. Confirms funding is available for each GPC transaction.
- n. Maintains a purchase log.
- o. Implements independent receipt of the supplies or services for all self-initiated purchases.

p. Ensures that the applicable property book office is notified when accountable property (including sensitive or pilferable property) is acquired with the GPC.

q. Considers small businesses and socioeconomic programs to the maximum extent practicable when using the GPC for purchases up to the micro-purchase threshold.

r. Purchases green products. The GPC program website provides information on purchasing green products at <https://customerresources.whs.mil/APO/PurchaseCard/index.cfm>.

s. Determines price reasonableness, as required. Limited exception: the requirement to determine price reasonableness is not applicable to lease payments made by leased facilities division (LFD) cardholders to the lessor(s).

t. When separately appointed as an ordering officer by a WHS AD contracting officer, complies with the letter of appointment, contracting officer direction, and WHS AD policies relating to ordering officers.

u. Must not sign or execute terms and conditions clauses without the approval of the A/OPC.

v. Pre-approve ghost shopper purchases and perform a post-purchase inspection of the ghost shoppers' purchases. (The AO must have determined that there is a need for the cardholder to have ghost shopper(s) to act as an agent under his or her account.)

### **3.8. FINANCIAL RM.** The financial RM:

a. Establishes spending limits that are tied directly to the funding allocated for each AO and cardholder account. Ensures that spending limits are consistent with historical spending patterns for each account.

b. Processes delinquent payments.

## SECTION 4: MANAGEMENT OF THE GPC PROGRAM

**4.1. CUSTOMER QUESTIONS.** WHS-serviced Components requiring GPC assistance should contact one of the following. The physical room numbers are provided for walk-in customers.

a. A/OPC

WHS Acquisition Directorate  
The Pentagon, Room 5B1089A  
General GPC Questions:  
Telephone: (703) 695-8666 or (703) 695-8921  
Flagged Transactions and Account Inspections:  
Telephone: (703) 545-0530

b. GPC PM

WHS Acquisition Directorate  
The Pentagon, Room 5B1089A  
GPC Program Management Issues and Concerns:  
Telephone: (703) 695-8974

c. For more information on the GPC Program, visit the website at <https://customerresources.whs.mil/APO/PurchaseCard/index.cfm>.

## 4.2. STANDARDS OF CONDUCT AND ETHICS.

a. Government employment, as a public trust, requires that all DoD personnel place loyalty to country, ethical principles, and law above private gain and other interests. Account holders are reminded that, through their appointments, they represent the Washington Headquarters Services, the Office of the Secretary of Defense, and ultimately the Department of Defense. To that end:

(1) Account holders are expected to demonstrate the highest level of professionalism when carrying out their duties. They must comply with all federal laws, regulations, and directives, including ethics laws, regulations, and directives that govern their conduct, activities, and decisions.

(2) Cardholders will use their cards to purchase only items authorized within this issuance.

(3) Individuals making false statements may also be subject to criminal penalties, including fines and imprisonment.

b. Account holders are responsible for protecting the Government's interests, while ensuring fair and equal dealings with all parties, including vendors. Therefore, if account holders have

any direct or indirect financial interests that may place them in a position where there is a conflict between their private interests and the public interest of the government, they must immediately inform their supervisor, and an A/OPC of the conflict and contact their ethics official (who is generally based in the Office of the General Counsel) so that appropriate action may be taken. Account holders must avoid even the appearance of such conflict in order to preserve public confidence in the employee's impartiality in conducting government business.

c. Account holders must attend (or take online) GPC Program ethics training as directed by the GPC PM.

### **4.3. PERSONNEL REQUIREMENTS.**

a. The following categories of personnel may be appointed as a GPC cardholder, an AO, or A/OPC.

(1) Civilian government employees.

(2) Service members.

b. Foreign nationals cannot be purchase card accountable officials except for direct hires of the U.S. Government, as defined in Chapter 23, Volume 10 of DoD 7000.14-R, the DoD Financial Management Regulation (DoD FMR).

### **4.4. USING THE GPC.**

a. The GPC will be used to purchase official supplies and services specifically in support of the mission of the organization.

b. The GPC can be used for purchases defined in Part 13.2 of the FAR. The GPC will be the preferred method to purchase and pay for micro-purchases.

c. The GPC will not be issued for personal use. Use of the GPC must comply with the following:

(1) There must be an approved bona-fide government need.

(2) Requirements must be defined to meet the government bona-fide need.

(3) There must be appropriations available for purchases before making the purchase.

(4) The requirements must not be intentionally split to circumvent the micro purchase threshold.

(5) The AO must approve all items before purchase in writing; an e-mail or memorandum to the cardholder is sufficient. This approval must be filed in the cardholder official GPC files and may be requested during an official review of the GPC files. The AO is an accountable official and therefore may be held financially liable for erroneous payments

resulting from the negligent performance of duties in accordance with Titles 15 and 31, United States Code.

d. The GPC may be used to purchase supplies or services on the telephone, on the Internet, or over the counter. The GPC can be used to pay for orders placed against established contracts or with established sources of supply when authorized by the contract (additional contracting officer or ordering officer authority is required).

e. Cardholders must keep records of each purchase to reconcile with the cardholder's statement provided by the servicing bank. These records also provide an audit trail supporting the preapproval to use the GPC and any required special approvals that were obtained.

f. Individual Federal Procurement Data System-Next Generation reporting is applicable only to warranted contracting officers. Follow the contract reporting procedures in Subpart 204.6 of DFARS.

g. Wide area workflow will be used in accordance with DFARS Appendix F. This requirement is applicable only to warranted contracting officers delegated GPC authority.

h. Written, independent receipt and acceptance must be obtained for purchases of accountable property, transactions where the GPC is used as a method of payment, self-initiated cardholder purchases (i.e., purchases lacking a documented requisition or request from someone other than the cardholder), and other specific circumstances for which cardholder's organization elects to require receipt and acceptance.

**4.5. ESTABLISHING THE ACCOUNT.** The A/OPC will establish accounts based on the mission needs of the requiring WHS-serviced Component. Contractor employees will not be appointed as account holders.

a. There are two types of accounts:

(1) The AO account (billing account) is a compilation of all account activity under the AO. An AO account must be established and include a default line of accounting before the cardholder account can be established.

(2) The cardholder account records, controls, and reports all purchases charged.

b. The AO supervisor must provide a written justification to the A/OPC to establish an account. The AO requests cardholder appointments. All justifications must:

(1) Establish that a requirement exists for the purchase of supplies and services.

(2) Define the type of purchases to be made and explain how they support the mission of the requiring activity.

(3) Identify proposed cardholder(s), AO(s), alternate AO(s), and the associated AO supervisor.

(4) Provide an email or memorandum that states that the AO will not be the AO for his or her supervisor, is not the supervisor of the A/OPC. The AO will either be the cardholder's immediate supervisor, in the cardholder's chain of command, or have input into the cardholder's performance appraisal.

(5) Suggest and justify single and monthly purchase limits for each cardholder.

(6) State that no AO is responsible for more than six cardholders (or seven with written GPC PM approval).

c. After receipt of the required justification, the A/OPC will establish the GPC accounts with the servicing bank.

d. Accounts that are inactive for 6 months will be terminated by the GPC PM.

e. The AO is responsible for immediately notifying the purchase card office when there is a line of supervision change for personnel occupying the positions of AO supervisor of record, the AO, the alternate AO, and the cardholder.

**4.6. ESTABLISHING CERTIFIED FUNDING.** The Branch Chief, FMD Budget Execution Division:

a. Enters the LOA into the applicable on-line system upon receipt of a certified funding document from the servicing RM.

b. Ensures that accurate and timely financial data is contained in the account profiles in the applicable financial system and maintain accurate financial records.

c. Sets the yearly limit in the servicing bank system to equal the amount of funding that has been certified for that AO's account. If the FMD has not received certified funding on an account, then the dollar limit is set at \$1.00. All associated cardholders of an AO with \$1.00 in the servicing bank system will be unable to use the GPC until a new certified document is received by the FMD and the funding is posted in the servicing bank system.

d. Forwards questions concerning the LOAs or yearly and quarterly funding limits to the servicing RM.

e. Inputs annual budget limits for all accounts.

f. Provides guidance on special instructions for processing year-end funding to AOs and A/OPCs.

**4.7. ACCOUNT CONTROLS.** Accounts will include limits to the amount of a single purchase, monthly cycle spending, and use of merchants with particular Merchant Category Codes (MCCs).

a. Use of the GPC is subject to the following limits:

(1) The cardholder's single purchase limit is the maximum amount allowed to be spent on a single transaction. The transaction may be comprised of multiple items; however, the aggregate amount of the single transaction cannot exceed the cardholder's authorized single purchase limit. The cardholder's single purchase limit is determined by the GPC PM and is specified in the DOA memorandum issued to the cardholder. It is based on mission needs and will not exceed the micro-purchase limit, except for cardholders with additional authority (e.g., contracting officers or ordering officers).

(2) Cardholder billing cycle GPC limit (also referred to as the cardholder's monthly purchase limit) is the maximum dollar amount that may be charged to the GPC account for all transactions reported against that account within the monthly billing cycle. This limitation is determined by the GPC PM and is specified in the DOA memorandum to the cardholder. It is established based on mission needs.

(3) AO billing cycle limit is the maximum dollar amount that may be charged to all GPC accounts assigned to a specific AO for all transactions reported against those accounts within a monthly billing cycle. The AO will monitor the monthly amount spent by cardholders to ensure that all cardholders stay within the annual (fiscal year) limitation. Documentation that the annual limitation is tracked by the AO must be available for inspection by the A/OPC at all times.

b. The GPC will not be used without certified funding on the account.

#### **4.8. ACCOUNT HOLDER TRAINING.**

a. After the GPC account is funded and before account set-up, candidate cardholders, AOs, and alternate AOs must complete training and orientation.

b. The mandatory training requirements are located on the GPC Program Website. After completion of all GPC training requirements, forward the certificate of completion to the GPC Program Office. The A/OPC will update the training section in PCOLS.

c. PCOLS will notify all account holders, via email, when it is time to complete additional mandatory training.

**4.9. DELEGATION OF GPC AUTHORITY.** As the HCA, the Director AD, has delegated the authority to appoint cardholders, AOs, and alternate AOs and establish spending limits under the GPC Program to the GPC PM.

#### **4.10. GPC SECURITY.**

a. After the A/OPC provides the GPC to the cardholder:

(1) The cardholder must not allow anyone to use his or her card or account number or make any transactions with the GPC.

(2) The internal policies of the cardholder's activity must not dictate that all cards be kept in a central location and handed out by a designated individual to the cardholders as needed.

(3) The cardholder must keep the card locked in a secure place, only accessible to the cardholder. The cardholder will not store the GPC on his or her person (such as in a wallet) except when the cardholder is on call for 24 hours, 7 days per week such as PFPA and the WHS Facilities Services Directorate.

(4) The individuals authorized access to the GPC account number are the cardholder, the AO supervisor, the AO, the alternate AO, the A/OPC, the Director, FMD, and the paying office.

(5) If internal procedures require that another individual in the cardholder's activity be granted access to the cardholder statements of account or the AO's monthly invoices, the account numbers must be removed from the documents before they are provided to other individuals.

b. Any violation will result in the GPC being withdrawn from the cardholder with the possibility of disciplinary action. The cardholder, AO, and A/OPC may be held financially liable for all unauthorized purchases.

**4.11. LOST OR STOLEN GPCS.** The cardholder must immediately notify the AO, alternate AO, A/OPC, and the servicing bank when a GPC is lost or stolen. When the servicing bank is notified, further use of the card will be blocked. Prompt action in these circumstances is critical to reduce the potential for unauthorized charges.

**4.12. PURCHASING PROCEDURES.** See Table 1 in Appendix 4A for detailed information on making a purchase.

**4.13. APPROPRIATE PURCHASES.** Use the appropriate funds for purchases with the GPC. Use Chapter 1 of Volume 14 of the DoD FMR as guidance when determining what is an appropriate use of appropriated funds using the GPC. Contact an A/OPC for guidance on application of appropriations law. The A/OPC will obtain an opinion from the Office of General Counsel of the Department of Defense on the application of the appropriations law.

**4.14. PROHIBITED PURCHASES.**

a. Cardholders must contact the A/OPC before purchasing any items that seem questionable or may have the appearance of being inappropriate.

b. The following list is not all-inclusive, but is intended to provide examples of items prohibited for purchase with the GPC. A waiver from the Director, WHS, must be obtained before purchasing any prohibited item on this list. Even if a proposed purchase is within the cardholder's limits, he or she must not purchase:

- (1) Personal use items - any item for an individual's personal use.



- (2) Aircraft fuel oil. The AIR Card® is to be used for aircraft-related expenses.
- (3) Bail and bond payments.
- (4) Betting, casino gaming chips, and off-track betting.
- (5) Cash advances.
- (6) Construction services over \$2,000. A limited number of individuals within WHS have been issued GPCs to purchase construction services.
- (7) Contractor purchases. Use of the GPC to make purchases from contractors or contractor agents who are Service members or civilian employees of the government is prohibited.
- (8) Court costs, alimony, and child support.
- (9) Dating and escort services.
- (10) Equal employment opportunity settlements.
- (11) Fines, both commercial and government. Use of the GPC to settle commercial and government fines is prohibited.
- (12) Foreign currency.
- (13) Gift certificates and gift cards. Gift certificates and gift cards are considered cash advances and will not be purchased with the GPC.
- (14) Long-term lease of land and buildings. GSA prohibits use of the GPC to lease real property (i.e., land or buildings) for a term longer than 1 month.
- (15) Salaries and wages. Salaries and wages of government employees cannot be paid with the GPC. However, use of the GPC as a method of payment for labor contracts with doctors, dentists, and other service providers is authorized if a government contract has been negotiated for these services.
- (16) Savings bonds.
- (17) Services acquisitions greater than \$2,500. The GPC cannot be used to acquire services where the amount exceeds \$2,500. Limited exception: The micro-purchase limit of \$2,500 for services and \$2,000 for construction is not applicable to lease payments made by the LFD cardholders to the lessors. The limit for LFD payments is \$3,500 for all lessor payments because these payments are actually work under a supplemental lease agreement.
- (18) Split purchases. Making split purchases with the GPC to circumvent purchase limits is prohibited by Subpart 13.003(c)(2) of the FAR.

(a) When a cardholder splits a known requirement at the time of the purchase into several transactions to circumvent their authorized single purchase limit or to avoid sending the requirement to contracting for appropriate contract award, the government is liable to pay for a split purchase; however, action may be taken against the cardholder who may be held financially liable.

(b) When a known requirement exceeds the micro-purchase threshold (see Paragraph 4.22 of this issuance), it must be procured on a government contract. Examples of split purchases include:

1. A cardholder processing multiple purchases from the same merchant on the same day, the total of which exceeds the single purchase limit, when the total requirement was known at the time of the first purchase.

2. A cardholder purchasing the same or similar item(s) from multiple merchants on the same day, the total of which exceeds the single purchase limit, when the total was known at the time of the first purchase.

3. A cardholder holding known requirements exceeding the micro-purchase threshold to purchase the items from the same or multiple merchants over a period of time when the total requirement was known at time of the first purchase and the value exceeds the cardholder's single purchase limit.

4. More than one cardholder under the AO purchasing the same or similar item(s) the same day or during a timeframe when the total known requirement(s) exceeds the micro-purchase limit.

(19) Taxes. As a Federal Government entity, DoD is exempt from paying taxes to any other federal, State, or local authority.

(20) Travel advances, claims, or expenses. Only the travel card is to be used for individual official travel-related expenses such as metro fares, taxi fares, bus fares, automated toll tools, and parking fees.

(21) Vehicle-related expenses. Vehicle-related expenses are to be paid with the travel or fleet card. Use of the GPC to purchase repairs on GSA fleet-operated vehicles is prohibited.

(22) Weapons, ammunition, and explosives. As controlled DoD commodities, weapons, ammunition, and explosives are assigned to the Army pursuant to Subpart 208.70 of the DFARS, which has contracting responsibility to supply all DoD Components with weapons, ammunition, explosives, and other commodities.

(23) Wire transfers.

(24) Personal gifts or mementos to individuals.

(25) Transactions with political organizations.

- (26) Items for individual's emergency preparedness such as flashlights, food, water, blankets, or a change of clothing.
- (27) Space heaters.
- (28) Items on eBay or any other online auction site.
- (29) Items or services that may be questionable as to the proper use of taxpayers' dollars.
- (30) Printing services from Defense Logistics Agency.

#### **4.15. RESTRICTED PURCHASES.**

**a. Building Maintenance.** The authority for cardholders in WHS-serviced organizations to perform building maintenance is restricted to those specifically delegated this authority in the cardholder DOA memorandum.

**b. Space Alterations.** The authority for cardholders in WHS-serviced organizations to perform space alterations is restricted to those specifically delegated this authority in the cardholder DOA memorandum.

**c. LFD.** Payments to the lessors by LFD cardholders are governed by and in accordance with DFARS.

**d. Furniture and Systems Furniture (to Include Initial Configuration, Reconfiguration, and Repair).** Restricted to use of the Enterprise Supplies and Services Tracking System (ESSTS). For information on ESSTS, see the website at <https://essts.whs.pentagon.mil>.

**e. Installation and Cleaning of Carpet and Drapes.** Restricted to use of the ESSTS. For information on ESSTS, see the website at <https://essts.whs.pentagon.mil>.

**f. Twenty-Pound White Copier Paper and Distribution.** Available through a non-mandatory central supply and distribution system with ESSTS; however, cardholders have the option to purchase 20-pound white copier paper at the micro-purchase threshold and below.

**g. Appliances Acquired for Use in a Work Environment.** The GPC cannot be used for purchases of kitchen appliances for use in a work environment unless an exception is granted to WHS policy.

**4.16. SPECIAL APPROVAL ITEMS.** Cardholders must retain a copy of written special approvals in the GPC files. If special approval is obtained via e-mail, a printed copy of the e-mail in the GPC files is required.

a. WHS Facilities Services Directorate, Engineering and Technical Services Division, Safety and Environmental Branch Manager must approve purchases of hazardous or dangerous materials before purchase. The cardholder must document this approval in the GPC file.

b. Information technology (IT) items and related services can only be purchased after approval is obtained from the cognizant IT manager. The cardholder must document this approval in the GPC file with a copy of the IT manager's e-mail or the DD Form 562, "Request for Information Technology (IT) Goods and Services."

c. Telecommunications items and related services can only be purchased after approval is obtained from the cognizant IT manager. The cardholder must document this approval in the GPC file with a copy of the IT manager's e-mail or a copy of the DD Form 562.

d. Video information equipment and material can only be purchased after approval (via e-mail) is obtained from the cognizant IT manager. The cardholder must document this approval in the GPC file with a copy of the IT manager's e-mail or the DD Form 562.

e. PFPA must approve in writing the purchase of shredders before purchase. The cardholder must retain PFPA approval in the GPC file.

f. Conferences and off-site meetings are closely scrutinized due to the risk of inappropriate spending practices. Before using the GPC to incur expenses for conferences at or below the micro-purchase threshold, the cardholder must obtain appropriate approval to conduct a conference as soon as the need arises. The cardholder should contact an A/OPC for detailed instructions and information on conferences and off-site meetings.

(1) **Conferences.** Cardholders must include evidence of agency review and approval in the official GPC file before incurring any expenses.

(2) **Off-Site Meeting.** Cardholders renting off-site meeting space must document that all expenditures were planned economically, and that a suitable government facility was not available at a lesser rate.

g. The cardholder may purchase U.S. flags, auto plates, and miscellaneous other flags for Assistant Secretaries of Defense and above, if the cost is \$3,500 or below. For purchases of these items for positions not listed, cardholders must contact an A/OPC.

h. Plaques, coins, and other items of recognition awards require the organization to have an approved awards program in place before the cardholder requests such items. The A/OPC is the approving authority and must have a copy of the approved awards program covering the items requested for purchase and the total cost of the requirement before authorizing any awards purchase with the GPC.

i. The A/OPC must approve the purchase of items of clothing, footwear, or supplies not covered by a clothing allowance.

j. Commercial subscriptions, newspapers, and subscriptions for publications require pre-approval by the Pentagon Library. The AO must obtain concurrence from the Pentagon Library that the subscription is not available from the library. If the AO wants to purchase the subscription even though it is available from the library, the reason and concurrence from the library must be documented before purchasing the subscription with the GPC. For information on contacting the Pentagon Library, contact an A/OPC.

k. Cardholders may purchase advertising in newspapers at the micro-purchase limit and below after obtaining advanced written authorization from the Director, AD. In PFFA, the account holder will obtain approval from the Director, PFFA. A copy of the authorization must be retained in the cardholders' GPC files in accordance with Subpart 5.5 of the FAR.

l. Generally, use of the GPC to purchase food, meals, and bottled water is prohibited. Written approval from an A/OPC is required before the purchase of food, meals, snacks, light refreshments, etc., using the GPC.

m. An A/OPC must approve purchase of first aid kits before they are bought.

#### **4.17. POST PURCHASE RESTRICTIONS.**

**a. Cash Refunds.** Under no circumstances will the cardholder accept a cash refund or credit voucher for non-receipt, returned, or damaged items initially purchased using the GPC. The cardholder can only accept credit into the account. (If necessary, the cardholder must request a check payable to the U.S. Treasury).

**b. Vendor Rebates, Incentives, Gift Cards, or Checks.** Under no circumstances will the cardholder accept vendor rebates or other purchase incentives that can be converted to personal use. If received, these items must be turned over to the A/OPC for destruction and disposal.

**4.18. ELECTRONIC ORDER DOCUMENTATION.** The cardholder must document all purchases in the Order Management section within the "Creating an Order" section in Access Online. The Access Online instructions located on the GPC Program Website (<https://customerresources.whs.mil/APO/PurchaseCard/index.cfm>) guide the cardholder through the matching process.

a. Cardholders are required to document purchase information for each transaction made in an approved electronic log. The Transaction Detail Report is a print-out of the electronic purchase log.

(1) The cardholder must print the Transaction Detail Report each month and retain it with the official GPC files for 6 years and 3 months after the date of the final payment.

(2) The cardholder must file the Transaction Detail Report in separate increments to reflect only the purchases and receipts pertinent to that billing cycle. See Chapter 23 of Volume 10 of the DoD FMR for required file documentation.

b. For standardization and to streamline the audit process, the cardholder's records for each billing cycle must contain:

(1) A print-out of the Transaction Detail Report relevant to that particular billing cycle.

(2) A copy of the cardholder's monthly billing statement for the cycle.

**4.19. PLACING TELEPHONE OR INTERNET ORDERS.** Orders placed on the telephone or over the Internet must be fully documented in the cardholder's Order Management section of the servicing bank's electronic system. When placing a telephone or Internet order using the GPC, the cardholder will:

- a. Notify the vendor that the purchase is tax exempt.
- b. Request the vendor to charge the GPC when shipment is made. This will allow the cardholder, as much as possible, to receive the merchandise and reconcile receipt during a single billing cycle. This is a very important step in the telephone or Internet purchase process.
- c. Instruct the vendor to include a receipt with all details regarding the purchase. The package(s) will be marked with the cardholder's name, office symbol, building number and name, room number, street address, city and State, and zip code as well as the cardholder's telephone number.

**4.20. VENDOR AUTHORIZATION.**

a. Usually merchants are required to obtain authorization from the servicing bank for purchases over \$50. However, many merchants now use electronic authorization methods allowing them to obtain authorization for all purchases, regardless of amount. When authorization is sought for a purchase by the merchant, the servicing bank will restrict purchases through the authorization system and will check the following before granting authorization for a transaction:

- (1) The cardholder's single purchase limit.
- (2) The cardholder's billing cycle (monthly) limit.
- (3) The AO's billing cycle limit.
- (4) The type of merchant as designated by the MCC used by the cardholder to make a purchase. The MCCs listed in Paragraphs 4.20.a.(a)-(t) are blocked DoD-wide, and purchases are prohibited from merchants registered under the following category codes:
  - (a) 4829—Wire Transfer-Money Orders.
  - (b) 6211—Security Brokers and Dealers.
  - (c) 5932—Antique Shops.
  - (d) 6760—Savings Bonds.
  - (e) 5933—Pawn Shops.
  - (f) 7012—Timeshares.
  - (g) 5937—Antique Reproductions.

- (h) 7273—Dating and Escort Services.
- (i) 5044—Jewelry Stores.
- (j) 7995—Betting, Casino Gaming Chips, Off-Track Betting.
- (k) 5960—Direct Marketing Insurance.
- (l) 6010—Financial Institutions Manual Cash Advance.
- (m) 8651—Political Organizations.
- (n) 9211—Court Costs, Alimony, Child Support.
- (o) 6011—Financial Institutions Automatic.
- (p) 9222—Fines.
- (q) 9223—Bail and Bond Payments.
- (r) 6051—Non-Financial Institutions-Foreign.
- (s) 9311—Tax Payments, Currency, Money Orders.
- (t) 9700—Automated Referral Service Travelers Checks.

b. In addition to the MCCs listed in Paragraph 4.20.a., the cardholders' authority may be tailored by the A/OPC, based on mission needs. The cardholders will not be able to purchase from "blocked" merchants. This process ensures that purchases are made from authorized categories of merchants only.

**4.21. CARD DECLINES.** The cardholder must contact the A/OPC if a card is declined. The A/OPC will provide guidance to the cardholder, who will contact the merchant with further instructions. The merchant will, in accordance with usual business practices, contact the servicing bank for a one-time authorization for the charge.

**4.22. GPC TRANSACTIONS EXCEEDING THE MICRO-PURCHASE THRESHOLD.**

a. As a general rule, only warranted contracting officers may use the GPC as a method of payment for supplies and services above the micro-purchase threshold up to their assigned single and monthly purchase limits. Utilization of wide area workflow to create and accept receiving reports is mandatory when the GPC is issued as a method of payment against a contract. To ensure proper routing of contract transactions paid with the GPC, the code "CRCARD" is used in the payment official Department of Defense Activity Address Code field, if not prepopulated.

b. For "method of payment" purchases above the micro-purchase threshold, all applicable requirements of the FAR apply. The method of payment does not change the requirement for the

contracting officer to adhere to all acquisition laws, regulations, and policies. Contracts where the GPC is used as the method of payment are required to be fully funded. No progress (finance) payments are authorized.

c. Only WHS Human Resources Directorate, PFPA, Raven Rock Mountain Complex, and other designated cardholders will process payment for training using Standard Form 182, "Authorization, Agreement and Certification of Training," at dollar values of \$25,000 and below. If the training is provided by a non-governmental source, it must consist of a regularly scheduled, commercial off-the-shelf course, training conference, or instructional service that is available to the general public and priced the same for everyone. If the government needs tailored training or training materials, or if the training source requires terms and conditions to be signed, the requirement must be placed on government contract by a warranted contracting officer, regardless of dollar amount.

d. In accordance with Part 13.2 of the FAR and as documented in their DOA, a select number of individuals in the PFPA, Raven Rock Mountain Complex, and WHS AD continuity of operation plan responders are delegated a single purchase limit of \$20,000 for use only in response and direct relationship to recovery from a nuclear, biological, chemical, or radiological attack in the National Capital Region.

e. Certain cardholders are appointed as ordering officers by an AD contracting officer. Ordering officers are authorized to order against an established blanket purchase agreement (BPA) or indefinite delivery indefinite quantity (IDIQ) up to the ordering limits specified by the contract or BPA. For information on establishing an ordering officer account, the requiring activity should contact the servicing contracting officer.

f. The GPC may be the procurement instrument for commercial item supply or service purchases exceeding the micro-purchase threshold but not exceeding \$25,000, if the purchase is:

- (1) Made outside the United States and U.S. jurisdictions.
- (2) Intended for use outside the United States and U.S. jurisdictions.

#### **4.23. GPC FRAUD OR MISUSE.**

a. The GPC Program has specific controls in place to minimize losses due to fraud and misuse. The adequacy of the control environment will be continuously assessed to ensure the controls work as intended. The cardholder must promptly identify, report, and resolve any transactions that require the reporting of fraudulent transactions to the bank.

b. GPC fraud and misuse may have any or a combination of the following consequences for the cardholder:

- (1) Counseling.
- (2) Notation in employee performance evaluation.



- (3) Cancellation of the GPC.
- (4) Reprimand.
- (5) Suspension of employment (civilians only).
- (6) Termination of employment (civilians only).
- (7) Non-judicial punishment (Service member only).
- (8) Court martial (Service member only).
- (9) Criminal prosecution.

c. Each cardholder, AO, and alternate AO will review the April 21, 2003, Deputy Under Secretary of Defense for Civilian Personnel Policy Memorandum (for civilians) or the June 10, 2003, Under Secretary of Defense for Personal and Readiness Memorandum (for Service members). Both memorandums are posted on the GPC Program Website under “Miscellaneous.”

d. All purchase card program officials have a shared responsibility to take appropriate action and report to higher authority any potential program-related fraud, waste, or abuse.

e. When a defense criminal investigative organization or defense organizational element responsible for investigating potential misconduct involving the GPC initiates an investigation into allegations of fraud, misuse, or abuse of authority regarding a GPC:

(1) The cardholder(s) commander or second-line supervisor, as appropriate, and security manager will be notified.

(2) Whenever possible, this notification will take place within 72 hours of the initiation.

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

#### **4.24. ACCOUNTABLE PROPERTY MANAGEMENT AND ACCOUNTABILITY.**

a. When acquiring accountable property using the GPC, the AO must adhere to all applicable property regulations.

b. The A/OPC must review proper recording and tracking of accountable property during all GPC inspections. Account holders must ensure that there is evidence that accountable property

is being handled in accordance with the applicable property regulation governing the cognizant organization.

c. An individual other than the AO supervisor, AO, alternate AO, or cardholder must serve as the receiver or the property book custodian.

#### **4.25. CARDHOLDER MONTHLY RECONCILIATION REQUIREMENTS.**

a. Cardholders should periodically review transactions within the servicing bank's electronic access system before the end of the billing cycle to immediately identify potential fraud on their purchase card. Cardholders are required to reconcile the statement against the purchase log. See Table 4 in Appendix 4A for steps required to reconcile the cardholder's monthly statement. Within 3 working days after the end of the billing cycle, cardholders must:

(1) Match each transaction appearing on the cardholder statement of account with the corresponding transactions recorded in the Order Management section of the GPC Program Website.

(2) Complete all items with a red asterisk (\*) in the Order Management section of the servicing bank system.

(3) Determine if all credits received during the billing cycle are reflected on the cardholder statement of account.

(4) Retain documentation for pending credits to the account until the credit or purchase transaction appears on the next cardholder statement of account for the following billing cycle. If the purchase or credit does not appear on the next monthly cardholder statement of account, the cardholder or AO will:

(a) Contact the vendor for an explanation.

(b) Contact an A/OPC for assistance if attempts to resolve and reconcile with the vendor fail.

(5) If the cardholder does not reconcile and certify his or her account statement within 15 calendar days following the close of the billing cycle, the cardholder will be locked out of the servicing bank system file, and the AO will be required to perform the cardholder reconciliation certification.

(6) Cardholders will not be allowed to alter their statements of accounts once they approve them.

b. The cardholder will forward the following documents to the AO for certification:

(1) A printout or electronic copy of the approved Transaction Detail Report for the current month (billing cycle).

(2) The printed cardholder statement of account.

(3) The GPC receipt or cash register tape for each transaction. If the cardholder does not have supporting documentation for a given transaction appearing on the cardholder statement of account and in the Order Management section of the GPC Program Website, he or she will attach an explanation of the transaction and why supporting documentation is not available.

c. The FMD processes all manual payments and posts purchase records to the accounting and entitlement systems.

#### **4.26. INVOICE CERTIFICATION.**

a. The AO or alternate AO reviews the cardholder's monthly statement of account to ensure that purchases are made in accordance with all governing policies, rules, and regulations. If the cardholder is unable to reconcile the monthly account, the AO will certify the monthly invoice as the GPC CO. COs must complete certification within the servicing bank system within 2 business days of receipt of the original certified cardholder's statement of account.

b. The AO must certify the invoice monthly not later than 5 business days after close of the billing cycle. In accordance with Chapter 9, Volume 1 of the DoD FMR, all copies of monthly invoices and supporting documentation must be retained for 6 years and 3 months after the date of final payment.

c. Once the AO certifies the invoice in the issuing bank's system, the transaction file is locked and no further changes to the invoice are permitted. The AO must consistently track the annual limitations and subtractions of each cardholder's monthly expenditures to ensure the annual limitation is not exceeded.

**4.27. DELINQUENT PAYMENT.** Accounts become delinquent 30 days from the statement date if the bank has not received payment. Unpaid balances after 60 days from the statement date are considered 30 days past due and must not exceed one percent of GPC Program's total current balance due. The issuing bank will suspend any AO account that goes 60 days past due (or 90 days since the statement date), regardless of the amount. AO accounts that exceed 150 days past due (180 days since the statement date) will result in all accounts for the entire organization being suspended and may not being reinstated.

#### **4.28. DISPUTES.**

a. If the government is billed for defective items, merchandise that receipt cannot be verified, that was returned, or if the charges are unauthorized or incorrect, or if the cardholder's statement of account does not include credits for which the cardholder has been issued a credit voucher, the cardholder will take the following actions:

(1) The cardholder must contact the vendor to resolve the problem. If the vendor agrees that an error has been made, the vendor adjusts the account. The cardholder annotates the

transaction in question in the Order Management section of the GPC Program Website as a reminder that the item is still pending resolution.

(2) If the vendor does not agree that an error has been made, the cardholder contacts the A/OPC. The A/OPC will help process and complete the dispute through the servicing bank system.

(3) Disputed transactions must be submitted through the servicing bank system within 90 calendar days from the date of the transaction as reflected in the bank's system. A merchant is required to respond to a disputed charge within 45 days after receipt of the request. If the merchant does not respond within 45 days, disputed charges will be resolved in favor of the cardholder and the merchant will be charged back for the particular goods or services. If the disputed charge is resolved in favor of the merchant, a letter will be sent to the cardholder explaining that the charge will appear on the next cardholder's statement of account.

b. If merchandise is returned to the vendor due to the cardholder ordering the wrong item or the item is unsatisfactory, the vendor has the option to charge the cardholder account a re-stocking fee. The account holder must pay the re-stocking fee if applicable.

#### **4.29. PAYMENT, REJECTS, AND MANUAL INVOICES.**

a. Electronic data interface rejects process. Electronic invoice processing may result in occasional payment rejects from DFAS.

b. DFAS will establish and maintain electronic interface(s) and ensure adherence to the provisions of the Prompt Payment Act.

c. All invoices are paid in full. Electronic data interface payment rejects, billing errors, or disputes will be accomplished and resolved in arrears. If a payment reject occurs after the AO has certified the invoice in the servicing bank system, the invoice must be paid manually.

d. Instructions for dispositioning rejects and submitting manual invoices are located on the GPC Program Website.

e. The FMD Financial Accounting Division will answer questions regarding payment rejects and manual payments.

#### **4.30. DEPARTURE OF AN AO SUPERVISOR, AO, ALTERNATE AO, OR CARDHOLDER.**

a. When an AO, Alternate AO, or AO supervisor departs, the following applies:

(1) When practical, the A/OPC should be notified of the separation of an AO supervisor, AO, or alternate AO at least 2 weeks before the effective date of separation.

(2) The AO or Alternate AO must come to the GPC Program Office to sign a DD Form 577 to terminate their appointment.

(3) The A/OPC must immediately receive the name and contact information of the replacement AO or Alternate AO from the applicable organization. Once the replacement information is received, the A/OPC will initiate the necessary action to appoint a new AO or Alternate AO. Non-compliant accounts risk temporary suspension until a new AO has met the program requirements.

(4) Upon departure, the AO must forward all official GPC files to any successor AO.

b. When reassigned, retired, dismissed, or other separation action, the cardholder (in accordance with SD Form 225, "OSD/WHS Personnel Out-Processing Checklist") must surrender the GPC to the A/OPC, who will terminate the GPC appointment.

#### **4.31. PROGRAM OVERSIGHT AND EVALUATION.**

a. Surveillance and oversight of the GPC are a shared responsibility. All stakeholders in the program, including RMs, logistics, contracting and local audit and oversight organizations, are responsible for ensuring that the GPC is used properly and only authorized and necessary official purchases are made.

b. Public Law 112-194, also known as the Government Charge Card Abuse Prevention Act of 2012, requires all agencies to establish and maintain safeguards for purchase cards. The GPC Program will conform to all Executive Branch initiatives to ensure and promote transparency in government. The PCOLS Dashboard provides officials with an assessment of the risk environment and feedback as to whether the program is satisfying overall strategic goals.

c. Management controls will effectively identify, correct, and minimize fraud, waste, and abuse. The GPC PM will conduct annual reviews of the GPC Program to evaluate program effectiveness and compliance with prescribed policies and procedures. Random (possibly unannounced and unscheduled) inspections will be conducted of GPC accounts to ensure compliance with prescribed policies and procedures. Appendix B to the OMB Circular A-123 provides additional guidance on implementing strong internal controls.

d. The DoD Office of Inspector General conducts independent audits, inspections, evaluations and investigations to promote economy and efficiency and to prevent and detect waste, fraud, abuse, and mismanagement.

**4.32. THE PCOLS DM APPLICATION.** The DM application in PCOLS reviews 100 percent of all DoD GPC transactions using sophisticated software to identify correlations, patterns, and trends in the GPC buying actions. The DM transaction review allows daily, near-real-time mining of the data. The case management, an integral component of DM, interprets referred (flagged) transactions and creates specific cases that are assigned to the supervisor of record, AO, alternate AO, and A/OPC for review and validation. All flagged transactions are monitored by the DoD PCPO and the GPC PM to ensure compliance. The Risk Assessment Dashboard

application uses internal controls and measures, coupled with results from the DM application, to access and report on the overall health of a DoD GPC Program.

**4.33. USING THE GPC FOR CONTINGENCY, EMERGENCY, AND HUMANITARIAN AID OPERATIONS.** Certain acquisition and emergency flexibilities are prescribed in Part 18 of the FAR and Subpart 218.2 of the DFARS for contingency, emergency, and humanitarian aid operations.

**APPENDIX 4A: ACCOUNT HOLDER PROCEDURAL CHECKLISTS**

**Table 1. Cardholder Making a Purchase Checklist**

Item	Cardholder Action	Date Completed
01	Obtain, to the maximum extent possible, a written request (email is acceptable) from the originator or requestor of the requirement. If not possible for the originator or requestor to make the request in writing, the cardholder should document the file with the originator’s or requestor’s name, item description, quantity, estimated cost and date of request. GPC transactions lacking a written item or service request will be considered “self-initiated purchases.”	
02	Request and receive written approval from the AO to proceed with the purchase and keep the approval in the purchase card file. Also verify with the AO that funding is available because no government employee may create or authorize an obligation in excess of funds available or in the advance of appropriations.	
03	Do not re-delegate purchasing authority. Only the cardholder is authorized to make the purchase, no exceptions. When making purchases using the GPC, all applicable acquisition regulations apply. The same person cannot initiate the requirement, award the purchase action, and receive, inspect, and accept the supplies or services.	
04	Ensure the item or service is not on the Prohibited Items List, found in Paragraph 4.14 of this issuance.	
05	Limit the use of third party payment services, such as PayPal, Billpoint, etc., because these transactions are considered high risk and the cardholder automatically forfeits all dispute rights. Additionally, these transactions will most likely generate a flagged transaction in PCOLS. Provide documentation in the GPC file that the item or service was not available from another vendor when use of the third party payment merchant is unavoidable.	
06	Ensure the requested item or service fulfills a mission essential need and that any special approvals are obtained from an A/OPC.	
07	Comply with Part 8 of the FAR, which lists the mandatory sources for supplies and services in descending order of priority. It also lists the non-mandatory sources, which are the next alternative when the mandatory source cannot supply the item or service. If unable to use a mandatory or non-mandatory source, the last choice is a commercial vendor. Document the GPC file whenever a purchase is made from a commercial vendor. The order of priority is (1) mandatory sources, (2) non-mandatory sources, and (3) commercial sources.	

**Table 1. Cardholder Making a Purchase Checklist, Continued**

Item	Cardholder Action	Date Completed
08	<p>A price reasonableness determination is <b>not</b> required on all GPC transactions. Price reasonableness need only be determined if the cardholder:</p> <ul style="list-style-type: none"> <li>• Is purchasing from other than a mandatory source.</li> <li>• Based on previous experience, suspects the price is not reasonable.</li> <li>• Is purchasing a supply or service for which no comparable pricing information is readily available (e.g., a supply or service that is not the same as, or is not similar to, other supplies or services that have recently been purchased on a competitive basis).</li> </ul> <p>File documentation is required if award is made to other than the lowest-priced vendor. Documentation to support the purchase should be limited to identifying the vendors solicited and an explanation for the award decision. For LFD payments to lessors, see Paragraph 3.7. of this issuance.</p>	
09	<p>Consider small businesses, to the maximum extent practicable, when making micro-purchases even though these low-dollar purchases are not subject to small business set-aside requirements.</p>	
10	<p>Distribute purchases equitably among qualified vendors. For micro-purchases, the FAR requires that the cardholder rotate vendors. If there is difficulty locating vendors for purchase distribution, the phone book and internet are good sources to find qualified vendors and merchants. If unable to locate vendors through this method, contact the servicing contracting office for assistance. Contracting offices have several options available such as publishing a “Sources Sought” synopsis or establishing a BPA or other pre-priced contractual instrument for repetitive buys to the same or a few vendors. Limited exception: LFD cardholders are allowed to pay one lessor on a recurring basis without the necessity to rotate vendors because these payments are actually work under a supplemental lease agreement.</p>	
11	<p>If using the GPC for express shipment of official government business, the cardholder must utilize a carrier from the Federal Supply Schedules (Federal Express, UPS, etc.) and ensure that the vendor provides the U.S. Government rate.</p>	
12	<p>Inform the vendor that the purchase is tax exempt. A link for the tax exempt letters for every State is on the GPC Program Website at <a href="https://customerresources.whs.mil/APO/PurchaseCard/index.cfm">https://customerresources.whs.mil/APO/PurchaseCard/index.cfm</a>. If the vendor requests a tax exempt number, provide the first four digits of the GPC account number. If the vendor requires additional numbers, provide all zeroes.</p>	
13	<p>Make the purchase (in person, via telephone, or via email). Purchases can be made via email as long as the GPC number is not included in the email.</p>	



**Table 1. Cardholder Making a Purchase Checklist, Continued**

Item	Cardholder Action	Date Completed
14	If ghost shoppers exist under the account, it is the cardholder’s responsibility to implement internal controls that will mitigate and allow for swift detection of fraudulent or improper purchases by the ghost shoppers. The cardholder is required to pre-approve each ghost shopper purchase and perform a post-purchase inspection by immediately checking the ghost shopper’s receipt(s) against items purchased at the Virginia Institute for the Blind store. The cardholder must function as the account custodian. The AO and cardholder are required to provide a certification to the A/OPC prior to ghost shopper accounts being established stating that they understand their responsibilities relating to the ghost shoppers under their purchase card account.	
15	Obtain a receipt from the vendor for the order (electronic or paper), and retain all documentation supporting the purchase in the GPC file.	
16	Merchant surcharges are permitted for Visa to charge to the government for government GPC transactions. Surcharges are fees that a retailer adds to the cost of the purchase.	
17	Ensure that the total amount of the transaction does not exceed the cardholder’s established single purchase limit, as determined in the DOA memorandum.	
18	Ensure that all items purchased over the counter are currently available. Back ordering is not permitted.	
19	Ensure that all items purchased by telephone or internet will be delivered within 30 days of order placement. Do not place the order without this assurance.	
20	Create the order immediately in the Order Management section of the servicing bank system. This serves as the required purchase log.	
21	Ensure that written, independent receipt and acceptance is obtained for: (1) purchases of accountable property, (2) transactions where the GPC is used as a method of payment, (3) self-initiated cardholder purchases (i.e., purchases lacking a documented requisition or request from someone other than the cardholder), and (4) other specific circumstances for which the cardholder’s organization elects to require receipt and acceptance.	
22	Fully document the GPC file. Documentation examples include, but are not limited to, the requests for purchase from the requiring originator or requestor, AO approval to proceed with the purchase, purchases from non-mandatory or commercial sources, price reasonableness determinations, special approvals, order confirmations, invoices, vendor receipts, purchase documents, records of return, independent receipt and acceptance when applicable, waivers, proof of delivery and evidence that applicable property book office personnel have been notified when accountable property has been acquired with the GPC.	
23	Ensure that only the cardholder obligates the government funds. Any	

**Table 1. Cardholder Making a Purchase Checklist, Continued**

Item	Cardholder Action	Date Completed
	purchases authorized and placed by an individual other than the cardholder constitutes an unauthorized commitment, and must be processed as ratification. Contact the A/OPCs for the appropriate point of contact within the WHS AD to process a ratification action.	
24	Identify recurring, repetitive purchases; e.g. utility services and contact the servicing contracting office for placement into service contract vehicles where the GPC is used as a method of payment.	
25	Buy “green” products to the maximum extent practicable. For a website listing all green products, see the GPC Program Website at <a href="https://customerresources.whs.mil/APO/PurchaseCard/index.cfm">https://customerresources.whs.mil/APO/PurchaseCard/index.cfm</a> .	

**Table 2. AO Account Set-Up Checklist**

Item	Action	Date Completed
01	The requiring activity determines that there is a bona fide need for certain supplies or services, which can be procured through a GPC, and provides written justification to the GPC Office of how this requirement supports the needs of the requiring activity.	
02	The supervisor of record for the AO submits in writing the name of the AO and alternate AO to the GPC Program Office, and authorizes the establishment of an AO account.	
03	The supervisor of record for the AO ensures that the AO being nominated: is a civilian government employee or Service member; will not be an AO for his or her supervisor; will not be supervisor of an A/OPC; and, the AO, whenever possible, will be the cardholder's first-line supervisor. At a minimum, the AO must be in the cardholder's chain of command or have input to the cardholder's performance appraisal.	
04	The GPC Program Office verifies with the FMD that money exists to establish the account.	
05	The GPC Program Office establishes a managing account for the AO in the PCOLS.	
06	The GPC Program Office directs the proposed AO and alternate AO to the program website for information on required training and the application sheet. At this time, the single and monthly limits for the AO and alternate AO are established. The AO and alternate AO will submit the nomination package to the GPC Program Office.	
07	The GPC Program Office processes the application, and notifies the AO and alternate AO when the managing account is processed and ready for final documentation and establishment through the banking system.	
08	Upon request, the AO and alternate AO come to the GPC Program Office to sign their DOA memorandum and DD Form 577 to accept the appointment and the financial liability of the appointment. The AO is then given a password to access his or her servicing bank account.	

**Table 3. Cardholder Account Set-Up Checklist**

Item	Action	Date Completed
01	The AO nominates an individual (civilian government employee or Service member) to serve as the actual GPC cardholder. Cardholder account set-up will not begin until the entire application package (including training) has been sent to the GPC Program Office.	
02	If the AO is not the direct supervisor of the cardholder, the AO must draft a memorandum to the cardholder’s direct supervisor requesting input into the GPC usage portion of the cardholder’s performance appraisal. This document is sent to the direct supervisor and the GPC Program Office for record retention.	
03	The GPC Program Office directs the proposed cardholders to the GPC Program Website to complete the application sheet and begin the general training that needs to be completed before account establishment. Once training is complete and the application completed, the nomination package is sent to the GPC Program Office. Cardholder account set-up will not begin until the entire application package (including training) has been sent to the GPC Program Office.	
04	The GPC Program Office processes the application and notifies the cardholder when the account is ready for final documentation and establishment.	
05	Upon request, the cardholder comes to the GPC Program Office to sign his or her DOA memorandum and DD Form 577. The cardholder is then given the GPC with instructions for activating the card and password set-up.	
06	The cardholder immediately activates the GPC and completes password set-up.	

**Table 4. Reconciling Cardholder Monthly Statement Checklist**

Reconciling the Cardholder Monthly Statement in the Servicing Bank System–Cardholder		
Completed within the servicing bank system on or within 3 business days after the 19th of each month.		
Item	Cardholder Action	Date Completed
01	Ensures that all orders have been created in the Order Management section of the servicing bank system. Reallocates LOA as appropriate.	
02	Reviews and matches all transactions.	
03	Determines that all credit received (to include a dispute) is accurately reflected on the billing statement in the servicing bank system.	
04	Reconciles and approves the cardholder statement of account for AO certification.	
05	Forwards all statement of account documents to the AO (or alternate AO), in preparation for AO certification. This includes: the Transaction Detail Report from the bank for the current billing cycle; all original order receipts, including backup documentation for online and telephone orders; special approval documentation; and the cardholder statement of account.	
06	If an original receipt is missing or lost, the cardholder provides a memorandum of record to the AO documenting why this occurred.	
07	If the supply received is damaged or incorrect, it must be returned immediately for replacement, rebate, or receipt. If a credit is given, obtain approval from the AO before final disposition of the damaged item, including receipt of a credit.	
08	If the cardholder does not reconcile his or her statement within a 15-calendar day period following the close of the billing cycle, the cardholder is locked out of the file, and the AO is required to step in and perform the cardholder reconciliation role.	

**Table 5. Certifying the Invoice Checklist**

Certifying the Invoice–AO		
Item	AO Action	Date Completed
01	Obtain the cardholder statement, supporting transaction documentation, and certification from the cardholder.	
02	Review purchases for each cardholder to determine whether all transactions were legal, proper, and correct and were authorized government purchases in accordance with the FAR, DFARS, and the DoD FMR.	
03	Reconcile supporting documentation with details on the monthly statement. Also, review for adequacy for purchase log entries for those transactions.	
04	Resolve any questionable purchases with the cardholder and, if necessary, advise the cardholder to contact the A/OPC.	
05	Establish a system to flag and track all transactions that have been certified for payment without verification of receipt and acceptance.	
06	Annotate appropriately suspected cases of improper, abusive, or questionable purchases. If the questionable transaction is disputable, the bank dispute process should be followed along with notification of the AO, alternate AO, and A/OPC. If the transaction is not disputable, the AO should notify the A/OPC for investigation.	
07	In the case of suspected fraud by government personnel (e.g., cardholder) document the suspected fraud and notify the A/OPC so the transaction(s) can be investigated.	
08	Retain GPC supporting documents and disbursing office records as specified in Chapter 9, Volume 1 of the DoD FMR.	
09	Certify the invoice in the servicing bank system and retain a hardcopy of the invoice in the official GPC file.	

**Table 6. Account Holder Departure, Approving Officials Checklist**

Account holder Departure–AO/Alternate AO		
Item	AO/Alternate AO Action	Date Completed
01	Notifies the A/OPC no later than 2 weeks before the intended departure or separation from the AO or alternate AO position. The name of the replacement AO or alternate AO must be given at this time, so the appointment process can begin.	
02	Reconciles the open billing statement if possible, or notifies the alternate AO to complete the action. If AO departure, once the AO or alternate AO certifies the account for the current billing cycle, the account is suspended until the new AO has been officially appointed through a new DOA memorandum.	
03	Forwards all records (original official government purchase card files) to the replacement AO.	
04	Physically visits the GPC Program Office to sign a DD Form 577, terminating AO or alternate AO appointment.	

**Table 7. Account Holder Departure, Cardholder Checklist**

Account Holder Departure–Cardholder		
Item	Cardholder Action	Date Completed
01	Notifies the AO, alternate AO, and A/OPC a minimum of 2 weeks before departure.	
02	Turns over all original official purchase card files to the current AO or alternate AO.	
03	Reconciles monthly statement in the bank system to the best of his or her abilities (the ability to accomplish this will vary depending on the calendar date of the departure). At a minimum, the cardholder must create orders that are posted on the cardholder’s statement and match the transactions.	
04	Informs the AO of any outstanding orders.	
05	Physically visits the GPC Program Office to return the GPC to the A/OPC for destruction, and to sign a DD Form 577 terminating cardholder appointment.	

## GLOSSARY

### G.1. ACRONYMS.

AD	Acquisition Directorate
AO	approving official
A/OPC	agency/organization program coordinator
BPA	blanket purchase agreement
CO	certifying officer
DFAS	Defense Finance and Accounting Service
DFARS	Defense Federal Acquisition Regulation Supplement
DOA	delegation of authority
DoD PCPO	Department of Defense Purchase Card Policy Office
DM	data mining
ESSTS	Enterprise Services Supplies and Tracking System
FAR	Federal Acquisition Regulation
FMD	Financial Management Directorate
FMR	Financial Management Regulation
GPC	government purchase card
HCA	head of the contracting activity
IT	information technology
LFD	leased facilities division
LOA	lines of accounting
MCC	Merchant Category Code



PM	program manager
PCOLS	Purchase Card Online System
PFPA	Pentagon Force Protection Agency
RM	resource manager
WHS	Washington Headquarters Services

**G.2. DEFINITIONS.** These terms and their definitions are for the purpose of this issuance.

**Access Online.** A web-enabled commercial GPC program management and reporting tool that enables organizations to interact with the servicing bank. Web-based training for Access Online is available for new users through the GPC Website at <https://customerresources.whs.mil/APO/PurchaseCard/index.cfm>.

**accountable property.**

Property of any kind (except real property and government records) that retains its original identity and characteristics, has a useful life of more than 1 year, and an acquisition cost of \$500.00 or more.

Property of any value that is subject to pilfering. Includes P1 furniture and all serialized equipment such as calculators, typewriters, and copiers. All accountable property must be recorded in the property book records.

**account holder.** Cardholders, AOs, alternate AOs, and COs.

**AO.**

An accountable WHS-serviced Component official who may be financially liable for erroneous payments resulting from the negligent performance of duties.

DoD Service members and civilian personnel with established lines of responsibility, decision making authority, and resource control (such as AOs, receiving officials, or cardholders) who are designated in writing, but not otherwise accountable under applicable law (such as disbursing or certifying officials), and who provide source information, data, or services to a certifying official in support of the payment process. They have financial liability for erroneous payments resulting from their negligent or erroneous actions.

**A/OPC.** An official responsible for oversight, management, administration, and day to day operations of the GPC Program.

**billing cycle.** An approximate 30 calendar-day period. Each monthly billing statement invoice is comprised of transactions (debits and credits) that post to the bank's system during this period. Generally, the billing cycle begins on the 20th of the month and ends on the 19th of the

subsequent month. The 19th of the month is known as the “cycle date.” The cycle date may vary due to a holiday or weekend.

**BPA.**

A simplified method of filling anticipated repetitive needs for supplies or services by establishing “charge accounts” with qualified sources of supply.

BPAs may be used by contracting officers or ordering officers to fill a wide variety of items in a broad class of supplies or services (e.g., hardware) that are generally purchased, but the exact items, quantities, and delivery requirements are not known in advance and may vary considerably.

BPAs are designed to accomplish simplified acquisitions by eliminating the need for processing numerous acquisition actions. Requirements that are candidates for purchase under a BPA should be coordinated with the servicing contracting office.

**cardholder.** The individual designated (in writing) by the activity to receive and use the GPC. The cardholder is an accountable official and supports the CO and may be held financially liable for an illegal, improper, or incorrect GPC payment resulting from their fault or negligence.

**cardholder statement of account.** The statement of charges provided to a cardholder by the servicing bank detailing all the transactions posted to the account during a billing cycle.

**CO.** Appointed by the GPC PM, the CO certifies cardholder invoices. The CO should be in the cardholders’ supervisory chain and have knowledge of the office requirements, appropriations, and account classifications and the payment process.

**DOA memorandum.** A memorandum from the GPC PM specifying the authority delegated to the AOs, alternate AOs, and cardholders and any limitations on the scope of authority to be exercised other than those contained in the applicable law or regulation.

**DoD PCPO.** Aligned under the Defense Procurement Acquisition Policy, this office oversees the management and execution of the GPC Program for the Department of Defense.

**electronic data interface.** The automated process for receiving electronic transactions and obligations directly from an issuing bank into a DoD accounting system. The use of the issuing bank’s electronic accounting system or other electronic data interface systems is mandatory unless a waiver is granted by the WHS GPC Program Management Office, or an alternate electronic solution is approved.

**financial liability.** A personal financial obligation to make good any monetary loss to the government caused by the fraud or neglect of an accountable official in certain circumstances that result in fiscal irregularities of disbursement in accordance with Chapter 5, Volume 5 of the DoD FMR.

**fraud.** Any felonious act of corruption or attempt to deliberately cheat the government or corrupt the government’s agents. More specifically, an act of deceit, misrepresentation, or an

intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right.

**ghost shopper.** An individual who assists the cardholder and all of those served by the cardholder by acting as the agent of the cardholder for the limited purpose of using the cardholder's purchase card account to purchase mission-essential office supplies and other objects sold at the Virginia Institute for the Blind Supply Store. The ghost shopper will never be granted access to the cardholder's purchase card account number. Ghost shoppers allow more flexibility and provide an efficient way to reduce the amount of purchase cards issued under the purchase card program.

**GPC Program Website.** A designed DoD website, provided to educate and assist WHS GPC users with standard operating procedures for use of the GPC.

**HCA.** The delegated authority to appoint A/OPCs, AOs, and cardholders to the GPC PM. In addition, the HCA prescribes local policy for the use of ordering officers.

**LFD.** LFD manages leased facilities for the WHS-serviced components. Terms unique to LFD are:

**Contractor.** Lessor.

**Landlord or lessor.** Any individual, firm, partnership, trust, association, State or local government, or other legal entity that leases real property to the government;

**Lease or leasehold interest in real property.** A conveyance to the government of the right of exclusive possession of real property for a definite period of time by a landlord. It may include optional services provided by the landlord.

**micro-purchase.** An acquisition of supplies or services, the aggregate amount of which does not exceed the threshold of \$3,500 per order for supplies or services (\$2,000 for construction and \$2,500 for services subject to the Service Contract Act of 1965 as implemented by Subpart 22.10 of the FAR. The micro-purchase limit of \$2,500 for services and \$2,000 for construction is not applicable to lease payments made by the LFD cardholders to the lessors. The limit for LFD payments is \$3,500 for all lessor payments because these payments are actually work under a supplemental lease agreement.

**monthly invoice.** A combined summary of all purchases made by all cardholders under a given AO during a specified billing cycle. The monthly invoice is also referred to as the cardholder statement and is used by the AO to reconcile the purchases made by his or her cardholder(s) during the billing cycle. The monthly invoice is available in the servicing bank system. The AO must certify that the charges accurately reflect the account activity for the cardholder(s) under his or her purview.

**ordering officer.** Individual who, by written delegation from the contracting officer, has the authority to place orders that are: recurring, repetitive purchases against specifically named WHS AD contracts, BPAs, or unit price agreements with the GPC to realize better pricing and satisfy departmental strategic sourcing goals. The ordering officers exercise their additional

authority in accordance with their appointment letter, guidance issued by their contracting officer, the terms of the contract or BPA, and policies promulgated by the HCA.

**P1 furniture.** Furniture issued to officials at the Senior Executive Service level and above, regardless of acquisition cost.

**paying office.** Defense Financial and Accounting Office is the official payment office for the WHS FMD and PFPA Financial Management Division. FMD is the designated paying office for all rejected GPC payments for WHS and PFPA accounts.

**PCOLS.** A DoD-wide suite of electronic systems that GPC officials use to improve the management accountability within their GPC Program organizations. Comprised of four applications: Enterprise Monitoring and Management of Accounts; Authorization, Issuance and Maintenance; PCOLS Reporting; Data Mining, and Risk Assessment. PCOLS is Common Access Card enabled to ensure secure authentication and nonrepudiation.

**PM.** Aligned under the WHS AD, the person responsible for management, oversight, and administration of the GPC Program.

**rebates.** The government receives rebates for prompt payment. The rebates are reflected as credits on both the AO's monthly invoice and the cardholder's statement of account.

**self-initiated purchases.** A GPC purchase by the cardholder for which there is an absence of documentation that the acquisition was approved by a higher authority than the cardholder.

**split purchase.** Intentional break down of a purchase or requirement to stay under the cardholder's single purchase limit. When the cardholder has a requirement that is over his or her single purchase limit, it cannot be split by quantity, vendor, time, or cardholder. Also referred to as a split requirement.

**supervisor of record for the AO.** The individual officially designated in personnel records to supervise the AO.

**video information equipment.** Electronic equipment that broadcasts or receives electromagnetic waves representing images and sound.

**wide area workflow.** A system used by many government agencies for the billing of contracts awarded. The system is used for a wide variety of products being billed.

## REFERENCES

Code of Federal Regulations, Title 5, Part 1315 (also known as the Prompt Payment Act)  
Defense Federal Acquisition Regulation Supplement (DFARS), current edition  
Deputy Under Secretary of Defense for Civilian Personnel Policy Memorandum, “Government Charge Card Disciplinary Guide for Civilian Employees,” April 21, 2003  
DoD 7000.14-R, “Department of Defense Financial Management Regulation (DoD FMR),” various volumes, current edition  
DoD Directive 5110.04, “Washington Headquarters Services (WHS),” March 27, 2013  
DoD Instruction 5025.01, “DoD Issuances Program,” August 1, 2016  
Federal Acquisition Regulation (FAR), current edition  
Office of Management and Budget Circular A-123, Appendix B, current edition  
Public Law 112-194, “Government Charge Card Abuse Prevention Act of 2012,” October 5, 2012  
Under Secretary of Defense for Personnel and Readiness Memorandum, “Disciplinary Guidelines for Misuse of Government Charge Cards by Military Personnel,” June 10, 2003  
United States Code, Title 15  
United States Code, Title 31