



ACQUISITION
AND SUSTAINMENT

OFFICE OF THE UNDER SECRETARY OF DEFENSE

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MEMORANDUM FOR COMMANDER, UNITED STATES CYBER
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COMMANDER, UNITED STATES SPECIAL OPERATIONS
COMMAND (ATTN: ACQUISITION EXECUTIVE)
COMMANDER, UNITED STATES TRANSPORTATION
COMMAND (ATTN: ACQUISITION EXECUTIVE)
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE NAVY
(PROCUREMENT)
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(CONTRACTING)
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Updates to and Re-emphasis of Governmentwide Commercial Purchase Card
Emergency-Type Operations Requirements (2024-02)

- References: (1) *Department of Defense Government Charge Card Guidebook for Establishing and Managing Purchase, Travel, and Fuel Card Programs (Guidebook)*
(2) Defense Pricing and Contracting (DPC) Memorandum, "Governmentwide Commercial Purchase Card Guidance Related to Recording Transactions involving National Interest Action Codes and Emergency Acquisition Authorities (GPC 2021-1)," dated December 9, 2020
(3) DPC Contracting eBusiness Memorandum, "Governmentwide Commercial Purchase Card Guidance Related to Recording 889 Designation and Emergency-Type Operation Values (GPC 2022-02)," dated June 29, 2022
(4) Department of Defense Inspector General Report on "Audit of DoD Use of the Government Purchase Card in Response to the Coronavirus Disease-2019 Pandemic" (Report No. DODIG-2024-045), dated January 12, 2024
(5) DPC Memorandum, "National Interest Action Codes to Retire in the Federal Procurement Data System (FPDS)," dated January 17, 2024
(6) DPC Memorandum, "Department of Defense SmartPay[®] 3 Government-wide Commercial Purchase Card Policies, Procedures, and Tools – SP3 Transition Memorandum #6," dated April 18, 2020
(7) DPC Memorandum, "Department of Defense SmartPay[®] 3 Government-wide Commercial Purchase Card Oversight and Reporting – SP3 Transition Memorandum #12," dated July 16, 2020

This memorandum updates Reference 1, Appendix B requirements for follow-up reviews of Governmentwide Commercial Purchase Card (GPC) transactions made in support of Emergency-Type Operations (ETO) (i.e., ETO transactions) and establishes and implements policy to validate that ETO follow-up reviews are conducted and are effective. Components are also reminded of the importance of following the policy in Reference 1 (paragraph A.1.7 and Appendix B) and DPC-issued memoranda (References 2 and 3) requiring additional GPC ETO

transaction oversight responsibilities (tracking, reviewing, and reporting) to address the following deficiencies and observations identified for sampled GPC transactions related to COVID-19 in Reference 4:

- Necessary purchase log entries and electronic attachments (e.g., approvals, receipts, and documentation of receipt and acceptance) were often missing or not accurate.
- ETO follow-up review results were often unavailable.
- Ineffective oversight of GPC transaction supporting documentation has been consistently identified in prior audit reports.

Reference 5 retired use of National Interest Action (NIA) code Federal Procurement Data System reporting as of December 31, 2023. As such, the sections of References 2 and 3 related to use of NIA codes in GPC reporting are no longer applicable.

The ETO follow-up review policy updates in Attachment 1 supersede Reference 1, Appendix B, paragraph B.2.1.1(f). These updates focus Component attention and resources on the transactions that present greater financial impact and risk by limiting conduct of ETO follow-up reviews to ETO transactions priced above the micro-purchase threshold (MPT), excluding exceptions, as defined in Federal Acquisition Regulation subpart 2.101. They also establish and implement a compliance review process to validate that required ETO follow-up reviews are being conducted and are effective. These changes will be incorporated into the GPC Guidebook issuance expected this fiscal year.

Attachment 2 provides a flowchart of key tracking, reviewing, and reporting responsibilities addressed in References 1 - 3, 6, and 7 that apply exclusively to GPC ETO transactions, and that apply to all transactions.

To further promote compliance, DPC intends to request that the Defense Contract Management Agency update the GPC 4th Estate Procurement Management Review (PMR) Checklist to include verification that ETO follow-up reviews, if any, complied with all Attachment 1 requirements in paragraphs B.2.1.1(f)(1)(a) and (b). The Military Services are encouraged to adopt a similar ETO follow-up review screen during their PMR (or equivalent) processes.

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Attachments:
As stated

Attachment 1
Guidebook Requirements for Conducting ETO follow-up Reviews

Change From:

B.2.1.1(f) Agency heads must designate officials to conduct follow-up reviews of transactions in support of each event pursuant to the related law. These follow-up reviews should take place as soon as practicable, but no later than 60 days after any given transaction. The officials shall evaluate whether the transaction:

- 1) Was consistent with the agency’s policies and procedures identified above and was otherwise reasonable and appropriate.
- 2) Provided the maximum practicable opportunity for small business participation under the circumstances.
- 3) Was appropriately documented by the CH [Cardholder].

Based on these reviews, the official shall make recommendations to the agency head on changes to the policies and procedures identified above, and any administrative or disciplinary actions required.

Change To:

B.2.1.1(f) ETO Follow-Up Reviews and Associated Compliance Review Process

- 1) Heads of Contracting Activities (HCAs) are to ensure issuance of and compliance with Component policy that:
 - a) Designates officials to conduct follow-up reviews of transactions made in support of Emergency-Type Operations priced above the micro-purchase threshold, excluding exceptions, as defined in FAR 2.101.
 - b) Ensures these reviews take place as soon as practicable, but are completed no later than 60 days after the transaction posting date. When conducting reviews, officials must:
 - i. Evaluate and document (using a Component-generated checklist or other designated electronic tool), whether:
 - The transaction, at a minimum, was consistent with DoD’s policies and procedures in *Guidebook* paragraphs B.2.1.1(a) – (e) and was otherwise reasonable and appropriate;
 - The purchase log Special Designation (SD) selected by the CH in the “Delegated Procurement Authority Used” field is accurate (i.e., the transaction supported an ETO, and the CH selected the applicable “Micro-Purchase ETO CH and/or Check Writer” or the “Warranted Overseas ETO CH” SD)*;
 - Necessary transaction supporting data was retained;
 - Maximum practicable opportunity for small business participation was sought given the circumstances.

*NOTE: The purchase log drop-down picklist capability in Access Online is being deployed in phases. Phase 2 deployment (use of

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mandatory fields in Access Online Order Management, including a CH SD drop-down menu) completion is anticipated by first quarter FY25. Prior to adoption, Components must continue to use the Access Online purchase log ETO drop-down menu to identify if the transaction is in support of an ETO.

- ii. Ensure ETO follow-up review results are retained in the Insights on Demand (IOD) Messages tab as part of a system or manually created IOD (DM) case. NOTE: IOD capabilities necessitate conducting the follow-up review and documenting compliance with requirements outside of IOD, using a Component-generated checklist or other designated electronic tool, and retaining these review results in the IOD Messages tab as part of the DM case adjudication process.
 - c) Ensures that, based on these reviews, designated officials are required to make recommendations to the HCA on changes to the policies and procedures identified above, and any administrative or disciplinary actions required.
 - d) Specifies the full range of potential corrective actions (e.g., refresher training) for non-compliances by the CH (e.g., inaccurate purchase log entries; failure to retain complete transaction supporting data in Access Online; failure to seek maximum practicable opportunity for small business participation given the circumstances) and the ETO follow-up reviewer (i.e., failure to: conduct a timely review; adhere to the other above ETO follow-up review conduct and documentation/retention requirements; and adhere to Component ETO follow-up review requirements). Requires cognizant GPC personnel identify non-compliances and take/inform proper authorities to take appropriate corrective action(s).
- 2) To validate that Components' ETO follow-up reviews are conducted and are effective, a compliance review process is hereby established and implemented requiring that:
- a) During every Semi-Annual Head of Activity Review (SAHAR) period, beginning with the Semi-Annual (SA) Head of Activity Review process for fiscal year (FY) 2024 SA1 (September 20, 2023 – March 19, 2024), Components must determine if any ETO transaction(s) require a follow-up review. For each such transaction, Components must determine if:
 - i. a follow-up review was completed;
 - ii. any non-compliances were identified;
 - iii. the review was effective; and
 - iv. appropriate corrective action(s) is planned or took place for each non-compliance.

A follow-up review is considered to be effective if it complied with all requirements in Attachment 1 paragraphs B.2.1.1(f)(1)(a) and (b), and Component ETO follow-up review policy and procedures (i.e., a “yes” response to the Attachment 1 paragraph B.2.1.1(f)(2)(a)(i) determination and a “no” response to the paragraph B.2.1.1(f)(2)(a)(ii) determination).

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NOTE: Components can use Access Online’s flex data reporting (see “30P046, Running-Flex-Data-Reports during Compliance Review Process for ETO Follow-up Reviews” at <https://www.acq.osd.mil/asda/dpc/ce/pc/training.html>) to assist in making these determinations. This document identifies procedures Components can follow to run the report to identify transactions CHs indicated were in support of an ETO, and for those requiring ETO reviews, determine and document: review compliance/non-compliance, review effectiveness, and whether appropriate corrective actions have been/will be taken. Otherwise, Component policy and procedures must specify how these determinations will be made and documented.

- b) Component Program Managers (CPMs) select and apply the relevant ETO follow-up review attestation on each Component-level SAHAR submission, relying on the Attachment 1 paragraph B.2.1.1(f)(2)(a) determinations. CPMs shall select from the Table 1 attestations for the FY 2024 SA1 period, and from the Table 2 attestations beginning with the FY 2024 SA2 period. The attestation may be included directly in the SAHAR Notes block or by indicating in the Notes block which attestation has been recorded on a Memorandum for the Record (MFR) attached to the IOD Messages tab.
- c) Annually, the Integrated Solutions Team (IST) GPC Governance Board will review Component ETO follow-up review compliance data. Additionally, select CPMs will brief attendees on their recommendations for changes to ETO follow-up review policies and procedures, and any administrative or disciplinary actions planned/taken, beginning in the fourth quarter of FY 2024.

Table 1. Component ETO Follow-up Review SAHAR Attestations for the FY 2024 SA1 Period

Attestation Summary	Attestation
Attestation 1: <i>no ETO follow-up reviews required this period</i>	For the period covered by this report, I attest that <u>[Fill In Component Name]</u> made no Governmentwide Commercial Purchase Card purchases in support of an Emergency-Type Operation (ETO), and therefore was not required to conduct any ETO follow-up reviews.
Attestation 2: <i>all ETO follow-up review(s) required this period were completed and complied with policy (i.e., all reviews were completed and were effective)</i>	For the period covered by this report, I attest that: (a) <u>[Fill In Component Name]</u> made <u>[Fill In Number]</u> Governmentwide Commercial Purchase Card purchases in support of an Emergency-Type Operation; (b) completed a follow-up review for each; and (c) identified no non-compliances.
Attestation 3: <i>all ETO follow-up review(s) required this period were either not completed and/or did not fully comply with policy (i.e., reviews were either not completed and/or not effective); all non-compliances being/to be tracked to closure.</i>	For the period covered by this report, I attest that: (a) <u>[Fill In Component Name]</u> made <u>[Fill In Number]</u> Governmentwide Commercial Purchase Card purchases in support of an Emergency-Type Operation; (b) <u>[Insert Number]</u> of these required reviews either were NOT completed or were completed but other non-compliances were identified; and (c) all non-compliances will be or have been tracked to closure.

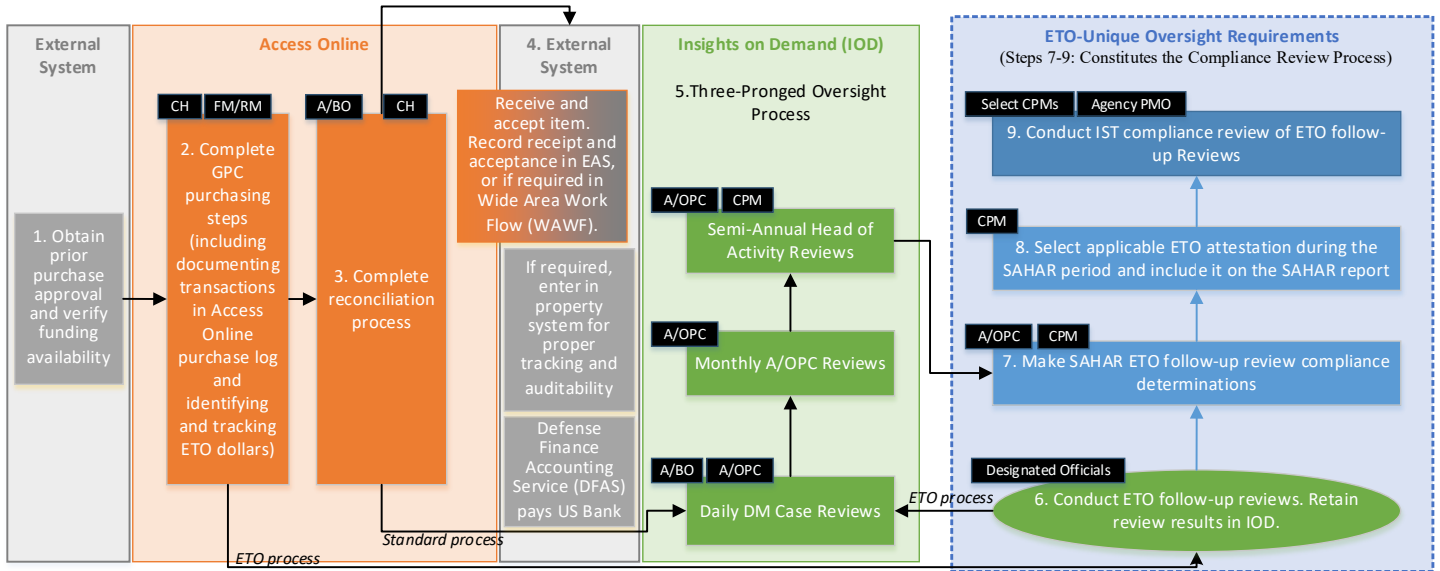
Attachment 1
Guidebook Requirements for Conducting ETO follow-up Reviews

Table 2. Component ETO Follow-up Review SAHAR Attestations for FY 2024 SA2 and Thereafter

Attestation Summary	Attestation
Attestation 1: <i>no ETO follow-up reviews required this period</i>	For the period covered by this report, I attest that <i>[Fill In Component Name]</i> made no Governmentwide Commercial Purchase Card purchases in support of an Emergency-Type Operation (ETO) priced above the micro-purchase threshold, excluding exceptions, as defined in FAR 2.101, and therefore was not required to conduct any ETO follow-up reviews.
Attestation 2: <i>all ETO follow-up review(s) required this period were completed and complied with policy (i.e., all reviews were completed and were effective)</i>	For the period covered by this report, I attest that: (a) <i>[Fill In Component Name]</i> made <i>[Fill In Number]</i> Governmentwide Commercial Purchase Card Emergency-Type Operation purchases priced above the micro-purchase threshold, excluding exceptions, as defined in FAR 2.101 requiring follow-up reviews; (b) completed a follow-up review for each; and (c) identified no non-compliances.
Attestation 3: <i>all ETO follow-up review(s) required this period were either not completed and/or did not fully comply with policy (i.e., reviews were either not completed and/or not effective); all non-compliances being/to be tracked to closure.</i>	For the period covered by this report, I attest that: (a) <i>[Fill In Component Name]</i> made <i>[Fill In Number]</i> Governmentwide Commercial Purchase Card Emergency-Type Operation (ETO) purchases priced above the micro-purchase threshold, excluding exceptions, as defined in FAR 2.101 requiring ETO follow-up reviews; (b) <i>[Insert Number]</i> of these required reviews were either not completed or were completed but other non-compliances were identified; and (c) all non-compliances will be or have been tracked to closure.

Attachment 2
ETO Tracking, Reviewing, and Reporting Oversight Responsibilities

Figure 1. Key Tracking, Reviewing, and Reporting Oversight Responsibilities and Corresponding Supplemental Notes¹



1. Obtain prior purchase approval for GPC requirement (i.e., a written requirement from a requestor other than the CH, and for self-generated purchases, the additional documentation and approvals in Guidebook Section A.1.2.2). The Financial/Resource Manager (FM/RM) notifies the appropriate personnel of funding availability.
2. Complete GPC purchasing steps identified in the Guidebook. Tracking, reviewing, and reporting responsibilities include the CH recording each requirement/intended order in the Access Online purchase log, and the FM/RM identifying and tracking all ETO dollars. Each purchase log entry includes selecting the appropriate CH Special Designation (SD) authority type in the “Delegated Procurement Authority Used” field.² For ETO transactions, the CH must have been granted the “Micro-Purchase ETO CH and/or Check Writer” or the “Warranted Overseas ETO CH” SD authority type in the Joint Appointment Module.
3. Complete reconciliation in Access Online:
 - i. CHs review each transaction and add supporting documentation (Electronic Attachments [EA]), complete transaction comments and custom fields, if applicable, match transactions to previously entered purchase log entries to approve each one individually, and then approve the overall CH statement.

¹ The flowchart provides an overview of key tracking, reviewing, and reporting oversight responsibilities. These requirements are fully defined in the Guidebook, or successor document, and GPC policy memos not yet incorporated into the Guidebook.

² The new purchase log drop-down picklist capability in Access Online is being deployed in phases. Phase 2 deployment (use of mandatory fields in Access Online Order Management, including a SD drop-down menu) completion is anticipated by first quarter FY25. Prior to adoption, Components must continue to use the Access Online ETO drop-down menu to identify if the transaction is in support of an ETO.

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ETO Tracking, Reviewing, and Reporting Oversight Responsibilities

- ii. Approving/Billing Officials (A/BOs) review each transaction (including EAs), transaction comments and custom fields, funding/line of accounting information, and purchase log entry; final approve each transaction; and certify the Managing Account Statement.
 - iii. Certifying Officers review and certify the billing cycle invoice for payment.
4. External system actions in this step occur independently of each other and may overlap.
5. Complete the three-pronged IOD oversight process: system-enabled tracking, reviewing, and reporting cycle consisting of daily DM case reviews, Monthly Agency/Organization Program Coordinator (A/OPC) Reviews, and SAHARs. As part of Monthly A/OPC Reviews, A/OPCs perform a summary assessment using bank reports of 100% of their monthly transactions; A/BOs review 100% of their monthly transactions.
6. Designated Officials conduct ETO follow-up reviews for ETO transactions priced above the MPT, excluding exceptions, as defined in FAR 2.101. Follow-up reviews take place as soon as practicable, but shall be completed no later than 60 days after the transaction posting date. Review results must be retained in the IOD Messages tab as part of a system or manually created IOD DM case.

Steps 7, 8, and 9 jointly constitute the Compliance Review Process:

7. Each SAHAR period, Components make ETO follow-up review compliance determinations, beginning by determining if they have one or more ETO transaction(s) requiring an ETO follow-up review. For each such transaction, they must additionally determine if: the review was completed and complied with DoD and Component ETO follow-up review policy and procedures; the review was effective; and appropriate corrective action(s) is planned or took place for each review non-compliance.
8. Each SAHAR period, CPMs must select the applicable ETO follow-up review attestation and include it on the SAHAR Report, either in the Notes block or indicate in the Notes block which attestation has been recorded on an MFR attached to the IOD Messages tab.
9. The IST conducts an annual review of ETO follow-up review compliance data. This includes select CPMs briefing IST attendees on their recommendations for changes to ETO follow-up review policies and procedures, and any administrative or disciplinary actions planned/taken.